

**IN THE UNITED STATES DISTRICT COURT
FOR THE WESTERN DISTRICT OF TENNESSEE**

MEMPHIS BIOFUELS LLC,)	
)	
Plaintiff,)	No. Civil Action No.
)	
v.)	
)	
CHICKASAW NATION INDUSTRIES, INC.)	
and THE AMERICAN ARBITRATION)	
ASSOCIATION)	
)	
Defendant.)	

**VERIFIED COMPLAINT FOR DECLARATORY JUDGMENT AND TEMPORARY
RESTRAINING ORDER AND PRELIMINARY AND PERMANENT INJUNCTIVE
RELIEF AND TO ENFORCE ARBITRATION AGREEMENT**

COMES NOW the Plaintiff, Memphis Biofuels, LLC ("MBF"), and for its causes of action against Defendant, Chickasaw Nation Industries, Inc. ("CNI"), respectfully states and shows unto this Honorable Court the following:

I. THE PARTIES

1. MBF alleges on information and belief that CNI is a federally-chartered tribal business corporation pursuant to 25 U.S.C. § 503, with its principal place of business being 2020 Arlington, Suite 6, Ada, Oklahoma 74820.

2. MBF is a Delaware limited liability company with its principal place of business located at 2227 Deaderick Avenue, Memphis, Tennessee 38114.

3. The American Arbitration Association ("AAA") is on information and belief a New York not-for-profit corporation with an identity separate from the Chickasaw Nation, with its

while MBF is a citizen of the State of Tennessee, and there is over \$75,000 at issue exclusive of interest and costs.

5. This Honorable Court has personal jurisdiction over CNI in that CNI sent its authorized representative into this jurisdiction to negotiate a contract with MBF, and CNI also consented to this Court's jurisdiction by way of a written contract, and the contract was to be performed within this jurisdiction, and its breach has caused a substantial effect within this jurisdiction, all of which created adequate minimum contacts between CNI and this jurisdiction in order for it to be reasonable for CNI to be haled into Court within this jurisdiction.

6. Venue is proper in this Honorable Court pursuant to 28 U.S.C. § 1391 in that a substantial part of the events or omissions giving rise to this claim occurred within this judicial district, and the Defendant, CNI, is subject to personal jurisdiction by this Court at the time of the commencement of this action.

III. ALLEGATIONS OF FACTS

7. MBF is engaged in the business of producing biodiesel fuel at its facility in Memphis, Tennessee.

8. In the summer and fall of 2006, CNI desired to enter into the biodiesel business.

9. Because CNI did not have substantial experience in that field, it retained U.S. Alternative Fuels, LLC ("USAF") as a consultant to assist it in its entry into the biodiesel business.

10. A Mr. John Stocker of USAF assumed the responsibility of assisting CNI as a consultant in the biodiesel business.

11. As part of that responsibility Stocker, representing CNI, began negotiating a biodiesel refining agreement between MBF and CNI.

12. As part of those negotiations, Stocker met with MBF in Memphis, Tennessee twice to negotiate the contract, and of course the place of performance of the contract always was contemplated to be Memphis, Tennessee.

13. The parties ultimately negotiated an agreement, a true and correct copy of which is attached hereto as Exhibit "A", and which is entitled "Internal Authorization and Contract for conversion of Product by Memphis Biofuels"(the "Tolling Agreement"). The Tolling Agreement was signed on behalf of CNI by its President and Chief Executive Officer, Deryl Wright.

14. CNI alleges that during the negotiations, CNI advised MBF that in order for CNI to waive its sovereign immunity, CNI would have to obtain approval from its Board of Directors. MBF saw indications of this on drafts sent by CNI's counsel, but MBF believed that these indications were recorded as reminders to CNI readers and counsel. MBF expected and believed that CNI would be getting all necessary approvals.

15. Accordingly, the parties negotiated and included in the Tolling Agreement, a provision that sovereign immunity would be waived, and that "each party represents and warrants that such waiver by it is valid and enforceable and effective." MBF insisted on this clause and intended it to mean that approval by CNI's Board of Directors had been obtained. The Tolling Agreement also memorialized the parties' intent to submit any disputes to mediation and then arbitration, to be conducted under the auspices of the AAA. It also provided that CNI consented to the jurisdiction of the Federal Courts of Tennessee. Part of this, particularly including the waiver

of sovereign immunity and the “representation and warranty” that the waiver of sovereign immunity was “valid, enforceable and effective”, was set forth in bold type, in all capital letters:

19. If a dispute arises out of or relates to this contract, or the breach thereof, and if the dispute cannot be settled through negotiation, the parties agree first to try in good faith to settle the dispute by mediation administered by the American Arbitration Association under its Commercial Mediation Rules before resorting to arbitration, it being understood that mediation shall be conclusively deemed to have failed if it does not result in settlement within four months after having been commenced. Any controversy or claim arising out of or relating to this contract including those relating to its formation or performance or breach shall be resolved by arbitration administered by the American Arbitration Association in accordance with its Commercial Arbitration Rules including the Emergency Interim Relief Procedures, and judgment on the award rendered by the arbitrator(s) may be entered as hereinafter set forth. THE COMPANY AND MEMPHIS HEREBY EACH IRREVOCABLY AGREE TO THE FULL APPLICABILITY OF THE FEDERAL ARBITRATION ACT OF 1947, AS AMENDED. EACH ALSO CONSENTS TO THE PLENARY JURISDICTION OF ANY UNITED STATES FEDERAL COURT SITTING IN TENNESSEE AND THAT OF ANY STATE COURT IN OKLAHOMA REGARDING ANY MATTER SUBMITTED TO MEDIATION OR RESOLVED BY MEDIATION OR SUBMITTED TO ARBITRATION OR RESOLVED BY ARBITRATION (INCLUDING WITHOUT LIMITATION APPLICATIONS TO COMPEL ARBITRATION, THE CONDUCT OF ANY ARBITRATION AND THE ENTRY OF JUDGMENTS ON ARBITRATION AWARDS AND ORDERS CONFIRMING SUCH AWARDS) AND OTHER LITIGATION OR OTHER PROCEEDINGS, IF ANY, BASED HEREON, OR ARISING OUT OF, UNDER, OR IN CONNECTION WITH THIS AGREEMENT, WHICH HAVE BEEN FOUND TO BE OUTSIDE THE SCOPE OF THE ABOVE MEDIATION AND ARBITRATION PROVISIONS. EACH PARTY HEREBY IRREVOCABLY CONSENTS TO THE SERVICE OF PROCESS BY REGISTERED MAIL, POSTAGE PREPAID, OR BY PERSONAL SERVICE WITHIN OR WITHOUT THE STATE OF TENNESSEE, AT ITS THEN-CURRENT PRINCIPAL PLACE OF BUSINESS. OR HEREAFTER MAY HAVE TO THE LAYING OF VENUE OF ANY SUCH PROCEEDINGS BROUGHT IN ANY SUCH COURT REFERRED TO ABOVE AND ANY CLAIM THAT ANY SUCH LITIGATION HAS BEEN BROUGHT IN AN INCONVENIENT FORUM. TO THE EXTENT THAT THE COMPANY OR MEMPHIS HAS OR HEREAFTER MAY ACQUIRE ANY IMMUNITY FROM SUIT IN OR JURISDICTION OF ANY COURT NAMED ABOVE OR FROM ANY LEGAL PROCESS FROM OR RELATING TO ANY SUCH COURT WHETHER BY REASON OF LAW APPLICABLE TO AMERICAN INDIANS, THROUGH SERVICE OR NOTICE, ATTACHMENT PRIOR TO JUDGMENT, ATTACHMENT IN AID OF EXECUTION OR OTHERWISE) WITH RESPECT TO ITSELF OR ITS PROPERTY, SUCH PARTY HEREBY IRREVOCABLY WAIVES SUCH

IMMUNITY. EACH PARTY REPRESENTS AND WARRANTS THAT SUCH WAIVER BY IT IS VALID, ENFORCEABLE AND EFFECTIVE. EACH PARTY WAIVES ANY RIGHT THAT IT MAY HAVE TO CLAIM OR RECOVER IN ANY ARBITRATION LEGAL ACTION OR PROCEEDING REFERRED TO IN THIS SECTION ANY OF ITS SPECIAL, EXEMPLARY, PUNITIVE OR CONSEQUENTIAL DAMAGES. (underlining added)

16. The Tolling Agreement also provided for the application of Tennessee law, other than its choice of law rules:

21. This Contract shall be governed by and construed in accordance with the laws of the State of Tennessee, without regard to choice of law provisions.

17. The contract, containing the representation that the waiver was “valid, enforceable and effective” was signed by CNI’s President and Chief Executive Officer, Deryl Wright.

18. Disputes arose between the parties as to the interpretation of the Tolling Agreement, and so MBF, as required by the Tolling Agreement, paid a substantial filing fee and duly and properly instituted a mediation procedure through the AAA . The parties conducted a mediation session, at which CNI was represented by its President and Chief Executive Officer, Mr. Deryl Wright who had executed the Tolling Agreement in its behalf, and another corporate officer, along with two (2) of its corporate counsel and its outside counsel. The parties spent a long day with the mediator, at considerable expense for the mediator’s time and expenses and for the parties’ own legal fees. After the mediation session concluded, the parties also conducted extensive negotiations directly between them, over a period of some months, including the exchange of drafts of new proposed agreements, without the assistance of the mediator, but were unable to reach an agreement. There was no mention at any time during this process of any claim that the waiver of sovereign immunity was invalid because it had not been approved by CNI’s Board of Directors, or for any other reason.

19. Accordingly, MBF duly and properly invoked the arbitration clause, as provided in the Tolling Agreement, paying to the AAA an initial fee of \$13,854.60, as indicated by Exhibit "B" attached hereto.

20. MBF alleges that its damages resulting from CNI's breach of the Tolling Agreement amount to \$23,545,954 (See Exhibit "B").

21. The AAA began trying to conduct a conference call to set deadlines and set schedules for the arbitration, but CNI cancelled the call and would not reschedule the call.

22. Instead, on or about the 15th day of April, 2008, CNI filed suit against MBF in the Chickasaw Nation District Court, seeking a declaration that the waiver of sovereign immunity contained in the Tolling Agreement is invalid because, contrary to the "valid, enforceable and effective" representation and warranty in the Tolling Agreement signed by CNI's chief executive officer, CNI's Board of Directors had not executed a resolution to approve it, and seeking to enjoin MBF and the AAA from proceeding with the arbitration. A true and correct and genuine copy of the Verified Complaint for Declaratory and Injunctive Relief filed by CNI is attached hereto and incorporated herein by reference as Exhibit "C".

23. MBF's counsel received a telephone call from CNI's counsel late in the afternoon of Friday, April 18, 2008, to the effect that "there is over a 90% chance" that CNI would on Thursday, April 24, 2008 ask the Chickasaw Nation District Court for a Temporary Restraining Order, but MBF has received no further notice of any such request.

24. There has been no argument that the language of the waiver itself is ineffective; even CNI claims only that the waiver is ineffective because, allegedly, contrary to the

representation and warranty set forth hereinabove, CNI's Board of Directors did not approve the waiver of sovereign immunity.

IV. ALLEGATIONS OF LAW

A. Estoppel/Apparent Authority/Unclean Hands

25. The Tolling Agreement contains an implied term of good faith and fair dealing, pursuant to Tennessee law.

26. MBF believed that CNI was acting in good faith, when it, through its President and CEO, Mr. Wright, represented and warranted that it had full authority to agree to every term contained in the Tolling Agreement, including but not limited to the waiver of sovereign immunity and that the waiver of sovereign immunity was "valid, enforceable and effective".

27. MBF alleges that CNI, which cloaked Mr. Deryl Wright, its President and Chief Executive Officer, with apparent authority to represent and warrant that CNI had obtained the approval of its Board of Directors, and which had participated fully in the mediation as required by the Tolling Agreement, causing MBF to expend substantial sums of money and time, while making no mention of its claim that CNI and/or Mr. Wright, had "represented and warranted" falsely to MBF that CNI had obtained all necessary approvals for the Tolling Agreement, should not now be allowed to attempt to repudiate the Tolling Agreement, by virtue of the operation of the federal common-law doctrines of estoppel, apparent authority and unclean hands. To do otherwise would be to allow CNI to benefit from its own wrongful acts and unclean hands.

B. Breach Of Contract

28. CNI also contracted away its right to resolve any disputes relating to the Tolling Agreement other than through mediation and arbitration to be conducted by the AAA, and there is

no contention that the approval of CNI's Board of Directors was required for that. Accordingly, CNI has no right to sue MBF in Tribal Court; its contention regarding sovereign immunity should be resolved by the arbitration to be conducted by the AAA, as the parties contracted, and as the Federal Arbitration Act requires..

C. Fraud/Intentional Misrepresentation/Negligent Misrepresentation.

29. CNI's "representation and warranty" that it had obtained all necessary approvals was a statement as to a material fact; made with knowledge of its falsity or reckless disregard as to its truth or falsity; and was made with the intent that MBF rely on it; and MBF did so rely to its detriment. CNI has therefore committed fraud/intentional misrepresentation upon MBF.

30. In addition and in the alternative, MBF alleges that CNI's "representation and warranty" that it had obtained all necessary approvals, was a statement as to a material fact relating to a business matter; was made without reasonable care as to its truth or falsity; was made with the intent that MBF rely upon it; and was reasonably relied upon by MBF, to MBF's detriment. CNI has therefore committed negligent misrepresentation upon MBF.

D. The Tribal Court In Oklahoma Lacks Personal Jurisdiction Over MBF

31. MBF alleges in addition and in the alternative that MBF has not maintained sufficient minimum contacts with the State of Oklahoma or the Chickasaw Nation for the Chickasaw Nation District Court to exercise personal jurisdiction as to MBF. The initial contact that led to the creation of the Tolling Agreement was made by CNI; MBF has never sent anyone to Oklahoma with regard to this matter; and MBF's e-mails and telephone calls to CNI in Oklahoma are not enough to justify the Chickasaw Nation District Court's exercise of personal jurisdiction over MBF.

V. RELIEF

A. Declaratory Judgment.

32. MBF is entitled to a declaratory judgment pursuant to 28 U.S.C. § 2201 to the effect that the waiver of sovereign immunity contained in the Tolling Agreement is valid and binding, notwithstanding CNI's claim that approval by its Board of Directors was required but was not obtained. Pursuant to the federal common-law, CNI is barred from making this claim by virtue of the doctrines of apparent authority, estoppel and unclean hands, and the Tennessee common-law doctrine that every contract contains an implied term of good faith and fair dealing.

B. Enforcement of Arbitration Clause

33. MBF alleges that, pursuant to the Federal Arbitration Act, 9 U.S.C. § 1 et. seq., the arbitration clause contained in the Tolling Agreement is a valid and binding and enforceable agreement, and this Honorable Court should issue a declaratory judgment to that effect and issue Order compelling arbitration under Section 4 of the Federal Arbitration Act, 9 U.S.C. § 4.

C. Injunctive Relief

34. MBF alleges that it is entitled to a temporary restraining order and preliminary and permanent injunctive relief restraining and enjoining CNI from proceeding with its action in the Chickasaw Nation District Court, something which it expressly contracted away the right to do, and ordering CNI to proceed with the arbitration as it agreed to do. MBF alleges that it will incur immediate and irreparable harm in the absence of such relief in that (a) the Chickasaw Tribal Court could enjoin the AAA from conducting the arbitration even if this court determines that the Tribal Court has no jurisdiction over plaintiff and (b) plaintiff will be forced to litigate in the Tribal Court in Oklahoma, an inconvenient forum, and not in the AAA, a forum to which CNI expressly agreed, and there is no contention that the arbitration clause required the approval of CNI's Board of

Directors. MBF is entitled to the benefit of its bargain, including but not limited to the arbitration clause, which will not be achieved unless this Honorable Court issues the requested Temporary Restraining Order. MBF alleges that in view of CNI's statement that it intends to seek a Temporary Restraining Order, and may do so as early as April 24, 2008, that immediate and irreparable harm will exist if this Court does not issue the requested Temporary Restraining Order on an expedited basis, without waiting the five (5) days after notice specified by 9 U.S.C. § 4.

35. MBF alleges in addition that this Honorable Court should also enter Preliminary and Permanent Injunctions requiring CNI to participate in the arbitration, as it contractually bound itself to do.

VI. PRAYER FOR RELIEF

WHEREFORE, PREMISES, CONSIDERED, Plaintiff respectfully prays that:


1. This Honorable Court enter a Declaratory Judgment to the effect that the waiver of sovereign immunity contained in the Tolling Agreement is valid and binding and enforceable;
2. This Honorable Court enter a Declaratory Judgment to the effect that the arbitration clause contained in the Tolling Agreement is valid and binding and enforceable;
3. This Honorable Court enter a Temporary Restraining Order and Preliminary and Permanent Injunctions, restraining and enjoining CNI and/or officers, agents, servants, employees and attorneys and any and all persons or entities who are in active concert or participation with CNI and/or its officers, agents, servants, employees and attorneys, CNI from proceeding with its action against plaintiff and the AAA in the Chickasaw Nation District Court;
4. This Honorable Court enter Preliminary and Permanent Injunctions, requiring CNI to participate in arbitration;

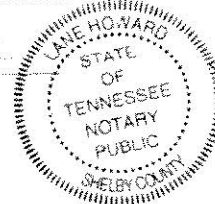
5. This Honorable Court award Plaintiff all such other and further relief as the Court may deem proper in the premises.

The undersigned gives oath that the factual allegations contained herein are true and correct to the personal knowledge of the undersigned.


K. E. Arnold President & CEO of MBF

SWORN TO AND SUBSCRIBED before me this 22nd day of April, 2008.


Notary Public



My Commission Expires:

12/31/2011

Respectfully submitted,

s/John R. Branson

John R. Branson (TN #010913)

165 Madison Avenue

2000 First Tennessee Building

Memphis, Tennessee 38103

(901) 526-2000

Attorney for Memphis BioFuels LLC

OF COUNSEL:

BAKER, DONELSON, BEARMAN, CALDWELL & BERKOWITZ, P.C.

165 Madison Avenue

2000 First Tennessee Building

Memphis, Tennessee 38103

(901) 526-2000

CIVIL COVER SHEET

The JS 44 civil cover sheet and the information contained herein neither replace nor supplement the filing and service of pleadings or other papers as required by law, except as provided by local rules of court. This form, approved by the Judicial Conference of the United States in September 1974, is required for the use of the Clerk of Court for the purpose of initiating the civil docket sheet. (SEE INSTRUCTIONS ON THE REVERSE OF THE FORM.)

I. (a) PLAINTIFFS

(b) County of Residence of First Listed Plaintiff _____
(EXCEPT IN U.S. PLAINTIFF CASES)

(c) Attorney's (Firm Name, Address, and Telephone Number)

DEFENDANTS

County of Residence of First Listed Defendant _____
(IN U.S. PLAINTIFF CASES ONLY)

NOTE: IN LAND CONDEMNATION CASES, USE THE LOCATION OF THE LAND INVOLVED.

Attorneys (If Known)

II. BASIS OF JURISDICTION (Place an "X" in One Box Only)

- ☐ 1 U.S. Government Plaintiff
☐ 2 U.S. Government Defendant
☐ 3 Federal Question (U.S. Government Not a Party)
☐ 4 Diversity (Indicate Citizenship of Parties in Item III)

III. CITIZENSHIP OF PRINCIPAL PARTIES (Place an "X" in One Box for Plaintiff and One Box for Defendant)

- | | PTF | DEF | | PTF | DEF |
|---|----------------------------|----------------------------|--|----------------------------|----------------------------|
| Citizen of This State | <input type="checkbox"/> 1 | <input type="checkbox"/> 1 | Incorporated <i>or</i> Principal Place of Business In This State | <input type="checkbox"/> 4 | <input type="checkbox"/> 4 |
| Citizen of Another State | <input type="checkbox"/> 2 | <input type="checkbox"/> 2 | Incorporated <i>and</i> Principal Place of Business In Another State | <input type="checkbox"/> 5 | <input type="checkbox"/> 5 |
| Citizen or Subject of a Foreign Country | <input type="checkbox"/> 3 | <input type="checkbox"/> 3 | Foreign Nation | <input type="checkbox"/> 6 | <input type="checkbox"/> 6 |

