

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF FLORIDA
WEST PALM BEACH DIVISION
www.flsb.uscourts.gov

In Re:

FLITWAYS TECHNOLOGY, INC.

Case No.: 21-10317-EPK
Chapter 11

and

(JOINTLY ADMINISTERED)

TIGER REEF, INC.

Case No.: 21-10320-EPK
Chapter 11

and

BLUE WATER GLOBAL GROUP, INC.

Case No.: 21-10322-EPK
Chapter 11

Debtors-in-Possession.

**CREDITOR, CONVERTIBLE NOTEHOLDER BLACK MOUNTAIN EQUITIES, INC.’S
MOTION FOR AN ORDER, PURSUANT TO 11 U.S.C. §§105(A), 363, AND 541 (I)
AUTHORIZING ISSUANCE OF CONVERSION NOTICE; (II) REQUIRING DEBTOR
TO COMPLY WITH THE NOTICE; AND (III) DEEMING THE AUTOMATIC STAY
INAPPLICABLE OR, IN THE ALTERNATIVE, GRANTING RELIEF FROM THE
AUTOMATIC STAY PURSUANT TO 11 U.S.C. §362**

**[Moving counsel hereby certifies that prior to filing this instant motion an attempt was
made to resolve this matter without court action, but movant has been unable to
do so, and requests a prompt hearing on the relief sought]**

Creditor¹, Convertible Note Holder, Black Mountain Equities, Inc., (“Black Mountain”) as the holder of that certain Convertible Note No. BLUU-1 (the “Black Mountain Note”)² given by Debtor, in Case No.: 21-10322-EPK (the “Blue Water Case”)³, Blue Water Global Group, Inc.

¹ Pursuant to Debtor, Blue Water’s Schedules E/F, under No. 3.6 on pg. 10 of 31 (D.E. 1), Blue Water claims that \$112,000.00 in unsecured debt is due and owing (the “Amount Due”) from Blue Water to Black Mountain, and that such debt is non- contingent, liquidated, and undisputed.

² A true and correct copy of the Black Mountain Note is attached as Ex. A hereto.

³ All references herein to D.E. or ECF Nos. shall be in the Blue Water Case and not the jointly administered case unless otherwise noted.

(“Blue Water” or “Debtor” or “Company”), a Nevada corporation⁴, to Black Mountain in the principal amount of \$250,000 with issue date of December 22, 2014, by and through undersigned counsel, and pursuant to 11 U.S.C. §§105(a), 362, 363, & 541, the Federal Rules of Bankruptcy Procedure, and the Local Rules for the United States Bankruptcy Court for the Southern District of Florida, hereby files this its Motion (the “Black Mountain Motion”) seeking an order:

(i) authorizing the issuance of Black Mountain’s January 26, 2021 conversion notice (the “Black Mountain Conversion Notice”)⁵, converting \$40,800.00 of debt at a conversion price of \$.00024 to 170,000,000 shares of freely tradeable Common Stock of Blue Water (the “Black Mountain Shares”), pursuant to which Blue Water, by and through its authorized transfer agent VStock Transfer, LLC (hereinafter the “Transfer Agent” or “TA”), would deliver to Black Mountain the Black Mountain Shares, in accordance with the terms and conditions of the Black Mountain Note⁶, pursuant to 11 U.S.C. §§105(A), 363, and 541;

(ii) requiring Blue Water to establish and allocate a sufficient “reserve” of the Black Mountain Shares, as held by the Transfer Agent on behalf of Blue Water, and to comply with the Black Mountain Conversion Notice; and

(iii) to the extent deemed necessary, granting relief from the automatic stay in the current bankruptcy proceeding pursuant to 11 U.S.C. §362(d)(1) and/or (2), and as grounds in support of the same, states as follows:

⁴ Pursuant to the preamble to the Black Mountain Note, Blue Water represents itself to be a Nevada corporation, and §7 of the Black Mountain Note, Nevada law applies to the interpretation and enforcement of the Black Mountain Note.

⁵ A true and correct copy of the Black Mountain Conversion Notice is attached as Ex. B hereto.

⁶ As set forth in §3 of the Black Mountain Note, which Black Mountain Conversion Notice was issued in compliance with §3(b)(i) of the Black Mountain Note, utilizing the Form Conversion Notice set forth as Ex. A to the Black Mountain Note.

I. JURISDICTION AND VENUE

1. The Court has jurisdiction over this matter pursuant to 28 U.S.C. §1334, and Local Rule 1001-1. This matter is a core proceeding within the meaning of 28 U.S.C. §157(b)(2). The venue of Blue Water's bankruptcy case and this Black Mountain Motion are proper pursuant to 28 U.S.C. §1408(1) & §1409(a).

2. Black Mountain does not consent to the entry of final orders and judgments by the bankruptcy judge, and does not waive its rights to: (1) have final orders in non-core matters entered only after *de novo* review by a District Court judge; (2) trial by jury in any proceeding so triable; or (3) have the District Court withdraw the reference in any matter subject to mandatory or discretionary withdrawal.

II. DEBTOR BLUE WATER

3. On January 14, 2021 (the "Petition Date"), Debtor, Blue Water, a non-operating publicly traded shell Nevada corporation⁷ with no employees⁸, no income⁹, no operations, no executory contracts¹⁰, no co-debtors¹¹, no assets¹², no secured creditors¹³, unknown priority tax

⁷ See Blue Water's SEC Form 8-K, dated January 14, 2021, filed at <http://archive.fast-edgar.com/20210121/AJ22U22CZ22H22Z2222W2MYZAU6K8ZH28232/>

⁸ Blue Water's Case Management Summary, ¶11 (D.E. 9)

⁹ Blue Water's SOFA No. 1, at pg. 19 (D.E. 1)

¹⁰ Blue Water's Schedule G, pg. 15 (D.E. 1)

¹¹ Blue Water's Schedule H, pg. 16 (D.E. 1)

¹² Blue Water's Schedule A/B In. 92, pg. 5-7 (D.E. 1), and Blue Water's Case Management Summary, ¶9 (D.E. 9)

¹³ Blue Water's Case Management Summary, ¶8 (D.E. 9)

debt¹⁴, and \$1,775,685.24 in unsecured debt¹⁵, comprised almost of all convertible debt¹⁶, like that under the Black Mountain Note, filed a voluntary 11 proceedings in this United States Bankruptcy Court for the Southern District of Florida.

4. During the pendency of its Chapter 11 case, Blue Water, while not actually operating, since it has not had any operations or income since 2015¹⁷, it is nonetheless continuing to operate its business as a debtor-in-possession, pursuant to §§1107(a) and 1108 of the Bankruptcy Code¹⁸.

5. In this case, primarily all of the debt of Blue Water is comprised of convertible note holders who like Black Mountain, are traders who, in the event a company like Blue Water, does not pay it back, can convert the notes to stock, and sell the shares on the open market.

6. Blue Water claims that its sole reason for filing bankruptcy is “to eliminate its debt so that it can be sold or merged into a viable new entity,”¹⁹ apparently for the benefit of its preferred shareholder, Mina Mar Group, Inc. which holds 35 preferred shares of Blue Water²⁰,

¹⁴ Id.

¹⁵ Id.

¹⁶ Blue Water’s List of 20 Largest Unsecured Creditors (D.E. 3)

¹⁷ Blue Water’s Case Management Summary, ¶7 (D.E. 9), and SOFA No. (D.E. 1)

¹⁸ Blue Water’s Case Management Summary, ¶¶3 & 5 (D.E. 9)

¹⁹Blue Water’s Case Management Summary, ¶5 (D.E. 9)

²⁰ Blue Water’s List of Equity Security Holders, ¶5 (D.E. 4). Despite being a publicly traded company whose shares are being actively publicly traded, Debtor, Blue Water, has violated and failed to fully comply, by not fully listing its equity security holders, as required by Fed. R. Bankr. P. 1007(a)(3) which requires Debtor to file “a list of the debtor’s equity security holders of each class showing the number and kind of interests registered in the name of each holder, and the last known address or place of business of each holder”. Debtor has only listed its preferred shareholders. Debtor’s Petition should be dismissed for its failure to comply with Rule 1007(a)(3).

and will apparently retain its interest with no required capital contribution, or other new value²¹, from equity, in violation of the absolute priority rule, and which plan, if and when submitted, would be otherwise non confirmable under 11 U.S.C. §1129.

