

State of Idaho



Department of State.

CERTIFICATE OF QUALIFICATION OF FOREIGN CORPORATION

I, ARNOLD WILLIAMS, Secretary of State of the State of Idaho, and legal custodian of the corporation records of the State of Idaho, do hereby certify that

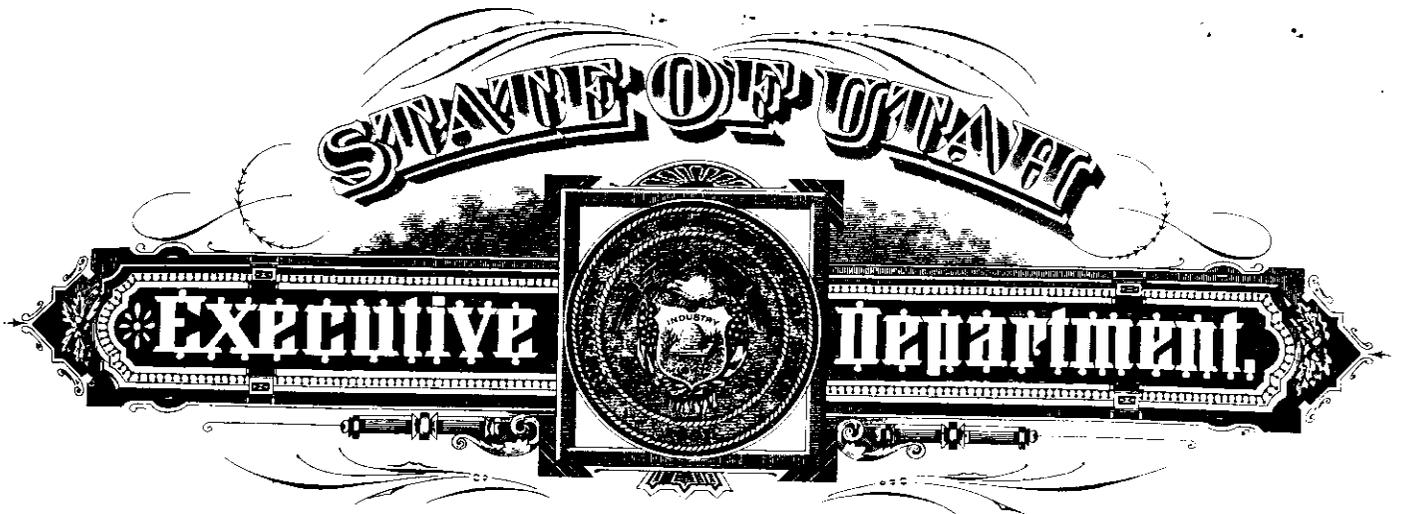
KARREN OIL COMPANY

a corporation duly organized and existing under the laws of **Utah** has fully complied with Section 10 Article II of the Constitution, and with Sections 30-501 and 30-502, Idaho Code, by filing in this office on the **Second** day of **January,** 19 **62**, a properly authenticated copy of its articles of incorporation, and on the **Second** day of **January,** 19 **62**, a designation of **Phillip L. West** in the County of **Franklin** as statutory agent for said corporation within the State of Idaho, upon whom process issued by authority of, or under any law of this State, may be served.

AND I FURTHER CERTIFY, That said corporation has complied with the laws of the State of Idaho, relating to corporations not created under the laws of the State, as contained in Chapter 5 of Title 30, Idaho Code, and is therefore duly and regularly qualified as a corporation in Idaho, having the same rights and privileges, and being subject to the same laws, as like domestic corporations.

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed the Great Seal of the State. Done at Boise City, the Capital of Idaho, this **2nd** day of **January**, A.D. 19 **62**.

Secretary of State.



Secretary of State's Office

I, LAMONT F. TORONTO, SECRETARY OF STATE OF THE STATE OF UTAH,
DO HEREBY CERTIFY THAT THIS IS A FULL, TRUE AND CORRECT COPY OF THE ARTICLES
OF INCORPORATION OF THE _____

_____ KARREN OIL COMPANY _____

AS APPEARS _____ OF RECORD _____ IN MY OFFICE.