IV. NATURE OF SUIT (Place an "X" in One Box Only)

CONTRACT	TORTS	FORFEITURE/PENALTY	BANKRUPTCY	OTHER STATUTES
<input type="checkbox"/> 110 Insurance <input type="checkbox"/> 120 Marine <input type="checkbox"/> 130 Miller Act <input type="checkbox"/> 140 Negotiable Instrument <input type="checkbox"/> 150 Recovery of Overpayment & Enforcement of Judgment <input type="checkbox"/> 151 Medicare Act <input type="checkbox"/> 152 Recovery of Defaulted Student Loans (Excl. Veterans) <input type="checkbox"/> 153 Recovery of Overpayment of Veteran's Benefits <input type="checkbox"/> 160 Stockholders' Suits <input type="checkbox"/> 190 Other Contract <input type="checkbox"/> 195 Contract Product Liability <input type="checkbox"/> 196 Franchise	PERSONAL INJURY <input type="checkbox"/> 310 Airplane <input type="checkbox"/> 315 Airplane Product Liability <input type="checkbox"/> 320 Assault, Libel & Slander <input type="checkbox"/> 330 Federal Employers' Liability <input type="checkbox"/> 340 Marine <input type="checkbox"/> 345 Marine Product Liability <input type="checkbox"/> 350 Motor Vehicle <input type="checkbox"/> 355 Motor Vehicle Product Liability <input type="checkbox"/> 360 Other Personal Injury PERSONAL INJURY <input type="checkbox"/> 362 Personal Injury - Med. Malpractice <input type="checkbox"/> 365 Personal Injury - Product Liability <input type="checkbox"/> 368 Asbestos Personal Injury Product Liability PERSONAL PROPERTY <input type="checkbox"/> 370 Other Fraud <input type="checkbox"/> 371 Truth in Lending <input type="checkbox"/> 380 Other Personal Property Damage <input type="checkbox"/> 385 Property Damage Product Liability	<input type="checkbox"/> 610 Agriculture <input type="checkbox"/> 620 Other Food & Drug <input type="checkbox"/> 625 Drug Related Seizure of Property 21 USC 881 <input type="checkbox"/> 630 Liquor Laws <input type="checkbox"/> 640 R.R. & Truck <input type="checkbox"/> 650 Airline Regs. <input type="checkbox"/> 660 Occupational Safety/Health <input type="checkbox"/> 690 Other LABOR <input type="checkbox"/> 710 Fair Labor Standards Act <input type="checkbox"/> 720 Labor/Mgmt. Relations <input type="checkbox"/> 730 Labor/Mgmt. Reporting & Disclosure Act <input type="checkbox"/> 740 Railway Labor Act <input type="checkbox"/> 790 Other Labor Litigation <input type="checkbox"/> 791 Empl. Ret. Inc. Security Act IMMIGRATION <input type="checkbox"/> 462 Naturalization Application <input type="checkbox"/> 463 Habeas Corpus - Alien Detainee <input type="checkbox"/> 465 Other Immigration Actions	<input type="checkbox"/> 422 Appeal 28 USC 158 <input type="checkbox"/> 423 Withdrawal 28 USC 157 PROPERTY RIGHTS <input type="checkbox"/> 820 Copyrights <input type="checkbox"/> 830 Patent <input type="checkbox"/> 840 Trademark SOCIAL SECURITY <input type="checkbox"/> 861 HIA (1395ff) <input type="checkbox"/> 862 Black Lung (923) <input type="checkbox"/> 863 DIWC/DIWW (405(g)) <input type="checkbox"/> 864 SSID Title XVI <input type="checkbox"/> 865 RSI (405(g)) FEDERAL TAX SUITS <input type="checkbox"/> 870 Taxes (U.S. Plaintiff or Defendant) <input type="checkbox"/> 871 IRS—Third Party 26 USC 7609	<input type="checkbox"/> 400 State Reapportionment <input type="checkbox"/> 410 Antitrust <input type="checkbox"/> 430 Banks and Banking <input type="checkbox"/> 450 Commerce <input type="checkbox"/> 460 Deportation <input type="checkbox"/> 470 Racketeer Influenced and Corrupt Organizations <input type="checkbox"/> 480 Consumer Credit <input type="checkbox"/> 490 Cable/Sat TV <input type="checkbox"/> 810 Selective Service <input type="checkbox"/> 850 Securities/Commodities/Exchange <input type="checkbox"/> 875 Customer Challenge 12 USC 3410 <input type="checkbox"/> 890 Other Statutory Actions <input type="checkbox"/> 891 Agricultural Acts <input type="checkbox"/> 892 Economic Stabilization Act <input type="checkbox"/> 893 Environmental Matters <input type="checkbox"/> 894 Energy Allocation Act <input type="checkbox"/> 895 Freedom of Information Act <input type="checkbox"/> 900 Appeal of Fee Determination Under Equal Access to Justice <input type="checkbox"/> 950 Constitutionality of State Statutes
REAL PROPERTY <input type="checkbox"/> 210 Land Condemnation <input type="checkbox"/> 220 Foreclosure <input type="checkbox"/> 230 Rent Lease & Ejectment <input type="checkbox"/> 240 Torts to Land <input type="checkbox"/> 245 Tort Product Liability <input type="checkbox"/> 290 All Other Real Property	CIVIL RIGHTS <input type="checkbox"/> 441 Voting <input type="checkbox"/> 442 Employment <input type="checkbox"/> 443 Housing/Accommodations <input type="checkbox"/> 444 Welfare <input type="checkbox"/> 445 Amer. w/Disabilities - Employment <input type="checkbox"/> 446 Amer. w/Disabilities - Other <input type="checkbox"/> 440 Other Civil Rights PRISONER PETITIONS <input type="checkbox"/> 510 Motions to Vacate Sentence Habeas Corpus: <input type="checkbox"/> 530 General <input type="checkbox"/> 535 Death Penalty <input type="checkbox"/> 540 Mandamus & Other <input type="checkbox"/> 550 Civil Rights <input type="checkbox"/> 555 Prison Condition			

V. ORIGIN

(Place an "X" in One Box Only)

- ☐ 1 Original Proceeding
☐ 2 Removed from State Court
☐ 3 Remanded from Appellate Court
☐ 4 Reinstated or Reopened
☐ 5 Transferred from another district (specify)
☐ 6 Multidistrict Litigation
☐ 7 Appeal to District Judge from Magistrate Judgment

VI. CAUSE OF ACTION

Cite the U.S. Civil Statute under which you are filing (Do not cite jurisdictional statutes unless diversity):

Brief description of cause:

VII. REQUESTED IN COMPLAINT:

☐ CHECK IF THIS IS A CLASS ACTION UNDER F.R.C.P. 23

DEMAND \$

CHECK YES only if demanded in complaint:

JURY DEMAND: ☐ Yes ☐ No

VIII. RELATED CASE(S) IF ANY

(See instructions):

JUDGE

DOCKET NUMBER

DATE

SIGNATURE OF ATTORNEY OF RECORD

FOR OFFICE USE ONLY

RECEIPT # _____ AMOUNT _____ APPLYING IFP _____ JUDGE _____ MAG. JUDGE _____

INSTRUCTIONS FOR ATTORNEYS COMPLETING CIVIL COVER SHEET FORM JS 44**Authority For Civil Cover Sheet**

The JS 44 civil cover sheet and the information contained herein neither replaces nor supplements the filings and service of pleading or other papers as required by law, except as provided by local rules of court. This form, approved by the Judicial Conference of the United States in September 1974, is required for the use of the Clerk of Court for the purpose of initiating the civil docket sheet. Consequently, a civil cover sheet is submitted to the Clerk of Court for each civil complaint filed. The attorney filing a case should complete the form as follows:

I. (a) Plaintiffs-Defendants. Enter names (last, first, middle initial) of plaintiff and defendant. If the plaintiff or defendant is a government agency, use only the full name or standard abbreviations. If the plaintiff or defendant is an official within a government agency, identify first the agency and then the official, giving both name and title.

(b) County of Residence. For each civil case filed, except U.S. plaintiff cases, enter the name of the county where the first listed plaintiff resides at the time of filing. In U.S. plaintiff cases, enter the name of the county in which the first listed defendant resides at the time of filing. (NOTE: In land condemnation cases, the county of residence of the "defendant" is the location of the tract of land involved.)

(c) Attorneys. Enter the firm name, address, telephone number, and attorney of record. If there are several attorneys, list them on an attachment, noting in this section "(see attachment)".

II. Jurisdiction. The basis of jurisdiction is set forth under Rule 8(a), F.R.C.P., which requires that jurisdictions be shown in pleadings. Place an "X" in one of the boxes. If there is more than one basis of jurisdiction, precedence is given in the order shown below.

United States plaintiff. (1) Jurisdiction based on 28 U.S.C. 1345 and 1348. Suits by agencies and officers of the United States are included here.

United States defendant. (2) When the plaintiff is suing the United States, its officers or agencies, place an "X" in this box.

Federal question. (3) This refers to suits under 28 U.S.C. 1331, where jurisdiction arises under the Constitution of the United States, an amendment to the Constitution, an act of Congress or a treaty of the United States. In cases where the U.S. is a party, the U.S. plaintiff or defendant code takes precedence, and box 1 or 2 should be marked.

Diversity of citizenship. (4) This refers to suits under 28 U.S.C. 1332, where parties are citizens of different states. When Box 4 is checked, the citizenship of the different parties must be checked. (See Section III below; federal question actions take precedence over diversity cases.)

III. Residence (citizenship) of Principal Parties. This section of the JS 44 is to be completed if diversity of citizenship was indicated above. Mark this section for each principal party.

IV. Nature of Suit. Place an "X" in the appropriate box. If the nature of suit cannot be determined, be sure the cause of action, in Section VI below, is sufficient to enable the deputy clerk or the statistical clerks in the Administrative Office to determine the nature of suit. If the cause fits more than one nature of suit, select the most definitive.

V. Origin. Place an "X" in one of the seven boxes.

Original Proceedings. (1) Cases which originate in the United States district courts.

Removed from State Court. (2) Proceedings initiated in state courts may be removed to the district courts under Title 28 U.S.C., Section 1441. When the petition for removal is granted, check this box.

Remanded from Appellate Court. (3) Check this box for cases remanded to the district court for further action. Use the date of remand as the filing date.

Reinstated or Reopened. (4) Check this box for cases reinstated or reopened in the district court. Use the reopening date as the filing date.

Transferred from Another District. (5) For cases transferred under Title 28 U.S.C. Section 1404(a). Do not use this for within district transfers or multidistrict litigation transfers.

Multidistrict Litigation. (6) Check this box when a multidistrict case is transferred into the district under authority of Title 28 U.S.C. Section 1407. When this box is checked, do not check (5) above.

Appeal to District Judge from Magistrate Judgment. (7) Check this box for an appeal from a magistrate judge's decision.

VI. Cause of Action. Report the civil statute directly related to the cause of action and give a brief description of the cause. **Do not cite jurisdictional statutes unless diversity.** Example: U.S. Civil Statute: 47 USC 553
Brief Description: Unauthorized reception of cable service

VII. Requested in Complaint. Class Action. Place an "X" in this box if you are filing a class action under Rule 23, F.R.Cv.P.

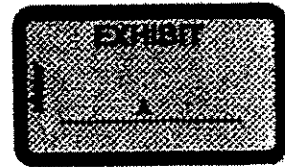
Demand. In this space enter the dollar amount (in thousands of dollars) being demanded or indicate other demand such as a preliminary injunction.

Jury Demand. Check the appropriate box to indicate whether or not a jury is being demanded.

VIII. Related Cases. This section of the JS 44 is used to reference related pending cases if any. If there are related pending cases, insert the docket numbers and the corresponding judge names for such cases.

Date and Attorney Signature. Date and sign the civil cover sheet.

EXHIBIT A



stoker2006.09.19.1328.doc
shcase October 19, 2006

INTERNAL AUTHORIZATION & CONTRACT FOR CONVERSION OF PRODUCT BY MEMPHIS BIOFUELS1

This Contract for Conversion of Product by Memphis Biofuels (the "Contract") is entered into October 1, 2006 by and between Memphis Biofuels, Inc ("Memphis") and Chickasaw Nation Industries, Inc. (the "Company") of Ada, Oklahoma.

In consideration of the mutual covenants and obligations contained in this Contract, Memphis and Company agree that Company will supply the Raw Material (as defined herein) to Memphis for conversion into the Converted Product (as defined herein), and that such supply and conversion will be performed in accordance with the following terms and conditions:

Company Name and Address: CHICKASAW NATION INDUSTRIES, INC., 2020 Arlington, Suite 6, Ada, Oklahoma 74820	Company Contact: JOHN STOCKER, 812-660-0914 (phone), 239-217-0550 (phone), 239-217-0551 (fax)
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Company Accounting Contact: Kathleen Westmoreland, Chickasaw Nation Industries, Inc. (580-727-5000)

Memphis Contact:

Exchange/Conversion Specialist (address, phone, fax)	Brandon Sheley 901-452-2107 x 1002
Conversion Administrator	Brandon Sheley 901-452-2107 x1002
Other Memphis Contacts	Roger Shea 901-452-2107 x 1005
Production Planner	Peter Kiproff 901-452-2107 x 1004
Quality Assurance	Laura Bialock 901-452-2107 x1010
Customer Service Representative	Roger Shea 901-452-2107 x 1005

Memphis Contract Number	06-1000
Supplier Number	MBF 001
Outline Agreement	
Plant/Storage Location	01
Business Organization	01

Term of Contract	October 1, 2006 is the date of this contract. Contract obligations of parties will be in force from the date Memphis advises the Company in writing that its facility is up and running and producing sufficient quantity and quality, through the third anniversary of such date. Notwithstanding the foregoing, in order to permit orderly startup, Company will ensure that Memphis has [50,000] gallons of RB soy oil by October 1, 2006, and an additional [70,000] gallons of RB soy oil by October 15, 2006 (such oil shall be considered the first oils to be delivered as described hereunder), and be prepared to make deliveries thereafter on a continuous basis pursuant to production schedules to be provided by Memphis which, to the maximum extent practicable, will allow for a minimum of two-weeks lead time for railcar deliveries;
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SUPPLY OF RAW MATERIALS BY COMPANY

Product	Soybean Oil
GMN	SE31813
Ratio of biodiesel produced to soybean oil provided	• Ratio of biodiesel produced to soybean oil provided will be 97.5%
Ship From	To be determined by Company
Ship To	2227 Deadrick Avenue, Memphis, TN
Container Type	Bulk
Transportation Mode	Company determines
Title Passes	See Exhibit A
Transport Equipment Provided By	Company determines
Freight Point	Company determines
Freight Responsibility	Company
Quality	Refined and bleached. (The project will begin with refined, bleached soybean oil). Yield, conversion rates, and fees are based on refined bleached oil as the feed stock. With agreement by Memphis, Company may change soybean oil supply during the contract. However, Memphis will require in-house laboratory analysis of any new supply before implementation to ensure compatibility with manufacturing process and to determine any needed modifications in yield, conversion rates, and fees. Quality of soy to be no less than as specified on Exhibit B.
Country of Origin	United States

PROVISION OF CONVERTED PRODUCT BY MEMPHIS

Product	B100 Biodiesel
GMN	P3014400
Annual Quantity	12 million gallons (approximately equal rates of 1,000,000 gallons per month for 12 months)
Ratio and conversion formula	Ratio of biodiesel produced to soybean oil provided will be 97.5%. The conversion formula for biodiesel owed to Company based on quantity of soybean oil received will be: • Gallons of biodiesel = (Lbs of soy oil received x 97.5%) / 7.348 lbs/gallon
Ship From	Memphis, Tennessee
Ship To	Determined by Company
Container Type	Bulk
Transportation Mode	Either tank truck or rail as determined by Company
Title Passes	See Exhibit A
Transport Equipment Provided By	Company
Ship to Freight Point	TBD Company
Freight Responsibility	Company
Quality	ASTM D 6751 specifications, except yellow grease will not be used as feedstock by Memphis

Special Provisions3:

- The \$1.00/gallon biodiesel mixture credit applies to Company
- The \$.10 small producer federal income tax credit applies to Memphis
- Memphis has no duty to perform any obligation hereunder until its Memphis, TN facility is up and running with adequate output and quality, as determined by Memphis
- Any applicable USDA Commodity Credit Corporation production credit is owned by and for the account of Memphis.

Conversion Fee	\$.80/gallon (B100 biodiesel)
Other charges	<ul style="list-style-type: none"> • Conversion fee includes methanol supplied by Memphis at an indexed price. Index to be used is the J&J Associates Market Price. Methanol prices will be reviewed monthly and the conversion fee will be revised as appropriate based on the average methanol price of the previous month. The quarterly fee adjustment will be: <ul style="list-style-type: none"> ◦ (J&J Associates methanol price - \$.36) x .6382to be adjusted by Memphis based on current prices as compared to the reference date of August 1, 2006 • The price of catalyst is included in the conversion fee and is not indexed
Terms of payment	Prepay in cash pending completion by Memphis of credit-quality due diligence; thereafter, net 10 days of invoice date via ACH
Final settlement	Any excess raw material or finished good will be returned to Company at termination of this Contract with freight responsibility to Company.

The Terms and Conditions for Conversion by Memphis are attached hereto as Exhibit A and form a part of this Contract as though fully set forth herein.

AGREED AND ACCEPTED:Accepted Date: 8-17-2006

CHICKASAW NATION INDUSTRIES, INC.

By: [Signature]Title: President/CEOAccepted Date: 6 Nov 06

MEMPHIS BIOFUELS LLC

By: [Signature]Title: CEO

EXHIBIT A - TERMS AND CONDITIONS FOR CONVERSIONS BY MEMPHIS

1. Any capitalized term used in these Terms and Conditions for Conversions by Memphis that is not defined herein shall have the meaning given to it in the Internal Authorization & Contract for Conversion of Product by Memphis Biofuels ("Contract"). In the event of any conflict between the provisions of the Contract and these Terms and Conditions for Conversion by Memphis, the provisions of the Contract shall govern.
2. The Company shall purchase a minimum of 1,000,000 gallons of B100 Biodiesel from Memphis every month and will be entitled to purchase additional amounts, in the discretion of Memphis. The Company may purchase up to 2.5% less than the foregoing minimum in any month and, so long as it purchases and pays for an equivalent amount in the next succeeding month, will not be in default hereunder due to such shortfall. The parties will mutually agree upon a schedule for the supply of Raw Materials by the Company to Memphis, and Memphis' provision of Converted Product to the Company, and the Company and Memphis will use all reasonable efforts to meet such schedule.
3. intentionally left blank
4. Title to, and risk of loss for, Raw Material and Converted Product shall be in the Company at all times, but Memphis shall not be obligated to segregate the Company's products from Memphis' products or the products of others until the Converted Product is loaded on a carrier for shipment to the Company.
5. The Company shall memo invoice Memphis at no charge for the Raw Material delivered by the Company for conversion. Memphis shall invoice the Company for the conversion fee stated in the Contract for the Converted Product converted hereunder. Any personal property taxes imposed upon the Raw Materials or the Converted Product shall be the responsibility of the Company. The Company shall reimburse Memphis for any increase in taxes, excises or other charges which Memphis may be required to pay to any national, state or local government upon or measured by the production, delivery, use, possession or storage of the Raw Materials or Converted Products.
6. Raw Material delivered by the Company shall conform to the standard set forth in the Contract and Exhibit B. Memphis may test the Raw Materials supplied by the Company upon receipt thereof, but in any event shall be entitled to rely upon the Certificates of Analysis provided by the Company. Any claim by Memphis of defective or substandard Raw Materials must be made to the Company within 45 days of the date of Memphis' receipt of the Raw Materials. The Company shall promptly replace at its expense (including all shipping charges) any defective or substandard Raw Material as to which Memphis makes a claim.
7. The Company shall test the Converted Product converted by Memphis promptly upon receipt thereof. Memphis warrants that the Converted Product shall conform to the quality specification, if any, attached hereto or contained in the Contract. MEMPHIS MAKES NO FURTHER WARRANTIES, EXPRESS OR IMPLIED, AND EXPRESSLY DISCLAIMS ANY WARRANTIES OF MERCHANTABILITY OR OF FITNESS FOR A PARTICULAR PURPOSE. Any claim by the Company that the Converted Product does not conform to the quality specification must be made within 45 days of the date of the Company's receipt of the Converted Product. The Company's sole remedy, and Memphis' total liability under this Contract, shall be limited to (i) a refund of the conversion charges paid by the Company for the particular shipment of Converted Product that is the basis for the claim; (ii) the cost of the Raw Materials supplied by the Company and used by Memphis in producing the particular shipment of Converted Product; and (iii) any shipping charges incurred by the Company related to the particular shipment of Converted Product.
8. The Company shall provide to Memphis all relevant health, safety, and safe handling information about the Raw Materials and/or the Converted Product, including but not limited to Material Safety Data Sheets, product labels, and the like. Company certifies that all Raw Material supplied hereunder complies with the requirements of the Toxic Substances Control Act and related regulations.
9. No liability shall result from delay in performance or from nonperformance caused by act of God, fire, flood, war, terrorism, governmental action, accidents, strikes or other labor disturbances, shortage of or inability to obtain material, equipment, and transportation, or any other causes, similar or dissimilar to the foregoing, beyond the reasonable control of the party whose performance is affected. Quantities of Raw Materials and/or Converted Product that are not delivered because of one or more of the foregoing circumstances shall be deducted from the quantity specified in the Contract without liability. If the Company's performance under this Contract is suspended or terminated for any reason, whether or not suspension or termination is beyond the Company's reasonable control, the Company shall accept and pay for any

Converted Product which already was converted, or which was in the process of being converted by Memphis, on the date Memphis received notice from the Company of the suspension or termination.

10. The shipper's weights established in good faith shall govern unless proven to be in error. Variations of one percent or less from the quantity of any shipment shall be disregarded.
11. Any notices given hereunder shall be given to the other party's contact person as designated in the Contract, or as the party may from time to time choose to designate in writing.
12. Neither party may assign this Contract without the written consent of the other party, whose consent shall not be withheld unreasonably. However, Memphis may assign its rights to accounts receivable hereunder from time to time without the Company's consent, so long as Memphis does not assign its obligations hereunder.
13. Barge, rail car, transport truck, and pipeline quantities shall be determined by (in order of preference): terminal tank gauges or shore tank downgauges; calibrated scales; rail car/tank gauges; or any applicable ASTM method. Discharge quantities shall be used whenever practical. Subject to the minimum take requirement above, Buyer will make reasonable efforts to receive quantities ratably throughout each calendar month. All volumes for delivery shall be temperature-adjusted to 60°F using built-in temperature compensators or ASTM tables. Either party may require that Biodiesel quantity and quality be determined by a jointly-selected, licensed petroleum inspector, whose findings shall be conclusive. Customary inspection costs shall be shared equally, but additional services shall be paid for by the party requesting them. Buyer, at its sole discretion, may request transport delivery vehicles be weighed before and after receipt of product at Buyer's location(s). The term "gallon" means a U.S. gallon of 231 cubic inches. All measurements and/or tests shall be made in accordance with the latest standards or guidelines published by ASTM. Objections to measurements, including claims for shortage, for quantities delivered from Seller's facility must be made to Seller within ninety (90) calendar days from the date of delivery.
14. (a) The Company shall indemnify, defend and hold harmless Memphis and its employees and agents against any loss, claim, liability (actual or alleged), fine, or expense (including court costs, attorney fees, and litigation expenses), of any kind (including those based in tort, warranty, or strict liability), arising out of, or in connection with any failure of the Company to comply with this Agreement, or any act or failure to act in the handling, storage, transportation, or sale of Raw Material or Converted Product supplied under this Agreement. In responding to any third-party claims, Memphis may select an attorney but may not enter into any settlement without the Company's prior written consent, which will not be unreasonably withheld, delayed or conditioned. Notwithstanding anything contained herein to the contrary, in the event that the Company fails to comply with this Agreement, then the Company hereby agrees, that in addition to any indemnity obligation it owes to Memphis, the Company shall be liable to Memphis for any damages, including but not limited to consequential, incidental, lost profits, directly related to this Agreement or punitive damages Memphis may incur as a result of the Company's failure to deliver Raw Material to Memphis. (b) Memphis shall indemnify, defend and hold harmless the Company and its employees and agents against any loss, claim, liability (actual or alleged), fine, or expense (including court costs, attorney fees, and litigation expenses), of any kind (including those based in tort, warranty, or strict liability), arising out of, or in connection with any failure of Memphis to comply with this Agreement, or any act or failure to act in the handling, storage, transportation, or sale of Raw Material or Converted Product purchased under this Agreement. In responding to any third-party claims, the Company may select an attorney but may not enter into any settlement without Memphis's prior written consent, which will not be unreasonably withheld, delayed or conditioned. Notwithstanding anything contained herein to the contrary, in the event that Memphis fails to comply with this Agreement, then Memphis hereby agrees, that in addition to any indemnity obligation it owes to the Company, Memphis shall be liable to the Company for any damages, including but not limited to consequential, incidental, lost profits, directly related to this Agreement or punitive damages the Company may incur as a result of Memphis failure to comply.
15. This Contract, including these Terms and Conditions for Conversion by Memphis, constitutes the entire understanding of Memphis and the Company with respect to its subject matter. This Contract may be modified only by a written document which is signed by both parties and which specifically states that it is an amendment to this Contract.
16. Neither party shall be liable to the other for punitive damages or, except as expressly provided herein, consequential, incidental or lost-profit damages. The Company represents and warrants that either (a) it neither enjoys nor claims any immunity or like defenses from liability in litigation brought by or in the right of Memphis based on its Native American relationships or (b) to the extent,

if any, that it enjoys or makes any one or more of such claims (or like claims), it hereby unconditionally and irrevocably waives the same in regard to all claims asserted at any time by Memphis.