III. THE BLACK MOUNTAIN NOTE

7. Prior to the Petition Date, Blue Water executed the Black Mountain Note, thereby entering into a contract with Black Mountain for Black Mountain's investment in Blue Water.

8. Pursuant to §7 of the Black Mountain Note, it is to be interpreted and enforced under Nevada law.²²

IV. CONVERSION RIGHTS UNDER THE BLACK MOUNTAIN NOTE

9. Pursuant to §3 of the Black Mountain Note, any time after May 21, 2015, the Black Mountain Note granted Black Mountain the absolute right to convert, at any time, the principal amount of its outstanding debt, together with accrued interest, penalties and fees, in whole or in part, into shares of authorized, but unissued, Blue Water common stock.

10. Pursuant to §3(d)(i) of the Black Mountain Note, Blue Water agreed and was required to establish a reserve, allocated solely for Black Mountain and as held by the TA, of at least three times a sufficient number of Blue Water shares, free from preemptive rights, for Black

²¹ The new value doctrine requires equity holders to make a substantial and essential contribution in exchange for their continued ownership of the debtor. To be substantial, the contribution (i.e., new value) must be: (1) a present contribution; (2) freely tradable in the market; and (3) money or money's worth. To be essential, this new contribution must be directly related to the success of the reorganization plan.

²² Nevada law provides that Blue Water is under a duty to register a transfer of its securities and is liable to the person seeking the transfer for any losses stemming from the refusal to register the transfer. See NRS 104.8401. In *Owen v. Seed Products International, Inc.*, 947 F.2d 954 (10th Cir. 1991), the Court, relying on the Utah version of §8-401 of the Uniform Commercial Code, affirmed an award of compensatory and punitive damages involving a wrongful refusal to transfer. As the Court concluded at 955, "this case is not an action for breach of contract, but one for willful violation of the statutorily imposed duty."

Mountain's equity conversions of the outstanding debt.

11. Pursuant to §3(d)(i) of the Black Mountain Note, on September 29, 2015, Blue Water and Black Mountain jointly sent a letter to the Transfer Agent, to reserve at least 350,000,000 shares of common stock for Black Mountain's benefit, in the event it exercises its conversion rights under §3 of the Black Mountain Note (the "Black Mountain Share Reservation Letter"), which Black Mountain Share Reservation Letter is attached as Ex. C hereto.

12. Pursuant to §3(b)(i) of the Black Mountain Note, Black Mountain properly issued its Black Mountain Conversion Notice entitling it to receive from Blue Water's transfer agent the Black Mountain Shares in Blue Water.

13. Pursuant to §3(c) of the Black Mountain Note, Black Mountain's exercise of its Black Mountain Conversion Notice could not result in the Black Mountain Shares becoming a controlling interest in Blue Water, therefore such conversion would not interfere with Debtor's management of its affairs as Debtor in Possession.

14. By the instant Black Mountain Motion, Black Mountain requests that this Court authorize Black Mountain's issuance of the Black Mountain Conversion Notice to Blue Water and its Transfer Agent, and allow it to exercise its right to convert \$40,800.00 of the debt owed it into 170,000,000 shares of Blue Water common stock.

15. There can be no dispute that Black Mountain's conversion of a portion of its debt into equity would be beneficial to the Debtor, Blue Water's Estate and other creditors. A reduction in the extent of Black Mountain's debt, would provide a material benefit to the Debtor as it seeks to reorganize and emerge from the instant bankruptcy proceedings. Reductions in overall claims, incremental or otherwise, against the Debtor, would be wholly beneficial and without adverse impact on the Debtor or its estate.

16. Additionally, there can be little dispute that the unsecured creditors would benefit by Black Mountain's conversion of its debt into equity, in whole or in part. By converting a portion of Black Mountain's debt into shares of Blue Water's common stock, Black Mountain would reduce the total claims against the Estate and the Debtor. Each unsecured creditor would receive an incremental increase, on a pro rata basis, of its prospective recovery arising from the Bankruptcy Action. The conversion of Black Mountain's investment in Blue Water into that of a shareholder, in whole or in part, from a creditor would be a boon to others, without the consonant harm to the Debtor, the Estate or to any creditor.

17. Black Mountain has filed this Black Mountain Motion because Debtor Blue Water has refused to honor the Black Mountain Conversion Notice on the basis that it claims it is a violation of the automatic stay of 11 U.S.C. §362(a), and has instructed its transfer agent to reject the Black Mountain Conversion Notice, despite Black Mountain's right to convert under the Black Mountain Note.

18. Pursuant to §3(d)(v) of the Black Mountain Note, notwithstanding and without waiving its right to pursue damages, Black Mountain is entitled to enforce its conversion rights under §3 of the Black Mountain Note by way of specific performance or injunctive relief, and may do so without the necessity of having to post a bond.

19. Despite the filing of its Chapter 11 petition, Blue Water's shares are actively trading in the public market and thus Black Mountain will be able to participate in the market upon conversion of the Black Mountain Note. Given the current active market for Blue Water's equity, every day Black Mountain is delayed from exercising its conversion rights results in further irreparable harm to Black Mountain as a result of lost trading opportunities.

V. THE CONVERSION NOTICE DOES NOT VIOLATE THE AUTOMATIC STAY

20. As the Black Mountain Shares to be issued are not property of Blue Water's estate, as defined in §541(a)(1) as “all legal or equitable interests of the debtor in property”, Black Mountain respectfully submits that the automatic stay does not apply in this context (including as to Black Mountain's issuance of the Black Mountain Conversion Notice and Blue Water's compliance therewith). Nonetheless, out of an abundance of caution and because Blue Water has threatened litigation against Black Mountain for seeking to exercise its conversion rights, Black Mountain files this Motion seeking an Order confirming that the automatic stay does not apply or, in the alternative, for relief from the automatic stay and requiring Blue Water to honor the Black Mountain Conversion Notice.

VI. THE REQUESTED RELIEF²³

21. Black Mountain requests that this Court enter an Order compelling Blue Water, and it's Transfer Agent as an authorized agent of Blue Water, to honor the Black Mountain Conversion Notice, in accordance with the terms and conditions of the Black Mountain Note. For the reasons set forth below, Black Mountain respectfully asserts that the to-be-issued shares of common stock are not property of the Estate and that the delivery of the Black Mountain Conversion Notice to the TA or to Blue Water, and Blue Water's and Transfer Agent's compliance therewith (or any of the related actions necessary to consummate the issuance) would not implicate and/or violate §362's automatic stay. But, out of an abundance of caution and

²³ The Relief requested in this Black Mountain Motion traces and is identical to the relief sought by Auctus Fund, LLC (“Auctus”), who happens to also be a convertible note holder in this bankruptcy, in the Chapter 11 Case of Players Network, case No. 20-12890-MKN filed in the Bankruptcy Court for the District of Nevada before Bankruptcy Judge Mike K. Nakagawa under D.E. 61 & 106, which relief was granted by the Court at D.E. 120.

because Blue Water has refused to issue common stock in response to a conversion request submitted post-petition despite that conversion will benefit Blue Water, its estate, and other creditors, Black Mountain respectfully requests that this Court issue an Order (1) confirming the inapplicability of the automatic stay, or, to the extent necessary, granting Black Mountain relief from, the automatic stay; (2) authorizing Black Mountain to issue the Black Mountain Conversion Notice to Blue Water; and (3) requiring Blue Water and its Transfer Agent, as an authorized agent of Blue Water, to comply fully with such Black Mountain Conversion Notice.

VII. ARGUMENT

A. The Common Stock to Be Issued to Black Mountain Is Not Property of the Estate, and Blue Water Should Be Required to Comply with the Black Mountain Conversion Notice.