IN WITNESS WHEREOF, I HAVE HEREUNTO SET MY HAND
AND AFFIXED THE GREAT SEAL OF THE STATE OF UTAH
AT SALT LAKE CITY, THIS _____ NINETEENTH _____ DAY OF

_____ OCTOBER _____ 19 61 _____

Lamont F. Toronto

SECRETARY OF STATE

BY *Kendall L. Cottrell*

DEPUTY



ARTICLES OF INCORPORATION

OF

KARREN OIL COMPANY

KNOW ALL MEN BY THESE PRESENTS:

That we, the undersigned, for the purpose of forming a corporation under the laws of the State of Utah, do agree as follows:

ARTICLE I

NAME OF CORPORATION

The name of the corporation is **KARREN OIL COMPANY**.

ARTICLE II

INFORMATION ON INCORPORATORS

The names of the Incorporators, their places of residence, and the shares of stock subscribed and held by each are as follows:

NAME	RESIDENCE	STOCK SUBSCRIBED
M. TED KARREN	Logan, Utah	44,997 shares
LOIS A. KARREN	Logan, Utah	5,000 shares
BLAINE W. HANCEY	Logan, Utah	1 share
RUTH CHRISTENSEN	Salt Lake City, Utah	1 share
MAXINE CHRISTENSEN	Salt Lake City, Utah	1 share

ARTICLE III

PERIOD OF DURATION

The corporation is to have perpetual existence, unless dissolved according to law.

ARTICLE IV

PURPOSES AND POWERS

The general pursuits and business agreed upon and the objects and general purposes of this corporation shall be generally to engage in the management and operation of an oil and gas distributorship, and in carrying out these objectives and purposes, this corporation shall have the power:

- a. To merchandise, sell, offer for sale, and distribute at wholesale and retail, petroleum and petroleum products of all kinds and descriptions, whether in bulk, package, can or otherwise contained, and also automotive supplies, parts and accessories, of all kinds and for all purposes, and generally to deal in gasolines, oils and lubricants, parts and accessories and all related and unrelated goods and products.
- b. To do any and all things necessary, suitable and proper to conduct the business and carry out the objects herein expressed, including but not restricted to those expressly conferred upon corporations by laws of the State of Utah, as well as those necessarily implied.
- c. To do all things to the same extent and as fully as natural persons now do or could do in the State of Utah, or in any other state, country or place.
- d. To borrow and lend money, with or without security, and to endorse or otherwise guarantee the obligations of others.
- e. To act as principal or agent for others and receive compensation for all services which it may render.
- f. To subscribe for, purchase, acquire and hold with the same right of ownership as may be permitted to natural persons, including the right to vote thereon and to sell, pledge, or otherwise encumber and dispose of the shares, stocks, bonds, securities, assets and obligations of any other corporation, whether domestic or foreign, whether

now or hereafter incorporated, and to purchase, sell, own, hold, pledge or otherwise acquire or dispose of, or be interested in, shares of its own capital stock acquired from stockholders, or otherwise, specifically including the power to hold shares of its own stock in trust as Trustee for stockholders of the corporation, and to participate in any partnership as a partner allowed by law.

- g. To issue bonds, debentures and evidences of indebtedness of all kinds to any amount authorized by law for the purpose of obtaining funds for corporate purposes and to secure the payment of the same by pledge, mortgage or deed of trust upon the whole or any part of the real and personal property of the company at any time held by it.
- h. To sell and dispose of any bonds, debentures or other obligations in such manner and upon such terms as the Board of Directors may deem proper.
- i. To purchase, rent, lease or otherwise acquire, own and hold unlimitedly real, personal and mixed property of every kind and description, tangible and intangible, wheresoever the same may be situated, when such acquisition, owning or holding is deemed suitable, necessary or advisable in connection with any or all of the objects hereinbefore or hereinafter set forth; and to sell, convey, transfer, assign, lease, mortgage, pledge, exchange or otherwise dispose of such property; and specifically to subdivide and improve land in any manner and to any extent.
- j. To engage in such business or activities incident thereto, or connected or allied with any of the above enumerated purposes or any other activities which the corporation may deem advisable adjuncts to the above purposes.
- k. To do and accomplish all other things and engage in all other lawful transactions which a corporation organized under the laws of the State of Utah might do, accomplish or engage in, even though the same are not expressly stated hereinabove.
- l. To make donations for the public welfare or for charitable, scientific, religious or educational purposes, pursuant to the laws of the State of Utah.

