

MEETING OF THE BOARD OF DIRECTORS

OF

CHERRYLAND ELECTRIC COOPERATIVE

December 17, 2007

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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 December 17, 2007.

Meeting was called to order at 9:01 a.m. by President Van Pelt.

Present: Tom Van Pelt, President  
Terry Lautner, Sr. Vice President  
Melinda Lautner, Secretary  
John Pope, Treasurer  
Rick Deneweth  
John Olson  
Betty Maciejewski  
Tony Anderson, General Manager  
Pat Barone, Assistant Secretary

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

President Van Pelt reviewed the board agenda. President Van Pelt's board position was added to Old Business and Mr. Hoxie's retirement recognition was added under New Business.

Motion by Mrs. Maciejewski, supported by Mr. Lautner and carried to approve the minutes of the regular board meeting held on November 19, 2007.

Member Tom Karas and his associate Jim Dulzo joined the meeting to address his concerns on the Wolverine clean energy venture in Rogers City. Mr. Bill Garey, Energy Use Advisor, also joined the meeting for this segment of the board meeting.

Upcoming meetings and events were discussed. A sign-up sheet for NRECA's Directors' Conference in Orlando March 31 - April 2, 2008 was circulated.

Mrs. Lautner, Mr. Olson and President Van Pelt gave a report on their attendance at the MECA Directors' Conference. Mrs. Lautner and Manager Anderson also gave a report on their attendance at the MECA Board meeting.

Mr. Carpenter, Operations Manager, gave a report on tree trimming for 2007 and 2008.

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The board recessed at 10:31 a.m. and reconvened at 10:40 a.m.

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

The 2008 operating budget was presented. Mr. Wilson indicated that after the year-end audit is completed, Cherryland would be going in to the MPSC for a 3-1/2% rate increase. Motion by Mrs. Maciejewski, supported by Mr. Pope and carried to approve the 2008 operating budget, as presented.

There was no general counsel report. However, Manager Anderson stated that Attorney Chambers is interested in attending the NRECA 2008 Work Place Law conference. Cherryland would pay the registration fee and hotel room for one night; Attorney Chambers would pick up all other costs.

The board recessed for lunch at 11:57 a.m. and resumed at 12:23 p.m.

Wolverine board minutes were discussed. All ventures seem to be on track.

Mr. Olson reported on Spartan Energy issues, reporting that the alternative energy supply license was approved by the MPSC.

Manager reports were reviewed and discussed. Manager Anderson discussed the policy on disclosure of documents, records and information supplied by the law firm of Dykema Gossett. Manager Anderson to review the policy for final changes and present at next month's board meeting for approval.

Motion by Mr. Olson, supported by Mr. Pope and carried to approve management reports, including the safety report, as presented.

The board discussed the date and time for the January board meeting. An abbreviated meeting will be held at the Great Wolf Lodge immediately following the All Employee Training Day.

Mr. Van Pelt stated that he wished to resign his position as Director-at-Large. Motion by Mr. Pope, supported by Mrs. Lautner and carried to accept Mr. Van Pelt's resignation. Motion by Mrs. Lautner, supported by Mr. Pope and carried to appoint Mr. Van Pelt to the Leelanau County board position vacated by Mr. Hoxie's resignation, with Mr. Van Pelt to run for re-election in June 2008.

Manager Anderson reviewed the revolving loan fund request by Crystal Enterprises. Motion by Mr. Lautner, supported by Mr. Olson and carried to approve the loan request in the amount of \$300,000.00. Mr. Pope abstained from voting. Manager Anderson is authorized to execute any and all documents to finalize said loan process.

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The matter of Mr. Hoxie's retirement recognition was discussed. Recognition will take place at a later board meeting when Mr. Hoxie returns from Florida.

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.

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Tom Van Pelt, 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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