22. Black Mountain recognizes that one of the significant goals of the bankruptcy process is to protect and preserve assets of a debtor's estate in order to pay creditors. *See, e.g., Dye v. Taxe (In re Kellogg-Taxe)*, No. 2:12-BK-51208-RN; Adv. No. 2-13-AP-02019-RN, 2014 Bankr. LEXIS 1213, at *22 & n. 11 (C.D. Cal. Mar. 28, 2014) ("Indeed, courts have found there is a strong public interest in the preservation of a debtor's assets for the purpose of paying creditors. . . .") (quoting *In re Howard*, 422 B.R. 593, 605 (Bankr. W.D. Pa. 2010) (further citation omitted)). At the same time, that concern does not apply to assets that the debtor does not own and thus are not property of the estate. In fact, based upon Blue Water's sworn statements it doesn't even have any assets or property in its estate²⁴.

23. Authorized but unissued shares of a debtor's stock are not assets of the corporation and hence not property of a bankrupt estate. *See In re CPT Corp.*, BKY No. 4-90-5759, 1992 Bankr.

²⁴ Blue Water's Schedule A/B ln. 92, pg. 5-7 (D.E. 1), and Blue Water's Case Management Summary, Par. 9 (D.E. 9)

LEXIS 1474, at *13 (Bankr. D. Minn. Sept. 21, 1992); *Decker v. Advantage Fund (In re .ITS Corp.)*, No. 98-59752 MM, 2001 Bankr. LEXIS 2066, at *13 (Bankr. N.D. Cal. May 22, 2001) (dismissing adversary proceeding seeking to avoid transfers of the debtor's shares of stock caused by conversion of preferred stock to common stock and recognizing the "fundamental principle of corporate law that authorized by unissued stock has no value to the issuing corporation itself"²⁵; *In re Paso Del Norte Oil Co.*, 755 F.2d 421, 424 (5th Cir. 1985) ("It is widely recognized, and we have previously held, that a corporation, even if a debtor in bankruptcy, has no property interest in the shares of its stock owned by shareholders."); *In re Curry and Sorenson*, 57 B.R. 824, 829 (B.A.P. 9th Cir. 1986) ("A share of capital stock represents a unit of ownership interest and has no extrinsic value to the corporation itself").

24. Indeed, the Bankruptcy Code itself reflects that a debtor's unissued securities are distinct from "property of the estate." *See 11 U.S.C. §1123(a)(5); Decker*, 2001 Bankr. LEXIS 2066, at *14 ("Significantly, §1123(a)(5) separately classifies sales of property of the estate and the issuance of securities as two independent means to fund a plan of reorganization. The distinction emphasizes that unissued securities are not property of the estate but require a separate statutory instruction.") (citing 11 U.S.C. §1123(a)(5)(D) and (J)).

25. As a result, a debtor's issuance of shares outside of the ordinary course of business,

²⁵ The Ninth Circuit's decision in *Decker v. Advantage Fund Ltd.* squarely controls the issues presented in Black Mountain's Motion. 362 F.3d (9th Cir. 2004) ("Appellees are correct that unissued stock is not an interest of the debtor corporation in property; it is merely equity in the corporation itself."). The facts in *Decker* align with the facts in this case. In both situations, the party that had been issued shares (as in *Decker*) or which was seeking the issuance of shares (as with Black Mountain here) already had paid fair and valuable consideration to the debtor to receive the right to convert to common stock. *Id.* (noting that appellees had paid \$40 million for the preferred stock that included the option to convert to common shares.) The *Decker* Court appropriately based its holding on the fact that the debtor already had received consideration for the shares and would not receive any consideration by voiding the stock issuance. *Id.* ("Since an action directed at recovery of corporate stock could only affect equitable ownership of the corporation and would not restore property to the estate or avoid an estate obligation, then it is not a transfer subject to question under Section 548.") (quoting *In re Curry and Sorenson*, 57 B.R. 824, 829 (B.A.P. 9th Cir. 1986)). Blue Water in this case already has received full value in issuing the Black Mountain Note to Black Mountain. Denying Black Mountain its right to convert the debt to common shares "would not restore property to the estate or avoid an estate obligation." *Id.*

including to honor pre-petition obligations to convert debt securities to common stock, does not violate Bankruptcy Code §363 restricting use or sale of estate property. *See In re Mid-America Petroleum, Inc.*, 71 B.R. 140, 141 (Bankr. N.D. Tex. 1987) (holding that "authorized but unissued shares of a corporate debtor are not property of the estate" such that "any dealings with such stock may be done outside §363's limitations").

B. The Automatic Stay Is Either Not Implicated by, or Should Be Lifted to Allow, the Issuance of the Black Mountain Conversion Notice and Blue Water's and TA's Compliance Therewith.

1. The Automatic Stay Is Not Implicated by Black Mountain's Issuance of the Black Mountain Conversion Notice or By Compliance of the TA or Blue Water

26. The automatic stay provided by §362(a) prohibits various categories of actions during the pendency of the bankruptcy case. *See 11 U.S.C. §362(a)*. "The Section 362 automatic stay gives the bankruptcy court an opportunity to harmonize the interests of both debtor and creditors while preserving the debtor's assets for repayment and reorganization of his or her obligations." *In re Mac Donald*, 755 F.2d 715, 717 (9th Cir. 1985). The automatic stay provides the debtor with relief from the pressure and harassment of creditors seeking to collect their claims. *See 3 Collier on Bankruptcy* ¶ 362.03 (16th ed. 2013). The stay also protects property that may be necessary for the debtor's fresh start and provides breathing space to permit the debtor to focus on rehabilitation or reorganization. *Id.* In addition, the stay provides creditors with protection by preventing the dismemberment of a debtor's assets by individual creditors levying on the property, thereby promoting the bankruptcy goal of equality of distribution. *Id.*

27. However, for the reasons set forth herein, the automatic stay is inapplicable to the exercise of Black Mountain's conversion rights because Blue Water common stock is not property of the estate or the debtor, and the issuance of the Black Mountain Conversion Notice

is not an attempt to assess, collect, or recover a claim against the Debtor, Blue Water.

28. The first two categories covered by the automatic stay are inapplicable here because Black Mountain, by issuing the Black Mountain Conversion Notice, is not seeking to pursue a lawsuit or enforce a judgment against Blue Water. 11 U.S.C. §362(a)(1) and (2).

29. While the automatic stay also operates to stay "any act to obtain possession of property of the estate or of property from the estate or to exercise control over property of the estate," 11 U.S.C. §362(a)(3), that subsection also does not apply to stay Black Mountain's issuance of the Black Mountain Conversion Notice to obtain Blue Water common stock. The bankruptcy courts consistently have held that a debtor's common stock is not "property of the estate" or "property from the estate." *See Decker*, 2001 Bankr. LEXIS 2066, at *13 ("authorized by unissued stock has no value to the issuing corporation itself"); *In re Paso Del Norte Oil Co.*, 755 F.2d at 424 ("a corporation, even if a debtor in bankruptcy, has no property interest in the shares of its stock owned by shareholders."); *In re Curry and Sorenson*, 57 B.R. at 829 ("A share of capital stock represents a unit of ownership interest and has no extrinsic value to the corporation itself.").

30. As Black Mountain does not seek to create or enforce any lien against property of the estate or the debtor, subsections §362(a)(4) and (5) also do not apply to preclude Black Mountain from converting debt into Blue Water common stock. 11 U.S.C. §362(a)(4) & (5).

31. Black Mountain further states that its intent to convert amounts due under the Notes to Blue Water common stock also does not constitute an "act to collect, assess, or recover a claim against the debtor." 11 U.S.C. §362(a)(6). The Bankruptcy Code defines a "claim" to mean a "right to payment" or a "right to an equitable remedy for breach of performance if such breach gives rise to a right to payment." 11 U.S.C. §101(5). By issuing the Black Mountain Conversion Notice, Black Mountain is not seeking to recover on its claim against Blue Water. Black Mountain instead

would be foregoing collecting payment of amounts due to it, as included in the Black Mountain Conversion Notice, and instead would become a Blue Water shareholder as to such amounts. Such an action is outside the scope of §362(a)(6). *See, e.g., In re First Am. Health Care of Ga., Inc.*, Nos. 96-20188, 96-20190, 96-20218, 1997 WL 33477665, at *5 (Bankr. S.D. Ga. Apr. 28, 1997) (holders of options to purchase the debtor's shares "possessed no ownership right or interest in the Debtor corporation, but rather a right to purchase shares at a subsequent date. The decision to exercise an option did not affect property of the estate because it only required the Debtor to issue an equity interest in the corporation in exchange for the purchase price. *Exercise of the option was not stayed by §362(a)(6) because it was not an act to recover a claim as defined by Section 101(5)(A) & (B).*") (emphasis added).

