

MEETING OF THE BOARD OF DIRECTORS
OF
CHERRYLAND ELECTRIC COOPERATIVE

February 27, 2006

The regular meeting of the Board of Directors of Cherryland Electric Cooperative was held at the Cooperative office in Grawn, Michigan on February 27, 2006.

Meeting was called to order at 9:00 a.m. by President Lautner.

Present: Terry Lautner, President
Tom Van Pelt, Sr. Vice President
Melinda Lautner, Secretary
John Pope, Treasurer
Laverne Maginity
Wayne Nordbeck
John Olson
Betty Reynolds-Maciejewski
Tony Anderson, General Manager
Pat Barone, Assistant Secretary

Excused: Bill Hoxie

Mr. Mark Wilson, Chief Financial Officer; Mr. Frank Siepker, Engineering Manager; Mr. Jim Carpenter, Operations Manager; Mr. Nick Edson, Key Accounts Representative; Mr. Pete Hembrough, consultant; and Mr. Michael Buda, Director of External Affairs of MECA, joined the meeting.

Mr. Buda gave a report on the Acre/M-Acre drive kickoff and a report on legislative matters.

President Lautner reviewed the board agenda. Mr. Olson added Travel under New Business. Motion by Mrs. Lautner, supported by Mrs. Reynolds-Maciejewski and carried to approve the agenda, as amended.

Motion by Mrs. Reynolds-Maciejewski, supported by Mrs. Lautner and carried to approve the minutes of the regular board meeting held on January 16, 2006.

Upcoming meetings were discussed -- MECA Annual Meeting and Wolverine Annual Meeting. Secretary Lautner executed the Certification of Delegates for Wolverine's Annual Meeting of Members.

Mrs. Lautner and other directors gave a report on the Wolverine Symposium and Mr. Olson, Mrs. Reynolds-Maciejewski and Mrs. Lautner gave a report on their attendance at the NRECA Annual Meeting.

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Mr. Edson presented Cherryland's current Marketing Plan.

Mr. Carpenter presented his Underground Crew Business Plan; discussion followed.

The board recessed at 10:33 a.m. and reconvened at 10:49 a.m.

Motion by Mr. Nordbeck, supported by Mr. Van Pelt and carried to approve the Underground Crew Business Plan, as presented.

Mr. Wilson, Chief Financial Officer, reviewed the financials.

Manager Anderson reported on Wolverine's capital credit retirement in the amount of \$485,000.

Attorney Chambers' written legal report was reviewed.

Mr. Van Pelt updated the board on Wolverine Power Marketing issues; he reported there were no new customers at this time. Their annual meeting will be held March 7, 2006.

Wolverine board minutes were discussed. Mrs. Reynolds-Maciejewski and Mr. Van Pelt reported on power supply issues.

Manager reports were reviewed and discussed. Manager Anderson gave an update on the Great Wolf Lodge and other matters. Discussion was held on the facilities study. Manager Anderson was authorized to send out RFPs to local architect firms to review our plans.

The board recessed for lunch at 12:20 p.m. and resumed at 12:39 p.m.

Motion by Mr. Van Pelt, supported by Mrs. Lautner and carried to approve management reports, including the safety report, as presented.

Manager Anderson reviewed the application of Ellen Orsini for the Community Caring Fund Board. Motion by Mrs. Reynolds-Maciejewski, supported by Mr. Maginity and carried to accept the appointment of Mrs. Orsini to the Community Caring Fund Board.

Discussion was held on CEC apparel for directors. No additional apparel will be purchased for board members at this time. However, if they purchased clothing and wanted the CEC logo embroidered on it, they could take it to either Bay Supply or The Trophy Trolley and have the bill sent to Cherryland for the embroidery fee.

Mr. Olson discussed the monetary differences of traveling by air or car to seminars and conferences.

The board went into executive session at 12:56 p.m. and reconvened at 2:29 p.m.

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There being no further business to come before the board, it was moved to adjourn, supported and carried. Meeting adjourned at 2:30 p.m.

Terry Lautner, President

Melinda Lautner, Secretary

We, the undersigned directors of the Cherryland Electric Cooperative, do hereby approve, ratify and conform to all respects of the above and foregoing minutes of this regular meeting of the Board of Directors of said Cooperative and each and every step taken and performed thereat.