17. Each party agrees to defend, indemnify and hold harmless the other from and against any and all claims, costs, liabilities damages and expenses (including, without limitation, reasonable attorney fees and costs of litigation and/or settlement) arising out of claims or disputes based upon the other's alleged or actual infringement of any patent, utility model, design, copyright, trademark, trade secret, or any other industrial or intellectual property right where the basis for such claim or dispute is: (a) the acts of the indemnifying party (including all its affiliated entities) manufacture or use for, or sale to, the indemnified party of Raw Material or Converted Product, as the case may be; or (b) the manufacture, use, sale, offer for sale, or import of any product(s) containing, comprising, or made from Raw Material or Converted Product, as the case may be, by the indemnified party.

18. Title and risk of loss of Converted Product shall pass to the Company at Seller's facilities as Converted Product delivers into Buyer's transport, or rail car, or barge.

19. In addition to the per gallon purchase price stated below, the Company will be liable for, pay and/or reimburse Memphis for the payment of, any and all taxes, fees, assessments and other charges ("Tax"), whether now existing or hereafter arising, which are imposed, levied or assessed by any federal, state, tribal or local governmental or regulatory authority with respect to the products sold and delivered to the Company, the taxable incident of which arises out of or relates to the sale, delivery and/or transfer of title of the products to the Company, or the Company's payment therefor. In the event that Memphis is required to pay any such Tax directly to the appropriate authority, the Company will promptly upon demand reimburse the Company for such payments. The Company will furnish Memphis with any exemption or resale certificate or direct payment permit to which the Company may be entitled and will promptly notify Memphis of any change in the validity or scope of the same. The Company shall not be responsible for any taxes based on income, corporate franchise tax, or license fee of Memphis. The Company shall be responsible for any tax arising from the sale, transfer, or delivery of Raw Material or Converted Product or both by or to the Company under this Agreement. If a dispute arises out of or relates to this contract, or the breach thereof, and if the dispute cannot be settled through negotiation, the parties agree first to try in good faith to settle the dispute by mediation administered by the American Arbitration Association under its Commercial Mediation Rules before resorting to arbitration, it being understood that mediation shall be conclusively deemed to have failed if it does not result in settlement within four months after having been commenced. Any controversy or claim arising out of or relating to this contract including those relating to its formation or performance or breach shall be resolved by arbitration administered by the American Arbitration Association in accordance with its Commercial Arbitration Rules including the Emergency Interim Relief Procedures, and judgment on the award rendered by the arbitrator(s) may be entered as hereinafter set forth. THE COMPANY AND MEMPHIS HEREBY EACH IRREVOCABLY AGREE TO THE FULL APPLICABILITY OF THE FEDERAL ARBITRATION ACT OF 1947, AS AMENDED. EACH ALSO CONSENTS TO THE PLENARY JURISDICTION OF ANY UNITED STATES FEDERAL COURT SITTING IN TENNESSEE AND THAT OF ANY STATE COURT IN OKLAHOMA REGARDING ANY MATTER SUBMITTED TO MEDIATION OR RESOLVED BY MEDIATION OR SUBMITTED TO ARBITRATION OR RESOLVED BY ARBITRATION (INCLUDING WITHOUT LIMITATION APPLICATIONS TO COMPEL ARBITRATION, THE CONDUCT OF ANY ARBITRATION AND THE ENTRY OF JUDGMENTS ON ARBITRATION AWARDS AND ORDERS CONFIRMING SUCH AWARDS) AND OTHER LITIGATION OR OTHER PROCEEDINGS, IF ANY, BASED HEREON, OR ARISING OUT OF, UNDER, OR IN CONNECTION WITH THIS AGREEMENT, WHICH HAVE BEEN FOUND TO BE OUTSIDE THE SCOPE OF THE ABOVE MEDIATION AND ARBITRATION PROVISIONS. EACH PARTY HEREBY IRREVOCABLY CONSENTS TO THE SERVICE OF PROCESS BY REGISTERED MAIL, POSTAGE PREPAID, OR BY PERSONAL SERVICE WITHIN OR WITHOUT THE STATE OF TENNESSEE AT ITS THEN-CURRENT PRINCIPAL PLACE OF BUSINESS. EACH PARTY HEREBY EXPRESSLY AND IRREVOCABLY WAIVES ANY OBJECTION THAT IT MAY HAVE OR HEREAFTER MAY HAVE TO THE LAYING OF VENUE OF ANY SUCH PROCEEDINGS BROUGHT IN ANY SUCH COURT REFERRED TO ABOVE AND ANY CLAIM THAT ANY SUCH LITIGATION HAS BEEN BROUGHT IN AN INCONVENIENT FORUM. TO THE EXTENT THAT THE COMPANY OR MEMPHIS HAS OR HEREAFTER MAY ACQUIRE ANY IMMUNITY FROM SUIT IN OR JURISDICTION OF ANY COURT NAMED ABOVE OR FROM ANY LEGAL PROCESS FROM OR RELATING TO ANY SUCH COURT WHETHER BY REASON OF LAW APPLICABLE TO AMERICAN INDIANS, THROUGH SERVICE OR NOTICE, ATTACHMENT PRIOR TO JUDGMENT, ATTACHMENT IN AID OF EXECUTION OR OTHERWISE) WITH RESPECT TO ITSELF OR ITS PROPERTY, SUCH PARTY HEREBY IRREVOCABLY WAIVES SUCH IMMUNITY. EACH PARTY

REPRESENTS AND WARRANTS THAT SUCH WAIVER BY IT IS VALID, ENFORCEABLE AND EFFECTIVE. EACH PARTY WAIVES ANY RIGHT THAT IT MAY HAVE TO CLAIM OR RECOVER IN ANY ARBITRATION LEGAL ACTION OR PROCEEDING REFERRED TO IN THIS SECTION ANY OF ITS SPECIAL, EXEMPLARY, PUNITIVE OR CONSEQUENTIAL DAMAGES.

20. The Company hereby agrees to provide to Seller, not more than 45 days after each March 31, June 30, September 30 and December 31, starting December 31, 2006, a copy of its balance sheet as of such date and its income statement and statement of cash flows for the preceding 12 month-period each shown in tabular form with the like balance sheet, income statement and cash-flow statement for the prior-year date or period also presented (each consolidated if so required by generally accepted accounting principles and the December 31 statement accompanied by any opinion or report thereon rendered by any one or more firm of independent certified public accountants, if any).

21. This Contract shall be governed by and construed in accordance with the laws of the State of Tennessee, without regard to choice of law provisions.

EXHIBIT B: Specification for Refined, Bleached Soybean Oil



FFA (WT%) Oleic	.20 maximum
Appearance	Straw Yellow
Moisture	.15 maximum
Phosphorous (ppm)	5 maximum
Iodine Value	125-139

Typical Physical Properties

Viscosity@55 degrees F	80 centipose
@80 degrees F	60 centipose
@130 degrees F	13 Centipose

Density/Specific Gravity	
@70 degrees F	0.919 g/cm cubic
@100 degrees F	0.909 g/cm cubic

Weight/gallon@70 degrees F 7.7 pounds

2227 DEADRICK AVE., P.O. BOX 140606, MEMPHIS, TENNESSEE 381 4-0606, TELEPHONE 901-452-2107, FAX 901-324-6979

EXHIBIT B

LAW OFFICES
BAKER, DONELSON, BEARMAN, CALDWELL & BERKOWITZ
A PROFESSIONAL CORPORATION
FIRST TENNESSEE BUILDING
165 MADISON AVENUE
SUITE 2000
MEMPHIS, TENNESSEE 38103
(901) 526-2000
FACSIMILE
(901) 577-2303

JOHN R. BRANSON
Direct Dial: 901.577.2323
Direct Fax: 901.577.0718
E-Mail Address: jbranson@bakerdonelson.com

March 10, 2008

VIA FEDERAL EXPRESS

American Arbitration Association
2200 Century Parkway, Suite 300
Atlanta, Georgia 30345

Re: Memphis Biofuels, LLC vs. Chickasaw Nation Industries, Inc.

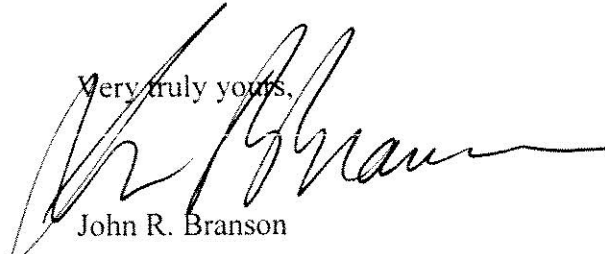
Dear Sir or Madam:

I am enclosing the original and two copies of the of the demand for arbitration and of the contract containing arbitration clause; along with my client's check in the amount of Thirteen Thousand Eight Hundred Fifty Four Dollars and 60 Cents (\$13,854.60), representing our calculation of the filing fee.

I would appreciate your opening a file for this arbitration (there already is a mediation file open on the matter, but I am advised that a new file with a new docket number will be opened). Please let me know if you have any questions or comments.

With best regards I remain,

Very truly yours,



John R. Branson

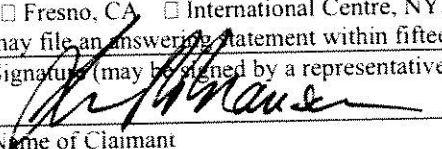
cc: Ken Arnold

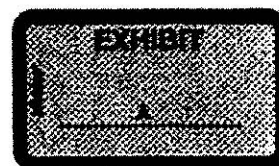
MURB2 1073143 v1
2903885-000002 03/10/2008



American Arbitration Association
Dispute Resolution Services Worldwide

**COMMERCIAL ARBITRATION RULES
DEMAND FOR ARBITRATION**

MEDIATION: If you would like the AAA to contact the other parties and attempt to arrange a mediation, please check this box. <input checked="" type="checkbox"/> There is no additional administrative fee for this service.					
Name of Respondent Chickasaw Nation Industries, Inc.			Name of Representative (if known) Randall D. Noel		
Address P. O. Box 2109			Name of Firm (if applicable) Butler, Snow, O'Mara, Stevens & Cannada		
			Representative's Address P. O. Box 171443		
City Ada	State OK	Zip Code 74821-	City Memphis	State TN	Zip Code 38187-1443
Phone No. (580) 272-5069		Fax No. (580) 272-5009	Phone No. (901) 680-7200		Fax No. (901) 680-7201
Email Address:			Email Address: randy.noel@butlersnow.com		
The named claimant, a party to an arbitration agreement dated Oct. 17/Nov. 6, 2006, which provides for arbitration under the Commercial Arbitration Rules of the American Arbitration Association, hereby demands arbitration.					
THE NATURE OF THE DISPUTE Breach/repudiation of contract					
Dollar Amount of Claim \$ 23,545,954.00			Other Relief Sought: <input checked="" type="checkbox"/> Attorneys Fees <input checked="" type="checkbox"/> Interest <input checked="" type="checkbox"/> Arbitration Costs <input type="checkbox"/> Punitive/ Exemplary <input type="checkbox"/> Other		
AMOUNT OF FILING FEE ENCLOSED WITH THIS DEMAND (please refer to the fee schedule in the rules for the appropriate fee) \$					
PLEASE DESCRIBE APPROPRIATE QUALIFICATIONS FOR ARBITRATOR(S) TO BE APPOINTED TO HEAR THIS DISPUTE: Commercial litigation experience					
Hearing locale <u>Memphis, TN</u> (check one) <input checked="" type="checkbox"/> Requested by Claimant <input type="checkbox"/> Locale provision included in the contract					
Estimated time needed for hearings overall: _____ hours or <u>2</u> days			Type of Business: Claimant <u>Biofuels processor</u> Respondent <u>Varied</u>		
Is this a dispute between a business and a consumer? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Does this dispute arise out of an employment relationship? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No					
If this dispute arises out of an employment relationship, what was/is the employee's annual wage range? Note: This question is required by California law. <input type="checkbox"/> Less than \$100,000 <input type="checkbox"/> \$100,000 - \$250,000 <input type="checkbox"/> Over \$250,000					
You are hereby notified that copies of our arbitration agreement and this demand are being filed with the American Arbitration Association's Case Management Center, located in (check one) <input type="checkbox"/> Atlanta, GA <input type="checkbox"/> Dallas, TX <input type="checkbox"/> East Providence, RI <input type="checkbox"/> Fresno, CA <input type="checkbox"/> International Centre, NY, with a request that it commence administration of the arbitration. Under the rules, you may file an answering statement within fifteen days after notice from the AAA.					
Signature (may be signed by a representative) 			Name of Representative John R. Branson		
Name of Claimant Memphis Biofuels, LLC			Name of Firm (if applicable) Baker, Donelson, Bearman, Caldwell & Berkowitz		
Address (to be used in connection with this case) 2227 Deadrick Ave./P.O. Box 140606			Representative's Address 165 Madison Ave., Suite 2000		
City Memphis	State TN	Zip Code 38114-	City Memphis	State TN	Zip Code 38103-
Phone No. (901) 452-2107		Fax No.	Phone No. (901) 577-2323		Fax No. (901) 577-0718
Email Address: karnold@memphisbiofuels.com			Email Address: jbranson@bakerdonelson.com		
To begin proceedings, please send two copies of this Demand and the Arbitration Agreement, along with the filing fee as provided for in the Rules, to the AAA. Send the original Demand to the Respondent.					
Please visit our website at www.adr.org if you would like to file this case online. AAA Customer Service can be reached at 800-778-7879					



stoker2006.09.19.1328.doc
shcsc October 19, 2006

INTERNAL AUTHORIZATION & CONTRACT FOR CONVERSION OF PRODUCT BY MEMPHIS BIOFUELS I

This Contract for Conversion of Product by Memphis Biofuels (the "Contract") is entered into October 1, 2006 by and between Memphis Biofuels, Inc ("Memphis") and Chickasaw Nation Industries, Inc. (the "Company") of Ada, Oklahoma.

In consideration of the mutual covenants and obligations contained in this Contract, Memphis and Company agree that Company will supply the Raw Material (as defined herein) to Memphis for conversion into the Converted Product (as defined herein), and that such supply and conversion will be performed in accordance with the following terms and conditions:

Company Name and Address: CHICKASAW NATION INDUSTRIES, INC., 2020 Arlington, Suite 6, Ada, Oklahoma 74820	Company Contact: JOHN STOCKER, 812-660-0914 (phone), 239-217-0550 (phone), 239-217-0551 (fax)
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Company Accounting Contact: Kathleen Westmoreland, Chickasaw Nation Industries, Inc. (580-727-5000)

Memphis Contact:

Exchange/Conversion Specialist (address, phone, fax)	Brandon Sheley 901-452-2107 x 1002
Conversion Administrator	Brandon Sheley 901-452-2107 x 1002
Other Memphis Contacts	Roger Shea 901-452-2107 x 1005
Production Planner	Peter Kiproff 901-452-2107 x 1004
Quality Assurance	Laura Blalock 901-452-2107 x 1010
Customer Service Representative	Roger Shea 901-452-2107 x 1005

Memphis Contract Number	06-1000
Supplier Number	MBF 001
Outline Agreement	
Plant/Storage Location	01
Business Organization	01

Term of Contract	October 1, 2006 is the date of this contract. Contract obligations of parties will be in force from the date Memphis advises the Company in writing that its facility is up and running and producing sufficient quantity and quality, through the third anniversary of such date. Notwithstanding the foregoing, in order to permit orderly startup, Company will ensure that Memphis has [50,000] gallons of RB soy oil by October 1, 2006, and an additional [70,000] gallons of RB soy oil by October 15, 2006 (such oil shall be considered the first oils to be delivered as described hereunder), and be prepared to make deliveries thereafter on a continuous basis pursuant to production schedules to be provided by Memphis which, to the maximum extent practicable, will allow for a minimum of two-weeks lead time for railcar deliveries;
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SUPPLY OF RAW MATERIALS BY COMPANY

Product	Soybean Oil
GMN	S851813
Ratio of biodiesel produced to soybean oil provided	<ul style="list-style-type: none"> Ratio of biodiesel produced to soybean oil provided will be 97.5%
Ship From	To be determined by Company
Ship To	2227 Deadrick Avenue, Memphis, TN
Container Type	Bulk
Transportation Mode	Company determines
Title Passes	See Exhibit A
Transport Equipment Provided By	Company determines
Freight Point	Company determines
Freight Responsibility	Company
Quality	Refined and bleached. (The project will begin with refined, bleached soybean oil). Yield, conversion rates, and fees are based on refined bleached oil as the feed stock. With agreement by Memphis, Company may change soybean oil supply during the contract. However, Memphis will require in-house laboratory analysis of any new supply before implementation to ensure compatibility with manufacturing process and to determine any needed modifications in yield, conversion rates, and fees. Quality of soy to be no less than as specified on Exhibit B.
Country of Origin	United States

PROVISION OF CONVERTED PRODUCT BY MEMPHIS

Product	B100 Biodiesel
GMN	P3014400
Annual Quantity	12 million gallons (approximately equal rates of 1,000,000 gallons per month for 12 months)
Ratio and conversion formula	<p>Ratio of biodiesel produced to soybean oil provided will be 97.5%. The conversion formula for biodiesel owed to Company based on quantity of soybean oil received will be:</p> <ul style="list-style-type: none"> Gallons of biodiesel = (Lbs of soy oil received x 97.5%) / 7.348 lbs/gallon
Ship From	Memphis, Tennessee
Ship To	Determined by Company
Container Type	Bulk
Transportation Mode	Either tank truck or rail as determined by Company
Title Passes	See Exhibit A
Transport Equipment Provided By	Company
Ship to Freight Point	TBD Company
Freight Responsibility	Company
Quality	ASTM D 6751 specifications, except yellow grease will not be used as feedstock by Memphis

Special Provisions:

- The \$1.00/gallon biodiesel mixture credit applies to Company
- The \$.10 small producer federal income tax credit applies to Memphis
- Memphis has no duty to perform any obligation hereunder until its Memphis, TN facility is up and running with adequate output and quality, as determined by Memphis
- Any applicable USDA Commodity Credit Corporation production credit is owned by and for the account of Memphis.

Conversion Fee	\$.80/gallon (B100 biodiesel)
Other charges	<ul style="list-style-type: none"> • Conversion fee includes methanol supplied by Memphis at an indexed price. Index to be used is the J&J Associates Market Price. Methanol prices will be reviewed monthly and the conversion fee will be revised as appropriate based on the average methanol price of the previous month. The quarterly fee adjustment will be: <ul style="list-style-type: none"> ◦ (J&J Associates methanol price - \$.36) x .6382to be adjusted by Memphis based on current prices as compared to the reference date of August 1, 2006 • The price of catalyst is included in the conversion fee and is not indexed
Terms of payment	Prepay in cash pending completion by Memphis of credit-quality due diligence; thereafter, net 10 days of invoice date via ACH
Final settlement	Any excess raw material or finished good will be returned to Company at termination of this Contract with freight responsibility to Company.

The Terms and Conditions for Conversion by Memphis are attached hereto as Exhibit A and form a part of this Contract as though fully set forth herein.

AGREED AND ACCEPTED:

Accepted Date: 01/17/2006

CHICKASAW NATION INDUSTRIES, INC.