32. The remaining provisions of §362(a) do not apply to stay Black Mountain from issuing the Black Mountain Conversion Notice and requiring Blue Water and its Transfer Agent to issue the Black Mountain Shares because Black Mountain has no debt owing to Blue Water for which it would seek a setoff, 11 U.S.C. §362(a)(7), and the requested conversions are unrelated to any tax liabilities of Blue Water. 11 U.S.C. §362(a)(8).

33. Because no provisions of §362(a) apply to this case, Black Mountain respectfully requests that the Court enter an Order compelling Blue Water and its Transfer Agent to comply therewith, and confirm that the Black Mountain Conversion Notice does not violate the automatic stay of §362.

2. Even if the Automatic Stay Applied, Relief from the Stay Is Appropriate in this Case.

34. In instances where the automatic stay does apply, the Bankruptcy Court may grant relief from the stay upon the request of a party in interest under either §362(d)(1) (for cause) or

§362(d)(2) (lack of equity in the property and property not necessary for an effective reorganization). Here, relief would be warranted under either provision.

35. Section 362(d)(1) of the Bankruptcy Code provides that "[o]n request of a party in interest and after notice and a hearing, the court shall grant relief from the stay . . . (1) for cause. . ." 11 U.S.C. §362(d)(1). "Because there is no clear definition of what constitutes 'cause,' discretionary relief from the stay must be determined on a case by case basis." *In re Mac Donald*, 755 F.2d 715, 717 (9th Cir. 1985) (citing 2 Collier on Bankruptcy Manual §362.06 (3d ed. 1979)). "The term 'cause' as used in §362(d)(1) is a broad and flexible concept which permits a bankruptcy court, as a court of equity, to respond to inherently fact-sensitive situations." *Scripps GSB I, LLC v. A Partners, LLC (In re A Partners, LLC)*, 344 B.R. 114, 127 (Bankr. E.D. Cal. 2006) (quoting *In re Indian River Estates, Inc.*, 293 B.R. 429, 433 (Bankr. N.D. Ohio 2003) (further citation omitted).

36. In a transaction-related context, the bankruptcy courts consider certain factors "in determining whether the automatic stay should be modified for cause, which include: (1) an interference with the bankruptcy; (2) good or bad faith of the debtor, (3) injury to the debtor and other creditors if the stay is modified; (4) injury to the movant if the stay is not modified; and (5) the relative proportionality of the harms from modifying or continuing the stay." *Id.* Black Mountain respectfully submits that consideration of these factors weighs strongly in favor of granting it relief from the automatic stay.

37. First, the exercise of Black Mountain's conversion rights would not interfere with the Bankruptcy. Additionally, there can be little dispute that the conversions by Black Mountain would result in the reduction of outstanding debt and a windfall for the Estate, Blue Water and its creditors, while providing greater judicial flexibility in the management of the bankruptcy

proceedings.

38. As to the second factor of Blue Water's good or bad faith, Black Mountain submits that the second factor is neutral and neither harms nor supports Black Mountain's Motion or requested relief, a Court Order will nonetheless clarify the authority of Black Mountain to seek conversions and provide judicial confirmation the Black Mountain Conversion Notice does not violate the automatic stay under §362.

39. Additionally the fact that Debtor has no assets, employees, secured creditors, income, property, operations, and doubtful tax liabilities, and has admittedly filed this case solely to inure to the benefit of its preferred shareholder, Black Mountain respectfully submits that it appears this case was filed in bad faith, for the sole purpose to harm the creditors, and in violation of Debtor in Possession's duty to them, but rather to favor Debtor's insiders, and meets the test for bad faith dismissal set forth by the Eleventh Circuit in *In re Phoenix Piccadilly, Ltd.*, 849 F.2d 1393, 1394 (11th Cir. 1988) and in *In re Albany Partners, Ltd.*, 749 F.2d 670, 674 (11th Cir. 1984).

40. With respect to the third factor, Black Mountain submits that neither Blue Water nor other creditors would be harmed by lifting the stay to permit Black Mountain to submit its Black Mountain Conversion Notice and requiring Blue Water and its Transfer Agent to process them. Each conversion transaction by Black Mountain will, on a pro rata basis, reduce Blue Water's debt, which will benefit the Estate as well as other creditors.

41. As to the fourth factor, Black Mountain contends that it will suffer significant injury if the Court does not clarify the inapplicability of the automatic stay, or, in the alternative, modify the automatic stay and provide Black Mountain with relief. Despite the pendency of these bankruptcy proceedings, Blue Water's common shares are actively trading in the public OTC market. By the issuance of this Court's Order, Black Mountain thus could participate immediately

in the public market for Blue Water shares immediately upon issuance. Given this current active market for Blue Water's equity, every day that Black Mountain is delayed from exercising its right to convert results in further irreparable harm to Black Mountain as a result of lost trading opportunities.

42. Finally, the balance of harms clearly weighs in favor of finding cause to lift the automatic stay. Denial of relief will cause Black Mountain irreparable harm by losing out on opportunities to trade in Blue Water common shares, as is its right under the Black Mountain Note. Nothing would be gained by the Estate, Blue Water or its creditors by a denial of relief to Black Mountain. On the other hand, granting Black Mountain with relief from the stay will undoubtedly provide a windfall to the Estate and its creditors by reducing the amount of Black Mountain's claim, and by the change in status from creditor, in whole or in part, to shareholder of Blue Water.

43. Given Black Mountain's interest and the potential harm to it if the Black Mountain Shares are not issued, and the benefit to Blue Water's estate and other creditors by the reduction in claims, cause clearly exists to lift the automatic stay. Accordingly, for the reasons stated, Black Mountain respectfully requests that this Court grant relief from Blue Water's automatic stay, if applicable, in accordance with 11 U.S.C. §362(d)(1) and authorize the issuance of the Black Mountain Conversion Notice and require Blue Water to comply therewith.

44. Moreover, to the extent the automatic stay were deemed applicable, relief pursuant to §362(d)(2) also would be warranted. Section 362(d)(2) provides that the court shall grant relief "with respect to a stay of an act against property . . . if — (A) the debtor does not have an equity in such property; and (B) such property is not necessary to an effective reorganization." 11 U.S.C. §362(d)(2). This section relates to acts against property of the estate and both elements must be satisfied. *Shawhan v. Knoll (In re Shawhan)*, 2008 Bankr. LEXIS 4694, at *25 (B.A.P. 9th Cir. July

7, 2008). First, because the stock at issue is not property of Blue Water's estate (as made clear above), Blue Water has no equity in the shares. Further, Black Mountain believes that such stock is not necessary for an effective reorganization. Blue Water would bear the burden to demonstrate otherwise. *See 11 U.S.C. §362(g); In re Hart-Sahara, LLC*, 2010 Bankr. LEXIS 5379, at *4 (Bankr. D. Nev. Mar. 17, 2010) ("Debtor bears the burden of proof under Section 362(g) on all issues other than its equity in the Property"). Relief from the automatic stay (to the extent deemed applicable) would be warranted under §362(d)(2) as well.

C. The Court Has the Authority to Authorize Issuance of the Black Mountain Conversion Notice and to Require Blue Water's Compliance with It

45. Finally, pursuant to §105(a) of the Bankruptcy Code, the Court is empowered to authorize Black Mountain to issue the Black Mountain Conversion Notice and require Blue Water to issue the common stock in response. *See 11 U.S.C. §105(a)*. Section 105(a) authorizes bankruptcy courts to "issue any order, process, or judgment that is necessary or appropriate to carry out the provisions of this title." *Id.* In doing so, subject to the general condition that §105(a) may not be used to circumvent provisions of the Bankruptcy Code, the Court has broad discretion as to whether to grant relief under this section. *See, e.g., Twelve Percent Secured Noteholders v. Amarex, Inc. (In re Amarex, Inc.)*, 30 B.R. 763, 767 (Bankr. W.D. Okla. 1983) ("A bankruptcy court is a court of equity which may, in its discretion, deny relief which is within its powers or grant relief upon some condition dictated by equitable principles.").

