

MEETING OF THE BOARD OF DIRECTORS
OF
CHERRYLAND ELECTRIC COOPERATIVE

April 17, 2006

The regular meeting of the Board of Directors of Cherryland Electric Cooperative was held at the Cooperative office in Grawn, Michigan on April 17, 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
Bill Hoxie
Laverne Maginity
Wayne Nordbeck
John Olson
Betty Reynolds-Maciejewski
Tony Anderson, General Manager
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 Mr. Nick Edson, Key Accounts Representative, joined the meeting.

Board candidates, Martin Materkowski, Timothy Arends and Matthew Breithaupt, joined the meeting to introduce themselves as candidates running for the upcoming election, answer any questions the board had and ask any questions with respect to the position of board of director.

President Lautner reviewed the board agenda. Manager Anderson added CFC System Integrity Fund under New Business.

Motion by Mrs. Reynolds-Maciejewski, supported by Mr. Maginity and carried to approve the minutes of the regular board meeting held on March 20, 2006.

Upcoming meetings were discussed -- Wolverine Annual Meeting, NRECA Legislative Conference, CFC Forum and Michigan Electric Power Conference. Motion by Mr. Olson, supported by Mrs. Reynolds-Maciejewski and carried to change the June board meeting date from June 19 to June 26.

Mr. Pope, Mr. Van Pelt and Mrs. Reynolds-Maciejewski gave a report on the NRECA Directors' Conference.

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Mr. Hoxie gave a report on the MECA board meeting.

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

The board recessed at 10:44 a.m. and reconvened at 10:55 a.m.

Mr. Wilson continued with his review of the financials and actuarial report with respect to retiree medical. Manager Anderson is planning on having our Blue Cross/Blue Shield agent, Donna DeSoto, make a presentation at the May board meeting on retiree health benefits.

Mr. Tom Stevenson, President & CEO, and Mr. Eric Baker, Sr. VP Engineering & Strategy, of Wolverine Power Supply Cooperative joined the meeting to update the board on power supply issues, M2 and Prairie State projects and transmission case update.

The board recessed for lunch at 12:27 p.m. and reconvened at 12:49 p.m.

Manager reports were reviewed and discussed. Manager Anderson gave an update on the Great Wolf Lodge and other matters.

Mrs. Reynolds-Maciejewski, Mr. Van Pelt and Mr. Lautner were nominated to fill the position of Wolverine director for a two-year term. By secret ballot, Mrs. Reynolds-Maciejewski was elected Wolverine director.

Mr. Van Pelt updated the board on Wolverine Power Marketing issues.

Wolverine board minutes were discussed.

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

Under old business, the matter of Mr. Pahl's retirement was discussed. Motion by Mr. Van Pelt, supported by Mrs. Reynolds-Maciejewski and carried to increase Mr. Pahl's retirement bonus by an additional \$15,000, said monies to be paid out of his accrued sick leave hours.

Manager Anderson presented the information on the CFC Integrity Fund. Motion by Mrs. Reynolds-Maciejewski, supported by Mr. Hoxie and carried to contribute 5% not to exceed \$2,500.00 to be used for All Energy Purposes.

There being no further business to come before the board, it was moved to adjourn, supported and carried. Meeting adjourned at 1:45 p.m.

Terry Lautner, President

Melinda Lautner, Secretary

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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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