

SECURITIES AND EXCHANGE COMMISSION

FORM 8-K

Current report filing

Filing Date: **2009-01-26** | Period of Report: **2009-01-20**
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FILER

Blackwater Midstream Corp.

CIK: **1292518** | IRS No.: **000000000** | State of Incorporation: **NV** | Fiscal Year End: **0331**
Type: **8-K** | Act: **34** | File No.: **000-51403** | Film No.: **09544477**
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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 8-K

CURRENT REPORT
PURSUANT TO SECTION 13 OR 15(D) OF THE SECURITIES EXCHANGE ACT OF 1934

Date of Report (Date of earliest event reported): JANUARY 20, 2009

BLACKWATER MIDSTREAM CORP.
(Exact name of registrant as specified in its charter)

NEVADA ----- (State or Other Jurisdiction of Incorporation)	000-51403 ----- (Commission File Number)	26-2590455 ----- (IRS Employer Identification No.)
--	--	---

660 LABAUVE DRIVE WESTWEGO, LA ----- (Address of Principal Executive Offices)	70094 ----- (Zip Code)
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(504) 340-3000
(Registrant's telephone number, including area code)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

ITEM 2.03 CREATION OF DIRECT FINANCIAL OBLIGATION OR AN OBLIGATION UNDER AN OFF-BALANCE SHEET ARRANGEMENT OF A REGISTRANT.

On January 20, 2009, Blackwater Midstream Corp. (BWMS) entered into a loan agreement and a security agreement, effective January 1, 2009, with each of Ter Mast Beheer Utrecht, B.V., No Logo Air, Inc. and Issac Suder, in the principal amount of \$125,000, \$75,000 and \$100,000, respectively (collectively, the "Loans"). Ter Mast Beheer Utrecht, B.V. and No Logo Air, Inc. are each owned and controlled by Mathijs van Houweninge, a director of BWMS. Isaac Suder is the father of Michael Suder, a director of BWMS and its President and Chief Executive Officer. Collectively, Ter Mast Beheer Utrecht, B.V., No Logo Air, Inc. and Isaac Suder are hereinafter referred to as the "Creditors".

The Loans bear interest at the annual rate of 12%. BWMS will pay consecutive monthly installments of interest only, commencing January 31, 2009 and continuing on the last day of each calendar month thereafter through March 31, 2009. In addition, commencing April 30, 2009 and continuing on the last day of each calendar month thereafter, BWMS will pay principal and interest installments of \$9,015.47, \$5,409.28 and \$7,212.38 to Ter Mast Beheer Utrecht B.V., No Logo Air, Inc. and Issac Suder, respectively. All unpaid principal and accrued and unpaid interest on the Loans is finally due and payable on June 30, 2010.

If any amount due and owing pursuant to the Loans is not promptly paid when due, then all installments payable thereon shall, at the option of the respective Creditor, immediately mature, and become due and owing.

The Loans are secured by a security interest on BWMS's interest in its wholly owned subsidiary, Blackwater New Orleans, LLC., including, but not necessarily limited to, all distributions, rents, fruits, profits, revenues, and other interests, however produced or derived from such interest (collectively, the "Collateral").

Additionally, BWMS and the Creditors entered into an intercreditor agreement, whereby the Creditors agreed that in the event of foreclosure on the Collateral, each Creditor ranks PARI PASSU as amongst themselves. Forms of each loan agreement and security agreement as well as the intercreditor agreement are included as exhibits to this current report on Form 8-K.

ITEM 9.01 FINANCIAL STATEMENTS AND EXHIBITS.

(d) Exhibits.

EXHIBIT NO.	EXHIBIT DESCRIPTION
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10.1	Loan agreement with Ter Mast Beheer Utrecht B.V.
10.2	Security agreement with Ter Mast Beheer Utrecht B.V.
10.3	Loan agreement with No Logo Air, Inc.
10.4	Security agreement with No Logo Air, Inc.
10.5	Loan agreement with Isaac Suder

- 10.6 Security agreement with Isaac Suder
- 10.7 Intercreditor agreement amongst Ter Mast Beheer Utrecht B.V,
No Logo Air, Inc. and Issac Suder

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

Dated: January 22, 2009

BLACKWATER MIDSTREAM CORP.
a Nevada corporation

By: /s/ Donald St. Pierre

Donald St. Pierre
Chief Financial Officer

EXHIBIT INDEX

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10.4	Security agreement with No Logo Air, Inc.
10.5	Loan agreement with Isaac Suder
10.6	Security agreement with Isaac Suder
10.7	Intercreditor agreement amongst Ter Mast Beheer Utrecht B.V, No Logo Air, Inc. and Issac Suder