46. Here, permitting issuance of the Black Mountain Conversion Notice and requiring Blue Water to issue the Black Mountain Shares in response will not interfere with Blue Water's reorganization. Moreover, it will not harm Blue Water's estate or creditors, but instead will benefit them by reducing claims, at no cost, against Blue Water's. On the other hand, a failure to grant the requested relief will harm Black Mountain by denying it the full benefit of its bargain, and without

any corresponding benefit to the Estate or its creditors. Relief under §105(a) is clearly warranted here because even if the automatic stay did apply in this situation, under the relevant case law, cause would exist to lift the stay under §362(d).

WHEREFORE, for the foregoing reasons, Black Mountain respectfully requests that this Court enter an Order:

(a) granting the its Motion for an Order Authorizing the Black Mountain Conversion Notice,
(b) authorizing Black Mountain's issuance and delivery of the Black Mountain Conversion Notice,

(c) requiring Blue Water and its Transfer Agent to issue the Black Mountain Shares of Blue Water common stock in accordance herewith, or,

(d) alternatively, granting Black Mountain relief from the Automatic Stay in all respects,

(e) permitting Black Mountain to issue the Black Mountain Conversion Notice.

(f) compelling Blue Water and its TA to comply with the Black Mountain Conversion Notice, and,

(g) granting such further relief as this Court deems just and proper.

Dated February 9, 2021

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that on this 9th day of February 2021, a true and accurate copy of the foregoing has been furnished via CM/ECF electronic service to all parties entitled to such service,

including Debtor's counsel: **Chad T. Van Horn, Esq.**, 330 N. Andrews Avenue, Suite 450, Fort Lauderdale, Florida 33301 (Chad@cvhlawgroup.com).

Respectfully submitted,

NASON, YEAGER, GERSON, HARRIS
& FUMERO, P.A.
3001 PGA Boulevard, Suite 305
Palm Beach Gardens, FL 33410
Tel: (561) 686-3307
Fax: (561) 686-5442
Email: ireich@nasonyeager.com
kchang@nasonyeager.com
Attorneys for Black Mountain Equities, Inc.

BY: /s/ Ivan J. Reich

Ivan J. Reich
FBN: 778011

EXHIBIT "A"

the Black Mountain Note

NEITHER THIS NOTE NOR THE SECURITIES INTO WHICH THIS NOTE IS CONVERTIBLE HAVE BEEN REGISTERED WITH THE SECURITIES AND EXCHANGE COMMISSION OR THE SECURITIES COMMISSION OF ANY STATE. THESE SECURITIES HAVE BEEN SOLD IN RELIANCE UPON AN EXEMPTION FROM REGISTRATION UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), AND, ACCORDINGLY, MAY NOT BE OFFERED OR SOLD EXCEPT PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER THE SECURITIES ACT OR PURSUANT TO AN AVAILABLE EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND IN ACCORDANCE WITH APPLICABLE STATE SECURITIES LAWS.

BLUE WATER GLOBAL GROUP, INC.

CONVERTIBLE NOTE

Issuance Date: **December 22, 2014**
Note No. **BLUU-1**

Original Principal Amount: **\$250,000**
Consideration Paid at Close: **\$25,000**

FOR VALUE RECEIVED, Blue Water Global Group, Inc., a Nevada corporation (the "Company"), hereby promises to pay to the order of **Black Mountain Equities, Inc.** or registered assigns (the "Holder") the amount set out above as the Original Principal Amount (as reduced pursuant to the terms hereof pursuant to redemption, conversion or otherwise, the "Principal") when due, whether upon the Maturity Date (as defined below), acceleration, redemption or otherwise (in each case in accordance with the terms hereof) and to pay interest ("Interest") on any outstanding Principal at the applicable Interest Rate from the date set out above as the Issuance Date (the "Issuance Date") until the same becomes due and payable, upon the Maturity Date or acceleration, conversion, redemption or otherwise (in each case in accordance with the terms hereof).

The Original Principal Amount is \$250,000 (two hundred fifty thousand) plus accrued and unpaid interest and any other fees. The Consideration is \$225,000 (two hundred twenty five thousand) payable by wire transfer (there exists a \$25,000 *prorated* original issue discount (the "OID")). The Holder shall pay \$25,000 of Consideration upon closing of this Note. The Holder may pay additional Consideration to the Company in such amounts and at such dates as Holder may choose in its sole discretion, provided the Company willfully chooses to receive said Consideration. For purposes hereof, the term "Outstanding Balance" means the Original Principal Amount, as reduced or increased, as the case may be, pursuant to the terms hereof for conversion, breach hereof or otherwise, plus any accrued but unpaid interest, collection and enforcements costs, and any other fees or charges incurred under this Note. The Original Principal Amount due to Holder shall be prorated based on the Consideration paid by Holder (plus an approximate 10% Original Issue Discount that is prorated based on the Consideration paid by the Holder as well as any other interest or fees) such that the Company is only required to repay the amount funded and the Company is not required to repay any unfunded portion of this Note.

(1) GENERAL TERMS

(a) Payment of Principal. The "Maturity Date" shall be 1 year from the date of each payment of Consideration, as may be extended at the option of the Holder in the event that, and for so long as, an Event of Default (as defined below) shall not have occurred and be continuing on the Maturity Date (as may be extended pursuant to this Section 1) or any event shall not have occurred and be

continuing on the Maturity Date (as may be extended pursuant to this Section 1) that with the passage of time and the failure to cure would result in an Event of Default.

(b) Interest. A one-time interest charge of twelve percent (10%) ("Interest Rate") shall be applied on the Issuance Date to the Original Principal Amount. Interest hereunder shall be paid on the Maturity Date (or sooner as provided herein) to the Holder or its assignee in whose name this Note is registered on the records of the Company regarding registration and transfers of Notes in cash or converted into Common Stock at the Conversion Price provided the Equity Conditions are satisfied.

(c) Security. This Note shall not be secured by any collateral or any assets pledged to the Holder

(2) EVENTS OF DEFAULT.

(a) An "Event of Default", wherever used herein, means any one of the following events (whatever the reason and whether it shall be voluntary or involuntary or effected by operation of law or pursuant to any judgment, decree or order of any court, or any order, rule or regulation of any administrative or governmental body):

(i) The Company's failure to pay to the Holder any amount of Principal, Interest, or other amounts when and as due under this Note (including, without limitation, the Company's failure to pay any redemption payments or amounts hereunder) or any other Transaction Document;

(ii) A Conversion Failure as defined in section 3(b)(ii)

(iii) The Company or any subsidiary of the Company shall commence, or there shall be commenced against the Company or any subsidiary of the Company under any applicable bankruptcy or insolvency laws as now or hereafter in effect or any successor thereto, or the Company or any subsidiary of the Company commences any other proceeding under any reorganization, arrangement, adjustment of debt, relief of debtors, dissolution, insolvency or liquidation or similar law of any jurisdiction whether now or hereafter in effect relating to the Company or any subsidiary of the Company or there is commenced against the Company or any subsidiary of the Company any such bankruptcy, insolvency or other proceeding which remains undismissed for a period of 61 days; or the Company or any subsidiary of the Company is adjudicated insolvent or bankrupt; or any order of relief or other order approving any such case or proceeding is entered; or the Company or any subsidiary of the Company suffers any appointment of any custodian, private or court appointed receiver or the like for it or any substantial part of its property which continues undischarged or unstayed for a period of sixty one (61) days; or the Company or any subsidiary of the Company makes a general assignment for the benefit of creditors; or the Company or any subsidiary of the Company shall fail to pay, or shall state that it is unable to pay, or shall be unable to pay, its debts generally as they become due; or the Company or any subsidiary of the Company shall call a meeting of its creditors with a view to arranging a composition, adjustment or restructuring of its debts; or the Company or any subsidiary of the Company shall by any act or failure to act expressly indicate its consent to, approval of or acquiescence in any of the foregoing; or any corporate or other action is taken by the Company or any subsidiary of the Company for the purpose of effecting any of the foregoing;

(iv) The Company or any subsidiary of the Company shall default in any of its obligations under any other Note or any mortgage, credit agreement or other facility, indenture agreement, factoring agreement or other instrument under which there may be issued, or by which there may be secured or evidenced any indebtedness for borrowed money or money due under any long term

leasing or factoring arrangement of the Company or any subsidiary of the Company in an amount exceeding \$100,000, whether such indebtedness now exists or shall hereafter be created; and

(v) The Common Stock is suspended or delisted for trading on the Over the Counter Bulletin Board market (the "Primary Market").

