

MEETING OF THE BOARD OF DIRECTORS  
OF  
CHERRYLAND ELECTRIC COOPERATIVE

July 17, 2006

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The regular meeting of the Board of Directors of Cherryland Electric Cooperative was held at the Cooperative office in Grawn, Michigan on July 17, 2006.

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

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

Absent:           Pat Barone, Assistant Secretary

Mr. Mark Wilson, Chief Financial Officer; Mr. Jim Carpenter, Operations Manager; Mr. Frank Siepker, Engineering Manager; Mr. Kevin Cragg, Member Service Manager; and Nick Edson, Key Accounts Representative, joined the meeting.

President Olson reviewed the board agenda.

Motion by Mr. Maginity, supported by Mr. Hoxie and carried to approve the minutes of the regular board meeting held on June 26, 2006.

Upcoming meetings were discussed -- Michigan Electric Power Conference and NRECA Region IV meeting. If Mr. Nordbeck is unable to attend the NRECA Region IV meeting, Mr. Olson may go in his place. Mrs. Lautner was appointed NRECA voting representative and Mrs. Reynolds-Maciejewski was appointed alternate delegate for the NRECA Region IV meeting.

Mr. Wilson, Chief Financial Officer, reviewed the financials. Discussion followed on the switch to Huntington National Bank. Motion by Mr. Van Pelt, supported by Mrs. Reynolds-Maciejewski and carried to authorize Secretary Lautner to execute the appropriate documents and paperwork.

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

Manager reports were reviewed and discussed. Manager Anderson gave an update on the Great Wolf Lodge and other matters. The date for the 2007 annual meeting was discussed. The date has been set for Thursday, June 14, 2007.

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Manager Anderson distributed a memo on renewable energy that resulted from the managers' meeting with Wolverine on Drummond Island.

Motion by Mrs. Reynolds-Maciejewski, supported by Mr. Nordbeck and carried to approve management reports, including the safety report, as presented.

The board recessed at 11:00 a.m. and reconvened at 11:15 a.m.

Mr. Pope presented the results of the board's decision making priorities assignment, followed by a discussion if Cherryland's policies support/address those priorities in two arenas - financial and human. Manager Anderson then compared management staff's results with the board results.

Mr. Pope then presented an additional CFC Forum Power Point presentation on renewable energy and MISO real-time buying time of power.

The board discussed whether to go out for bids this year or wait another year for the preparation of financial reports. Motion by Mrs. Reynolds-Maciejewski, supported by Mr. Van Pelt and carried to retain the firm of Weber, Curtin & Pahssen, LLC for an additional year.

Manager Anderson requested a meeting date for the Cherryland Holdings, Inc. annual meeting. Said meeting will be held on August 21, 2006 immediately following the regular board meeting. Mrs. Barone will send out an official notice of the meeting.

There being no further business to come before the board, it was moved to adjourn, supported and carried. Meeting adjourned at 12:15 p.m.

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John Olson, President

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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.

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