

MISSION STATEMENT

The mission of the Powder River Energy Foundation is to demonstrate our commitment to individuals and non-profit or charitable organizations in Northeast Wyoming by lending a helping hand that will improve their quality of life or service to their community.

**BY-LAWS
OF
Powder River Energy Corporation Foundation, Inc.**

ARTICLE I

NAME OF ORGANIZATION

The name of the corporation shall be the
Powder River Energy Corporation Foundation, Inc.
herein below referred to as

“Foundation”

ARTICLE II

PURPOSE OF ORGANIZATION

The purpose of the Foundation shall be the accumulation and disbursement of funds for charitable purposes in the service area of Powder River Energy Corporation. The foundation would be formed as a non-profit Entity.

ARTICLE III

FUNDING

The Foundation shall be funded by such rules and regulations as may be promulgated by the Board of Directors of PRECorp, and from any other source of funds available to the said Foundation.

ARTICLE IV

BOARD OF DIRECTORS

The Foundation shall be administered by a Five (5) person Board of Directors, provided the number of directors may be increased by up to five (5) at-large directors. The Board shall have one (1) member from each County served by PRECorp. These counties are Crook, Campbell, Weston, Sheridan and Johnson. The initial Board of Directors shall be composed of the ten (10) current PRECorp Board of directors for a period of six (6) months at which time the board will appoint one director from each county, however the initial board of directors may, in their discretion, choose to extend their terms, as necessary, to ensure the operation of the foundation will not be jeopardized. The PRECorp Board of Directors shall serve as the Foundation Board of Directors until a director from each county shall be seated at which time operation of the Foundation shall be vested in the newly constituted board.

After the initial six month period or the extension thereof, the PRECorp Board of Directors will appoint the five member board. At that time the members appointed to the board will, by lot, draw for terms of office of one (1), two (2), and three (3) years. One member shall be chosen for a one (1) year term, and two members shall be chosen for two (2) and three (3) year terms. Thereafter, the terms of office for each Board member shall be for a period of three (3) years.

In addition to the initial five appointed directors, up to five (5) at-large directors may be appointed who will serve for three (3) year terms.

A Board member may serve one (1) successive term and thereafter may be reappointed to the Board after the lapse of a period of three (3) years.

ARTICLE V

QUALIFICATIONS OF BOARD MEMBERSHIP

A Board member of the FOUNDATION shall be at least eighteen (18) years of age and a permanent resident of the county from which he is chosen. It shall not be necessary for members of the Board of Directors of the FOUNDATION to be members of Powder River Energy Corporation. After the initial 6 months or the extension thereof, no person seeking or holding a seat on the Board of Directors of Powder River Energy Corporation, nor any employee of Powder River Energy Corporation shall remain a member of the FOUNDATION Board.

ARTICLE VI

SELECTION OF BOARD OF DIRECTORS

The initial Board of Directors shall be designated by the Board of Directors of Powder River Energy Corporation. Thereafter, when vacancies are to be filled or when terms expire, persons shall be named to their respective vacancies on the said Board of Directors by a vote of the Board of Directors of Powder River Energy Corporation. The existing Board of Directors of the FOUNDATION may make recommendations to the Board of Directors of Powder River Energy Corporation. for nominees for the FOUNDATION Board.

ARTICLE VII

COMPENSATION FOR DIRECTORS

No director shall receive compensation for serving on the Board of Directors of the FOUNDATION. Such Board members may, however, be reimbursed for mileage and out of pocket expenses incurred while on the business of the FOUNDATION when such business is sanctioned by the Board of Directors of said FOUNDATION.

ARTICLE VIII

MEETING OF THE BOARD OF DIRECTORS

A. **REGULAR Meeting**: The Board of Directors of the FOUNDATION shall meet not less than quarterly at a place designated by the Board. The Board of Directors may meet at such other times as they may deem at their discretion to be necessary.

B. **SPECIAL MEETINGS**: Special meetings of the Board of Directors may be called by the President or by any three (3) Directors and it shall thereupon be the duty of the Secretary to cause a Notice of such meeting to be given as hereafter provided. The Chairman or Directors calling such meeting shall fix the time and place.

C. **NOTICE OF DIRECTORS MEETING**: Written or electronic notice of regular and special meeting of the Board of Directors shall be delivered to members of the Board not less than five (5) days prior thereto, either personally, by mail or email, or at the direction of the Secretary, and upon default in that duty by the Secretary, then by the Chairman or the Directors calling for such meeting.

ARTICLE IX

QUORUM

A majority of the Board of Directors shall, unless otherwise designated in these Articles, constitute a quorum. In the event that less than a majority of the Board of Directors is present at any meeting, the majority of those Directors present may adjourn the meeting and designate a place and time for the next meeting, under which circumstances the Secretary shall notify the absent members of the place and time of the next meeting. An act of the majority of the Board of Directors present at any meeting at which a quorum is present, and unless otherwise provided in these By-Laws, shall be the act of the Board of Directors of the FOUNDATION.