By: [Signature]

Title: President/CEO

Accepted Date: 6/10/06

MEMPHIS BIOFUELS, LLC

By: [Signature]

Title: CEO

EXHIBIT A - TERMS AND CONDITIONS FOR CONVERSIONS BY MEMPHIS

1. Any capitalized term used in these Terms and Conditions for Conversions by Memphis that is not defined herein shall have the meaning given to it in the Internal Authorization & Contract for Conversion of Product by Memphis Biofuels ("Contract"). In the event of any conflict between the provisions of the Contract and these Terms and Conditions for Conversion by Memphis, the provisions of the Contract shall govern.
2. The Company shall purchase a minimum of 1,000,000 gallons of B100 Biodiesel from Memphis every month and will be entitled to purchase additional amounts, in the discretion of Memphis. The Company may purchase up to 2.5% less than the foregoing minimum in any month and, so long as it purchases and pays for an equivalent amount in the next succeeding month, will not be in default hereunder due to such shortfall. The parties will mutually agree upon a schedule for the supply of Raw Materials by the Company to Memphis, and Memphis' provision of Converted Product to the Company, and the Company and Memphis will use all reasonable efforts to meet such schedule.
3. intentionally left blank
4. Title to, and risk of loss for, Raw Material and Converted Product shall be in the Company at all times, but Memphis shall not be obligated to segregate the Company's products from Memphis' products or the products of others until the Converted Product is loaded on a carrier for shipment to the Company.
5. The Company shall memo invoice Memphis at no charge for the Raw Material delivered by the Company for conversion. Memphis shall invoice the Company for the conversion fee stated in the Contract for the Converted Product converted hereunder. Any personal property taxes imposed upon the Raw Materials or the Converted Product shall be the responsibility of the Company. The Company shall reimburse Memphis for any increase in taxes, excises or other charges which Memphis may be required to pay to any national, state or local government upon or measured by the production, delivery, use, possession or storage of the Raw Materials or Converted Products.
6. Raw Material delivered by the Company shall conform to the standard set forth in the Contract and Exhibit B. Memphis may test the Raw Materials supplied by the Company upon receipt thereof, but in any event shall be entitled to rely upon the Certificates of Analysis provided by the Company. Any claim by Memphis of defective or substandard Raw Materials must be made to the Company within 45 days of the date of Memphis' receipt of the Raw Materials. The Company shall promptly replace at its expense (including all shipping charges) any defective or substandard Raw Material as to which Memphis makes a claim.
7. The Company shall test the Converted Product converted by Memphis promptly upon receipt thereof. Memphis warrants that the Converted Product shall conform to the quality specification, if any, attached hereto or contained in the Contract. MEMPHIS MAKES NO FURTHER WARRANTIES, EXPRESS OR IMPLIED, AND EXPRESSLY DISCLAIMS ANY WARRANTIES OF MERCHANTABILITY OR OF FITNESS FOR A PARTICULAR PURPOSE. Any claim by the Company that the Converted Product does not conform to the quality specification must be made within 45 days of the date of the Company's receipt of the Converted Product. The Company's sole remedy, and Memphis' total liability under this Contract, shall be limited to (i) a refund of the conversion charges paid by the Company for the particular shipment of Converted Product that is the basis for the claim; (ii) the cost of the Raw Materials supplied by the Company and used by Memphis in producing the particular shipment of Converted Product; and (iii) any shipping charges incurred by the Company related to the particular shipment of Converted Product.
8. The Company shall provide to Memphis all relevant health, safety, and safe handling information about the Raw Materials and/or the Converted Product, including but not limited to Material Safety Data Sheets, product labels, and the like. Company certifies that all Raw Material supplied hereunder complies with the requirements of the Toxic Substances Control Act and related regulations.
9. No liability shall result from delay in performance or from nonperformance caused by act of God, fire, flood, war, terrorism, governmental action, accidents, strikes or other labor disturbances, shortage of or inability to obtain material, equipment, and transportation, or any other causes, similar or dissimilar to the foregoing, beyond the reasonable control of the party whose performance is affected. Quantities of Raw Materials and/or Converted Product that are not delivered because of one or more of the foregoing circumstances shall be deducted from the quantity specified in the Contract without liability. If the Company's performance under this Contract is suspended or terminated for any reason, whether or not suspension or termination is beyond the Company's reasonable control, the Company shall accept and pay for any

Converted Product which already was converted, or which was in the process of being converted by Memphis, on the date Memphis received notice from the Company of the suspension or termination.

10. The shipper's weights established in good faith shall govern unless proven to be in error. Variations of one percent or less from the quantity of any shipment shall be disregarded.

11. Any notices given hereunder shall be given to the other party's contact person as designated in the Contract, or as the party may from time to time choose to designate in writing.

12. Neither party may assign this Contract without the written consent of the other party, whose consent shall not be withheld unreasonably. However, Memphis may assign its rights to accounts receivable hereunder from time to time without the Company's consent, so long as Memphis does not assign its obligations hereunder.

13. Barge, rail car, transport truck, and pipeline quantities shall be determined by (in order of preference): terminal tank gauges or shore tank downgauges; calibrated scales; rail car/tank gauges; or any applicable ASTM method. Discharge quantities shall be used whenever practical. Subject to the minimum take requirement above, Buyer will make reasonable efforts to receive quantities ratably throughout each calendar month. All volumes for delivery shall be temperature-adjusted to 60°F using built-in temperature compensators or ASTM tables. Either party may require that Biodiesel quantity and quality be determined by a jointly-selected, licensed petroleum inspector, whose findings shall be conclusive. Customary inspection costs shall be shared equally, but additional services shall be paid for by the party requesting them. Buyer, at its sole discretion, may request transport delivery vehicles be weighed before and after receipt of product at Buyer's location(s). The term "gallon" means a U.S. gallon of 231 cubic inches. All measurements and/or tests shall be made in accordance with the latest standards or guidelines published by ASTM. Objections to measurements, including claims for shortage, for quantities delivered from Seller's facility must be made to Seller within ninety (90) calendar days from the date of delivery.

14. (a) The Company shall indemnify, defend and hold harmless Memphis and its employees and agents against any loss, claim, liability (actual or alleged), fine, or expense (including court costs, attorney fees, and litigation expenses), of any kind (including those based in tort, warranty, or strict liability), arising out of, or in connection with any failure of the Company to comply with this Agreement, or any act or failure to act in the handling, storage, transportation, or sale of Raw Material or Converted Product supplied under this Agreement. In responding to any third-party claims, Memphis may select an attorney but may not enter into any settlement without the Company's prior written consent, which will not be unreasonably withheld, delayed or conditioned. Notwithstanding anything contained herein to the contrary, in the event that the Company fails to comply with this Agreement, then the Company hereby agrees, that in addition to any indemnity obligation it owes to Memphis, the Company shall be liable to Memphis for any damages, including but not limited to consequential, incidental, lost profits, directly related to this Agreement or punitive damages Memphis may incur as a result of the Company's failure to deliver Raw Material to Memphis. (b) Memphis shall indemnify, defend and hold harmless the Company and its employees and agents against any loss, claim, liability (actual or alleged), fine, or expense (including court costs, attorney fees, and litigation expenses), of any kind (including those based in tort, warranty, or strict liability), arising out of, or in connection with any failure of Memphis to comply with this Agreement, or any act or failure to act in the handling, storage, transportation, or sale of Raw Material or Converted Product purchased under this Agreement. In responding to any third-party claims, the Company may select an attorney but may not enter into any settlement without Memphis's prior written consent, which will not be unreasonably withheld, delayed or conditioned. Notwithstanding anything contained herein to the contrary, in the event that Memphis fails to comply with this Agreement, then Memphis hereby agrees, that in addition to any indemnity obligation it owes to the Company, Memphis shall be liable to the Company for any damages, including but not limited to consequential, incidental, lost profits, directly related to this Agreement or punitive damages the Company may incur as a result of Memphis failure to comply.

15. This Contract, including these Terms and Conditions for Conversion by Memphis, constitutes the entire understanding of Memphis and the Company with respect to its subject matter. This Contract may be modified only by a written document which is signed by both parties and which specifically states that it is an amendment to this Contract.

16. Neither party shall be liable to the other for punitive damages or, except as expressly provided herein, consequential, incidental or lost-profit damages. The Company represents and warrants that either (a) it neither enjoys nor claims any immunity or like defenses from liability in litigation brought by or in the right of Memphis based on its Native American relationships or (b) to the extent,

if any, that it enjoys or makes any one or more of such claims (or like claims), it hereby unconditionally and irrevocably waives the same in regard to all claims asserted at any time by Memphis.

17. Each party agrees to defend, indemnify and hold harmless the other from and against any and all claims, costs, liabilities damages and expenses (including, without limitation, reasonable attorney fees and costs of litigation and/or settlement) arising out of claims or disputes based upon the other's alleged or actual infringement of any patent, utility model, design, copyright, trademark, trade secret, or any other industrial or intellectual property right where the basis for such claim or dispute is: (a) the acts of the indemnifying party (including all its affiliated entities) manufacture or use for, or sale to, the indemnified party of Raw Material or Converted Product, as the case may be; or (b) the manufacture, use, sale, offer for sale, or import of any product(s) containing, comprising, or made from Raw Material or Converted Product, as the case may be, by the indemnified party.

18. Title and risk of loss of Converted Product shall pass to the Company at Seller's facilities as Converted Product delivers into Buyer's transport, or rail car, or barge.

19. In addition to the per gallon purchase price stated below, the Company will be liable for, pay and/or reimburse Memphis for the payment of, any and all taxes, fees, assessments and other charges ("Tax"), whether now existing or hereafter arising, which are imposed, levied or assessed by any federal, state, tribal or local governmental or regulatory authority with respect to the products sold and delivered to the Company, the taxable incident of which arises out of or relates to the sale, delivery and/or transfer of title of the products to the Company, or the Company's payment therefor. In the event that Memphis is required to pay any such Tax directly to the appropriate authority, the Company will promptly upon demand reimburse the Company for such payments. The Company will furnish Memphis with any exemption or resale certificate or direct payment permit to which the Company may be entitled and will promptly notify Memphis of any change in the validity or scope of the same. The Company shall not be responsible for any taxes based on income, corporate franchise tax, or license fee of Memphis. The Company shall be responsible for any tax arising from the sale, transfer, or delivery of Raw Material or Converted Product or both by or to the Company under this Agreement. If a dispute arises out of or relates to this contract, or the breach thereof, and if the dispute cannot be settled through negotiation, the parties agree first to try in good faith to settle the dispute by mediation administered by the American Arbitration Association under its Commercial Mediation Rules before resorting to arbitration, it being understood that mediation shall be conclusively deemed to have failed if it does not result in settlement within four months after having been commenced. Any controversy or claim arising out of or relating to this contract including those relating to its formation or performance or breach shall be resolved by arbitration administered by the American Arbitration Association in accordance with its Commercial Arbitration Rules including the Emergency Interim Relief Procedures, and judgment on the award rendered by the arbitrator(s) may be entered as hereinafter set forth. THE COMPANY AND MEMPHIS HEREBY EACH IRREVOCABLY AGREE TO THE FULL APPLICABILITY OF THE FEDERAL ARBITRATION ACT OF 1947, AS AMENDED. EACH ALSO CONSENTS TO THE PLENARY JURISDICTION OF ANY UNITED STATES FEDERAL COURT SITTING IN TENNESSEE AND THAT OF ANY STATE COURT IN OKLAHOMA REGARDING ANY MATTER SUBMITTED TO MEDIATION OR RESOLVED BY MEDIATION OR SUBMITTED TO ARBITRATION OR RESOLVED BY ARBITRATION (INCLUDING WITHOUT LIMITATION APPLICATIONS TO COMPEL ARBITRATION, THE CONDUCT OF ANY ARBITRATION AND THE ENTRY OF JUDGMENTS ON ARBITRATION AWARDS AND ORDERS CONFIRMING SUCH AWARDS) AND OTHER LITIGATION OR OTHER PROCEEDINGS, IF ANY, BASED HEREON, OR ARISING OUT OF, UNDER, OR IN CONNECTION WITH THIS AGREEMENT, WHICH HAVE BEEN FOUND TO BE OUTSIDE THE SCOPE OF THE ABOVE MEDIATION AND ARBITRATION PROVISIONS. EACH PARTY HEREBY IRREVOCABLY CONSENTS TO THE SERVICE OF PROCESS BY REGISTERED MAIL, POSTAGE PREPAID, OR BY PERSONAL SERVICE WITHIN OR WITHOUT THE STATE OF TENNESSEE AT ITS THEN-CURRENT PRINCIPAL PLACE OF BUSINESS. EACH PARTY HEREBY EXPRESSLY AND IRREVOCABLY WAIVES ANY OBJECTION THAT IT MAY HAVE OR HEREAFTER MAY HAVE TO THE LAYING OF VENUE OF ANY SUCH PROCEEDINGS BROUGHT IN ANY SUCH COURT REFERRED TO ABOVE AND ANY CLAIM THAT ANY SUCH LITIGATION HAS BEEN BROUGHT IN AN INCONVENIENT FORUM. TO THE EXTENT THAT THE COMPANY OR MEMPHIS HAS OR HEREAFTER MAY ACQUIRE ANY IMMUNITY FROM SUIT IN OR JURISDICTION OF ANY COURT NAMED ABOVE OR FROM ANY LEGAL PROCESS FROM OR RELATING TO ANY SUCH COURT WHETHER BY REASON OF LAW APPLICABLE TO AMERICAN INDIANS, THROUGH SERVICE OR NOTICE, ATTACHMENT PRIOR TO JUDGMENT, ATTACHMENT IN AID OF EXECUTION OR OTHERWISE) WITH RESPECT TO ITSELF OR ITS PROPERTY, SUCH PARTY HEREBY IRREVOCABLY WAIVES SUCH IMMUNITY. EACH PARTY

REPRESENTS AND WARRANTS THAT SUCH WAIVER BY IT IS VALID, ENFORCEABLE AND EFFECTIVE. EACH PARTY WAIVES ANY RIGHT THAT IT MAY HAVE TO CLAIM OR RECOVER IN ANY ARBITRATION LEGAL ACTION OR PROCEEDING REFERRED TO IN THIS SECTION ANY OF ITS SPECIAL, EXEMPLARY, PUNITIVE OR CONSEQUENTIAL DAMAGES.

20. The Company hereby agrees to provide to Seller, not more than 45 days after each March 31, June 30, September 30 and December 31, starting December 31, 2006, a copy of its balance sheet as of such date and its income statement and statement of cash flows for the preceding 12 month-period each shown in tabular form with the like balance sheet, income statement and cash-flow statement for the prior-year date or period also presented (each consolidated if so required by generally accepted accounting principles and the December 31 statement accompanied by any opinion or report thereon rendered by any one or more firm of independent certified public accountants, if any).

21. This Contract shall be governed by and construed in accordance with the laws of the State of Tennessee, without regard to choice of law provisions.

EXHIBIT B: Specification for Refined, Bleached Soybean Oil




FFA (WT%) Oleic	.20 maximum
Appearance	Straw Yellow
Moisture	.15 maximum
Phosphorous (ppm)	5 maximum
Iodine Value	125-139

Typical Physical Properties

Viscosity@55 degrees F	80 centipose
@80 degrees F	60 centipose
@130 degrees F	13 Centipose
Density/Specific Gravity	
@70 degrees F	0.919 g/cm cubic
@100 degrees F	0.909 g/cm cubic
Weight/gallon@70 degrees F	7.7 pounds

2227 DEADRICK AVE., P.O. BOX 140606, MEMPHIS, TENNESSEE 381 4-0606. TELEPHONE 901-452-2107, FAX 901-324-6979

MEMPHIS BIOFUELS		Bank of America 87-2/640 TN 72		003302
OPERATING ACCOUNT				
P.O. BOX 140606				
MEMPHIS, TENNESSEE 38114-0606				
PHONE 901-452-2107				
PAY TO THE ORDER OF		American Arbitration Association		\$ **13,854.60
Thirteen Thousand Eight Hundred Fifty-Four and 60/100*****		DOLLARS		
American Arbitration Association		2200 Century Parkway Ste 300		
Atlanta, GA 30345				
MEMO				
				

⑈003302⑈ ⑆064000020⑆ 00442917757⑈

MEMPHIS BIOFUELS • P.O. BOX 140606 • MEMPHIS, TN 38114-0606 003302
American Arbitration Association 3/10/2008
6200.00 • SG & A Outside Services:6230.00 • Leg MEMPHIS BIOFUELS LLC SUIT CHICKASAW NATIONS I 13,854.60

Cash- Bank of America

13,854.60

EXHIBIT C

IN THE CHICKASAW NATION DISTRICT COURT

CHICKASAW NATION INDUSTRIES,
INC., a Federal Corporation,

Plaintiff,

v.

MEMPHIS BIOFUELS, LLC and THE
AMERICAN ARBITRATION
ASSOCIATION.

Defendants.

Case No. CIV-08-18

FILED
IN CHICKASAW DISTRICT COURT
APR 15 2008
WAYNE JOPLIN, COURT CLERK
DEPUTY

VERIFIED COMPLAINT FOR DECLARATORY AND INJUNCTIVE RELIEF

Comes now Chickasaw Nation Industries, Inc., a Federal Corporation ("CNI"), and for its
Verified Complaint for Declaratory and Injunctive Relief, states as follows:

I.

PARTIES

1. CNI is a federally chartered tribal business corporation pursuant 25 U.S.C. § 503 with its principal place of business being 2020 Arlington, Ste. 6, Ada, OK 74820. CNI is wholly owned by the Chickasaw Nation for the benefit of the people of the Chickasaw Nation.
2. Memphis Biofuels, LLC ("MBF") is a Delaware Limited Liability Company with its principal place of business located at 2227 Deadrick Avenue, Memphis, TN 38114. MBF may be served through its registered agent for service of process, Ken Arnold, 2227 Deadrick Avenue, Memphis, TN 38114.

3. The American Arbitration Association, Inc. ("AAA") is a New York not-for-profit corporation with its principal place of business located at 1633 Broadway, 10th Floor, New York, New York 10019. The AAA may be served through its registered agent for service of process, Corporation Service Company, 80 State Street, Albany, New York 12207-2543.

II.

JURISDICTION AND VENUE

4. This Court has subject matter jurisdiction over this case pursuant to Section 2 of Amendment V to the Chickasaw Constitution and pursuant to Section 5-201.4 of the Chickasaw Code because at issue in this case is the alleged waiver of sovereign immunity of CNI. Alleged waiver of the sovereign immunity of CNI is a matter uniquely important to the economic, cultural and political independence of the Chickasaw Nation.
5. This Court has personal jurisdiction over Defendant MBF pursuant to Section 2 of Amendment V of the Chickasaw Constitution, Sections 5-201.3 and 5-201.5 of the Chickasaw Code and Montana v. U.S., 450 U.S. 544, 565-66; 101 S.Ct. 1245; 67 L.Ed.2d 493 (1981) because there is a written instrument signed by MBF and CNI which raises a question as to the alleged waiver of the sovereign immunity of CNI and by implication raises questions as to the sovereign integrity of the assets of CNI and/or the Chickasaw Nation which might be called upon to satisfy any prospective arbitration award or judgment.
6. This Court has personal jurisdiction over the AAA pursuant to Section 2 of Amendment V of the Chickasaw Constitution, Sections 5-201.3 and 5-201.5 of the

Chickasaw Code and Montana v. U.S., 450 U.S. 544, 565-66; 101 S.Ct. 1245; 67 L.Ed.2d 493 (1981) because the only relief sought against the AAA is injunctive relief against the arbitration proceeding which has been commenced by MBF and administered by the AAA. No other substantive relief is sought from the AAA, and the AAA is a necessary party for purposes full administration of the injunctive relief sought against MBF.

7. Venue is proper in this Court pursuant to Section 2 of Amendment V to the Chickasaw Constitution in that the purported waiver of sovereign immunity which is at issue in this case occurred in Indian Country and the Chickasaw Nation and its courts have a unique and compelling interest in determining issues of sovereign immunity.

III.

FACTS

8. In the summer and fall of 2006, CNI desired to enter into the biodiesel business.
9. Because CNI did not have substantial experience in that field, it retained US Alternative Fuels, LLC ("US Alt") as a consultant to assist in the development of a biodiesel business for the benefit of the Nation
10. US Alt encouraged CNI to develop a biodiesel brokerage business while it also moved forward with plans for building a biodiesel refinery.
11. The intent of the biodiesel brokerage business was to establish both sources of supply and customers so that the proposed refinery would have both supply and customers as soon as it was operational.

12. US Alt indicated that it had considerable experience in the biodiesel brokerage business.
13. John Stocker of US Alt assumed the responsibility of establishing a biodiesel brokerage on behalf of CNI.
14. As part of that responsibility, Stocker began to negotiate a biodiesel refining agreement between MBF and CNI.
15. The purported agreement between MBF and CNI is attached hereto as Exhibit A and is entitled "Internal Authorization & Contract for Conversion of Product by Memphis Biofuels" (the "Tolling Agreement").
16. The Tolling Agreement is based on a similar agreement that Stocker tried to negotiate between CNI and Eastman Chemical. The document was originally drafted by either Eastman Chemical or Stocker and was not drafted by CNI.
17. MBF was represented in negotiations with CNI by counsel in New York.
18. Counsel for CNI provided counsel for MBF with a copy of the CNI Charter.
19. A true and correct copy of the CNI Charter is attached hereto as Exhibit B.
20. Pursuant to the Oklahoma Indian Welfare Act 25 U.S.C. § 503, the Charter of CNI and federal law, CNI has the same sovereign immunity as the Chickasaw Nation.
21. Section 3.02 of the Charter describes the method by which CNI's sovereign immunity may be waived. It states as follows:

To sue in its corporate name and notwithstanding the immunity possessed by the Corporation as a wholly owned corporation of the Chickasaw Nation, *to permit by written resolution of the board of directors* enforcement of leases, contracts, agreements and mortgage instruments to which the Corporation is a party, against the Corporation in tribal court, or any court of competent jurisdiction by agreement of the board of directors; provided, however, that this limited waiver of sovereign immunity does not authorize the levy of any judgment, lien, garnishment or attachment upon any property or income of the Corporation, the

Chickasaw Nation, or any agency thereto, *other than property or income of the Corporation specifically and in writing duly mortgaged, pledged or assigned as collateral for the debts or liabilities of the Corporation related to lease, contract, agreement or mortgage instrument to be enforced.* The authority provided herein is not intended to nor shall it be construed to waive immunity of the Corporation, the Chickasaw Nation, or any agency thereof, for any other purpose with respect to any claim or other matter not specifically mentioned herein, and is not intended to, nor shall it extend to the benefit of any person other than the parties to such leases, contracts, agreements or mortgage instruments to their successors or assigns.

CNI Charter § 3.02 (emphasis added).

22. Pursuant to an e-mail dated October 5, 2006, between John Stocker and Neal Cohen and Ken Arnold of MBF, MBF knew that it needed CNI Board approval in order for CNI to waive its sovereign immunity.
23. On October 5, 2006, MBF was provided with a redline version of the Tolling Agreement, and comment K2 to Exhibit A to the Tolling Agreement stated that, "Waiver of Sovereign Immunity requires board approval."
24. A true and correct copy of that October 5, 2006 e-mail and the redline Tolling Agreement is attached hereto as Exhibit C.
25. Comment K5 to that redline Tolling Agreement discussed waiver of sovereign immunity by stating, "Again, cannot be waived without board approval."
26. Despite having this express knowledge of the requirement of CNI Board approval, MBF merely required that the Tolling Agreement contained language which purports to waive sovereign immunity.
27. Despite having this express or constructive knowledge of the requirement of CNI Board approval, MBF merely required a simple, unauthorized arbitration provision in the Tolling Agreement which is insufficient to waive sovereign immunity.