(vi) The Company loses its ability to deliver shares via "DWAC/FAST" electronic transfer.

(vii) The Company loses its status as "DTC Eligible."

(viii) The Company shall become late or delinquent in its filing requirements as a fully-reporting issuer registered with the Securities & Exchange Commission.

(b) Upon the occurrence of any Event of Default, the Outstanding Balance shall immediately increase to 120% of the Outstanding Balance immediately prior to the occurrence of the Event of Default (the "Default Effect"). The Default Effect shall automatically apply upon the occurrence of an Event of Default without the need for any party to give any notice or take any other action.

(3) CONVERSION OF NOTE. This Note shall be convertible into shares of the Company's Common Stock, on the terms and conditions set forth in this Section 3.

(a) Conversion Right. Subject to the provisions of Section 3(c), at any time after May 21, 2015, the Holder shall be entitled to convert any portion of the outstanding and unpaid Conversion Amount (as defined below) into fully paid and nonassessable shares of Common Stock in accordance with Section 3(b), at the Conversion Price (as defined below). The number of shares of Common Stock issuable upon conversion of any Conversion Amount pursuant to this Section 3(a) shall be equal to the quotient of dividing the Conversion Amount by the Conversion Price. The Company shall not issue any fraction of a share of Common Stock upon any conversion. If the issuance would result in the issuance of a fraction of a share of Common Stock, the Company shall round such fraction of a share of Common Stock up to the nearest whole share. The Company shall pay any and all transfer agent fees, legal fees, costs and any other fees or costs that may be incurred or charged in connection with the issuance of shares of the Company's Common Stock to the Holder arising out of or relating to the conversion of this Note.

(i) "Conversion Amount" means the portion of the Original Principal Amount and Interest to be converted, plus any penalties, redeemed or otherwise with respect to which this determination is being made.

(ii) "Conversion Price" shall equal the lesser of (a) \$0.03 or (b) 60% of the lowest trade occurring during the twenty five (25) consecutive Trading Days immediately preceding the applicable Conversion Date on which the Holder elects to convert all or part of this Note, subject to adjustment as provided in this Note.

(b) Mechanics of Conversion.

(i) Optional Conversion. To convert any Conversion Amount into shares of Common Stock on any date (a "Conversion Date"), the Holder shall (A) transmit by email, facsimile (or otherwise deliver), for receipt on or prior to 11:59 p.m., New York, NY Time, on such date, a copy of an executed notice of conversion in the form attached hereto as Exhibit A (the "Conversion Notice") to the Company. On or before the third Business Day following the date of receipt of a

Conversion Notice (the "Share Delivery Date"), the Company shall (A) if legends are not required to be placed on certificates of Common Stock pursuant to the then existing provisions of Rule 144 of the Securities Act of 1933 ("Rule 144") and provided that the Transfer Agent is participating in the Depository Trust Company's ("DTC") Fast Automated Securities Transfer Program, credit such aggregate number of shares of Common Stock to which the Holder shall be entitled to the Holder's or its designee's balance account with DTC through its Deposit Withdrawal Agent Commission system or (B) if the Transfer Agent is not participating in the DTC Fast Automated Securities Transfer Program, issue and deliver to the address as specified in the Conversion Notice, a certificate, registered in the name of the Holder or its designee, for the number of shares of Common Stock to which the Holder shall be entitled which certificates shall not bear any restrictive legends unless required pursuant the Rule 144. If this Note is physically surrendered for conversion and the outstanding Principal of this Note is greater than the Principal portion of the Conversion Amount being converted, then the Company shall, upon request of the Holder, as soon as practicable and in no event later than three (3) Business Days after receipt of this Note and at its own expense, issue and deliver to the holder a new Note representing the outstanding Principal not converted. The Person or Persons entitled to receive the shares of Common Stock issuable upon a conversion of this Note shall be treated for all purposes as the record holder or holders of such shares of Common Stock upon the transmission of a Conversion Notice.

(ii) Company's Failure to Timely Convert. If within two (2) Trading Days after the Company's receipt of the facsimile or email copy of a Conversion Notice the Company shall fail to issue and deliver to Holder via "DWAC/FAST" electronic transfer the number of shares of Common Stock to which the Holder is entitled upon such holder's conversion of any Conversion Amount (a "Conversion Failure"), the Original Principal Amount of the Note shall increase by \$2,000 per day until the Company issues and delivers a certificate to the Holder or credit the Holder's balance account with DTC for the number of shares of Common Stock to which the Holder is entitled upon such holder's conversion of any Conversion Amount (under Holder's and Company's expectation that any damages will tack back to the Issuance Date). *Company will not be subject to any penalties once its transfer agent processes the shares to the DWAC system.* If the Company fails to deliver shares in accordance with the timeframe stated in this Section, resulting in a Conversion Failure, the Holder, at any time prior to selling all of those shares, may rescind any portion, in whole or in part, of that particular conversion attributable to the unsold shares and have the rescinded conversion amount returned to the Outstanding Balance with the rescinded conversion shares returned to the Company (under Holder's and Company's expectations that any returned conversion amounts will tack back to the original date of the Note).

(iii) DWAC/FAST Eligibility. If the Company fails for any reason to deliver to the Holder the Shares by DWAC/FAST electronic transfer (such as by delivering a physical stock certificate), or if there is a Conversion Failure as defined in Section 3(b)(ii), and if the Holder incurs a Market Price Loss, then at any time subsequent to incurring the loss the Holder may provide the Company written notice indicating the amounts payable to the Holder in respect of the Market Price Loss and the Company must make the Holder whole by either of the following options at Holder's election:

Market Price Loss = [(High trade price for the period between the day of conversion and the day the shares clear in the Holder's brokerage account) x (Number of shares receivable from the conversion)] – [(Net Sales price realized by Holder) x (Number of shares receivable from the conversion)].

Option A – Pay Market Price Loss in Cash. The Company must pay the Market Price Loss by cash payment, and any such cash payment must be made by the third business day from the time of the Holder's written notice to the Company.

Option B – Add Market Price Loss to Outstanding Balance. The Company must pay the Market Price Loss by adding the Market Price Loss to the Outstanding Balance (under Holder's and the Company's expectation that any Market Price Loss amounts will tack back to the Issuance Date).

In the case that conversion shares are not deliverable by DWAC/FAST electronic transfer an additional 10% discount to the Conversion Price will apply.

(iv) DTC Eligibility & Sub-Penny. If the Company fails to maintain its status as "DTC Eligible" for any reason, or, if the Conversion Price is less than \$0.01, the Principal Amount of the Note shall increase by ten thousand dollars (\$10,000) (under Holder's and Company's expectation that any Principal Amount increase will tack back to the Issuance Date). In addition, the Conversion Price shall be redefined to equal the lesser of (a) \$0.01 or (b) 50% of the lowest trade occurring during the twenty five (25) consecutive Trading Days immediately preceding the applicable Conversion Date on which the Holder elects to convert all or part of this Note, subject to adjustment as provided in this Note.

(v) Book-Entry. Notwithstanding anything to the contrary set forth herein, upon conversion of any portion of this Note in accordance with the terms hereof, the Holder shall not be required to physically surrender this Note to the Company unless (A) the full Conversion Amount represented by this Note is being converted or (B) the Holder has provided the Company with prior written notice (which notice may be included in a Conversion Notice) requesting reissuance of this Note upon physical surrender of this Note. The Holder and the Company shall maintain records showing the Principal and Interest converted and the dates of such conversions or shall use such other method, reasonably satisfactory to the Holder and the Company, so as not to require physical surrender of this Note upon conversion.