Exhibit 10.1

LOAN AGREEMENT

\$125,000

NEW ORLEANS, LOUISIANA

JANUARY 1, 2009

I, WE, OR EITHER OF US, JOINTLY, SEVERALLY AND SOLIDARILY, PROMISE(S) TO PAY TO THE ORDER OF TER MAST BEHEER UTRECHT B.V., AT SCHOOLSTRAAT 6, 3581 PS UTRECHT, THE NETHERLANDS, ONE HUNDRED TWENTY-FIVE THOUSAND AND NO/100 (\$125,000.00) DOLLARS, FOR VALUE RECEIVED, WITH INTEREST AT THE RATE OF TWELVE (12%) PERCENT PER ANNUM FROM DATE UNTIL PAID, PRINCIPAL AND INTEREST PAYABLE AS FOLLOWS:

INTEREST ONLY FOR THE FIRST THREE MONTHS, PAYABLE ON THE LAST DAY OF EACH OF JANUARY, FEBRUARY AND MARCH, 2009, FOLLOWED BY FIFTEEN MONTHLY INSTALLMENTS OF PRINCIPAL AND INTEREST IN THE AMOUNT OF NINE THOUSAND FIFTEEN AND 47/100 (\$9,015.47) DOLLARS, COMMENCING ON THE LAST DAY OF APRIL, 2009, AND ON THE LAST DAY OF EACH SUCCEEDING MONTH THEREAFTER.

There shall be no penalty for the prepayment in whole or in part of any installment of principal or interest due on this note; provided, however, that any such prepayment shall be applied first to all accrued and unpaid interest and the balance, if any, to the principal.

If any installment hereon is not promptly paid when due, then all installments payable hereon shall, at the option of the holder hereof, immediately mature, and become due and exigible, ipso facto and at once, without notice or demand.

In case this note should be placed in the hands of an attorney, after its maturity, to institute legal proceedings to recover the amount hereof, or any part hereof, in principal or interest, or to protect the interests of the holder hereof, or in case the same should be placed in the hands of an attorney for collection, compromise or other action, the maker(s) and endorser(s) bind himself (themselves) to pay the fees of the attorney who may be employed for that purpose, which fees are hereby fixed at ten (10%) percent on the amount due or sued for, or claimed or sought to be protected, preserved or enforced.

No delay on the part of the holder of this note in exercising any rights hereunder shall operate as a waiver of such rights.

All parties hereto, severally waive presentment for payment, demand, notice of non-payment, protest, and all pleas of division and discussion, and agree that the payment hereof may be extended from time to time, one or more times, without notice, hereby binding themselves, solidarily, unconditionally and as original promissors for the payment hereof, in principal, interest, cost and attorney's fees.

BLACKWATER MIDSTREAM CORP.

Dated: January 20, 2009

By: /s/ Michael J. Suder

Michael J. Suder, President

SECURITY AGREEMENT

This Security Agreement is made this 1st day of January, 2009, by BLACKWATER MIDSTREAM CORP. (hereinafter referred to as "Grantor") in favor of TER MAST BEHEER UTRECHT B.V. ("Secured Party"). Grantor's organizational identification number is C7459-2004. Grantor's principal residence or chief executive office is located at 660 LaBauve Drive, Westwego, Louisiana 70051.

To secure payment of all obligations and liabilities of Grantor to Secured Party, direct or contingent, due or to become due, now existing or hereafter arising, including, without limitation, all future advances, with interest, attorneys' fees, expenses of collection and costs, and further including, without limitation, obligations to Secured Party on promissory notes, checks, loan agreements, security documents, endorsements, continuing guaranties and this Security Agreement (collectively, the "Obligations"), Grantor pledges, pawns and delivers to Secured Party, and grants to Secured Party a continuing security interest in, and a right of set-off and compensation against the following described property:

I. Grantor's right, title and interest (the "LLC Interest") in that certain limited liability company (the "LLC") known as BLACKWATER NEW ORLEANS, L.L.C., created by Articles of Organization dated September 9, 2008, and filed on September 9, 2008, in the Office of the Secretary of State of the State of Louisiana, including, but not necessarily limited to, all distributions, rents, fruits, profits, revenues, and other interests, however produced or derived from Grantor's LLC Interest whether in the event of the sale, lease, improvement, operation, and/or disposal of any and all property which the LLC presently owns, or otherwise;

together with all property added to or substituted for any of the foregoing, and all interest, dividends, income, fruits, returns, accessions, profits, corporate distributions (including, without limitation, stock splits and stock dividends), products and proceeds of any of the foregoing (collectively, "Collateral"). The term "proceeds" shall have the meaning provided in the Louisiana Commercial Laws, LSA-R.S. ss.10:1-101, ET. SEQ.

Grantor warrants with respect to the Collateral that, except as otherwise specifically provided herein (a) Grantor is the owner of 100% of the membership interests in the LLC; (b) the Collateral is not subject to any prior assignment, claim, lien or security interest; and (c) Grantor will not make any assignment of the Collateral or create any further security therein, nor permit Grantor's right in the Collateral to be reached by attachment, levy, garnishment

or other judicial process, without first negotiating with Secured Party, in good faith, to provide Secured Party with a first priority security interest on membership interests in the LLC with an appraised value of 150% of the then-outstanding principal amount of the Obligations.