28. The Tolling Agreement does not contain an express mortgage, pledge or assignment of CNI or Chickasaw Nation property to secure the obligations¹ set forth in the Tolling Agreement.
29. At no time did MBF seek CNI Board Approval for the Tolling Agreement and its purported waiver and arbitration clauses.
30. CNI's Board did not and has not acted to approve the Tolling Agreement.
31. CNI's Board did not and has not approved a waiver of sovereign immunity.
32. Deryl Wright signed the Tolling Agreement on behalf of CNI.
33. Neither Deryl Wright nor any of the management team at CNI had the authority, absent Board approval and a pledge of specific property to waive the sovereign immunity of CNI nor did they have authority to bind CNI to an arbitration agreement if the effect of such a provision is waiver of sovereign immunity.
34. CNI's sovereign immunity cannot be waived through the unilateral action of Deryl Wright or CNI's management team.
35. The CNI Board does not have authority to waive sovereign immunity absent a specific pledge or mortgage of property.
36. After execution of the Tolling Agreement, CNI and MBF developed differences regarding the circumstances of the formation of the proposed agreement and specifically, whether conditions precedent were ever met and also whether there was satisfactory performance.

¹ CNI disputes that it has any obligations under the Tolling Agreement. To the extent that this Court determines that there has been a valid waiver of sovereign immunity, then CNI will participate in the arbitration filed by MBF against it and reserves the right to present any and all procedural and substantive defenses to the claims raised therein.

37. In the fall of 2007, CNI's executive team and MBF attempted to resolve the dispute through non-binding negotiations and mediation.
38. Despite efforts to resolve the dispute, the parties could not reach a resolution.
39. On or about March 10, 2008, MBF called for arbitration of its dispute with CNI before the AAA. The attempted proceeding has been styled as Memphis Biofuels, LLC v. Chickasaw Nation Industries, Inc., case number 30 152 Y 00161 08 (the "Arbitration").
40. A true and correct copy of MBF's demand for Arbitration is attached hereto as Exhibit D.
41. The AAA has attempted to schedule telephone conferences to begin proceedings before the AAA.
42. CNI has not waived its sovereign immunity in this case and does not intend to do so.
43. If CNI is forced to litigate the non-waiver of its sovereign immunity before the AAA, allowing the Arbitration to proceed will cause CNI to effectively lose its sovereign immunity.
44. Such a loss of CNI's sovereign immunity by being forced to participate in the Arbitration is immediate and irreparable harm.

IV.

CAUSES OF ACTION

CAUSE ONE – DECLARATORY RELIEF

45. CNI incorporates by reference paragraphs 1 to 44 as if fully set forth herein.
46. The CNI Charter states that CNI's sovereign immunity may not be waived absent action by the CNI Board and a specific pledge or assignment of property.

47. CNI provided MBF with a copy of the CNI Charter.
48. MBF was expressly aware of the requirement of CNI Board approval through its receipt of the CNI Charter and/or the redline draft Tolling Agreement attached hereto as Exhibit C.
49. MBF did not seek or obtain CNI Board approval for the waiver of sovereign immunity prior to entry of the Tolling Agreement.
50. MBF has not sought or received CNI Board approval at any time.
51. CNI's Board has not, at any time, approved the Tolling Agreement or otherwise approved any waiver of sovereign immunity.
52. MBF did not seek and has not obtained a specific pledge or assignment of property to secure any obligations that may exist under the Tolling Agreement.
53. Pursuant to Section 5-208.7 of the Chickasaw Code, CNI seeks a declaration that its sovereign immunity has not been waived by any unauthorized acts of its management team in signing a contract with a purported waiver of sovereign immunity where there has been no CNI Board approval of the waiver and no specific pledge or assignment of property.
54. By proceeding with the Arbitration before the AAA and otherwise, MBF takes the position that CNI's sovereign immunity has been waived.
55. An actual case or controversy therefore exists.

CAUSE TWO – INJUNCTIVE RELIEF

56. CNI incorporates by reference paragraphs 1 to 55 as if fully set forth herein.
57. MBF has filed the Arbitration against CNI with the AAA.
58. MBF contends that CNI has waived its sovereign immunity.

59. CNI denies that it has waived its sovereign immunity or that its sovereignty could have been waived under the facts of this case.
60. The AAA is commencing the Arbitration and has contacted counsel for CNI to have CNI participate in it.
61. Requiring CNI to participate in binding arbitration before the AAA would effectively cause CNI to waive its sovereign immunity.
62. Absent a valid and enforceable waiver of sovereign immunity, neither the AAA nor MBF can require CNI to arbitrate before the AAA.
63. Compelling CNI to unwillingly waive its sovereign immunity by forcing CNI to participate in the Arbitration, constitutes immediate and irreparable harm.
64. Pursuant to Sections 5-214.8 – 5-214.10 of the Chickasaw Code, CNI seeks entry of a Temporary Restraining Order precluding the AAA and MBF from moving forward with the Arbitration pending a ruling from this Court.
65. Pursuant to Sections 5-214.8 – 5-214.10 of the Chickasaw Code, CNI seeks entry of a Preliminary Injunction precluding the AAA and MBF from moving forward with the Arbitration pending a ruling from this Court.
66. Pursuant to Sections 5-214.8 – 5-214.10 of the Chickasaw Code, CNI seeks entry of a Permanent Injunction precluding the AAA and MBF from ever proceeding forward with the Arbitration.

V.

PRAYER FOR RELIEF

CNI prays for the following relief:

1. For proper process to be issued against and served upon MBF and the AAA:

2. For a declaratory judgment, pursuant to Section 5-208.7 of the Chickasaw Code, that CNI's sovereign immunity has not been waived by the unauthorized acts of its management team in signing a contract that does not have a valid and enforceable waiver of sovereign immunity clause and where there has been no CNI Board approval of a waiver and no specific pledge or assignment of property;
3. For a temporary restraining order, pursuant to Sections 5-214.8 – 5-214.10 of the Chickasaw Code, precluding the AAA and MBF from moving forward with the Arbitration pending a ruling from this Court;
4. For a preliminary injunction, pursuant to Sections 5-214.8 – 5-214.10 of the Chickasaw Code, precluding the AAA and MBF from moving forward with the Arbitration pending a ruling from this Court;
5. For a permanent injunction, pursuant to Sections 5-214.8 – 5-214.10 of the Chickasaw Code, precluding the AAA and MBF from ever proceeding forward with the Arbitration;
6. For an award of CNI's discretionary costs; and
7. For all such other relief to which CNI may be entitled, as a matter of law or equity.

THIS IS CNI'S FIRST APPLICATION FOR EXTRAORDINARY REMEDY

CHICKASAW NATION INDUSTRIES, INC.

By: David L. Nimmo
DAVID NIMMO, ESQ.
KIRK JOHNSON, ESQ.

2600 John Saxon Blvd.
Norman, Oklahoma 73071
(405)-253-8315 phone
(405)-253-8334 fax

**BUTLER SNOW O'MARA
STEVENS & CANNADA, PLLC**

RANDALL D. NOEL, ESQ.
DANIEL W. VAN HORN, ESQ.

Attorneys for Chickasaw Nation
Industries, Inc.
6075 Poplar Ave., Ste. 500
Memphis, TN 38119
(901) 680-7200
(901) 680-7201 (fax)

VERIFICATION

I, Kirk E. Johnson, being first duly sworn do hereby

affirm, swear and state as follows:

1. I am over eighteen years of age.
2. I have personal knowledge of the facts set forth in CNI's Verified Complaint for Declaratory and Injunctive Relief.
3. The factual statements contained in CNI's Verified Complaint for Declaratory and Injunctive Relief are true and correct to the best of my knowledge and information and in the best of CNI's knowledge and information.

Kirk E. Johnson

Sworn and subscribed before me this 14 day of April, 2008.

Holly Erwin
NOTARY PUBLIC

My Commission Expires:



Memphis 639815v.1

EXHIBIT A

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 shease October 19, 2006

**INTERNAL AUTHORIZATION & CONTRACT
 FOR CONVERSION OF PRODUCT
 BY MEMPHIS BIOFUELS1**

This Contract for Conversion of Product by Memphis Biofuels (the "Contract") is entered into October 1, 2006 by and between Memphis Biofuels, Inc. ("Memphis") and Chickasaw Nation Industries, Inc. (the "Company") of Ada, Oklahoma.

In consideration of the mutual covenants and obligations contained in this Contract, Memphis and Company agree that Company will supply the Raw Material (as defined herein) to Memphis for conversion into the Converted Product (as defined herein), and that such supply and conversion will be performed in accordance with the following terms and conditions:

Company Name and Address: CHICKASAW NATION INDUSTRIES, INC., 2020 Arlington, Suite 6, Ada, Oklahoma 74820	Company Contact: JOHN STOCKER, 812-660-0914 (phone), 239-217-0350 (phone), 239-217-0551 (fax)
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Company Accounting Contact: Kathleen Westmoreland, Chickasaw Nation Industries, Inc. (580-727-5000)

Memphis Contact:

Exchange/Conversion Specialist (address, phone, fax)	Brandon Sheley 901-452-2107 x 1002
Conversion Administrator	Brandon Sheley 901-452-2107 x 1002
Other Memphis Contacts	Roger Shea 901-452-2107 x 1005
Production Planner	Peter Kiproff 901-452-2107 x 1004
Quality Assurance	Laura Blalock 901-452-2107 x 1010
Customer Service Representative	Roger Shea 901-452-2107 x 1005

Memphis Contract Number	06-1000
Supplier Number	MBF 001
Outline Agreement	
Plant/Storage Location	01
Business Organization	01

Term of Contract	October 1, 2006 is the date of this contract. Contract obligations of parties will be in force from the date Memphis advises the Company in writing that its facility is up and running and producing sufficient quantity and quality, through the third anniversary of such date. Notwithstanding the foregoing, in order to permit orderly startup, Company will ensure that Memphis has [50,000] gallons of RB soy oil by October 1, 2006, and an additional [70,000] gallons of RB soy oil by October 15, 2006 (such oil shall be considered the first oils to be delivered as described hereunder), and be prepared to make deliveries thereafter on a continuous basis pursuant to production schedules to be provided by Memphis which, to the maximum extent practicable, will allow for a minimum of two-weeks lead time for railcar deliveries.
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SUPPLY OF RAW MATERIALS BY COMPANY

Product	Soybean Oil
GMN	\$851813
Ratio of biodiesel produced to soybean oil provided	<ul style="list-style-type: none"> Ratio of biodiesel produced to soybean oil provided will be 97.5%
Ship From	To be determined by Company
Ship To	2227 Deadrick Avenue, Memphis, TN
Container Type	Bulk
Transportation Mode	Company determines
Title Passes	See Exhibit A
Transport Equipment Provided By	Company determines
Freight Point	Company determines
Freight Responsibility	Company
Quality	Refined and bleached. (The project will begin with refined, bleached soybean oil). Yield, conversion rates, and fees are based on refined bleached oil as the feed stock. With agreement by Memphis, Company may change soybean oil supply during the contract. However, Memphis will require in-house laboratory analysis of any new supply before implementation to ensure compatibility with manufacturing process and to determine any needed modifications in yield, conversion rates, and fees.). Quality of soy to be no less than as specified on Exhibit B
Country of Origin	United States

PROVISION OF CONVERTED PRODUCT BY MEMPHIS

Product	B100 Biodiesel
GMN	P3014400
Annual Quantity	12 million gallons (approximately equal rates of 1,000,000 gallons per month for 12 months)
Ratio and conversion formula	Ratio of biodiesel produced to soybean oil provided will be 97.5%. The conversion formula for biodiesel owed to Company based on quantity of soybean oil received will be: <ul style="list-style-type: none"> Gallons of biodiesel = (Lbs of soy oil received x 97.5%) / 7.348 lbs/gallon
Ship From	Memphis, Tennessee
Ship To	Determined by Company
Container Type	Bulk
Transportation Mode	Either tank truck or rail as determined by Company
Title Passes	See Exhibit A
Transport Equipment Provided By	Company
Ship to Freight Point	TBD Company
Freight Responsibility	Company
Quality	ASTM D 6751 specifications, except yellow grease will not be used as feedstock by Memphis

Special Provisions:

- * The \$1.00/gallon biodiesel mixture credit applies to Company
- * The \$.10 small producer federal income tax credit applies to Memphis
- * Memphis has no duty to perform any obligation hereunder until its Memphis, TN facility is up and running with adequate output and quality, as determined by Memphis
- * Any applicable USDA Commodity Credit Corporation production credit is owned by and for the account of Memphis

Conversion Fee	\$.80/gallon (B100 biodiesel)
Other charges	<ul style="list-style-type: none"> • Conversion fee includes methanol supplied by Memphis at an indexed price. Index to be used is the J&J Associates Market Price. Methanol prices will be reviewed monthly and the conversion fee will be revised as appropriate based on the average methanol price of the previous month. The quarterly fee adjustment will be: <ul style="list-style-type: none"> o $(\text{J\&J Associates methanol price} - \\$.36) \times .6382$... to be adjusted by Memphis based on current prices as compared to the reference date of August 1, 2006 • The price of catalyst is included in the conversion fee and is not indexed
Terms of payment	Prepay in cash pending completion by Memphis of credit-quality due diligence; thereafter, net 10 days of invoice date via ACH.
Final settlement	Any excess raw material or finished good will be returned to Company at termination of this Contract with freight responsibility to Company.

The Terms and Conditions for Conversion by Memphis are attached hereto as Exhibit A and form a part of this Contract as though fully set forth herein.

AGREED AND ACCEPTED:Accepted Date: Oct 17, 2006

CHICKASAW NATION INDUSTRIES, INC.

By: [Signature]Title: President/CEOAccepted Date: 6 Nov 06

MEMPHIS BIOFUELS LLC

By: AB ReedTitle: CEO

EXHIBIT A - TERMS AND CONDITIONS FOR CONVERSIONS BY MEMPHIS

1. Any capitalized term used in these Terms and Conditions for Conversions by Memphis that is not defined herein shall have the meaning given to it in the Internal Authorization & Contract for Conversion of Product by Memphis Biofuels ("Contract"). In the event of any conflict between the provisions of the Contract and these Terms and Conditions for Conversion by Memphis, the provisions of the Contract shall govern.
2. The Company shall purchase a minimum of 1,000,000 gallons of B100 Biodiesel from Memphis every month and will be entitled to purchase additional amounts, in the discretion of Memphis. The Company may purchase up to 2.5% less than the foregoing minimum in any month and, so long as it purchases and pays for an equivalent amount in the next succeeding month, will not be in default hereunder due to such shortfall. The parties will mutually agree upon a schedule for the supply of Raw Materials by the Company to Memphis, and Memphis' provision of Converted Product to the Company, and the Company and Memphis will use all reasonable efforts to meet such schedule.
3. intentionally left blank
4. Title to, and risk of loss for, Raw Material and Converted Product shall be in the Company at all times, but Memphis shall not be obligated to segregate the Company's products from Memphis' products or the products of others until the Converted Product is loaded on a carrier for shipment to the Company.
5. The Company shall memo invoice Memphis at no charge for the Raw Material delivered by the Company for conversion. Memphis shall invoice the Company for the conversion fee stated in the Contract for the Converted Product converted hereunder. Any personal property taxes imposed upon the Raw Materials or the Converted Product shall be the responsibility of the Company. The Company shall reimburse Memphis for any increase in taxes, excises or other charges which Memphis may be required to pay to any national, state or local government upon or measured by the production, delivery, use, possession or storage of the Raw Materials or Converted Products.
6. Raw Material delivered by the Company shall conform to the standard set forth in the Contract and Exhibit B. Memphis may test the Raw Materials supplied by the Company upon receipt thereof, but in any event shall be entitled to rely upon the Certificates of Analysis provided by the Company. Any claim by Memphis of defective or substandard Raw Materials must be made to the Company within 45 days of the date of Memphis' receipt of the Raw Materials. The Company shall promptly replace at its expense (including all shipping charges) any defective or substandard Raw Material as to which Memphis makes a claim.
7. The Company shall test the Converted Product converted by Memphis promptly upon receipt thereof. Memphis warrants that the Converted Product shall conform to the quality specification, if any, attached hereto or contained in the Contract. MEMPHIS MAKES NO FURTHER WARRANTIES, EXPRESS OR IMPLIED, AND EXPRESSLY DISCLAIMS ANY WARRANTIES OF MERCHANTABILITY OR OF FITNESS FOR A PARTICULAR PURPOSE. Any claim by the Company that the Converted Product does not conform to the quality specification must be made within 45 days of the date of the Company's receipt of the Converted Product. The Company's sole remedy, and Memphis' total liability under this Contract, shall be limited to (i) a refund of the conversion charges paid by the Company for the particular shipment of Converted Product that is the basis for the claim; (ii) the cost of the Raw Materials supplied by the Company and used by Memphis in producing the particular shipment of Converted Product; and (iii) any shipping charges incurred by the Company related to the particular shipment of Converted Product.
8. The Company shall provide to Memphis all relevant health, safety, and safe handling information about the Raw Materials and/or the Converted Product, including but not limited to Material Safety Data Sheets, product labels, and the like. Company certifies that all Raw Material supplied hereunder complies with the requirements of the Toxic Substances Control Act and related regulations.
9. No liability shall result from delay in performance or from nonperformance caused by act of God, fire, flood, war, terrorism, governmental action, accidents, strikes or other labor disturbances, shortage of or inability to obtain material, equipment, and transportation, or any other causes, similar or dissimilar to the foregoing, beyond the reasonable control of the party whose performance is affected. Quantities of Raw Materials and/or Converted Product that are not delivered because of one or more of the foregoing circumstances shall be deducted from the quantity specified in the Contract without liability. If the Company's performance under this Contract is suspended or terminated for any reason, whether or not suspension or termination is beyond the Company's reasonable control, the Company shall accept and pay for any

Converted Product which already was converted, or which was in the process of being converted by Memphis, on the date Memphis received notice from the Company of the suspension or termination.

10. The shipper's weights established in good faith shall govern unless proven to be in error. Variations of one percent or less from the quantity of any shipment shall be disregarded.
11. Any notices given hereunder shall be given to the other party's contact person as designated in the Contract, or as the party may from time to time choose to designate in writing.
12. Neither party may assign this Contract without the written consent of the other party, whose consent shall not be withheld unreasonably. However, Memphis may assign its rights to accounts receivable hereunder from time to time without the Company's consent, so long as Memphis does not assign its obligations hereunder.
13. Barge, rail car, transport truck, and pipeline quantities shall be determined by (in order of preference): terminal tank gauges or shore tank downgauges; calibrated scales; rail car/tank gauges; or any applicable ASTM method. Discharge quantities shall be used whenever practical. Subject to the minimum take requirement above, Buyer will make reasonable efforts to receive quantities ratably throughout each calendar month. All volumes for delivery shall be temperature-adjusted to 60°F using built-in temperature compensators or ASTM tables. Either party may require that Biodiesel quantity and quality be determined by a jointly-selected, licensed petroleum inspector, whose findings shall be conclusive. Customary inspection costs shall be shared equally, but additional services shall be paid for by the party requesting them. Buyer, at its sole discretion, may request transport delivery vehicles be weighed before and after receipt of product at Buyer's location(s). The term "gallon" means a U.S. gallon of 231 cubic inches. All measurements and/or tests shall be made in accordance with the latest standards or guidelines published by ASTM. Objections to measurements, including claims for shortage, for quantities delivered from Seller's facility must be made to Seller within ninety (90) calendar days from the date of delivery.
14. (a) The Company shall indemnify, defend and hold harmless Memphis and its employees and agents against any loss, claim, liability (actual or alleged), fine, or expense (including court costs, attorney fees, and litigation expenses), of any kind (including those based in tort, warranty, or strict liability), arising out of, or in connection with any failure of the Company to comply with this Agreement, or any act or failure to act in the handling, storage, transportation, or sale of Raw Material or Converted Product supplied under this Agreement. In responding to any third-party claims, Memphis may select an attorney but may not enter into any settlement without the Company's prior written consent, which will not be unreasonably withheld, delayed or conditioned. Notwithstanding anything contained herein to the contrary, in the event that the Company fails to comply with this Agreement, then the Company hereby agrees, that in addition to any indemnity obligation it owes to Memphis, the Company shall be liable to Memphis for any damages, including but not limited to consequential, incidental, lost profits, directly related to this Agreement or punitive damages Memphis may incur as a result of the Company's failure to deliver Raw Material to Memphis. (b) Memphis shall indemnify, defend and hold harmless the Company and its employees and agents against any loss, claim, liability (actual or alleged), fine, or expense (including court costs, attorney fees, and litigation expenses), of any kind (including those based in tort, warranty, or strict liability), arising out of, or in connection with any failure of Memphis to comply with this Agreement, or any act or failure to act in the handling, storage, transportation, or sale of Raw Material or Converted Product purchased under this Agreement. In responding to any third-party claims, the Company may select an attorney but may not enter into any settlement without Memphis's prior written consent, which will not be unreasonably withheld, delayed or conditioned. Notwithstanding anything contained herein to the contrary, in the event that Memphis fails to comply with this Agreement, then Memphis hereby agrees, that in addition to any indemnity obligation it owes to the Company, Memphis shall be liable to the Company for any damages, including but not limited to consequential, incidental, lost profits, directly related to this Agreement or punitive damages the Company may incur as a result of Memphis failure to comply.
15. This Contract, including these Terms and Conditions for Conversion by Memphis, constitutes the entire understanding of Memphis and the Company with respect to its subject matter. This Contract may be modified only by a written document which is signed by both parties and which specifically states that it is an amendment to this Contract.
16. Neither party shall be liable to the other for punitive damages or, except as expressly provided herein, consequential, incidental or lost-profit damages. The Company represents and warrants that either (a) it neither enjoys nor claims any immunity or like defenses from liability in litigation brought by or in the right of Memphis based on its Native American relationships or (b) to the extent,

if any, that it enjoys or makes any one or more of such claims (or like claims), it hereby unconditionally and irrevocably waives the same in regard to all claims asserted at any time by Memphis.

17. Each party agrees to defend, indemnify and hold harmless the other from and against any and all claims, costs, liabilities damages and expenses (including, without limitation, reasonable attorney fees and costs of litigation and/or settlement) arising out of claims or disputes based upon the other's alleged or actual infringement of any patent, utility model, design, copyright, trademark, trade secret, or any other industrial or intellectual property right where the basis for such claim or dispute is: (a) the acts of the indemnifying party (including all its affiliated entities) manufacture or use for, or sale to, the indemnified party of Raw Material or Converted Product, as the case may be; or (b) the manufacture, use, sale, offer for sale, or import of any product(s) containing, comprising, or made from Raw Material or Converted Product, as the case may be, by the indemnified party.

18. Title and risk of loss of Converted Product shall pass to the Company at Seller's facilities as Converted Product delivers into Buyer's transport, or rail car, or barge.