(c) Limitations on Conversions or Trading.

(i) Beneficial Ownership. The Company shall not effect any conversions of this Note and the Holder shall not have the right to convert any portion of this Note or receive shares of Common Stock as payment of interest hereunder to the extent that after giving effect to such conversion or receipt of such interest payment, the Holder, together with any affiliate thereof, would beneficially own (as determined in accordance with Section 13(d) of the Exchange Act and the rules promulgated thereunder) in excess of 4.99% of the number of shares of Common Stock outstanding immediately after giving effect to such conversion or receipt of shares as payment of interest. Since the Holder will not be obligated to report to the Company the number of shares of Common Stock it may hold at the time of a conversion hereunder, unless the conversion at issue would result in the issuance of shares of Common Stock in excess of 4.99% of the then outstanding shares of Common Stock without regard to any other shares which may be beneficially owned by the Holder or an affiliate thereof, the Holder shall have the authority and obligation to determine whether the restriction contained in this Section will limit any particular conversion hereunder and to the extent that the Holder determines that the limitation contained in this Section applies, the determination of which portion of the principal amount of this Note is convertible shall be the responsibility and obligation of the Holder. If the Holder has delivered a Conversion Notice for a principal amount of this Note that, without regard to any other shares that the Holder or its affiliates may beneficially own, would result in the issuance in excess of the permitted amount hereunder, the Company shall notify the Holder of this fact and shall honor the conversion for the maximum principal amount permitted to be converted on such Conversion Date in accordance with Section 3(a) and, any principal amount tendered for conversion in excess of the permitted amount hereunder shall remain outstanding under this Note. The provisions of this Section may be waived at any time by Holder upon written notification to the Company.

(d) Other Provisions.

(i) Share Reservation. The Company shall at all times reserve and keep available out of its authorized Common Stock a number of shares equal to at least 3 (three) times the full number of shares of Common Stock issuable upon conversion of all outstanding amounts under this Note; and within 3 (three) Business Days following the receipt by the Company of a Holder's notice that such minimum number of Underlying Shares is not so reserved, the Company shall promptly reserve a sufficient number of shares of Common Stock to comply with such requirement. The Company will at all times reserve at least 10,000,000 shares of Common Stock for conversion.

(ii) Prepayment. At any time within the 150 day period immediately following the Issuance Date, the Company shall have the option, upon 10 business days' notice to Holder, to pre-pay the entire remaining outstanding principal amount of this Note in cash, provided that (i) the Company shall pay the Holder 130% of the Outstanding Balance, (ii) such amount must be paid in cash on the next business day following such 10 business day notice period, and (iii) the Holder may still convert this Note pursuant to the terms hereof at all times until such prepayment amount has been received in full. Upon Holder receiving payment in full hereunder, this Note shall be terminated and the Share Reservation shall be removed. Except as set forth in this Section the Company may not prepay this Note in whole or in part.

(iii) Terms of Future Financings. So long as this Note is outstanding, upon any issuance by the Company or any of its subsidiaries of any security with any term more favorable to the holder of such security or with a term in favor of the holder of such security that was not similarly provided to the Holder in this Note, then the Company shall notify the Holder of such additional or more favorable term and such term, at Holder's option, shall become a part of the transaction documents with the Holder. The types of terms contained in another security that may be more favorable to the holder of such security include, but are not limited to, terms addressing conversion discounts, conversion lookback periods, interest rates, original issue discounts, stock sale price, private placement price per share, and warrant coverage.

(iv) All calculations under this Section 3 shall be rounded up to the nearest \$0.00001 or whole share.

(v) Nothing herein shall limit a Holder's right to pursue actual damages or declare an Event of Default pursuant to Section 2 herein for the Company's failure to deliver certificates representing shares of Common Stock upon conversion within the period specified herein and such Holder shall have the right to pursue all remedies available to it at law or in equity including, without limitation, a decree of specific performance and/or injunctive relief, in each case without the need to post a bond or provide other security. The exercise of any such rights shall not prohibit the Holder from seeking to enforce damages pursuant to any other Section hereof or under applicable law.

(4) SECTION 3(A)(9) OR 3(A)(10) TRANSACTION. So long as this Note is outstanding, the Company shall not enter into any transaction or arrangement structured in accordance with, based upon, or related or pursuant to, in whole or in part, either Section 3(a)(9) of the Securities Act (a "3(a)(9) Transaction") or Section 3(a)(10) of the Securities Act (a "3(a)(10) Transaction"). In the event that the Company does enter into, or makes any issuance of Common Stock related to a 3(a)(9) Transaction or a 3(a)(10) Transaction while this note is outstanding, a liquidated damages charge of 25% of the outstanding principal balance of this Note, but not less than \$25,000, will be assessed and will become immediately due and payable to the Holder at its election in the form of cash payment or addition to the balance of this Note.

(5) REISSUANCE OF THIS NOTE.

(a) Assignability. The Company may not assign this Note. This Note will be binding upon the Company and its successors and will inure to the benefit of the Holder and its successors and assigns and may be assigned by the Holder to anyone of its choosing without Company's approval.

(b) Lost, Stolen or Mutilated Note. Upon receipt by the Company of evidence reasonably satisfactory to the Company of the loss, theft, destruction or mutilation of this Note, and, in the case of loss, theft or destruction, of any indemnification undertaking by the Holder to the Company in customary form and, in the case of mutilation, upon surrender and cancellation of this Note, the Company shall execute and deliver to the Holder a new Note representing the outstanding Principal.

(6) NOTICES. Any notices, consents, waivers or other communications required or permitted to be given under the terms hereof must be in writing and will be deemed to have been delivered: (i) upon receipt, when delivered personally; (ii) upon receipt, when sent by facsimile (provided confirmation of transmission is mechanically or electronically generated and kept on file by the sending party) (iii) upon receipt, when sent by email; or (iv) one (1) Trading Day after deposit with a nationally recognized overnight delivery service, in each case properly addressed to the party to receive the same. The addresses and facsimile numbers for such communications shall be those set forth in the communications and documents that each party has provided the other immediately preceding the issuance of this Note or at such other address and/or facsimile number and/or to the attention of such other person as the recipient party has specified by written notice given to each other party three (3) Business Days prior to the effectiveness of such change. Written confirmation of receipt (i) given by the recipient of such notice, consent, waiver or other communication, (ii) mechanically or electronically generated by the sender's facsimile machine containing the time, date, recipient facsimile number and an image of the first page of such transmission or (iii) provided by a nationally recognized overnight delivery service, shall be rebuttable evidence of personal service, receipt by facsimile or receipt from a nationally recognized overnight delivery service in accordance with clause (i), (ii) or (iii) above, respectively.

The addresses for such communications shall be:

If to the Company, to:

202 Osmanthus Way

Canton, GA 30114

Attn: J. Scott Sitra
Email: scott@bluewaterglobalgroup.com

If to the Holder:

Black Mountain Equities, Inc.

133666 Greenstone Crt.

San Diego Ca 92131

Attn: Adam Baker

Email: adam@blackmountainequities.com

(7) APPLICABLE LAW AND VENUE. This Note shall be governed by and construed in accordance with the laws of the State of Nevada, without giving effect to conflicts of laws thereof. Any action brought by either party against the other concerning the transactions contemplated by this Agreement shall be brought only in the state courts of California or in the federal courts located in the city and county of San Diego, in the State of California. Both parties and the individuals signing this Agreement agree to submit to the jurisdiction of such courts.

(a) WAIVER. Any waiver by the Holder of a breach of any provision of this Note shall not operate as or be construed to be a waiver of any other breach of such provision or of any breach of any other provision of this Note. The failure of the Holder to insist upon strict adherence to any term of this Note on one or more occasions shall not be considered a waiver or deprive that party of the right thereafter to insist upon strict adherence to that term or any other term of this Note. Any waiver must be in writing.