ARTICLE X

REMOVAL OF MEMBER OF BOARD

Any member of the Board of Directors of the FOUNDATION shall automatically cease to be a member of said Board if and in the event such member misses three (3) successive “regular” meetings as outlined in Section “A” of Article VIII of these By-Laws. Any members of the Board of Directors of the FOUNDATION may otherwise be removed for cause from the Board by a two-thirds (2/3) vote of the entire Board of Directors of the FOUNDATION.

ARTICLE XI

OFFICERS OF THE CORPORATION

The officers of the FOUNDATION shall be a Chairman, a Vice Chairman, a Secretary/Treasurer, and such other officers as may be determined by the Board from time to time. For the purposes of these By-Laws, the above three (3) officers shall constitute the Executive Committee of the FOUNDATION.

ARTICLE XII

ELECTION OF OFFICERS AND TERMS OF OFFICE

The officers shall by secret ballot be elected annually by the Board of Directors at a meeting of the Board of Directors held on an annual basis after the initial organizational meeting.

The terms of office shall be for one (1) year, however, nothing shall prevent an officer from being re-elected to consecutive terms of office.

ARTICLE XIII

EX OFFICIO MEMBERS OF BOARD OF DIRECTORS

The Chief Executive Officer of Powder River Energy Corporation shall be an ex officio member of the Board of Directors of the FOUNDATION. The FOUNDATION may from time to time have other such ex officio members as the Board of Directors may in its discretion determine as necessary or prudent.

ARTICLE XIV

POLICIES, RULES AND REGULATIONS

The Board of Directors of the FOUNDATION shall have the power to make and adopt such rules and regulations, not inconsistent with law, the Articles of Incorporation or these By-Laws, as it may deem advisable for the management, administration and regulation of the business and affairs of the FOUNDATION.

ARTICLE XV

DUTIES OF OFFICERS

A. **CHAIRMAN**: The Chairman shall be the principal executive officer of the FOUNDATION and, unless otherwise determined by the Board of Directors, shall preside at all meetings of the Board of Directors and in general perform all duties incidental to the office of Chairman and such other duties as may be prescribed by the Board of Directors from time to time.

B. **VICE CHAIRMAN**: In the absence of the Chairman, or in the event of his inability or refusal to act, the Vice Chairman shall perform the duties of the Chairman, and when so acting, shall have all the powers of and be subject to all the restrictions upon the Chairman. The Vice Chairman shall also perform such other duties as from time to time may be assigned to him by the Board of Directors.

C. **SECRETARY/TREASURER**: The Secretary/Treasurer shall be responsible for the keeping of the minutes of the meetings of the members and of the Board of Directors in one or more books provided for that purpose; be responsible for seeing that all notices are duly given in accordance with these By-Laws or as required by Law; be custodian of the corporate records and of the seal of the FOUNDATION and affix the seal of the FOUNDATION to all necessary documents, the execution of which on behalf of the FOUNDATION under its seal is duly authorized in accordance with the provision of these By-Laws; have general charge of the books of the FOUNDATION; be responsible for the keeping on file at all times a complete copy of the Articles of Incorporation and By-Laws of the FOUNDATION containing all amendments thereto; shall have charge and custody of and be responsible for all funds and securities of the FOUNDATION; be responsible for the receipt of and the issuance of receipts for monies due and

payable to the FOUNDATION from any source whatsoever, and for the deposit of all such monies in the name of the FOUNDATION in such bank or banks as shall be selected in accordance with the provisions of these By-Laws; and in general perform all the duties incidental to the office of Secretary/Treasurer and such other duties as from time to time may be assigned to him by the Board of Directors.

ARTICLE XVI

CHECK SIGNING

Any and all checks issued by the FOUNDATION, for any purpose, shall be signed by two (2) officers or one (1) officer and one (1) such other person or two (2) such other persons as may be designated by the Board of Directors as having check signing authority.

ARTICLE XVII

DISBURSEMENT OF FUNDS

Except as otherwise provided by these By-Laws, the Board of Directors of the FOUNDATION shall have the full and sole responsibility for the disbursement of all monies of the FOUNDATION in accordance with these By-Laws and the policies as adopted by the Board of Directors.

Prior to the consideration, by the Board of Directors of the FOUNDATION, of any disbursement, member(s) of the Board of Directors of the FOUNDATION shall disclose and explain any personal and/or business interest, connection,~ kinship, or other association he or she has with the person, family, group, corporation or other entity under consideration for funding by the FOUNDATION.

Such member shall, if requested by the Chairman or any three (3) members of the Board of Directors of the FOUNDATION, excuse himself or herself from the meeting and not participate in the discussion of or voting on the disbursement.