19. In addition to the per gallon purchase price stated below, the Company will be liable for, pay and/or reimburse Memphis for the payment of, any and all taxes, fees, assessments and other charges ("Tax"), whether now existing or hereafter arising, which are imposed, levied or assessed by any federal, state, tribal or local governmental or regulatory authority with respect to the products sold and delivered to the Company, the taxable incident of which arises out of or relates to the sale, delivery and/or transfer of title of the products to the Company, or the Company's payment therefor. In the event that Memphis is required to pay any such Tax directly to the appropriate authority, the Company will promptly upon demand reimburse the Company for such payments. The Company will furnish Memphis with any exemption or resale certificate or direct payment permit to which the Company may be entitled and will promptly notify Memphis of any change in the validity or scope of the same. The Company shall not be responsible for any taxes based on income, corporate franchise tax, or license fee of Memphis. The Company shall be responsible for any tax arising from the sale, transfer, or delivery of Raw Material or Converted Product or both by or to the Company under this Agreement. If a dispute arises out of or relates to this contract, or the breach thereof, and if the dispute cannot be settled through negotiation, the parties agree first to try in good faith to settle the dispute by mediation administered by the American Arbitration Association under its Commercial Mediation Rules before resorting to arbitration, it being understood that mediation shall be conclusively deemed to have failed if it does not result in settlement within four months after having been commenced. Any controversy or claim arising out of or relating to this contract including those relating to its formation or performance or breach shall be resolved by arbitration administered by the American Arbitration Association in accordance with its Commercial Arbitration Rules including the Emergency Interim Relief Procedures, and judgment on the award rendered by the arbitrator(s) may be entered as hereinafter set forth. THE COMPANY AND MEMPHIS HEREBY EACH IRREVOCABLY AGREE TO THE FULL APPLICABILITY OF THE FEDERAL ARBITRATION ACT OF 1947, AS AMENDED. EACH ALSO CONSENTS TO THE PLENARY JURISDICTION OF ANY UNITED STATES FEDERAL COURT SITTING IN TENNESSEE AND THAT OF ANY STATE COURT IN OKLAHOMA REGARDING ANY MATTER SUBMITTED TO MEDIATION OR RESOLVED BY MEDIATION OR SUBMITTED TO ARBITRATION OR RESOLVED BY ARBITRATION (INCLUDING WITHOUT LIMITATION APPLICATIONS TO COMPEL ARBITRATION, THE CONDUCT OF ANY ARBITRATION AND THE ENTRY OF JUDGMENTS ON ARBITRATION AWARDS AND ORDERS CONFIRMING SUCH AWARDS) AND OTHER LITIGATION OR OTHER PROCEEDINGS, IF ANY, BASED HEREON, OR ARISING OUT OF, UNDER, OR IN CONNECTION WITH THIS AGREEMENT, WHICH HAVE BEEN FOUND TO BE OUTSIDE THE SCOPE OF THE ABOVE MEDIATION AND ARBITRATION PROVISIONS. EACH PARTY HEREBY IRREVOCABLY CONSENTS TO THE SERVICE OF PROCESS BY REGISTERED MAIL, POSTAGE PREPAID, OR BY PERSONAL SERVICE WITHIN OR WITHOUT THE STATE OF TENNESSEE AT ITS THEN-CURRENT PRINCIPAL PLACE OF BUSINESS. EACH PARTY HEREBY EXPRESSLY AND IRREVOCABLY WAIVES ANY OBJECTION THAT IT MAY HAVE OR HEREAFTER MAY HAVE TO THE LAYING OF VENUE OF ANY SUCH PROCEEDINGS BROUGHT IN ANY SUCH COURT REFERRED TO ABOVE AND ANY CLAIM THAT ANY SUCH LITIGATION HAS BEEN BROUGHT IN AN INCONVENIENT FORUM. TO THE EXTENT THAT THE COMPANY OR MEMPHIS HAS OR HEREAFTER MAY ACQUIRE ANY IMMUNITY FROM SUIT IN OR JURISDICTION OF ANY COURT NAMED ABOVE OR FROM ANY LEGAL PROCESS FROM OR RELATING TO ANY SUCH COURT WHETHER BY REASON OF LAW APPLICABLE TO AMERICAN INDIANS, THROUGH SERVICE OR NOTICE, ATTACHMENT PRIOR TO JUDGMENT, ATTACHMENT IN AID OF EXECUTION OR OTHERWISE) WITH RESPECT TO ITSELF OR ITS PROPERTY, SUCH PARTY HEREBY IRREVOCABLY WAIVES SUCH IMMUNITY. EACH PARTY

REPRESENTS AND WARRANTS THAT SUCH WAIVER BY IT IS VALID, ENFORCEABLE AND EFFECTIVE. EACH PARTY WAIVES ANY RIGHT THAT IT MAY HAVE TO CLAIM OR RECOVER IN ANY ARBITRATION, LEGAL ACTION OR PROCEEDING REFERRED TO IN THIS SECTION ANY OF ITS SPECIAL, EXEMPLARY, PUNITIVE OR CONSEQUENTIAL DAMAGES.

20. The Company hereby agrees to provide to Seller, not more than 45 days after each March 31, June 30, September 30 and December 31, starting December 31, 2006, a copy of its balance sheet as of such date and its income statement and statement of cash flows for the preceding 12 month-period each shown in tabular form with the like balance sheet, income statement and cash-flow-statement for the prior-year date or period also presented (each consolidated if so required by generally accepted accounting principles and the December 31 statement accompanied by any opinion or report thereon rendered by any one or more firm of independent certified public accountants, if any).

21. This Contract shall be governed by and construed in accordance with the laws of the State of Tennessee, without regard to choice of law provisions.

EXHIBIT B: Specification for Refined, Bleached Soybean Oil



FFA (WT%) Oleic	.20 maximum
Appearance	Straw Yellow
Moisture	.15 maximum
Phosphorus (ppm)	5 maximum
Iodine Value	125-139

Typical Physical Properties

<u>Viscosity@55 degrees F</u>	80 centipose
@80 degrees F	60 centipose
@130 degrees F	13 Centipose

Density/Specific Gravity	
@70 degrees F	0.919 g/cm cubic
@100 degrees F	0.909 g/cm cubic

Weight/gallon@70 degrees F 7.7 pounds

EXHIBIT B

CHARTER OF INCORPORATION

**ISSUED BY THE
UNITED STATES OF AMERICA**

Department of the Interior
Bureau of Indian Affairs

for

CHICKASAW NATION INDUSTRIES, INC.
A Federally Chartered Tribal Business Corporation

KNOW ALL MEN BY THESE PRESENTS, THAT:

RECITALS

WHEREAS, the Congress of the United States enacted Chapter 831 of the Act of June 26, 1936 (49 Stat. 1967), as now or hereafter amended, commonly known as the "Oklahoma Indian Welfare Act" (OIWA), which authorizes the secretary of the United States Department of the Interior to do certain things on behalf of certain Oklahoma Indian tribes, including the issuance of a federal corporate charter; and,

WHEREAS, the Indian people of the Chickasaw Nation are duly organized as a federally recognized Indian tribal government as the Chickasaw Nation; and,

WHEREAS, on the 15th day of August, 1996, the Chickasaw Nation petitioned the secretary of the United States Department of the Interior to issue a federal Charter of Incorporation to the Chickasaw Nation to establish a business corporation as authorized by Section 3 of the OIWA (codified at 25 U.S.C., Section 503); and,

WHEREAS, all of the legal prerequisites to the issuance of this Charter have been fulfilled; NOW, THEREFORE,

CHARTER OF INCORPORATION

I, Ada E. Deer, Assistant Secretary of the United States Department of the Interior for Indian Affairs, by virtue of the power conferred upon the Secretary of the Interior by the said Act and delegated to me, do hereby issue this CHARTER OF INCORPORATION to the Chickasaw Nation for CHICKASAW NATION INDUSTRIES, INC., A FEDERAL TRIBAL CORPORATION, to be operative when ratified by the registered voters of the Chickasaw Nation.

08/27/96 09:22 P. 004

08/27/96 09:22 P. 004

08/27/96 09:22 P. 004

ARTICLE I

CORPORATE IDENTITY AND STATUS

1.01. The name of the Corporation is the CHICKASAW NATION INDUSTRIES, INC., A FEDERAL CORPORATION.

1.02. This Corporation is organized, incorporated and granted its corporate powers, privileges and immunities under the laws of the United States as a federally chartered Indian business corporation.

1.03. This Corporation is a distinct legal entity pursuant to 25 U.S.C., Section 503 wholly owned by the Chickasaw Nation and its corporate activities, transactions, obligations, liabilities and property are not those of the Chickasaw Nation. Nothing in this charter shall be deemed to have waived or to permit the Corporation to waive the sovereign immunity from suit of agencies or enterprises of the Chickasaw Nation not specifically assigned to the Corporation pursuant to Article II, section 2.01 of this charter.

1.04. This Corporation shall have the same immunity from taxation under federal law as the Chickasaw Nation.

ARTICLE II

CORPORATE PURPOSES

The purposes of this Corporation are as follows:

2.01. To engage in any type of lawful business, enterprise or venture, or any lawful act or activity for which corporations may be organized under the Oklahoma Indian Welfare Act;

2.02. To promote the economic development of the Chickasaw Nation; and,

2.03. To enable the development of tribal resources for the benefit of the Chickasaw Nation.

ARTICLE III

CORPORATE POWERS

Subject to applicable federal law and without further approval of the secretary of the United States Department of the Interior, this Corporation is expressly authorized and empowered:

3.01. To adopt, use and alter, at its pleasure, a corporate seal.

3.02. To sue in its corporate name and, notwithstanding the immunity possessed by the Corporation as a wholly owned corporation of the Chickasaw Nation, to permit by written resolution of the board of directors enforcement of leases, contracts, agreements and mortgage instruments to which the Corporation is a party, against the Corporation in tribal court, or any court of competent jurisdiction by agreement of the board of directors; provided, however, that this limited waiver of sovereign immunity does not authorize the levy of any judgment, lien, garnishment or attachment upon any property or income of the Corporation, the Chickasaw Nation, or any agency thereto, other than property or income of the Corporation specifically and in writing duly mortgaged, pledged or assigned as collateral for the debts or liabilities of the Corporation related to the lease, contract, agreement or mortgage instrument to be enforced. The authority provided herein is not intended to nor shall it be construed to waive the immunity of the Corporation, the Chickasaw Nation, or any agency thereof, for any other purpose with respect to any claim or other matter not specifically mentioned herein, and is not intended to, nor shall it extend to the benefit of, any person other than the parties to such leases, contracts, agreements or mortgage instruments or their successors or assigns.

3.03. To purchase, take by gift, bequest, lease or otherwise and to own or hold in the corporate name or through a subsidiary corporation or a public trust legally created under tribal law, manage, operate, use and otherwise deal in and with real or personal property of every description or any interest therein, wherever situated, including the power to purchase restricted Indian land and issue in exchange therefor interests in corporate property.

3.04. To put into federal trust status for the Chickasaw Nation any interest in real property acquired by the Corporation if permitted by federal law and in accordance with of Section 18-107D of Chapter 1, Title 18 of the Code of the Chickasaw Nation.

3.05. To sell, convey, mortgage, pledge, lease, exchange, transfer or otherwise dispose of all or any part of its corporate property or assets; provided, however, that this Corporation has no authority to sell, mortgage or lease for a period of time exceeding that authorized by federal law, any trust or restricted lands included within the lands of the Chickasaw Nation.

3.06. Notwithstanding any other provision in this charter, before the board of directors is authorized to sell or otherwise dispose of all or substantially all of the Corporation's assets, reasonable notice shall be given to the Chickasaw Legislature and its concurrence to such transaction shall be obtained.

3.07. To make contracts or agreements, incur liabilities and borrow money in any amount, from any source, upon such terms and at such rates of interest as the Corporation may determine, to issue notes, bonds and other obligations and secure any of its obligations by specifically mortgaging, pledging or assigning its corporate property or income as collateral for its corporate debts or liabilities.

3.08. To lend or invest money for its corporate purposes and to take and hold real and personal property as security for the payment of funds so loaned or invested.

3.09. To conduct its business, carry on its operations, have offices and exercise the powers granted by this charter within or without the boundaries of the Chickasaw Nation.

3.10. To elect or appoint certain officers and agents of the Corporation and define their duties and their compensation.

3.11. To have and exercise all powers incidental, necessary or convenient to the conduct of corporate business, not inconsistent with law.

ARTICLE IV

BOARD OF DIRECTORS

The corporate powers and authorities of this Corporation are vested in its board of directors. The board of directors shall consist of not less than five (5) nor more than nine (9), as the directors may from time to time determine by resolution, and each director shall be vested with full voting power. At least a majority of the directors shall be citizens of the Chickasaw Nation, but need not be residents of the Chickasaw Nation. A majority of the directors shall constitute a quorum for purposes of transacting the business of the Corporation. The directors shall be appointed by the Governor of the Chickasaw Nation and confirmed by the Legislature. The term of a director shall be three (3) years. The initial board of directors shall consist of two (2) directors appointed for three-year terms; two (2) for two-year terms; and one (1) for a one-year term. The terms of any directors added thereafter shall be established so as to, as nearly as possible, have an equal number of directors' terms expiring each year of any given three-year period.

ARTICLE V

OWNERSHIP OF CORPORATION

5.01. This Corporation is wholly owned by the Chickasaw Nation for the benefit of the Chickasaw Nation and its citizens and this ownership shall be inalienable.

5.02. The board of directors shall prepare a written annual report of its corporate affairs which shall contain statements of the corporate business affairs during the past twelve (12) months, and a projection of next year's business activities. This report shall be provided to the Governor of the Chickasaw Nation and the Chairperson of the Chickasaw Legislature.

5.03. The Corporation shall keep and maintain accurate books records and minutes of proceedings by its board of directors, accurate financial records, and copies of its annual

reports for the past five (5) years. All of such records and reports shall be available for inspection by the Governor of the Chickasaw Nation, the Chairperson of the Chickasaw Legislature or their representatives, attorneys or accountants.

ARTICLE VI

DISTRIBUTION OF DIVIDENDS

The board of directors may authorize and the Corporation may make distributions including dividends; provided, however, no distribution may be made, if, after giving it effect, either:

6.01. The Corporation would not be able to pay its debts as they become due in the usual course of its business; or

6.02. The Corporation's total assets would be less than the sum of its total liabilities.

ARTICLE VII

CORPORATE BY-LAWS

The Corporation shall adopt by-laws which provide for the internal regulation and management of the affairs of the Corporation in a manner not inconsistent with federal or tribal law or the provisions of this charter."

ARTICLE VIII

PERPETUAL SUCCESSION

This Corporation shall have perpetual succession and its charter shall not be revoked or surrendered except by Act of Congress.

ARTICLE IX

AMENDMENT OF CORPORATE CHARTER AND BY-LAWS

9.01. The power to propose alterations or amendments to this charter is vested in the Chickasaw Nation through its duly elected officials, but such alterations or amendments shall not become operative until approved by the secretary of the United States Department of the Interior, ratified and adopted by a majority vote of the registered voters of the Chickasaw Nation and approved by the governor in accordance with applicable tribal law.

9.02. The power to propose alterations, amendments or to adopt new corporate by-laws is vested

in the board of directors, who may alter, amend or adopt new by-laws by a two-thirds (2/3) vote of the entire board.

ARTICLE X

CERTIFICATE OF APPROVAL

I, Ada E. Deer, Assistant Secretary - Indian Affairs, by virtue of the authority granted to the Secretary of the Interior by Chapter 231 of the Act of June 26, 1936 (49 Stat. 1967), as now or hereafter amended, and delegated to me by 230 D.M. 2, do hereby approve this Federal Corporate Charter for use by the Chickasaw Nation and its enterprise, Chickasaw Nation Industries, Inc., a Federal Tribal Corporation. It shall become effective upon ratification by the voters of the Chickasaw Nation, provided, that nothing in this approval shall be construed as authorizing any action under this document that would be contrary to federal law.

Assistant Secretary - Indian Affairs
Department of the Interior
Washington, D.C.

By: Michael J. Anderson
for Ada E. Deer

Date: August 15, 1996

Ratified by vote of the Chickasaw people in an election where at least 30% of eligible voters cast ballots on the 5th day of November, 1996.

By: Stephanie Harmon
Title: Election Secretary



Tribal Government Services

United States Department of the Interior
BUREAU OF INDIAN AFFAIRS
Eastern Oklahoma Regional Office
P.O. Box 8002
Muskogee, OK 74402-8002

**CERTIFICATE OF GOOD STANDING AND COMPLIANCE
FOR FEDERALLY CHARTERED TRIBAL CORPORATION**

IT IS HEREBY CERTIFIED THAT:

Chickasaw Nation Industries, Inc.

is a corporation chartered pursuant to Section 3 of the Oklahoma Indian Welfare Act of June 26, 1936, ch. 831, 49 Stat. 1967 (codified at 25 U.S.C. § 503) and is duly authorized to transact business and to exercise the powers, privileges, and immunities granted by said Act and embodied in its Charter of Incorporation, issued by the Assistant Secretary - Indian Affairs on August 15, 1996; and ratified by the Chickasaw Nation on November 5, 1996, a true and correct copy of which is attached hereto.


It is further certified that its corporate charter has not been rescinded by Act of Congress, the Department of the Interior or surrendered by the Chickasaw Nation, a federally recognized Indian Tribe. This certificate is not to be construed as an endorsement, recommendation, or notice of approval of the corporation's financial condition or its business activities and practices.

This certificate of good standing shall remain effective until rescinded by the Department of the Interior.

This certificate is issued by virtue of the authority granted by Section 3 of the Oklahoma Indian Welfare Act of June 26, 1936, ch. 831, 49 Stat. 1967 (codified at 25 U.S.C. § 503), and delegated by 209 DM § 1 and § 4(A), 230 DM 1.1, and 3 IAM 4.4.

Pursuant to 28 U.S.C. § 1746, I declare under penalty of perjury that the foregoing is true and correct.

Executed on: 3-27-08


Regional Director
Eastern Oklahoma Region
Bureau of Indian Affairs
U.S. Department of the Interior

000-4 JEX 100 00/02/00

010 7014040 010

010

CORRECTED CERTIFICATE OF RESULTS OF ELECTION

Pursuant to Permanent Resolution Number 13-16, adopted by the Chickasaw Tribal Legislature on September 5, 1996, the Charter of Incorporation for the Chickasaw Nation Industries, Inc., was submitted to the qualified voters of the Chickasaw Nation, and on November 5, 1996, was duly adopted by a vote of 3,340 for, and 440 against, and 90 cast ballots found separated or mutilated, in an election in which at least thirty percent (30%) of the 12,857 entitled to vote cast their ballots in accordance with Section 3 of the Oklahoma Indian Welfare Act (49 Stat. 1967).

Katharine Wood
Election Board Chairman

Debra L. Lott
Election Board Member

Jamie Oglin
Election Board Member

Date: April 17, 1997

EXHIBIT C

From: Neil L. Cohen (nlc@cohenventures.com)
Sent: Thursday, October 05, 2006 2:21 PM
To: 'Ken Arnold'; 'Brandon Sheley'; 'Stephen Case'; 'Charles T. Collins'; 'Abhishek Agarwal'
Subject: FW: Contract with CNI
Importance: High
Attachments: CNI_Memphis_Contract.doc

Reactions by 9:00AM NYC time on Friday, 10/6/06, please

Neil L. Cohen
President
Cohen & Company, LLC
800 Third Avenue
New York, NY 10022
(p) 212-317-2258
(f) 212-317-2255
nlc@cohenventures.com

-----Original Message-----

From: Shiptrans@aol.com [mailto:Shiptrans@aol.com]
Sent: Thursday, October 05, 2006 2:34 PM
To: nlc@cohenventures.com
Cc: kamold@memphistofoils.com
Subject: Contract with CNI

Neal/Ken:

Here are the proposed changes in the tolling arrangement from CNI.

Note that the major issue is, as a federally-chartered corporation, they will not submit disputes to a state court. Other than that, it looks we are both on the same wavelength.

jjs

P 005935

8/20/2007

stoker2006.09.19.1328.doc

**INTERNAL AUTHORIZATION & CONTRACT
FOR CONVERSION OF PRODUCT
BY MEMPHIS BIOFUELS**

This Contract for Conversion of Product by Memphis Biofuels (the "Contract") is entered into October 1, 2006 by and between Memphis Biofuels, Inc ("Memphis") and Chickasaw Nation Industries, Inc. (the "Company") of Ada, Oklahoma.