Secured Party hereby acknowledges that, contemporaneously herewith, Grantor has granted security interests in the Collateral to No Logo Air, Inc. and to Isaac Suder, and that for all times that Secured Party, No Logo Air, Inc. and Isaac Suder, or any two of them or their successors-in-interest, continue to hold a security interest in the Collateral, the ranking of their respective security interests shall be governed by the terms of an Intercreditor Agreement entered into on even date herewith.

All Collateral shall remain subject to this Security Agreement until all of the Obligations have been paid and the Collateral has been returned by Secured Party to the possession of Grantor. Secured Party may renew any and all renewable items included in the Collateral. All interest, dividends, income, fruits, returns, accessions, profits, corporate distributions (including, without limitation, stock splits and stock dividends), and proceeds with respect to the Collateral shall be delivered by Grantor upon receipt to Secured Party in negotiable form, as applicable. Grantor shall execute any endorsements, assignments and financing statements with respect to the Collateral, in form and substance satisfactory to Secured Party, that Secured Party may request. Grantor represents and warrants that, except as specifically provided herein, (a) Secured Party shall at all times have a perfected first priority security interest in the Collateral free of all other security interests, liens and claims, and (b) the description and identification of the Collateral and

Grantor's name, organizational identification number, and principal residence or chief executive office are correctly stated herein. Grantor shall prevent the accrual of prescription or statute of limitations with respect to the Collateral no later than sixty (60) days prior to the date on which enforcement would be barred, and shall execute any additional documents reasonably required to perfect the security interest of Secured Party in the Collateral. Secured Party is not obligated to take any of the foregoing actions or to preserve Grantor's rights with respect to the Collateral including, without limitation, rights against prior parties and shall not be liable in any manner with respect to the Collateral. Any responsibility of Secured Party with respect to the Collateral, whether arising contractually or as a matter of law, is hereby expressly waived.

If Grantor defaults in the timely payment or performance of any of the Obligations, or if any warranty or representation of Grantor to Secured Party should be untrue at any time, then, at the option of Secured Party, the Obligations shall be immediately due and payable in full without notice or demand, and Secured Party may sell, assign, transfer and effectively deliver all or any part of the Collateral at public or private sale, without recourse to judicial proceedings and without demand, appraisal or advertisement, all of which are hereby expressly waived by Grantor to the fullest extent permitted by law. For purposes of executory process, Grantor acknowledges the indebtedness

owed under the Obligations, confesses judgment in favor of Secured Party for the full amount of the Obligations, and agrees to enforcement by executory process. Grantor waives (a) the benefit of appraisal provided in Art. 2723 of the Louisiana Code of Civil Procedure and (b) the demand and three (3) days delay provided by Articles 2639 and 2721, Louisiana Code of Civil Procedure. Grantor grants to Secured Party an irrevocable mandate and power of attorney (coupled with an interest) to exercise, before or after default by Grantor of any of the Obligations, at Secured Party's sole discretionary option and without any obligation to do so, all rights that Grantor has with respect to the Collateral, including, without limitation, the right to exercise all rights of inspection, deriving from Grantor's ownership of or other interest in the Collateral. If the proceeds from the sale or enforcement of the Collateral are insufficient to satisfy all of the Obligations in full, all parties obligated thereon shall remain fully obligated for any deficiency. The rights and remedies of Secured Party hereunder are cumulative, may be exercised singly or concurrently, and are in addition to any rights and remedies of Secured Party under applicable law.

Without releasing or affecting any of its rights, Secured Party may, one or more times, in his sole discretion, without notice to or the consent of Grantor, take any one or more of the following actions: (a) release, renew or modify the obligations of Grantor or any other party; (b) release, exchange, modify, or surrender in whole or in part Secured Party's rights with respect to any Collateral for the Obligations; (c) modify or alter the term, interest rate or due date of any payment of any of the Obligations; (d) grant any postponements, compromises, indulgences, waivers, surrenders or discharges or modify the terms of its agreements with Grantor; (e) change his manner of doing business with Grantor or any other party; or (f) impute payments or proceeds of any Collateral furnished for any of the Obligations, in whole or in part, to any of the Obligations, or retain the payments or proceeds as Collateral for the Obligations without applying same toward payment of the Obligations, and Grantor hereby expressly waives any defenses arising from any such actions. The obligations of Grantor hereunder shall bind and obligate Grantor's successors and assigns. Secured Party may assign and transfer the Collateral to an assignee of any of the Obligations, whereupon such transferee shall become vested with all powers and rights granted to Secured Party under this Security Agreement. If any provision of this Security Agreement shall be held to be legally invalid or unenforceable by any court of competent jurisdiction, all remaining provisions of this Security Agreement shall remain in full force and effect. This Security Agreement shall be governed by the internal laws of the State of Louisiana.

