

**MINUTES OF THE ANNUAL MEETING
OF THE BOARD OF DIRECTORS & MEMBERS
OF CARDINAL ETHANOL, LLC**

February 10, 2011
Winchester, IN

Attending Board Members:

Bob Baker, Ralph Brumbaugh, Tom Chalfant, Tom Chronister, Rob Davis, David Dersch, Everett Hart, Cy LeFevre, Troy Prescott, Allan Rosar and Dale Schwieterman.

Welcome and Call to Order:

Chairman, Rob Davis, welcomed everyone for attending and introduced all board members who were present.

The meeting was called to order at 6:10 pm. This was followed by a visual presentation of the Rules of Conduct for the meeting. It was recognized that a total of 14,606 total units were held by the members, 11,583 of which were units held by non-appointing members and, therefore, entitled to vote in the election of directors at the meeting. After considering the members present at the meeting either in person or by proxy, it was determined and confirmed that 50% of these units were represented and as such, a quorum was confirmed.

Election of Directors and Voting on Executive Compensation Proposal:

Chairman, Rob Davis, addressed the method of handling the Voting. He introduced the nominees, Ralph Brumbaugh, Everett Hart and Thomas Chronister.

The Chairman declared the polls to be open at 6:15 pm and he declared the polls closed at 6:20 pm. The duly appointed inspector of elections was charged with tabulating the votes.

CEO Comments:

CEO, Jeff Painter thanked the directors for their efforts and dedication to Cardinal Ethanol. He also recognized the employees that were present at the meeting.

Over the last year Cardinal has been implementing the Pavilion Technology software project. This project automates the process and allows the plant to run more efficiently, increases production and lowers costs. We are currently operating about 5 to 6% over project start-up baseline capacity, increased ethanol yields by over 2% and have achieved a 7% reduction in energy consumption.

An agreement reached with EPCO Carbon Dioxide Products to sell them our raw carbon dioxide gas has helped us reduce Greenhouse gas emissions and return an additional revenue stream to the bottom line.

In May of last year we began the planning and construction of a new 735,000 bushel grain bin, which not only allows for better inventory management, but gives us grain purchasing opportunities, we did not have before. This extra storage came in handy last week when the weather was bad and we were unable to receive grain due to road conditions. The new bin provides us with an additional 6 days of inventory that was critical for operations last week.

Moving forward, we will continue to look at additional opportunities to market products, provide additional plant efficiencies and enhance the company's performance.

This year high input costs, most notably corn, will have an impact on margins and will challenge us in the way we operate the facility. There will be other challenges as well. We will attack those challenges as we have in the past and work with our industry partners, vendors, customers and staff for the best solutions.

Jeff thanked everyone for their continued support and said he looks forward to another year of successful operations for Cardinal Ethanol.

Financial Statements:

CFO, Bill Dartt presented the financial statements as shown in the Company's Annual Report on form 10-K. He discussed how revenue was derived, how revenue was used, how cash was used and who owns the Companies assets and how that has changed since last year. In summary, for fiscal year 2010, the Company has net income of over \$20 million, added \$3.7 million in capital improvements and paid off over \$19 million in long-term debt and lines of credit. The 10-K report can be obtained by going to Cardinal's website and clicking on the link for SEC filings.

Accounting Income vs. Tax Loss Discussion:

Finance Committee Chair, Bob Baker presented information on the company's estimated taxable income (loss) for the next four years and 2010. Your 2010 K-1 tax statement will reflect a loss of approximately \$382 per unit. Based on the accelerated depreciation and projected income, we expect to have a taxable loss through 2013 and a gain by year 2014. These are just projections and actual results are likely to vary based on market conditions. K-1 tax statements will be complete very soon and the office staff will mail your K-1 statements next week.

Questions and Answers Pertaining to Cardinal:

Chairman Davis, Directors and management answered questions from the members regarding several topics.

Results of Voting:

Rob Davis reported that Ralph Brumbaugh, Everett Hart and Thomas Chronister were elected to serve on the Board of Directors for another term. Also, the members voted for endorsement of the compensation of our executive officers and that the members will vote to hold an advisory vote on executive compensation (say-on-pay) every year.

Growth Energy Presentation:

Tom Buis and General Wesley Clark from Growth Energy presented information on the ethanol industry and Growth's efforts to increase demand for ethanol throughout the country.

After a question and answer session with Growth Energy, the meeting was adjourned at approximately 8:45 pm.

 /s/ Tom Chalfant
Tom Chalfant, Secretary