In consideration of the mutual covenants and obligations contained in this Contract, Memphis and Company agree that Company will supply the Raw Material (as defined herein) to Memphis for conversion into the Converted Product (as defined herein), and that such supply and conversion will be performed in accordance with the following terms and conditions:

Company Name and Address: CHICKASAW NATION INDUSTRIES, INC., 2020 Arlington, Suite 6, Ada, Oklahoma 74830	Company Contact: JOHN STOCKER, 813-660-0914 (phone), 239-217-0590 (phone), 239-217-0551 (fax)
---	---

Company Accounting Contact Phone Number:

(Will report contact point for accounting purposes)

Memphis Contact:

Exchange/Conversion Specialist (address, phone, fax)	TBD
Conversion Administrator	TBD
Other Memphis Contacts	TBD
Production Planner	TBD
Quality Assurance	TBD
Customer Service Representative	TBD

Memphis Contract Number	TO BE ASSIGNED
Supplier Number	TO BE ASSIGNED
Outline Agreement	TO BE ASSIGNED
Plant/Storage Location	
Business Organization	

Term of Contract	October 1, 2006 is the date of this contract. Contract obligations of parties will be in force from the date Memphis advises the Company in writing that its facility is up and running and producing sufficient quantity and quality, through the third anniversary of such date. Notwithstanding the foregoing, in order to permit orderly startup, Company will ensure that Memphis has (50,000) gallons of RB soy oil by October 1, 2006, and an additional (70,000) gallons of RB soy oil by October 15, 2006 (such oil shall be considered the first oils to be delivered as described hereunder), and be prepared to make deliveries thereafter on a continuous basis pursuant to production schedules to be provided by Memphis which, to the maximum extent practicable, will allow for a minimum of two-weeks lead time for railcar deliveries.
------------------	---

P 005936

SUPPLY OF RAW MATERIALS BY COMPANY

Product	Soybean Oil
GMN	TBD2
Ratio of biodiesel produced to soybean oil provided	Ratio of biodiesel produced to soybean oil provided will be 97.5%
Ship From	To be determined by Company
Ship To	2227 Deadrick Avenue, Memphis, TN
Container Type	Bulk
Transportation Mode	Company determines
Title Passes	See Exhibit A
Transport Equipment Provided By	Company determines
Freight Point	Company determines
Freight Responsibility	Company
Quality	Refined and bleached. (The project will begin with refined, bleached soybean oil). Yield, conversion rates, and fines are based on refined bleached oil as the feed stock. With agreement by Memphis, Company may change soybean oil supply during the contract. However, Memphis will require in-house laboratory analysis of any new supply before implementation to ensure compatibility with manufacturing process and to determine any needed modifications in yield, conversion rates, and loss. Quality of soy to be no less than as specified on Exhibit B.
Country of Origin	United States

PROVISION OF CONVERTED PRODUCT BY MEMPHIS

Product	B100 Biodiesel
GMN	P3014406
Annual Quantity	12 million gallons (approximately equal rates of 1,000,000 gallons per month for 12 months)
Ratio and conversion formula	Ratio of biodiesel produced to soybean oil provided will be 97.5%. The conversion formula for biodiesel owed to Company based on quantity of soybean oil received will be: $\text{Gallons of biodiesel} = (\text{Lbs of soy oil received} \times 97.5\%) / 7.342 \text{ lbs/gallon}$
Ship From	Memphis, Tennessee
Ship To	Determined by Company
Container Type	Bulk
Transportation Mode	Either tank truck or rail as determined by Company
Title Passes	See Exhibit A
Transport Equipment Provided By	Company
Ship to Freight Point	TBD Company
Freight Responsibility	Company
Quality	ASTM D 6751 specifications, except yellow grease will not be used as feedstock by Memphis

Special Provisions:

- * The \$1.00/gallon biodiesel mixture credit applies to Company
- * The \$1.0 small producer federal income tax credit applies to Memphis
- * Memphis has no duty to perform any obligation hereunder until its Memphis, TN facility is up and running with adequate output and quality, as determined by Memphis
- * Any applicable USDA Commodity Credit Corporation production credit is owned by and for the account of Memphis.

Conversion Fee	\$.80/gallon (B100 biodiesel)
Other charges	<ul style="list-style-type: none"> Conversion fee includes methanol supplied by Memphis at an indexed price. Index to be used is the IACI Associates Market Price. Methanol prices will be reviewed monthly and the conversion fee will be revised as appropriate based on the average methanol price of the previous month. The quarterly fee adjustment will be: <ul style="list-style-type: none"> (IACI Associates methanol price - \$3.6) x .6382 ...to be adjusted by Memphis based on current prices as compared to the reference date of August 1, 2006 The price of catalyst is included in the conversion fee and is not indexed
Terms of payment	Debit to cash pending commission by Memphis of gross weight due difference, thereafter, net 10 days of invoice date via ACH
Final settlement	Any excess raw material or finished good will be returned to Company at termination of this Contract with freight responsibility to Company.

The Terms and Conditions for Conversion by Memphis are attached hereto as Exhibit A and form a part of this Contract as though fully set forth herein.

AGREED AND ACCEPTED:

Accepted Date: _____

CITICORP NATION INDUSTRIES, INC.

By: _____

Title: _____

Accepted Date: _____

MEMPHIS BIOFUELS LLC

By: _____

Title: _____

EXHIBIT A - TERMS AND CONDITIONS FOR CONVERSIONS BY MEMPHIS

1. Any capitalized term used in these Terms and Conditions for Conversions by Memphis that is not defined herein shall have the meaning given to it in the Internal Authorization & Contract for Conversion of Product by Memphis Biofuels ("Contract"). In the event of any conflict between the provisions of the Contract and these Terms and Conditions for Conversion by Memphis, the provisions of the Contract shall govern.
2. The Company shall purchase a minimum of 1,000,000 gallons of B100 Biodiesel from Memphis every month and will be entitled to purchase additional amounts, in the discretion of Memphis. The Company may purchase up to 2.5% less than the foregoing minimum in any month and, so long as it purchases and pays for an equivalent amount in the next succeeding month, will not be in default hereunder due to such shortfall. The parties will mutually agree upon a schedule for the supply of Raw Materials by the Company to Memphis, and Memphis' provision of Converted Product to the Company, and the Company and Memphis will use all reasonable efforts to meet such schedule. Deleted: _____
3. intentionally left blank
4. Title to, and risk of loss for, Raw Material and Converted Product shall be in the Company at all times, but Memphis shall not be obligated to segregate the Company's products from Memphis' products or the products of others until the Converted Product is loaded on a carrier for shipment to the Company.
5. The Company shall invoice Memphis at no charge for the Raw Material delivered by the Company for conversion. Memphis shall invoice the Company for the conversion fee stated in the Contract for the Converted Product converted hereunder. Any personal property taxes imposed upon the Raw Materials or the Converted Product shall be the responsibility of the Company. The Company shall reimburse Memphis for any increase in taxes, excises or other charges which Memphis may be required to pay to any national, state or local government upon or incurred by the production, delivery, use, possession or storage of the Raw Materials or Converted Products.
6. Raw Material delivered by the Company shall conform to the standard set forth in the Contract and Exhibit B. Memphis may test the Raw Materials supplied by the Company upon receipt thereof, but in any event shall be entitled to rely upon the Certificates of Analysis provided by the Company. Any claim by Memphis of defective or substandard Raw Materials must be made to the Company within 45 days of the date of Memphis' receipt of the Raw Materials. The Company shall promptly replace at its expense (including all shipping charges) any defective or substandard Raw Material as to which Memphis makes a claim.
7. The Company shall test the Converted Product converted by Memphis promptly upon receipt thereof. Memphis warrants that the Converted Product shall conform to the quality specification, if any, attached hereto or contained in the Contract. MEMPHIS MAKES NO FURTHER WARRANTIES, EXPRESS OR IMPLIED, AND EXPRESSLY DISCLAIMS ANY WARRANTIES OF MERCHANTABILITY OR OF FITNESS FOR A PARTICULAR PURPOSE. Any claim by the Company that the Converted Product does not conform to the quality specification must be made within 45 days of the date of the Company's receipt of the Converted Product. The Company's sole remedy, and Memphis' total liability under this Contract, shall be limited to (i) a refund of the conversion charges paid by the Company for the particular shipment of Converted Product that is the basis for the claim; (ii) the cost of the Raw Materials supplied by the Company and used by Memphis in producing the particular shipment of Converted Product; and (iii) any shipping charges incurred by the Company related to the particular shipment of Converted Product.
8. The Company shall provide to Memphis all relevant health, safety, and safe handling information about the Raw Materials and/or the Converted Product, including but not limited to Material Safety Data Sheets, product labels, and the like. Company certifies that all Raw Material supplied hereunder complies with the requirements of the Toxic Substances Control Act and related regulations.
9. No liability shall result from delay in performance or from nonperformance caused by act of God, fire, flood, war, terrorism, governmental action, accidents, strikes or other labor disturbances, shortage of or inability to obtain material, equipment, and transportation, or any other causes, similar or dissimilar to the foregoing, beyond the reasonable control of the party whose performance is affected. Quantities of Raw Materials and/or Converted Product that are not delivered because of one or more of the foregoing circumstances shall be deducted from the quantity specified in the Contract without liability. If the Company's performance under this Contract is suspended or terminated for any reason, whether or not suspension or termination is beyond the Company's reasonable control, the Company shall accept and pay for any

Converted Product which already was converted, or which was in the process of being converted by Memphis, on the date Memphis received notice from the Company of the suspension or termination.

10. The shipper's weight's established in good faith shall govern unless proven to be in error. Variations of one percent or less from the quantity of any shipment shall be disregarded.

Delivered at

11. Any notices given hereunder shall be given to the other party's contact person as designated in the Contract, or as the party may from time to time choose to designate in writing.

12. Neither party may assign this Contract without the written consent of the other party, whose consent shall not be withheld unreasonably. However, Memphis may assign its rights to accounts receivable hereunder from time to time without the Company's consent, so long as Memphis does not assign its obligations hereunder.

13. Barge, rail car, transport truck, and pipeline quantities shall be determined by (in order of preference): terminal tank gauges or shore tank downgauges; calibrated scales; rail car/tank gauges; or any applicable ASTM method. Discharge quantities shall be used whenever practical. Subject to the minimum take requirement above, Buyer will make reasonable efforts to receive quantities ratably throughout each calendar month. All volumes for delivery shall be temperature-adjusted to 60°F using built-in temperature compensators or ASTM tables. Either party may require that Biodiesel quantity and quality be determined by a jointly-selected, licensed petroleum inspector, whose findings shall be conclusive. Customary inspection costs shall be shared equally, but additional services shall be paid for by the party requesting them. Buyer, at its sole discretion, may request transport delivery vehicles be weighed before and after receipt of product at Buyer's location(s). The term "gallon" means a U.S. gallon of 231 cubic inches. All measurements and/or tests shall be made in accordance with the latest standards or guidelines published by ASTM. Objections to measurements, including claims for shortage, for quantities delivered from Seller's facility must be made to Seller within ninety (90) calendar days from the date of delivery.

14. (a) The Company shall indemnify, defend and hold harmless Memphis and its employees and agents against any loss, claim, liability (actual or alleged), fine, or expense (including court costs, attorney fees, and litigation expenses), of any kind (including those based in tort, warranty, or strict liability), arising out of, or in connection with any failure of the Company to comply with this Agreement, or any act or failure to act in the handling, storage, transportation, or sale of Raw Material or Converted Product supplied under this Agreement. In responding to any third-party claims, Memphis may select an attorney but may not enter into any settlement without the Company's prior written consent, which will not be unreasonably withheld, delayed or conditioned. Notwithstanding anything contained herein to the contrary, in the event that the Company fails to comply with this Agreement, then the Company hereby agrees, that in addition to any indemnity obligation it owes to Memphis, the Company shall be liable to Memphis for any damages, including but not limited to consequential, incidental, lost profits, directly related to this Agreement or punitive damages Memphis may incur as a result of the Company's failure to deliver Raw Material to Memphis. (b) Memphis shall indemnify, defend and hold harmless the Company and its employees and agents against any loss, claim, liability (actual or alleged), fine, or expense (including court costs, attorney fees, and litigation expenses), of any kind (including those based in tort, warranty, or strict liability), arising out of, or in connection with any failure of Memphis to comply with this Agreement, or any act or failure to act in the handling, storage, transportation, or sale of Raw Material or Converted Product purchased under this Agreement. In responding to any third-party claims, the Company may select an attorney but may not enter into any settlement without Memphis's prior written consent, which will not be unreasonably withheld, delayed or conditioned. Notwithstanding anything contained herein to the contrary, in the event that Memphis fails to comply with this Agreement, then Memphis hereby agrees, that in addition to any indemnity obligation it owes to the Company, Memphis shall be liable to the Company for any damages, including but not limited to consequential, incidental, lost profits, directly related to this Agreement or punitive damages the Company may incur as a result of Memphis failure to comply.

15. This Contract, including these Terms and Conditions for Conversion by Memphis, constitutes the entire understanding of Memphis and the Company with respect to its subject matter. This Contract may be modified only by a written document which is signed by both parties and which specifically states that it is an amendment to this Contract.

16. Neither party shall be liable to the other for punitive damages or, except as expressly provided herein, consequential, incidental or lost-profit damages.

17. The Company represents and warrants that either (a) it neither employs nor claims any immunity or like defenses from liability in litigation brought by or on the right of Memphis based on its Native American relationships or (b) to the extent

Consent (10): Seller's consent to using
weight of Memphis. Seller agrees that
weighting is the best way to ensure the
accuracy of the contract.
Delivered at
Formulated, Bulk and Blending

If any, that it enjoys or makes any one or more of such claims (or like claims), it hereby unconditionally and irrevocably waives the same in regard to all claims asserted or may be asserted.

Consent: [X] Waiver of Sovereign Immunity: []
Formal: [X] Bullets and Numbering

17. Each party agrees to defend, indemnify and hold harmless the other from and against any and all claims, costs, liabilities, damages and expenses (including, without limitation, reasonable attorney fees and costs of litigation and/or settlement) arising out of claims or disputes based upon the other's alleged or actual infringement of any patent, utility model, design, copyright, trademark, trade secret, or any other industrial or intellectual property right where the basis for such claim or dispute is: (a) the acts of the indemnifying party (including all its affiliated entities) manufacture or use for, or sale to, the indemnified party of Raw Material or Converted Product, as the case may be; or (b) the manufacture, use, sale, offer for sale, or import of any product(s) containing, comprising, or made from Raw Material or Converted Product, as the case may be, by the indemnified party.

Formatted: Bullets and Numbering

1. Title and list of name of commodity, description of the commodity at seller's facilities, commodity product delivered, and Buyer's transport, arrival, and condition.

19. In addition to the per gallon purchase price stated above, the Company will be liable for, pay and/or reimburse Memphis for the payment of, any and all taxes, fees, assessments and other charges ("Tax"), whether now existing or hereafter arising, which are imposed, levied or assessed by any federal, state, tribal or local governmental or regulatory authority with respect to the products sold and delivered to the Company, the taxable incident of which arises out of or relates to the sale, delivery and/or transfer of title of the products to the Company, or the Company's payment therefor. In the event that Memphis is required to pay any such Tax directly to the appropriate authority, the Company will promptly upon demand reimburse the Company for such payments. The Company will furnish Memphis with any exemption or resale certificate or direct payment permit to which the Company may be entitled and will promptly notify Memphis of any change in the validity or scope of the same. The Company shall not be responsible for any taxes based on income, corporate franchise tax, or license fee of Memphis. The Company shall be responsible for any tax arising from the sale, transfer, or delivery of Raw Material or Converted Product or both by or to the Company under this Agreement.

Forbidden: Bludge and Hammering

20. Submission to Jurisdiction; Waivers. (a) THE COMPANY AND MEMPHIS HEREBY EACH IRREVOCABLY CONSENTS TO THE EXCLUSIVE PLenary JURISDICTION OF ANY UNITED STATES FEDERAL COURT SITTING IN TENNESSEE IN ANY LITIGATION OR OTHER PROCEEDING BASED HEREON OR ARISING OUT OF, UNDER, OR IN CONNECTION WITH ANY OR ANY COURSE OF CONDUCT, COURSE OF DEALING, STATEMENTS (WHETHER ORAL OR WRITTEN) OR ACTIONS OF THE PARTIES IN CONNECTION HERewith OR THEREWITH.

Formulation: Dulac and Mardorini

Deletable OR TENNESSEE STATE
Deletable: SHELBY COUNTY.

(B) EACH OF THE PARTIES HEREBY IRREVOCABLY CONSENTS TO THE SERVICE OF PROCESS BY REGISTERED MAIL, POSTAGE PREPAID, OR BY PERSONAL SERVICE WITHIN OR WITHOUT THE STATE OF TENNESSEE AT ITS THEN-CURRENT PRINCIPAL PLACE OF BUSINESS. EACH PARTY HEREBY EXPRESSLY AND IRREVOCABLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY LAW, ANY OBJECTION THAT IT MAY HAVE OR HEREAFTER MAY HAVE TO THE LAYING OF VENUE OF ANY SUCH LITIGATION BROUGHT IN ANY SUCH COURT REFERRED TO IN CLAUSE (A) ABOVE AND ANY CLAIM THAT ANY SUCH LITIGATION HAS BEEN BROUGHT IN AN INCONVENIENT FORUM. TO THE EXTENT THAT THE COMPANY HAS OR HEREAFTER MAY ACQUIRE ANY IMMUNITY FROM JURISDICTION OF ANY COURT OR FROM ANY LEGAL PROCESS WHETHER BY REASON OF TRIBAL STATUS, THROUGH SERVICE OR NOTICE, ATTACHMENT PRIOR TO JUDGMENT, ATTACHMENT IN AID OF EXECUTION OR OTHERWISE) WITH RESPECT TO ITSELF OR ITS PROPERTY, SUCH PARTY HEREBY IRREVOCABLY WAIVES SUCH IMMUNITY. EACH PARTY REPRESENTS AND WARRANTS THAT SUCH WAIVER BY IT IS VALID, ENFORCEABLE AND EFFECTIVE. EACH PARTY WAIVES, TO THE MAXIMUM EXTENT PERMITTED BY LAW, ANY RIGHT THAT IT MAY HAVE TO CLAIM OR RECOVER IN ANY LEGAL ACTION OR PROCEEDING REFERRED TO IN THIS SECTION ANY OF ITS SPECIAL, EXEMPLARY, PUNITIVE OR CONSEQUENTIAL DAMAGES.

COMPASSION (K) - Agnes, Cheryl, Ray

21. This Contract shall be governed by and construed in accordance with the laws of the State of Tennessee, without regard to choice of law provisions.

Forecasting: Dollars and Rubles

EXHIBIT D

LAW OFFICES
BAKER, DONELSON, BEARMAN, CALDWELL & BERKOWITZ
A PROFESSIONAL CORPORATION
FIRST TENNESSEE BUILDING
163 MADISON AVENUE
SUITE 2000
MEMPHIS, TENNESSEE 38103
(901) 526-2000
FACSIMILE
(901) 577-2303

JOHN R. BRANSON
Direct Dial: 901.577.2323
Direct Fax: 901.577.0718
E-Mail Address: jbranson@bakerdonelson.com

March 10, 2008

VIA FEDERAL EXPRESS

American Arbitration Association
2200 Century Parkway, Suite 300
Atlanta, Georgia 30345

Re: Memphis Biofuels, LLC vs. Chickasaw Nation Industries, Inc.

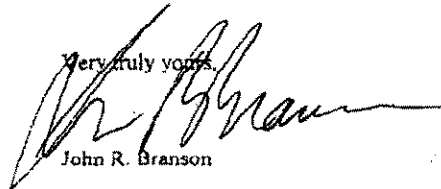
Dear Sir or Madam:

I am enclosing the original and two copies of the demand for arbitration and of the contract containing arbitration clause; along with my client's check in the amount of Thirteen Thousand Eight Hundred Fifty Four Dollars and 60 Cents (\$13,854.60), representing our calculation of the filing fee.

I would appreciate your opening a file for this arbitration (there already is a mediation file open on the matter, but I am advised that a new file with a new docket number will be opened). Please let me know if you have any questions or comments.

With best regards I remain,

Very truly yours,



John R. Branson

cc: Ken Arnold

NOTED 03/10/08
Downloaded 03/10/08 10:20 AM

ALABAMA • ARIZONA • ARKANSAS • CALIFORNIA • CONNECTICUT • DELAWARE • FLORIDA • GEORGIA • ILLINOIS • INDIANA • IOWA • KANSAS • KENTUCKY • LOUISIANA • MAINE • MARYLAND • MASSACHUSETTS • MICHIGAN • MINNESOTA • MISSISSIPPI • MISSOURI • MONTANA • NEBRASKA • NEVADA • NEW HAMPSHIRE • NEW JERSEY • NEW YORK • NORTH CAROLINA • NORTH DAKOTA • OHIO • OKLAHOMA • OREGON • PENNSYLVANIA • RHODE ISLAND • SOUTH CAROLINA • SOUTH DAKOTA • TENNESSEE • TEXAS • UTAH • VERMONT • VIRGINIA • WASHINGTON, D.C. • WISCONSIN • WYOMING • BEIJING, CHINA



American Arbitration Association

Dispute Resolution Services Worldwide

**COMMERCIAL ARBITRATION RULES
DEMAND FOR ARBITRATION**

MEDIATION: If you would like the AAA to contact the other parties and attempt to arrange a mediation, please check this box <input type="checkbox"/> There is no additional administrative fee for this service.					
Name of Respondent Chickasaw Nation Industries, Inc.			Name of Representative (if known) Randall D. Noel		
Address P. O. Box 2100			Name of Firm (if applicable) Butler, Snow, O'Mara, Stevens & Cannada		
City Ada			Representative's Address P. O. Box 171443		
State OK	Zip Code 74821-		City Memphis	State TN	Zip Code 38187-1443
Phone No. (580) 272-5060		Fax No. (580) 272-5008	Phone No. (901) 680-7200		Fax No. (901) 680-7201
Email Address randy.noel@butlersnow.com			Email Address randy.noel@butlersnow.com		
The named claimant, a party to an arbitration agreement dated Oct. 17/Nov. 6, 2006, which provides for arbitration under the Commercial Arbitration Rules of the American Arbitration Association, hereby demands arbitration.					
THE NATURE OF THE DISPUTE Breach/repudiation of contract					
Dollar Amount of Claim \$ 23,545,954.00			Other Relief Sought: <input checked="" type="checkbox"/> Attorneys Fees <input checked="" type="checkbox"/> Interest <input checked="" type="checkbox"/> Arbitration Costs <input type="checkbox"/> Punitive/ Exemplary <input type="checkbox"/> Other		
AMOUNT OF FILING FEE ENCLOSED WITH THIS DEMAND (please refer to the fee schedule in the rules for the appropriate fee) \$					
PLEASE DESCRIBE APPROPRIATE QUALIFICATIONS FOR ARBITRATOR(S) TO BE APPOINTED TO HEAR THIS DISPUTE. Commercial litigation experience					
Hearing locale: Memphis, TN (check one) <input checked="" type="checkbox"/> Requested by Claimant <input type="checkbox"/> Locate provision included in the contract					
Estimated time needed for hearings overall: _____ hours or 2 _____ days			Type of Business: Claimant <u>Biofuels processor</u> Respondent <u>Vendor</u>		
Is this a dispute between a business and a consumer? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Does this dispute arise out of an employment relationship? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No					
If this dispute arises out of an employment relationship, what was/is the employee's annual wage range? Note: This question is required by California law. <input type="checkbox"/> Less than \$100,000 <input type="checkbox"/> \$100,000 - \$250,000 <input type="checkbox"/> Over \$250,000					
You are hereby notified that copies of our arbitration agreement and this demand are being filed with the American Arbitration Association's Case Management Center, located in (check one) <input type="checkbox"/> Atlanta, GA <input type="checkbox"/> Dallas, TX <input type="checkbox"/> East Providence, RI <input type="checkbox"/> Fresno, CA <input type="checkbox"/> International Centre, NY, with a request that it commence administration of the arbitration. Under the rules, you may file an answering statement within fifteen days after notice from the AAA.					
Signature (may be signed by a representative)			Date: _____		
Name of Claimant Memphis Biofuels, LLC			Name of Representative John R. Branson		
Address (to be used in connection with this case) 2227 Deadrick Ave./P.O. Box 140608			Name of Firm (if applicable) Baker, Donelson, Bearman, Caldwell & Berkowitz		
City Memphis			Representative's Address 166 Madison Ave., Suite 2000		
State TN	Zip Code 38114-		City Memphis	State TN	Zip Code 38103
Phone No. (901) 452-2107		Fax No.	Phone No. (901) 577-2323		Fax No. (901) 577-3716
Email Address: kamold@memphisbiofuels.com			Email Address: jbranson@bakerdonelson.com		
To begin proceedings, please send two copies of this Demand and the Arbitration Agreement, along with the filing fee as provided for in the Rules, to the AAA. Send the original Demand to the Respondent.					
Please visit our website at www.adr.org if you would like to file this case online. AAA Customer Service can be reached at 800-775-7879					

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date: October 19, 2006

**INTERNAL AUTHORIZATION & CONTRACT
FOR CONVERSION OF PRODUCT
BY MEMPHIS BIOFUELS**

This Contract for Conversion of Product by Memphis Biofuels (the "Contract") is entered into October 1, 2006 by and between Memphis Biofuels, Inc. ("Memphis") and Chickasaw Nation Industries, Inc. (the "Company") of Ada, Oklahoma.