GRANTOR:

BLACKWATER MIDSTREAM CORP.

Dated: January 20, 2009

By: /s/ Michael J. Suder

Michael J. Suder, President

SECURED PARTY:

TER MAST BEHEER UTRECHT B.V.

By: /s/ Mathijs van Houweninge

Print Name: Mathijs van Houweninge

Title:

Exhibit 10.3

LOAN AGREEMENT

\$75,000

NEW ORLEANS, LOUISIANA

JANUARY 1, 2009

I, WE, OR EITHER OF US, JOINTLY, SEVERALLY AND SOLIDARILY, PROMISE(S) TO PAY TO THE ORDER OF NO LOGO AIR, INC., AT 310 GREENSTREET, SAN FRANCISCO, CA 94133, SEVENTY-FIVE THOUSAND AND NO/100 (\$75,000.00) DOLLARS, FOR VALUE RECEIVED, WITH INTEREST AT THE RATE OF TWELVE (12%) PERCENT PER ANNUM FROM DATE UNTIL PAID, PRINCIPAL AND INTEREST PAYABLE AS FOLLOWS:

INTEREST ONLY FOR THE FIRST THREE MONTHS, PAYABLE ON THE LAST DAY OF EACH OF JANUARY, FEBRUARY AND MARCH, 2009, FOLLOWED BY FIFTEEN MONTHLY INSTALLMENTS OF PRINCIPAL AND INTEREST IN THE AMOUNT OF FIVE THOUSAND FOUR HUNDRED NINE AND 28/100 (\$5,409.28) DOLLARS, COMMENCING ON THE LAST DAY OF APRIL, 2009, AND ON THE LAST DAY OF EACH SUCCEEDING MONTH THEREAFTER.

There shall be no penalty for the prepayment in whole or in part of any installment of principal or interest due on this note; provided, however, that any such prepayment shall be applied first to all accrued and unpaid interest and the balance, if any, to the principal.

If any installment hereon is not promptly paid when due, then all installments payable hereon shall, at the option of the holder hereof, immediately mature, and become due and exigible, ipso facto and at once, without notice or demand.

In case this note should be placed in the hands of an attorney, after its maturity, to institute legal proceedings to recover the amount hereof, or any part hereof, in principal or interest, or to protect the interests of the holder hereof, or in case the same should be placed in the hands of an attorney for collection, compromise or other action, the maker(s) and endorser(s) bind himself (themselves) to pay the fees of the attorney who may be employed for that purpose, which fees are hereby fixed at ten (10%) percent on the amount due or sued for, or claimed or sought to be protected, preserved or enforced.

No delay on the part of the holder of this note in exercising any rights hereunder shall operate as a waiver of such rights.

All parties hereto, severally waive presentment for payment, demand, notice of non-payment, protest, and all pleas of division and discussion, and agree that the payment hereof may be extended from time to time, one or more times, without notice, hereby binding themselves, solidarily, unconditionally

and as original promissors for the payment hereof, in principal, interest, cost and attorney's fees.

BLACKWATER MIDSTREAM CORP.

Dated: January 20, 2009

By: /s/ Michael J. Suder

Michael J. Suder, President

SECURITY AGREEMENT

This Security Agreement is made this 1st day of January, 2009, by BLACKWATER MIDSTREAM CORP. (hereinafter referred to as "Grantor") in favor of NO LOGO AIR, INC. ("Secured Party"). Grantor's organizational identification number is C7459-2004. Grantor's principal residence or chief executive office is located at 660 LaBauve Drive, Westwego, Louisiana 70051.

To secure payment of all obligations and liabilities of Grantor to Secured Party, direct or contingent, due or to become due, now existing or hereafter arising, including, without limitation, all future advances, with interest, attorneys' fees, expenses of collection and costs, and further including, without limitation, obligations to Secured Party on promissory notes, checks, loan agreements, security documents, endorsements, continuing guaranties and this Security Agreement (collectively, the "Obligations"), Grantor pledges, pawns and delivers to Secured Party, and grants to Secured Party a continuing security interest in, and a right of set-off and compensation against the following described property:

I. Grantor's right, title and interest (the "LLC Interest") in that certain limited liability company (the "LLC") known as BLACKWATER NEW ORLEANS, L.L.C., created by Articles of Organization dated September 9, 2008, and filed on September 9, 2008, in the Office of the Secretary of State of the State of Louisiana, including, but not necessarily limited to, all distributions, rents, fruits, profits, revenues, and other interests, however produced or derived from Grantor's LLC Interest whether in the event of the sale, lease, improvement, operation, and/or disposal of any and all property which the LLC presently owns, or otherwise;

together with all property added to or substituted for any of the foregoing, and all interest, dividends, income, fruits, returns, accessions, profits, corporate distributions (including, without limitation, stock splits and stock dividends), products and proceeds of any of the foregoing (collectively, "Collateral"). The term "proceeds" shall have the meaning provided in the Louisiana Commercial Laws, LSA-R.S. ss.10:1-101, ET. SEQ.