The foregoing clauses shall be construed both as objects and powers but no recitation, expression or declaration of specific or special powers or purposes herein enumerated shall be deemed to be exclusive; but it is hereby expressly declared that all other lawful purposes not inconsistent herewith are hereby included.

ARTICLE V

PLACE OF BUSINESS

The principal place of business of the corporation shall be at Logan, Cache County, Utah. Branch offices may be established in such other places in the State of Utah or elsewhere in this or any other state or country as the Directors may from time to time provide.

ARTICLE VI

AUTHORIZED NUMBER OF SHARES

The aggregate number of shares of stock which the corporation shall have authority to issue is ONE HUNDRED THOUSAND (100,000) SHARES of common stock with a par value of ONE DOLLAR (\$1.00) per share. The number with which it shall commence doing business is FIFTY THOUSAND (50,000) SHARES, subscribed for as stated in Article II of these Articles.

ARTICLE VII

PAYMENT FOR STOCK AND PRE-EMPTIVE RIGHTS

All of the subscribed stock has been or will be fully paid for by the payment, transfer and assignment to the corporation of accounts receivable, inventories, equipment, supplies, real property and cash monies of the United States in the total amount of at least FIFTY THOUSAND DOLLARS (\$50,000.00) in value. The incorporators and corporation hereby acknowledge that the reasonable net value of assets and property hereby transferred to the corporation for common stock is the sum of \$50,000.00 and said assets and properties are so accepted by the corporation.

Pre-emptive Rights Abolished

No shareholder of this corporation shall have any pre-emptive rights

to subscribe for or acquire additional shares of the corporation whether such shares shall be hereby or hereafter authorized; and no shareholder of the corporation shall have any pre-emptive right to acquire any shares which may be held in the Treasury of the corporation; or such additional shares that may be hereafter issued or authorized, or Treasury shares may be sold for such consideration at such time and to such person or persons including shareholders of the corporation as the Board of Directors may from time to time determine.

ARTICLE VIII

ELECTION OF DIRECTORS

Directors of this corporation shall be elected annually at the annual meeting of shareholders and the number of Directors to be so elected shall be governed by Article IX of these Articles. Such vote may be by viva voce or by ballot; provided, that all elections for Directors must be by ballot upon demand made by a shareholder at any election and before the voting begins. At all elections of Directors, whether at annual meetings or special meetings of the shareholders, every shareholder entitled to vote shall have the right to cumulate his votes and give one candidate the number of votes equal to the number of Directors to be elected, multiplied by the number of votes to which his shares are entitled, or to distribute his votes on the same principle among as many candidates as he shall think fit. The candidates receiving the highest number of votes up to the number of Directors to be elected shall be elected.

Officers and Directors

The officers of this corporation shall consist of a President, one or more Vice-Presidents, a Secretary and a Treasurer, who shall each perform such duties and have such authority as usually pertains to such officers in

similar associations, or as may be prescribed by the Board of Directors from time to time; provided that the same person may hold any two of the above offices.

Qualifications of Officers and Directors

To be qualified each Director and officer, except the Secretary, must own in his own right, standing in his own name upon the books of the corporation, at least ONE (1) SHARE of stock; and upon the transfer of all of the stock of any such Director or officer so that such Director or officer becomes ineligible, and upon a tender of such stock to the proper officer for transfer to the name of another, the Director or officer shall thereupon instantly cease to be a Director or officer, and shall have no further power to bind this corporation by his act or acts.

Election of Officers

Within ten (10) days after their election, the Directors shall meet and elect from among their number a President, one or more Vice-Presidents and a Secretary and a Treasurer.