[Signature Page Follows]

IN WITNESS WHEREOF, the Company has caused this Convertible Note to be duly executed by a duly authorized officer as of the date set forth above.

COMPANY:

Blue Water Global Group, Inc.

By: _____

Name: J. Scott Sitra

Title: President and CEO

HOLDER:

Black Mountain Equities, Inc.

By: _____

Name: Adam Baker

Title: Principal

[Signature Page to Convertible Note No. BLUU-1]

EXHIBIT A

NOTICE OF CONVERSION

The undersigned hereby elects to convert a portion of the \$ _____ Convertible Note _____ issued to Black Mountain Equities, Inc. on _____ into Shares of Common Stock of _____ according to the conditions set forth in such Note as of the date written below.

By accepting this notice of conversion, you are acknowledging that the number of shares to be delivered represents less than 10% (ten percent) of the common stock outstanding. If the number of shares to be delivered represents more than 9.99% of the common stock outstanding, this conversion notice shall immediately automatically extinguish and debenture Holder must be immediately notified.

Date of Conversion: _____

Conversion Amount: _____

Conversion Price: _____

Shares to be Delivered: _____

Shares delivered in name of:

Black Mountain Equities, Inc.

Signature:

By:
Title:
Black Mountain Equities, Inc.

EXHIBIT "B"

the Black Mountain Conversion Notice

EXHIBIT A
NOTICE OF CONVERSION

The undersigned hereby elects to convert a portion of the Convertible Note issued to Black Mountain Equities, Inc. on December 22, 2014, into Shares of Common Stock of Blue Water Global Group, Inc. according to the conditions set forth in such Note as of the date written below.

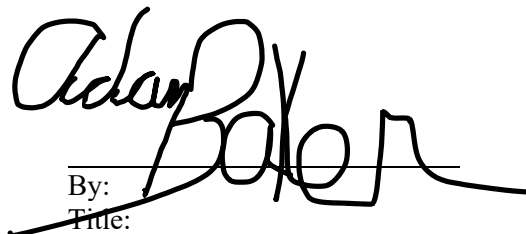
By accepting this notice of conversion, you are acknowledging that the number of shares to be delivered represents less than 10% (ten percent) of the common stock outstanding. If the number of shares to be delivered represents more than 9.99% of the common stock outstanding, this conversion notice shall immediately automatically extinguish and debenture Holder must be immediately notified.

Date of Conversion: 1-26-21
Conversion Amount: \$40,800
Conversion Price: .00024
Shares to be Delivered: **170,000,000**

Shares delivered in name of:

Black Mountain Equities, Inc.

Signature:


By: _____
Title: _____

Black Mountain Equities, Inc.

EXHIBIT "C"

the Black Mountain Share Reservation Letter

September 29, 2015

VStock Transfer, LLC
18 Lafayette Place
Woodmere, New York 11598

Ladies and Gentlemen:

Ladies and Gentlemen:

Blue Water Global Group, Inc. a Nevada corporation (the "Company") and Black Mountain Equities, Inc. (the "Investor") entered into a \$250,000 Promissory Note (the "Note") dated December 22, 2014. A copy of the Note is attached hereto. You should familiarize yourself with your issuance and delivery obligations, as Transfer Agent, contained therein. The shares to be issued are to be registered in the names of the registered holder of the securities submitted for conversion.

In a letter from the Company to you, and acknowledged by the Investor, dated December 19, 2014, the Company irrevocably authorized and instructed you to reserve 10,000,000 (ten million) shares of common stock ("Common Stock") of the Company to be held in reserve for the Investor. With this letter the Company is directing you to increase the amount of shares of Common Stock reserved for the Investor.

You are hereby irrevocably authorized and instructed to reserve a sufficient number of shares of common stock ("Common Stock") of the Company (at least 350,000,000 (three hundred fifty million) shares of Common stock for the Note which should be held in reserve for the Investor as of this date) for issuance upon full conversion of the Note in accordance with the terms thereof. The amount of Common Stock so reserved may be increased, from time to time, by written instructions of the Investor. In the event of a reverse stock split the reserve should remain unchanged unless instructed by the Investor and the Company.

The ability to process a notice of conversion under the Note (a "Conversion Notice") in a timely manner is a material obligation of the Company pursuant to the Note. Your firm is hereby irrevocably authorized and instructed to issue shares ("Shares") of Common Stock of the Company to the Investor **without any further action or confirmation by the Company** (from the reserve, but in the event there are insufficient reserve shares of Common Stock to accommodate a Conversion Notice (defined below) your firm and the Company agree that the Conversion Notice should be completed using authorized but unissued shares of Common Stock that the Company has in its treasury) upon your receipt from the Investor of a Conversion Notice executed by the Investor. The Shares should be issued without any restrictive legend if: (A) the Investor provides you with an opinion of counsel of the Investor, in form, substance and scope customary for opinions of counsel in comparable transactions (and satisfactory to the transfer agent), to the effect that the Shares issued to the Investor pursuant to the Conversion Notice are not "restricted securities" as defined in Rule 144 and should be issued to the Investor without any restrictive legend, provided that the Company is current on its SEC filings and the opinion is dated within 90 days from the date of the issuance or transfer request; and (B) the number of Shares to be issued is less than 9.99% of the total issued common stock of the Company.

The Company hereby requests that your firm act immediately, without delay and without the need for any action or confirmation by the Company with respect to the issuance of Common Stock pursuant to any Conversion Notices received from the Investor.

The Shares shall not be subject to any stop-transfer restrictions at any time. The Company hereby confirms to you and to the Investor that no instruction other than as contemplated herein will be given to you by the Company with respect to the matters referenced herein. The Company hereby authorizes you, and you shall be obligated, to

disregard any contrary instruction received by or on behalf of the Company or any other person purporting to represent the Company.

You are hereby authorized and directed to promptly disclose to the Investor, after Investor's request from time to time, the total number of shares of Common Stock issued and outstanding, the total number of shares of Common Stock in the Float and the total number of shares of Common Stock that are authorized but unissued and unreserved.

The Transfer Agent will not be responsible for any of the calculations or numbers provided in the conversion notice.

The Company shall indemnify you and your officers, directors, principals, partners, agents and representatives, and hold each of them harmless from and against any and all loss, liability, damage, claim or expense (including the reasonable fees and disbursements of its attorneys) incurred by or asserted against you or any of them arising out of or in connection the instructions set forth herein, the performance of your duties hereunder and otherwise in respect hereof, including the costs and expenses of defending yourself or themselves against any claim or liability hereunder, except that the Company shall not be liable hereunder as to matters in respect of which it is determined that you have acted with gross negligence or in bad faith (which gross negligence or bad faith must be determined by a final, non-appealable order, judgment, decree or ruling of a court of competent jurisdiction). You shall have no liability to the Company in respect to any action taken or any failure to act in respect of this if such action was taken or omitted to be taken in good faith, and you shall be entitled to rely in this regard on the advice of counsel.

The Board of Directors of the Company has approved the foregoing (irrevocable instructions) and does hereby extend the Company's irrevocable agreement to indemnify your firm for all loss, liability or expense in carrying out the authority and direction herein contained on the terms herein set forth.

If the Company's account is in arrears with the Transfer Agent, the Transfer Agent shall not have any obligation to act upon these instructions; however the Investor shall have the option to cure the outstanding balance with the Transfer Agent.

The Company agrees that in the event that the Transfer Agent resigns as the Company's transfer agent, or if the Company decides to switch or terminate the current Transfer Agent, the Company shall engage a suitable replacement transfer agent that will agree to serve as transfer agent for the Company and be bound by the terms and conditions of these Irrevocable Instructions within five (5) business days.

The Investor is intended to be and is third party beneficiary hereof, and no amendment or modification to the instructions set forth herein may be made without the consent of the Investor.

Very truly yours,

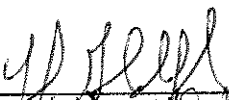
Blue Water Global Group, Inc.

By: _____

Mr. Scott Sitra
Chief Executive Officer

Acknowledged and Agreed:

Adam Baker, Principal
Black Mountain Equities, Inc.
Vstock Transfer, LLC

By: 
Name: Noel Goffredo
Title: CEO