Grantor warrants with respect to the Collateral that, except as otherwise specifically provided herein (a) Grantor is the owner of 100% of the membership interests in the LLC; (b) the Collateral is not subject to any prior assignment, claim, lien or security interest; and (c) Grantor will not make any assignment of the Collateral or create any further security therein, nor permit Grantor's right in the Collateral to be reached by attachment, levy, garnishment

or other judicial process, without first negotiating with Secured Party, in good faith, to provide Secured Party with a first priority security interest on membership interests in the LLC with an appraised value of 150% of the then-outstanding principal amount of the Obligations.

Secured Party hereby acknowledges that, contemporaneously herewith, Grantor has granted security interests in the Collateral to Ter Mast Beheer Utrecht BV and to Isaac Suder, and that for all times that Secured Party, Ter Mast Beheer Utrecht BV and Isaac Suder, or any two of them or their successors-in-interest, continue to hold a security interest in the Collateral, the ranking of their respective security interests shall be governed by the terms of an Intercreditor Agreement entered into on even date herewith.

All Collateral shall remain subject to this Security Agreement until all of the Obligations have been paid and the Collateral has been returned by Secured Party to the possession of Grantor. Secured Party may renew any and all renewable items included in the Collateral. All interest, dividends, income, fruits, returns, accessions, profits, corporate distributions (including, without limitation, stock splits and stock dividends), and proceeds with respect to the Collateral shall be delivered by Grantor upon receipt to Secured Party in negotiable form, as applicable. Grantor shall execute any endorsements, assignments and financing statements with respect to the Collateral, in form and substance satisfactory to Secured Party, that Secured Party may request. Grantor represents and warrants that, except as specifically provided herein, (a) Secured Party shall at all times have a perfected first priority security interest in the Collateral free of all other security interests, liens and claims, and (b) the description and identification of the Collateral and

Grantor's name, organizational identification number, and principal residence or chief executive office are correctly stated herein. Grantor shall prevent the accrual of prescription or statute of limitations with respect to the Collateral no later than sixty (60) days prior to the date on which enforcement would be barred, and shall execute any additional documents reasonably required to perfect the security interest of Secured Party in the Collateral. Secured Party is not obligated to take any of the foregoing actions or to preserve Grantor's rights with respect to the Collateral including, without limitation, rights against prior parties and shall not be liable in any manner with respect to the Collateral. Any responsibility of Secured Party with respect to the Collateral, whether arising contractually or as a matter of law, is hereby expressly waived.

If Grantor defaults in the timely payment or performance of any of the Obligations, or if any warranty or representation of Grantor to Secured Party should be untrue at any time, then, at the option of Secured Party, the Obligations shall be immediately due and payable in full without notice or demand, and Secured Party may sell, assign, transfer and effectively deliver all or any part of the Collateral at public or private sale, without recourse to judicial proceedings and without demand, appraisal or advertisement, all of which are hereby expressly waived by Grantor to the fullest extent permitted by

law. For purposes of executory process, Grantor acknowledges the indebtedness owed under the Obligations, confesses judgment in favor of Secured Party for the full amount of the Obligations, and agrees to enforcement by executory process. Grantor waives (a) the benefit of appraisal provided in Art. 2723 of the Louisiana Code of Civil Procedure and (b) the demand and three (3) days delay provided by Articles 2639 and 2721, Louisiana Code of Civil Procedure. Grantor grants to Secured Party an irrevocable mandate and power of attorney (coupled with an interest) to exercise, before or after default by Grantor of any of the Obligations, at Secured Party's sole discretionary option and without any obligation to do so, all rights that Grantor has with respect to the Collateral, including, without limitation, the right to exercise all rights of inspection, deriving from Grantor's ownership of or other interest in the Collateral. If the proceeds from the sale or enforcement of the Collateral are insufficient to satisfy all of the Obligations in full, all parties obligated thereon shall remain fully obligated for any deficiency. The rights and remedies of Secured Party hereunder are cumulative, may be exercised singly or concurrently, and are in addition to any rights and remedies of Secured Party under applicable law.