Term of Office

The terms of office of all Directors, except as to first Directors, shall be one (1) year. Directors shall hold over until their successors are elected and qualified. The term of office of all officers shall be as fixed by the Board of Directors.

Resignation of Directors and Officers

Any Director or officer may resign by filing his written resignation with the Secretary of the company, or in case of the resignation of the Secretary of the company, with the President of the company, and upon acceptance thereof by the Board of Directors, the resignation shall become effective.

In case the Board of Directors shall neglect to act upon such resignation within fourteen (14) days after its receipt, the resignation shall thereupon become effective and the office shall be deemed vacant.

Removal of Directors and Officers

Directors of this corporation may be removed at any time with or without cause, in the manner provided by the laws of the State of Utah for the removal of such Directors or by a vote of the holders of the shares whose cumulative ballots elected him. Officers may be removed at any time, with or without cause, by action of a majority of the Board of Directors.

Vacancies

In case of the death, disability, removal or resignation of one or more officers of the corporation, the remaining Directors, although less than a quorum, shall fill the vacancies for the unexpired term or terms.

In case of the death, disability, removal or resignation of one or more Directors of the corporation, the vacancy shall be filled by the vote of the holders of the shares held by the stockholders of this corporation whose cumulative ballots elected him, at a special meeting called for that purpose, and such successor director shall hold office for the balance of the unexpired term of his predecessor.

First Directors and Officers

Until the first annual meeting of the stockholders or until their successors are duly elected and qualified, the following persons shall be Directors and officers as designated:

<u>NAME</u>	<u>OFFICE</u>
M. TED KARREN	President, Vice-President and Director
BLAINE W. HANCEY	Vice President and Director
LOIS A. KARREN	Secretary, Treasurer and Director

ARTICLE IX

BOARD OF DIRECTORS

The corporation shall have a Board of Directors which shall consist of a variable number of Directors, not less than three (3) nor more than twenty-five (25), as the Board of Directors may itself from time to time determine; until a determination is made in the future by the Board of Directors, the Board shall consist of three (3) Directors. In the event the Board decides to increase its number from time to time, the Board itself shall have the right to fill vacancies occasioned by such increase and such newly elected Board members shall serve until the next annual meeting of the stockholders or until their successors are duly qualified and appointed.

Two-thirds of the Board of Directors shall be necessary to constitute a quorum and a majority of such quorum is authorized to transact the business and exercise the corporate powers of the corporation.

Meetings

Meetings of the Board of Directors for the transaction of any business of the corporation may be held at its principal office in Logan, Utah, or elsewhere within or outside the State of Utah, as the Directors may by resolution or by-laws provide.

The Board of Directors may establish stated meetings to be held at such time and at such places as it may from time to time determine, and after due notice to each member of the Board of Directors of the establishment of the time and place of such stated meetings, no further notice need be given of such meetings.

A resolution in writing, signed by all of the Directors, shall be as valid and effectual as if it has been passed at a meeting of the Directors duly called and constituted.

By-Laws

The Board of Directors may but shall not be required to adopt By-Laws for the corporation and may amend and repeal the same from time to time.

Power to Sell Assets and Create Indebtedness

In carrying on the business of the corporation, the Board of Directors is authorized and empowered to sell, exchange, mortgage, bond or otherwise dispose of, deal with and encumber any or all of the property of the corporation, upon such terms and conditions as such Board of Directors may deem just and proper and for the best interests of the corporation, without prior authorization or subsequent confirmation by a vote of the stockholders or otherwise.

ARTICLE X

STOCKHOLDERS OF THE CORPORATION

Vote and Quorum Requirements

At all meetings of the stockholders each share of stock shall be entitled to one (1) vote, either in person or by proxy, and the majority of the outstanding stock shall be necessary to hold a stockholders meeting. Should a majority not be represented at any regular or stated stockholders meeting, adjournments may be taken from time to time without further notice until a sufficient number of shares are represented to hold such meeting.