If no request is made that the interested director excuse himself or herself from the meeting, then and in that event, said director may participate in the discussion of the disbursement but shall not vote on the disbursement.

ARTICLE XVIII

ACCUMULATION OF FUNDS

Powder River Energy Corporation. shall transfer funds collected by it for the benefit of the FOUNDATION on a regular basis, but in no event less than quarterly. The FOUNDATION may also solicit and accept contributions from other sources as deemed appropriate by its Board of Directors.

ARTICLE XIX

INVESTMENT OF FUNDS

The Board of Directors of the FOUNDATION shall be responsible for the funds entrusted to it and shall make such investment of said funds in a manner which is reasonable and prudent and in keeping with these By-Laws and the policies of the FOUNDATION.

ARTICLE XX

AMENDMENT OF BY-LAWS

These By-Laws may be altered, amended, or repealed by the Board of Directors of Powder River Energy Corporation at any regular meeting of said Board after at least ten (10) days notice. The Board of Directors of the FOUNDATION may make advisory recommendations to the Board of Directors of Powder River Energy Corporation.

ARTICLE XXI

ACCOUNTING SYSTEM & REPORTS

The Board of Directors of the FOUNDATION shall cause to be established and maintained a complete accounting system such that is in keeping with sound financial management and further more the Board of Directors of the FOUNDATION shall make reports to the Board of Directors of Powder River Energy Corporation on the operation and expenditures of the FOUNDATION as may be necessary and prudent, but in no case less than annually.

ARTICLE XXII

POLITICAL CONTRIBUTIONS

No funds of the FOUNDATION shall in any fashion be used to support any candidate for political officer or for any political purpose.

ARTICLE XXIII

BORROWING FUNDS

The FOUNDATION shall NOT have the authority to borrow monies from any bank, savings and loan or other institutions for any purpose.

ARTICLE XXIV

EMERGENCY EXPENDITURE

The Executive Committee of the FOUNDATION may from time to time make expenditures on an emergency basis, in accordance with these By-Laws; and policies adopted by the Board of Directors of the FOUNDATION; and in accordance with the purpose of this FOUNDATION, in an amount not exceeding ONE THOUSAND AND NO/100THS (\$1,000.00) DOLLARS, to any person, family, group or organization.

Such emergency expenditure shall be fully disclosed by the Executive Committee at the next regularly called meeting of the Board of Directors of the FOUNDATION.

ARTICLE XXV

AMOUNT OF EXPENDITURES

UNLESS otherwise provided by these By-Laws and in keeping with the purpose of this FOUNDATION the Board of Directors of the FOUNDATION may make annual expenditures of FOUNDATION funds by majority vote of members present at a meeting and constituting a quorum according to the following rules;

a.) Not more than TWO THOUSAND FIVE HUNDRED AND NO/100THS (\$2,500.00) DOLLARS, annually to any individual.

b.) Not more than TEN THOUSAND AND NO/100THS (\$10,000.00) DOLLARS, annually to any family unit, group, organization, charity or like organization.

ARTICLE XXVI

EXPENDITURES EXCEEDING TEN THOUSAND AND NO/100THS (\$10,000.00) DOLLARS

Notwithstanding any other provision of these By-Laws the Board of Directors of the FOUNDATION may, by a majority vote of the then current and seated members make expenditures in any amount to any person(s); family unit, group, organization, charity or like organization which such members determine is in keeping with the purpose and spirit of the FOUNDATION and these By-Laws.

ARTICLE XXVII

RETENTION OF FUNDS

Until such time as there exists a sum of money, including earned interest, in a amount of not less than ONE HUNDRED THOUSAND AND NO/100THS (\$100,000.00) DOLLARS within the FOUNDATION, no expenditures exceeding ninety-five (95%) percent of the annual contributions, from whatever source derived, may be disbursed or otherwise disposed of for any purpose. Thereafter the Board of Directors of the FOUNDATION may in its discretion and in accordance with other dictates imposed by these By-Laws expend any and all monies saving and excepting five percent (5%) of the previous years total contributions or FIVE THOUSAND AND NO/100THS (5,000.00) DOLLARS, whichever is less.

ARTICLE XXVIII

PROXY VOTING

There shall not exist proxy voting at any meeting of the Board of Directors of the FOUNDATION.

ARTICLE XXIX

AUDIT

The Board of Directors of the FOUNDATION shall on an annual basis cause the books and records of the FOUNDATION to be audited by a certified public accountant and a report in keeping with sound accounting principles be issued to the Board of Directors of the FOUNDATION and the Board of Directors of Powder River Energy Corporation.

ARTICLE XXX

FISCAL YEAR

The Fiscal Year of the FOUNDATION shall commence on the 1st day of January of each calendar year and end on the 31st day of December of each calendar year.

ADOPTED:
February 20, 2007

AMENDED:
July 15, 2008
June 25, 2009
November 17, 2009