Without releasing or affecting any of its rights, Secured Party may, one or more times, in his sole discretion, without notice to or the consent of Grantor, take any one or more of the following actions: (a) release, renew or modify the obligations of Grantor or any other party; (b) release, exchange, modify, or surrender in whole or in part Secured Party's rights with respect to any Collateral for the Obligations; (c) modify or alter the term, interest rate or due date of any payment of any of the Obligations; (d) grant any postponements, compromises, indulgences, waivers, surrenders or discharges or modify the terms of its agreements with Grantor; (e) change his manner of doing business with Grantor or any other party; or (f) impute payments or proceeds of any Collateral furnished for any of the Obligations, in whole or in part, to any of the Obligations, or retain the payments or proceeds as Collateral for the Obligations without applying same toward payment of the Obligations, and Grantor hereby expressly waives any defenses arising from any such actions. The obligations of Grantor hereunder shall bind and obligate Grantor's successors and assigns. Secured Party may assign and transfer the Collateral to an assignee of any of the Obligations, whereupon such transferee shall become vested with all powers and rights granted to Secured Party under this Security Agreement. If any provision of this Security Agreement shall be held to be legally invalid or unenforceable by any court of competent jurisdiction, all remaining provisions of this Security Agreement shall remain in full force and effect. This Security Agreement shall be governed by the internal laws of the State of Louisiana.

GRANTOR:

BLACKWATER MIDSTREAM CORP.

Dated: January 20, 2009

By: /s/ Michael J. Suder

Michael J. Suder, President

SECURED PARTY:

NO LOGO AIR, INC.

By: /s/ Mathijs van Houweninge

Print Name: Mathijs van Houweninge

Title:

Loan Agreement

\$100,000

NEW ORLEANS, LOUISIANA

JANUARY 1, 2009

I, WE, OR EITHER OF US, JOINTLY, SEVERALLY AND SOLIDARILY, PROMISE(S) TO PAY TO THE ORDER OF ISAAC SUDER, AT 727 PALMER AVENUE, TEANECK, NEW JERSEY 07666, ONE HUNDRED THOUSAND AND NO/100 (\$100,000.00) DOLLARS, FOR VALUE RECEIVED, WITH INTEREST AT THE RATE OF TWELVE (12%) PERCENT PER ANNUM FROM DATE UNTIL PAID, PRINCIPAL AND INTEREST PAYABLE AS FOLLOWS:

INTEREST ONLY FOR THE FIRST THREE MONTHS, PAYABLE ON THE LAST DAY OF EACH OF JANUARY, FEBRUARY AND MARCH, 2009, FOLLOWED BY FIFTEEN MONTHLY INSTALLMENTS OF PRINCIPAL AND INTEREST IN THE AMOUNT OF SEVEN THOUSAND TWO HUNDRED TWELVE AND 38/100 (\$7,212.38) DOLLARS, COMMENCING ON THE LAST DAY OF APRIL, 2009, AND ON THE LAST DAY OF EACH SUCCEEDING MONTH THEREAFTER.

There shall be no penalty for the prepayment in whole or in part of any installment of principal or interest due on this note; provided, however, that any such prepayment shall be applied first to all accrued and unpaid interest and the balance, if any, to the principal.

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and attorney's fees.

BLACKWATER MIDSTREAM CORP.

Dated: January 20, 2009

By: /s/ Michael J. Suder

Michael J. Suder, President

SECURITY AGREEMENT

This Security Agreement is made this 1st day of January, 2009, by BLACKWATER MIDSTREAM CORP. (hereinafter referred to as "Grantor") in favor of ISAAC SUDER ("Secured Party"). Grantor's organizational identification number is C7459-2004. Grantor's principal residence or chief executive office is located at 660 LaBauve Drive, Westwego, Louisiana 70051.

To secure payment of all obligations and liabilities of Grantor to Secured Party, direct or contingent, due or to become due, now existing or hereafter arising, including, without limitation, all future advances, with interest, attorneys' fees, expenses of collection and costs, and further including, without limitation, obligations to Secured Party on promissory notes, checks, loan agreements, security documents, endorsements, continuing guaranties and this Security Agreement (collectively, the "Obligations"), Grantor pledges, pawns and delivers to Secured Party, and grants to Secured Party a continuing security interest in, and a right of set-off and compensation against the following described property:

I. Grantor's right, title and interest (the "LLC Interest") in that certain limited liability company (the "LLC") known as BLACKWATER NEW ORLEANS, L.L.C., created by Articles of Organization dated September 9, 2008, and filed on September 9, 2008, in the Office of the Secretary of State of the State of Louisiana, including, but not necessarily limited to, all distributions, rents, fruits, profits, revenues, and other interests, however produced or derived from Grantor's LLC Interest whether in the event of the sale, lease, improvement, operation, and/or disposal of any and all property which the LLC presently owns, or otherwise;

together with all property added to or substituted for any of the foregoing, and all interest, dividends, income, fruits, returns, accessions, profits, corporate distributions (including, without limitation, stock splits and stock dividends), products and proceeds of any of the foregoing (collectively, "Collateral"). The term "proceeds" shall have the meaning provided in the Louisiana Commercial Laws, LSA-R.S. ss.10:1-101, ET. SEQ.