Annual Meeting

The first annual meeting of stockholders for the election of officers and the transaction of such other business as may come before said meeting shall be held at the office of the corporation in Logan, Utah, on the third Tuesday of April, 1962, at the hour of 10:00 A. M., and annually thereafter at the same time and place, or at such other time and place as may be determined and fixed by the Directors.

Special Meetings

Special meetings of the stockholders may be called by the President, by any two Directors or by any number of stockholders whose holdings shall not be less than fifty-one per cent (51%) of the issued and outstanding stock of the corporation.

Notice of special meetings shall be given by personal notice thereto to each stockholder or by mailing notice to the address of each stockholder to be served by mail at the last known address of such stockholders at least ten (10) days prior to the day and hour of said meeting.

Waiver of Notice

Any notice required to be given any stockholder, Director or officer of this corporation may be waived by written instrument, signed by such stockholder, Director or officer.

ARTICLE XI

NON-LIABILITY OF STOCKHOLDERS

The private property of the stockholders of this corporation shall not be liable for the debts and obligations of the corporation.

ARTICLE XII

AMENDMENTS

These Articles may be amended at the annual meeting of the stockholders of the corporation, either upon notice or waiver of notice signed by all stockholders of the corporation; provided that at least fifty-one per cent (51%) of the issued and outstanding stock of the corporation qualified to vote, vote in favor of such amendment. These Articles may also be amended at a stockholders meeting especially called for that purpose, either upon

notice or waiver of notice signed by all stockholders of the corporation; provided that fifty-one per cent (51%) of the stockholders entitled to vote, vote in favor of such amendment.

ARTICLE XIII

OFFICERS AND DIRECTORS CONTRACTS

No contract or other transaction between this corporation and any other corporation shall be affected by the fact that a Director or officer of this corporation is interested in or is a Director or officer of such other corporation; and any Director individually or jointly may be a party to or may be interested in any corporation or transaction of this corporation or in which this corporation is interested; and no contract or other transaction of this corporation with any person, firm or corporation shall be affected by the fact that any Director of this corporation is a party to or is interested in such contract, act or transaction or any way connected with such person, firm or corporation, and every person who may become a Director of this corporation is hereby relieved from liability that might otherwise exist from contracting with the corporation for the benefit of himself or any firm, association or corporation in which he may be in any way interested provided said Director acts in good faith.

ARTICLE XIV

SECTION 1244 STOCK

Shares of stock of this corporation authorized and issued pursuant to these Articles within two years from the date of incorporation are, for purposes of the Internal Revenue Code, authorized and issued in compliance with and as prescribed by Section 1244 of the Internal Revenue Code of 1954, and shall be known as "Section 1244 Stock".

IN WITNESS WHEREOF, the parties hereto have set their hands on the
18th day of October, 1961.

M. Ted Karren
Lois A. Karren
Blaine W. Hancey
Luth K. Christensen
Maurice K. Christensen

STATE OF UTAH) ss
COUNTY OF CACHE)

M. TED KARREN, LOIS A. KARREN and BLAINE W. HANCEY, being first
duly sworn, on oath depose and say: That they are three of the stockholders
mentioned in the foregoing Articles of Incorporation; that it is their bona
fide intention to carry on the business mentioned in the foregoing Articles
of Incorporation; that they are acquainted with the assets and properties
referred to in Article VII which are contributed to the corporation for stock
and that the fair market value of said assets and properties over and above
the liabilities assumed, are reasonably worth the value in cash at which they
are being contributed to and accepted by the corporation for stock; that they
verily each believe that each party to the Articles of Incorporation has paid
or he is able to pay and will pay the amount of stock subscribed for by him
or her; that at least ten per cent (10%) of the stock subscribed by each
stockholder and not less than ten per cent (10%) of the stock of the corpor-
ation has been paid in.

M. Ted Karren
M. TED KARREN
Lois A. Karren
LOIS A. KARREN
Blaine W. Hancey
BLAINE W. HANCEY

SUBSCRIBED AND SWORN to before me this 18th day of October, 1961.

Reed A. Watkins
NOTARY PUBLIC
Residing at: S. L. C. Utah

My Commission Expires: 10/16/64