In consideration of the mutual covenants and obligations contained in this Contract, Memphis and Company agree that Company will supply the Raw Material (as defined herein) to Memphis for conversion into the Converted Product (as defined herein), and that such supply and conversion will be performed in accordance with the following terms and conditions:

Company Name and Address: CHICKASAW NATION INDUSTRIES, INC., 2620 Ardmore, Suite 4, Ada, Oklahoma 74820	Company Contact: JONAS BYOCKER, 812-660-0914 (phone), 239-217-0350 (phone), 239-217-0351 (fax)
--	---

Company Assistant Contact: Kathleen Westmoreland, Chickasaw Nation Industries, Inc. (580-727-5600)

Memphis Contacts:

Exchange/Conversion Specialist	Brandon Shiley
Address, phone, fax	901-432-2107 x 1000
Conversion Administrator	Brandon Shiley
	901-432-2107 x1000
Other Memphis Contacts	Roger Shiley
	901-432-2107 x 1000
Production Planner	Peter Rignold
	901-432-2107 x 1000
Quality Assurance	Larry Haddock
	901-432-2107 x1010
Customer Service Representative	Roger Shiley
	901-432-2107 x 1000

Memphis Contract Number	06-1000
Supplier Number	2489 061
Contract Agreement	
Plant/Storage Location	01
Business Organization	01

Term of Contract	October 1, 2006 is the date of this contract. Contract obligations of parties will be in force from the date Memphis advises the Company in writing that its facility is up and running and producing sufficient quantity and quality, through the third anniversary of such date. Notwithstanding the foregoing, in order to permit orderly startup, Company will ensure that Memphis has [50,000] gallons of E85 soy oil by October 1, 2006, and an additional [70,000] gallons of E85 soy oil by October 15, 2006 (such oil shall be considered the first oil to be delivered as described hereunder), and be prepared to make deliveries thereafter on a continuous basis pursuant to production schedules to be provided by Memphis which, to the maximum extent practicable, will allow for a minimum of two-week lead time for railway deliveries.
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SUPPLY OF RAW MATERIALS BY COMPANY

Product	Soybean Oil
USGN	8851813
Ratio of biodiesel produced to soybean oil provided	Ratio of biodiesel produced to soybean oil provided will be 97.5%
Ship From	To be determined by Company
Ship To	2227 Deshausk Avenue, Memphis, TN
Container Type	Bulk
Transportation Mode	Company determines
Title Passes	See Exhibit A
Transport Equipment Provided By	Company determines
Freight Point	Company determines
Freight Responsibility	Company
Quality	Refined and bleached. (The project will begin with refined, bleached soybean oil). Yield, conversion rates, and fees are based on refined bleached oil as the feed stock. With agreement by Memphis, Company may change soybean oil supply during the contract. However, Memphis will require in-house laboratory analysis of any new supply before implementation to ensure compatibility with manufacturing process and to determine any needed modifications in yield, conversion rates, and fees. Quality of oil to be no less than as specified on Exhibit B.
Country of Origin	United States

PROVISION OF CONVERTED PRODUCT BY MEMPHIS

Product	B100 Biodiesel
USGN	P9014406
Annual Quantity	12 million gallons (approximately equal rates of 1,000,000 gallons per month for 12 months)
Ratio and conversion formula	Ratio of biodiesel produced to soybean oil provided will be 97.5%. The conversion formula for biodiesel owed to Company based on quantity of soybean oil provided will be: $\text{Gallons of biodiesel} = (\text{Lbs of soy oil received} \times 97.5\%) / 7.345 \text{ lbs/gallon}$
Ship From	Memphis, Tennessee
Ship To	Determined by Company
Container Type	Bulk
Transportation Mode	Either tank truck or rail as determined by Company
Title Passes	See Exhibit A
Transport Equipment Provided By	Company
Ship to Freight Point	TBD Company
Freight Responsibility	Company
Quality	ASTM D 6751 specifications, except yellow grease will not be used as feedstock by Memphis

Special Provisions:

- The \$1.00/gallon biodiesel subsidy credit applies to Company
- The 5.10 small producer federal income tax credit applies to Memphis
- Memphis has no duty to perform any obligation hereunder until its Memphis, TN facility is up and running with adequate output and quality, as determined by Memphis
- Any applicable USDA Commodity Credit Corporation production credit is owned by and for the account of Memphis.

Conversion Fee	\$3.50/gallon (\$100 biodiesel)
Other charges	<ul style="list-style-type: none"> • Conversion fee includes methanol supplied by Memphis at an indexed price. Index to be used is the I&J Associates Market Price. Methanol prices will be reviewed monthly and the conversion fee will be revised as appropriate based on the average methanol price of the previous month. The quarterly fee adjustment will be: <ul style="list-style-type: none"> • (I&J Associates methanol price - \$3.50) x .6382 ...to be adjusted by Memphis based on current prices as compared to the reference date of August 1, 2006 • The price of catalyst is included in the conversion fee and is not indexed
Terms of payment	Payment is due pending completion by Memphis of credit quality due diligence; thereafter, net 10 days of invoice date via ACH
Final settlement	ANY excess raw material or finished good will be returned to Company at termination of this Contract with freight responsibility to Company.

The Terms and Conditions for Conversion by Memphis are attached herein as Exhibit A and form a part of this Contract as though fully set forth herein.

AGREED AND ACCEPTED:Accepted Date: Oct 17, 2006

CHICKEN NATION INDUSTRIES, INC.

By: [Signature]Title: PresidentAccepted Date: 6/11/06

MEMPHIS BIOFUELS, LLC

By: [Signature]Title: CEO

EXHIBIT A - TERMS AND CONDITIONS FOR CONVERSIONS BY MEMPHIS

1. Any capitalized term used in these Terms and Conditions for Conversions by Memphis that is not defined herein shall have the meaning given to it in the Internal Authorization & Contract for Conversion of Product by Memphis Biofuels ("Contract"). In the event of any conflict between the provisions of the Contract and these Terms and Conditions for Conversion by Memphis, the provisions of the Contract shall govern.
2. The Company shall purchase a minimum of 1,800,000 gallons of B100 Biodiesel from Memphis every month and will be entitled to purchase additional amounts, in the discretion of Memphis. The Company may purchase up to 2.5% less than the foregoing minimum in any month and, so long as it purchases and pays for an equivalent amount in the next succeeding month, will not be in default hereunder due to such shortfall. The parties will annually agree upon a schedule for the supply of Raw Materials by the Company to Memphis, and Memphis' provision of Converted Product to the Company, and the Company and Memphis will use all reasonable efforts to meet such schedule.
3. Intentionally left blank.
4. Title to, and risk of loss for, Raw Material and Converted Product shall be in the Company at all times, but Memphis shall not be obligated to segregate the Company's products from Memphis' products or the products of others until the Converted Product is loaded on a carrier for shipment to the Company.
5. The Company shall memo invoice Memphis at no charge for the Raw Material delivered by the Company for conversion. Memphis shall invoice the Company for the conversion fee stated in the Contract for the Converted Product converted hereunder. Any personal property taxes imposed upon the Raw Materials or the Converted Product shall be the responsibility of the Company. The Company shall reimburse Memphis for any increase in taxes, duties or other charges which Memphis may be required to pay to any national, state or local government upon or measured by the production, delivery, use, possession or storage of the Raw Materials or Converted Products.
6. Raw Material delivered by the Company shall conform to the standard set forth in the Contract and Exhibit B. Memphis may test the Raw Materials supplied by the Company upon receipt thereof, but in any event shall be entitled to rely upon the Certificates of Analysis provided by the Company. Any claim by Memphis of defective or substandard Raw Materials must be made to the Company within 45 days of the date of Memphis' receipt of the Raw Materials. The Company shall promptly replace at its expense (including all shipping charges) any defective or substandard Raw Material as to which Memphis makes a claim.
7. The Company shall test the Converted Product converted by Memphis promptly upon receipt thereof. Memphis warrants that the Converted Product shall conform to the quality specifications, if any, attached hereto or contained in the Contract. MEMPHIS MAKES NO FURTHER WARRANTIES, EXPRESS OR IMPLIED, AND EXPRESSLY DISCLAIMS ANY WARRANTIES OF MERCHANTABILITY OR OF FITNESS FOR A PARTICULAR PURPOSE. Any claim by the Company that the Converted Product does not conform to the quality specification must be made within 45 days of the date of the Company's receipt of the Converted Product. The Company's sole remedy, and Memphis' total liability under this Contract, shall be limited to (i) a refund of the conversion charges paid by the Company for the particular shipment of Converted Product that is the basis for the claim; (ii) the cost of the Raw Materials supplied by the Company and used by Memphis in producing the particular shipment of Converted Product; and (iii) any shipping charges incurred by the Company related to the particular shipment of Converted Product.
8. The Company shall provide to Memphis all relevant health, safety, and safe handling information about the Raw Materials and/or the Converted Product, including but not limited to Material Safety Data Sheets, product labels, and the like. Company certifies that all Raw Material supplied hereunder complies with the requirements of the Toxic Substances Control Act and related regulations.
9. No liability shall result from delay in performance or from nonperformance caused by act of God, fire, flood, war, terrorism, governmental action, accidents, strikes or other labor disturbances, shortage of or inability to obtain material, equipment, and transportation, or any other causes, similar or dissimilar to the foregoing, beyond the reasonable control of the party whose performance is affected. Quantities of Raw Materials and/or Converted Product that are not delivered because of one or more of the foregoing circumstances shall be deducted from the quantity specified in the Contract without liability. If the Company's performance under this Contract is suspended or terminated for any reason, whether or not suspension or termination is beyond the Company's reasonable control, the Company shall accept and pay for any

Converted Product which already was converted, or which was in the process of being converted by Memphis, on the date Memphis received notice from the Company of the suspension or termination.

10. The shipper's weights established in good faith shall govern unless proven to be in error. Variations of one percent or less from the quantity of any shipment shall be disregarded.
11. Any notices given hereunder shall be given to the other party's contact person as designated in the Contract, or as the party may from time to time choose to designate in writing.
12. Neither party may assign this Contract without the written consent of the other party, whose consent shall not be withheld unreasonably. However, Memphis may assign its rights to accounts receivable hereunder from time to time without the Company's consent, so long as Memphis does not assign its obligations hereunder.
13. Barge, rail car, transport truck, and pipeline quantities shall be determined by (in order of preference): tank/tank truck gauges or shore tank downgauges; calibrated scales; rail car/tank gauges; or any applicable ASTM method. Discharge quantities shall be used whenever practical. Subject to the minimum time requirements above, Buyer will make reasonable efforts to receive quantities evenly throughout each calendar month. All volumes for delivery shall be temperature-adjusted to 60°F using built-in temperature compensation or ASTM tables. Either party may require that Biodiesel quantity and quality be determined by a jointly-selected, licensed petroleum inspector, whose findings shall be conclusive. Customary inspection costs shall be shared equally, but additional services shall be paid for by the party requesting them. Buyer, at its sole discretion, may request transport delivery vehicles be weighed before and after receipt of product at Buyer's location(s). The term "gallon" means a U.S. gallon of 231 cubic inches. All measurements and/or tests shall be made in accordance with the latest standards or guidelines published by ASTM. Objections to measurements, including claims for shortage, for quantities delivered from Seller's facility must be made to Seller within ninety (90) calendar days from the date of delivery.
14. (a) The Company shall indemnify, defend and hold harmless Memphis and its employees and agents against any loss, claim, liability (actual or alleged), fine, or expense (including court costs, attorney fees, and litigation expenses), of any kind (including those based in tort, warranty, or strict liability), arising out of, or in connection with any failure of the Company to comply with this Agreement, or any act or failure to act in the handling, storage, transportation, or sale of Raw Material or Converted Product supplied under this Agreement. In responding to any third-party claims, Memphis may select an attorney but may not enter into any settlement without the Company's prior written consent, which will not be unreasonably withheld, delayed or conditioned. Notwithstanding anything contained herein to the contrary, in the event that the Company fails to comply with this Agreement, then the Company hereby agrees, that in addition to any indemnity obligation it owes to Memphis, the Company shall be liable to Memphis for any damages, including but not limited to consequential, incidental, lost profits, directly related to this Agreement or punitive damages Memphis may incur as a result of the Company's failure to deliver Raw Material to Memphis. (b) Memphis shall indemnify, defend and hold harmless the Company and its employees and agents against any loss, claim, liability (actual or alleged), fine, or expense (including court costs, attorney fees, and litigation expenses), of any kind (including those based in tort, warranty, or strict liability), arising out of, or in connection with any failure of Memphis to comply with this Agreement, or any act or failure to act in the handling, storage, transportation, or sale of Raw Material or Converted Product purchased under this Agreement. In responding to any third-party claims, the Company may select an attorney but may not enter into any settlement without Memphis's prior written consent, which will not be unreasonably withheld, delayed or conditioned. Notwithstanding anything contained herein to the contrary, in the event that Memphis fails to comply with this Agreement, then Memphis hereby agrees, that in addition to any indemnity obligation it owes to the Company, Memphis shall be liable to the Company for any damages, including but not limited to consequential, incidental, lost profits, directly related to this Agreement or punitive damages the Company may incur as a result of Memphis failure to comply.
15. This Contract, including these Terms and Conditions for Conversion by Memphis, constitutes the entire understanding of Memphis and the Company with respect to its subject matter. This Contract may be modified only by a written document which is signed by both parties and which specifically states that it is an amendment to this Contract.
16. Neither party shall be liable to the other for punitive damages or, except as expressly provided herein, consequential, incidental or lost-profit damages. The Company represents and warrants that either (a) it neither enjoys nor claims any immunity or flow defenses from liability in litigation brought by or in the right of Memphis based on its Native American relationships or (b) to the extent,

if any, that it enjoys or makes any one or more of such claims (or like claims), it hereby unconditionally and irrevocably waives the same in regard to all claims asserted at any time by Memphis.

17. Each party agrees to defend, indemnify and hold harmless the other from and against any and all claims, costs, liabilities damages and expenses (including, without limitation, reasonable attorney fees and costs of litigation and/or settlement) arising out of claims or disputes based upon the other's alleged or actual infringement of any patent, utility model, design, copyright, trademark, trade secret, or any other industrial or intellectual property right where the basis for such claim or dispute is: (a) the acts of the indemnifying party (including all its affiliated entities) manufacture or use for, or sale to, the indemnified party of Raw Material or Converted Product, as the case may be; or (b) the manufacture, use, sale, offer for sale, or import of any product(s) containing, comprising, or made from Raw Material or Converted Product, as the case may be, by the indemnified party.

18. Title and risk of loss of Converted Product shall pass to the Company at Seller's facilities as Converted Product delivers into Buyer's transport, or rail car, or barge.

19. In addition to the per gallon purchase price stated below, the Company will be liable for, pay and/or reimburse Memphis for the payment of, any and all taxes, fees, assessments and other charges ("Tax"), whether now existing or hereafter arising, which are imposed, levied or assessed by any federal, state, tribal or local governmental or regulatory authority with respect to the products sold and delivered to the Company, the taxable incident of which arises out of or relates to the sale, delivery and/or transfer of title of the products to the Company, or the Company's payment thereof. In the event that Memphis is required to pay any such Tax directly to the appropriate authority, the Company will promptly upon demand reimburse the Company for such payments. The Company will furnish Memphis with any exemption or resale certificate or direct payment permit to which the Company may be entitled and will promptly notify Memphis of any change in the validity or scope of the same. The Company shall not be responsible for any taxes based on income, corporate franchise tax, or license fee of Memphis. The Company shall be responsible for any tax arising from the sale, transfer, or delivery of Raw Material or Converted Product or both by or to the Company under this Agreement. If a dispute arises out of or relates to this contract, or the breach thereof, and if the dispute cannot be settled through negotiation, the parties agree first to try in good faith to settle the dispute by mediation administered by the American Arbitration Association under its Commercial Mediation Rules before resorting to arbitration, it being understood that mediation shall be conclusively deemed to have failed if it does not result in settlement within four months after having been commenced. Any controversy or claim arising out of or relating to this contract including those relating to its formation or performance or breach shall be resolved by arbitration administered by the American Arbitration Association in accordance with its Commercial Arbitration Rules including the Emergency Interim Relief Procedures, and judgment on the award rendered by the arbitrator(s) may be entered as hereinafter set forth. THE COMPANY AND MEMPHIS HEREBY EACH IRREVOCABLY AGREE TO THE FULL APPLICABILITY OF THE FEDERAL ARBITRATION ACT OF 1947, AS AMENDED. EACH ALSO CONSENTS TO THE PLenary JURISDICTION OF ANY UNITED STATES FEDERAL COURT SITTING IN TENNESSEE AND THAT OF ANY STATE COURT IN OKLAHOMA REGARDING ANY MATTER SUBMITTED TO MEDIATION OR RESOLVED BY MEDIATION OR SUBMITTED TO ARBITRATION OR RESOLVED BY ARBITRATION (INCLUDING WITHOUT LIMITATION APPLICATIONS TO COMPEL ARBITRATION, THE CONDUCT OF ANY ARBITRATION AND THE ENTRY OF JUDGMENTS ON ARBITRATION AWARDS AND ORDERS CONFIRMING SUCH AWARDS) AND OTHER LITIGATION OR OTHER PROCEEDINGS, IF ANY, BASED HERON, OR ARISING OUT OF, UNDER, OR IN CONNECTION WITH THIS AGREEMENT, WHICH HAVE BEEN FOUND TO BE OUTSIDE THE SCOPE OF THE ABOVE MEDIATION AND ARBITRATION PROVISIONS. EACH PARTY HEREBY IRREVOCABLY CONSENTS TO THE SERVICE OF PROCESS BY REGISTERED MAIL, POSTAGE PREPAID, OR BY PERSONAL SERVICE WITHIN OR WITHOUT THE STATE OF TENNESSEE AT ITS THEN-CURRENT PRINCIPAL PLACE OF BUSINESS. EACH PARTY HEREBY EXPRESSLY AND IRREVOCABLY WAIVES ANY OBJECTION THAT IT MAY HAVE OR HEREAFTER MAY HAVE TO THE LAYING OF VENUE OF ANY SUCH PROCEEDINGS BROUGHT IN ANY SUCH COURT REFERRED TO ABOVE AND ANY CLAIM THAT ANY SUCH LITIGATION HAS BEEN BROUGHT IN AN INCONVENIENT FORUM. TO THE EXTENT THAT THE COMPANY OR MEMPHIS HAS OR HEREAFTER MAY ACQUIRE ANY IMMUNITY FROM SUIT IN OR JURISDICTION OF ANY COURT NAMED ABOVE OR FROM ANY LEGAL PROCESS FROM OR RELATING TO ANY SUCH COURT WHETHER BY REASON OF LAW APPLICABLE TO AMERICAN INDIANS, THROUGH SERVICE OR NOTICE, ATTACHMENT PRIOR TO JUDGMENT, ATTACHMENT IN AID OF EXECUTION OR OTHERWISE) WITH RESPECT TO ITSELF OR ITS PROPERTY, SUCH PARTY HEREBY IRREVOCABLY WAIVES SUCH IMMUNITY. EACH PARTY

REPRESENTS AND WARRANTS THAT SUCH WAIVER BY IT IS VALID, ENFORCEABLE AND EFFECTIVE. EACH PARTY WAIVES ANY RIGHT THAT IT MAY HAVE TO CLAIM OR RECOVER IN ANY ARBITRATION, LEGAL ACTION OR PROCEEDING REFERRED TO IN THIS SECTION ANY OF ITS SPECIAL, EXEMPLARY, PUNITIVE OR CONSEQUENTIAL DAMAGES.

20. The Company hereby agrees to provide to Seller, not more than 45 days after each March 31, June 30, September 30 and December 31, starting December 31, 2006, a copy of its balance sheet as of such date and its income statement and statement of cash flows for the preceding 12 month period each shown in tabular form with the like balance sheet, income statement and cash-flow statement for the prior-year date or period also presented (each consolidated if as required by generally accepted accounting principles and the December 31 statements accompanied by any opinion or report thereon rendered by any one or more firm of independent certified public accountants, if any).

21. This Contract shall be governed by and construed in accordance with the laws of the State of Tennessee, without regard to choice of law provisions.

M E A M P H I S
BIOFUELS

FFA (WTK) Oling	20 maximum
Appearance	Straw Yellow
Moisture	15 maximum
Phosphorous (ppm)	6 maximum
Iodine Value	125-130

Typical Physical Properties

Viscosity @ 25 degrees F 80 centipoise
@ 100 degrees F 60 centipoise
@ 130 degrees F 13 centipoise

Density Specific Gravity
@ 70 degrees F 0.919 g/cm cubic
@ 100 degrees F 0.908 g/cm cubic

Weight @ 70 degrees F 7.7 pounds

2277 DEADRICK AVE, P.O. BOX 140606, MEMPHIS TENNESSEE 38114-0606, TELEPHONE 901-452-2107, FAX 901-524-6979

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SAMUEL H. MAYS, JR.

DIANE K. VESCOVO