

Accounts payable and accrued liabilities at December 31, 2019 and 2018 are as follows:

	2019	2018
Trade payables	\$ 8,676	\$ 9,488
Accrued payroll, vacation and payroll taxes	628	506
Accrued expenses, bonus and commissions	1,917	1,864
Total	<u>\$ 11,221</u>	<u>\$ 11,858</u>

## 7. LOANS PAYABLE

Plan B, a subsidiary of the Company, entered into a business loan agreement, prior to being acquired by the Company, with Tri Counties Bank dated March 14, 2014, in the original amount of \$131 bearing interest at 4.95%. The loan agreement called for monthly payments of \$2 and was scheduled to mature on March 14, 2019. Proceeds from the loan were used to purchase a pile driver and related equipment and is secured by the equipment. The loan was fully paid off during the year ended December 31, 2019.

Plan B entered into a business loan agreement prior to being acquired by the Company, with Tri Counties Bank dated April 9, 2014, in the original amount of \$250 bearing interest at 4.95%. The loan agreement calls for monthly payments of \$5 and was scheduled to mature on April 9, 2019. Proceeds from the loan were used to purchase racking inventory and related equipment. The loan was secured by the inventory and equipment. The loan was fully paid off during the year ended December 31, 2019.

On January 5, 2016, the Company entered into a loan agreement for the acquisition of a pile driver in the principal amount of \$182 bearing interest at 5.5%. The loan agreement calls for monthly payments of \$4 and is scheduled to mature on January 15, 2020. The loan is secured by the equipment. The outstanding balance at December 31, 2019, is \$4.

On September 8, 2016, the Company entered into a loan agreement for the acquisition of a pile driver in the principal amount of \$174 bearing interest at 5.5%. The loan agreement calls for monthly payments of \$4 and is scheduled to mature on September 15, 2020. The loan is secured by the equipment. The outstanding balance at December 31, 2019, is \$36.

On November 14, 2016, the Company entered into a 0% interest loan agreement for the acquisition of an excavator in the principal amount of \$59. The loan agreement calls for monthly payments of \$1 and is scheduled to mature on November 13, 2020. The loan is secured by the equipment. The outstanding balance at December 31, 2019, is \$13.

On December 23, 2016, the Company entered into a loan agreement for the acquisition of modular office systems and related furniture in the principal amount of \$172 bearing interest at 4.99%. The loan agreement calls for 16 quarterly payments of \$12 and is scheduled to mature in September 2020. The loan is secured by the equipment. The outstanding balance at December 31, 2019, is \$35.

As of December 31, 2019 and 2018, loans payable are summarized as follows:

	2019	2018
Business loan agreement dated March 14, 2014	-	7
Business loan agreement dated April 9, 2014	-	19
Equipment notes payable	88	241
Subtotal	88	267
Less: Current position	(88)	(179)
Long-term position	\$ -	\$ 88

## 8. ACQUISITION PROMISSORY NOTE

On February 28, 2015, the Company issued a 4% convertible promissory note in the aggregate principal amount of \$2,650 as part of the consideration paid to acquire 100% of the total outstanding stock of MD Energy. The note is convertible into shares of common stock on or after each of the following dates: November 30, 2015, November 30, 2016 and November 30, 2017. The conversion price is \$18.20 per share. A beneficial conversion feature of \$3,262 was calculated but capped at the \$2,650 value of the note. The beneficial conversion feature was calculated by multiplying the difference between the fair value of stock at the date of the note \$40.60 less the conversion price of \$18.20 multiplied by the maximum number of share subject to conversion, 145,604. In November 2015, the Company issued 48,535 shares of common stock upon conversion of the principal amount of \$883. Commencing on March 31, 2015, and each quarter thereafter during the first two (2) years of the note, the Company made quarterly interest only payments to the shareholder for accrued interest on the Note during the quarter. Commencing with the quarter ending on June 30, 2017, the Company began to make quarterly payments of interest accrued on the convertible note during the prior quarter plus \$151 with the final payment of all outstanding principal and accrued but unpaid interest on the convertible note due and payable on February 28, 2020 (the maturity date). The debt discount is fully amortized and has zero balance at December 31, 2019 and 2018. The Company recorded interest expense of \$19 and \$43 during the years ended December 31, 2019 and 2018, respectively. The outstanding balances at December 31, 2019 and 2018 were \$252 and \$858, respectively.

The Company evaluated the foregoing financing transactions in accordance with ASC Topic 470, *Debt with Conversion and Other Options*, and determined that the conversion feature of the convertible promissory note was afforded the exemption for conventional convertible instruments due to its fixed conversion rate. The convertible promissory notes had explicit limits on the number of shares issuable, so they did meet the conditions set forth in current accounting standards for equity classification. The convertible promissory notes were issued with non-detachable conversion options that were beneficial to the investors at inception because the conversion option has an effective strike price that is less than the market price of the underlying stock at the commitment date. The accounting for the beneficial conversion feature required that the beneficial conversion feature be recognized by allocating the intrinsic value of the conversion option to additional paid-in-capital, resulting in a discount on the convertible notes, which was amortized and recognized as interest expense.

## 9. CONVERTIBLE PROMISSORY NOTES

Convertible promissory note at December 31, 2019 and 2018 are as follows:

	2019	2018
Convertible promissory notes	\$ -	\$ 100
Less: debt discount	-	-
Convertible promissory notes, net	\$ -	\$ 100