Grantor warrants with respect to the Collateral that, except as otherwise specifically provided herein (a) Grantor is the owner of 100% of the membership interests in the LLC; (b) the Collateral is not subject to any prior assignment, claim, lien or security interest; and (c) Grantor will not make any assignment of the Collateral or create any further security therein, nor permit Grantor's right in the Collateral to be reached by attachment, levy, garnishment or other judicial process, without first negotiating with Secured Party, in good faith, to provide Secured Party with a first priority security interest on membership interests in the LLC with an appraised value of 150% of the

then-outstanding principal amount of the Obligations.

Secured Party hereby acknowledges that, contemporaneously herewith, Grantor has granted security interests in the Collateral to Ter Mast Beheer Utrecht BV and to No Logo Air, Inc., and that for all times that Secured Party, Ter Mast Beheer Utrecht BV and No Logo Air, Inc., or any two of them or their successors-in-interest, continue to hold a security interest in the Collateral, the ranking of their respective security interests shall be governed by the terms of an Intercreditor Agreement entered into on even date herewith.

All Collateral shall remain subject to this Security Agreement until all of the Obligations have been paid and the Collateral has been returned by Secured Party to the possession of Grantor. Secured Party may renew any and all renewable items included in the Collateral. All interest, dividends, income, fruits, returns, accessions, profits, corporate distributions (including, without limitation, stock splits and stock dividends), and proceeds with respect to the Collateral shall be delivered by Grantor upon receipt to Secured Party in negotiable form, as applicable. Grantor shall execute any endorsements, assignments and financing statements with respect to the Collateral, in form and substance satisfactory to Secured Party, that Secured Party may request. Grantor represents and warrants that, except as specifically provided herein, (a) Secured Party shall at all times have a perfected first priority security interest in the Collateral free of all other security interests, liens and claims, and (b) the description and identification of the Collateral and

Grantor's name, organizational identification number, and principal residence or chief executive office are correctly stated herein. Grantor shall prevent the accrual of prescription or statute of limitations with respect to the Collateral no later than sixty (60) days prior to the date on which enforcement would be barred, and shall execute any additional documents reasonably required to perfect the security interest of Secured Party in the Collateral. Secured Party is not obligated to take any of the foregoing actions or to preserve Grantor's rights with respect to the Collateral including, without limitation, rights against prior parties and shall not be liable in any manner with respect to the Collateral. Any responsibility of Secured Party with respect to the Collateral, whether arising contractually or as a matter of law, is hereby expressly waived.

If Grantor defaults in the timely payment or performance of any of the Obligations, or if any warranty or representation of Grantor to Secured Party should be untrue at any time, then, at the option of Secured Party, the Obligations shall be immediately due and payable in full without notice or demand, and Secured Party may sell, assign, transfer and effectively deliver all or any part of the Collateral at public or private sale, without recourse to judicial proceedings and without demand, appraisal or advertisement, all of which are hereby expressly waived by Grantor to the fullest extent permitted by law. For purposes of executory process, Grantor acknowledges the indebtedness owed under the Obligations, confesses judgment in favor of Secured Party for the full amount of the Obligations, and agrees to enforcement by executory process.

Grantor waives (a) the benefit of appraisal provided in Art. 2723 of the Louisiana Code of Civil Procedure and (b) the demand and three (3) days delay provided by Articles 2639 and 2721, Louisiana Code of Civil Procedure. Grantor grants to Secured Party an irrevocable mandate and power of attorney (coupled with an interest) to exercise, before or after default by Grantor of any of the Obligations, at Secured Party's sole discretionary option and without any obligation to do so, all rights that Grantor has with respect to the Collateral, including, without limitation, the right to exercise all rights of inspection, deriving from Grantor's ownership of or other interest in the Collateral. If the proceeds from the sale or enforcement of the Collateral are insufficient to satisfy all of the Obligations in full, all parties obligated thereon shall remain fully obligated for any deficiency. The rights and remedies of Secured Party hereunder are cumulative, may be exercised singly or concurrently, and are in addition to any rights and remedies of Secured Party under applicable law.

Without releasing or affecting any of its rights, Secured Party may, one or more times, in his sole discretion, without notice to or the consent of Grantor, take any one or more of the following actions: (a) release, renew or modify the obligations of Grantor or any other party; (b) release, exchange, modify, or surrender in whole or in part Secured Party's rights with respect to any Collateral for the Obligations; (c) modify or alter the term, interest rate or due date of any payment of any of the Obligations; (d) grant any postponements, compromises, indulgences, waivers, surrenders or discharges or modify the terms of its agreements with Grantor; (e) change his manner of doing business with Grantor or any other party; or (f) impute payments or proceeds of any Collateral furnished for any of the Obligations, in whole or in part, to any of the Obligations, or retain the payments or proceeds as Collateral for the Obligations without applying same toward payment of the Obligations, and Grantor hereby expressly waives any defenses arising from any such actions. The obligations of Grantor hereunder shall bind and obligate Grantor's successors and assigns. Secured Party may assign and transfer the Collateral to an assignee of any of the Obligations, whereupon such transferee shall become vested with all powers and rights granted to Secured Party under this Security Agreement. If any provision of this Security Agreement shall be held to be legally invalid or unenforceable by any court of competent jurisdiction, all remaining provisions of this Security Agreement shall remain in full force and effect. This Security Agreement shall be governed by the internal laws of the State of Louisiana.

GRANTOR:

BLACKWATER MIDSTREAM CORP.

Dated: January 20, 2009

By: /s/ Michael J. Suder

Michael J. Suder, President

SECURED PARTY:

Dated: January 20, 2009

By: /s/ Isaac Suder

ISAAC SUDER

INTERCREDITOR AGREEMENT

This Intercreditor Agreement is entered into on the dates set forth below, but effective as of January 1, 2009, by and among Isaac Suder ("Suder"), No Logo Air, Inc. ("No Logo Air") and Ter Mast Beheer Utrecht B.V. (each a "Creditor" and collectively, the "Creditors"), and Blackwater Midstream Corp. ("Blackwater").

RECITALS

WHEREAS, each of the Creditors has loaned monies to Blackwater in connection with the acquisition of a bulk liquid storage facility located in Westwego, Louisiana by Blackwater New Orleans, L.L.C., the wholly-owned subsidiary of Blackwater;

WHEREAS, as security for the repayment of the said loans, Blackwater has granted each of the Creditors a security interest in its membership interests in Blackwater New Orleans, L.L.C. (the "Collateral");

WHEREAS, the Creditors desire to agree as to the priority, as among themselves, of the security interests granted by Blackwater, notwithstanding the priority that might otherwise result from the filing of UCC-1 Financing Statements noticing their respective security interests; and

WHEREAS, the Creditors desire to agree with respect to the sharing of costs, etc. in the event enforcement of the security interests in the Collateral becomes necessary.

AGREEMENT

NOW, THEREFORE, the Creditors do hereby agree as follows:

1. Each Creditor shall file, or cause to be filed, in the appropriate jurisdiction, a UCC-1 Financing Statement noticing the security interest each has been granted in the Collateral by Blackwater.
2. Notwithstanding the priorities that might otherwise result from the filing of such UCC-1 Financing Statements, the Creditors agree that each of them shall rank equally in terms of priority with respect to the security interests granted in the Collateral.
3. In the event enforcement of the security interests in the Collateral by one

or more of the Creditors becomes necessary:

a) the Creditors shall cooperate with each other in the prosecution of any and all enforcement actions against Blackwater, including without limitation, and the extent allowed by law, the consolidation of all enforcement actions into the first-filed of such actions;

b) each of the Creditors shall share pro-rata in any net recovery resulting from any enforcement action, in proportion to the then-outstanding amount of the Obligations due and owing each Creditor; and

c) each of the Creditors shall share pro-rata in the fees and costs incurred by any Creditor in connection with the enforcement action, including without limitation reasonable attorneys fees.

4. Blackwater hereby acknowledges the Creditors' agreements as set forth herein, and agrees to be bound by the terms and conditions of this Intercreditor Agreement.
5. Whenever possible, each provision of this Agreement shall be interpreted in such manner as to be effective and valid under applicable law, but if any provision of this Agreement is held to be invalid, illegal or unenforceable in any respect under any applicable law or rule in any jurisdiction, such invalidity, illegality or unenforceability shall not affect any other provision or any other jurisdiction, but this Agreement shall be reformed, construed and enforced in such jurisdiction as if such invalid, illegal or unenforceable provision had never been contained herein.
6. This Agreement shall bind the parties hereto and their respective successors and assigns and shall inure to the benefit of and be enforceable by the parties hereto and their respective successors and assigns.
7. The law of the State of Nevada shall govern all issues and questions concerning the relative rights and obligations of the parties to this Agreement.
8. This Agreement may be executed in separate counterparts, none of which need contain the signature of more than one party hereto but each of which shall be deemed to be an original and all of which taken together shall constitute one and the same agreement.

Thus done and signed on the dates set forth below, but effective as of January 1, 2009.

NO LOGO AIR, INC.

/s/ Isaac Suder

ISAAC SUDER

By: /s/ Mathijs van Houweninge

Mathijs van Houweninge

Date: January 20, 2009

Date: January 20, 2009

TER MAST BEHEER UTRECHT B.V.

BLACKWATER MIDSTREAM CORP.

By: /s/ Mathijs van Houweninge

Print Name: Mathijs van Houweninge

Title:

Date: January 20, 2009

By: /s/ Michael J. Suder

Michael J. Suder, President

Date: January 20, 2009

By: /s/ Mathijs van Houweninge

Print Name: Mathijs van Houweninge

Title: