SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 8-K

CURRENT REPORT
PURSUANT TO SECTION 13 OR 15(D) OF
THE SECURITIES EXCHANGE ACT OF 1934

Date of Report (Date of earliest event reported) MARCH 23, 2005

PACIFIC ETHANOL, INC.
(Exact name of registrant as specified in its charter)

DELAWARE	000-21467	41-2170618
(State or other jurisdiction of incorporation)	(Commission File Number)	(IRS Employer Identification No.)

5711 N. WEST AVENUE, FRESNO, CALIFORNIA	93711
(Address of principal executive offices)	(Zip Code)

Registrant's telephone number, including area code: (559)435-1771

ACCESSITY CORP., 3300 UNIVERSITY DRIVE, SUITE 201, CORAL SPRINGS, FLORIDA 33065
(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (SEE General Instruction A.2. below):

|_| Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)

|_| Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)

|_| Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))

|_| Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

PRELIMINARY NOTE

Certain capitalized and other terms used throughout this Report on Form 8-K are defined in Item 2.01--Completion of Acquisition or Disposition of Assets set forth below concerning a reincorporation merger by Accessity Corp. ("Accessity"), the predecessor to Pacific Ethanol, Inc., a Delaware corporation (the "Company"), into the State of Delaware and a subsequent share exchange transaction involving the Company, three other entities and the holders of the shares of capital stock or other equity interests of those three entities.

ITEM 1.01. ENTRY INTO A MATERIAL DEFINITIVE AGREEMENT.

In connection with the Reincorporation Merger and the Share Exchange Transaction, the Company entered into the following material agreements, the material terms of which, except as otherwise disclosed in the other Items of this Report on Form 8-K, are briefly described below.

AGREEMENT AND PLAN OF MERGER DATED MARCH 23, 2005 BETWEEN THE COMPANY AND

The disclosures contained in Item 2.01 of this Report on Form 8-K regarding the Reincorporation Merger are incorporated herein by reference. The Agreement and Plan of Merger was executed in connection with the Reincorporation Merger and provides that all shareholders of Accessity immediately prior to the consummation of the Reincorporation Merger will be stockholders of the Company immediately thereafter. In addition, the Agreement and Plan of Merger provides that the officers and directors of the Company immediately prior to the consummation of the Reincorporation Merger will be the officers and directors of the Company immediately thereafter. Finally, the Agreement and Plan of Merger provides that the certificate of incorporation and bylaws of the Company immediately prior to the consummation of the Reincorporation Merger will be the certificate of incorporation and bylaws of the Company immediately thereafter.

SHARE EXCHANGE AGREEMENT DATED AS OF MAY 14, 2004, AND AS AMENDED BY AMENDMENTS NO. 1 THROUGH 5, BY AND AMONG ACCESSITY CORP., PACIFIC ETHANOL, INC., KINERGY MARKETING, LLC, REENERGY, LLC AND THE OTHER PARTIES NAMED THEREIN

The disclosures contained in Item 2.01 of this Report on Form 8-K are incorporated herein by reference. The Share Exchange Agreement was executed May 14, 2004 and its various amendments were executed thereafter. The Share Exchange Transaction was consummated on March 23, 2005.

CONFIDENTIALITY, NON-COMPETITION, NON-SOLICITATION AND CONSULTING AGREEMENT DATED MARCH 23, 2005 BETWEEN THE COMPANY AND BARRY SIEGEL

In connection with the Share Exchange Transaction, the Company entered into a Confidentiality, Non-Competition, Non-Solicitation and Consulting Agreement with Barry Siegel, the terms of which are substantially the same as the terms of the Company's Confidentiality, Non-Competition, Non-Solicitation and Consulting Agreement with Philip B. Kart, as described immediately below; provided, however, that the agreement with Mr. Siegel provides for the issuance of 400,000 shares of common stock of the Company and also provides for the transfer of DriverShield CRM Corp., a wholly-owned subsidiary of the Company, to Mr. Siegel.

CONFIDENTIALITY, NON-COMPETITION, NON-SOLICITATION AND CONSULTING AGREEMENT DATED MARCH 23, 2005 BETWEEN THE COMPANY AND PHILIP B. KART

In connection with the Share Exchange Transaction, the Company entered into a Confidentiality, Non-Competition, Non-Solicitation and Consulting Agreement with Philip B. Kart. The agreement provides for certain standard confidentiality protections in favor of the Company prohibiting Mr. Kart from disclosure or use of confidential information of the Company. The agreement also provides that Mr. Kart is prohibited from competing with the Company for a period of five years. In addition, during the period during which Mr. Kart is prohibited from competing, Mr. Kart is prohibited from soliciting customers, employees or consultants of the Company and is further prohibited from making disparaging comments regarding the Company, its officers or directors, or its other personnel, products or services. The agreement also provides for various consulting obligations on the part of Mr. Kart for a period of five years, including with respect to (i) certain ongoing litigation of the Company, (ii) transitional matters affecting the Company in connection with the Share Exchange Transaction, (iii) long-range planning, strategic direction and integration and rationalization processes, and (iv) various matters relating to the Company's status as a public company. Mr. Kart also agreed to terminate his employment agreement with the Company and waive certain compensation that would be due to him in connection with change of control provisions contained in his employment agreement. See also Item 1.02 below. In consideration of Mr. Kart's obligations under the agreement, the Company issued to Mr. Kart 200,000 shares of common stock of the Company.

CONFIDENTIALITY, NON-COMPETITION AND NON-SOLICITATION AGREEMENTS DATED MARCH 23, 2005 BETWEEN THE COMPANY AND EACH OF NEIL KOEHLER, TOM KOEHLER, WILLIAM JONES, ANDREA JONES AND RYAN TURNER

In connection with the Share Exchange Transaction, the Company entered

into Confidentiality, Non-Competition and Non-Solicitation Agreements with each of Neil Koehler, Tom Koehler, William Jones, Andrea Jones and Ryan Turner. The agreement is substantially the same for each of the foregoing persons, except as otherwise noted below, and provides for certain standard confidentiality protections in favor of the Company prohibiting each of the foregoing persons, each of whom is a stockholder and some of whom are officers and/or directors of the Company, from disclosure or use of confidential information of the Company. The agreement also provides that each of the foregoing persons is prohibited from competing with the Company for a period of five years; however, Neil Koehler's agreement provides that he is prohibited from competing with the Company for a period of three years. In addition, during the period during which each of the foregoing persons is prohibited from competing, they are also prohibited from soliciting customers, employees or consultants of the Company and are further prohibited from making disparaging comments regarding the Company, its officers or directors, or its other personnel, products or services.

INDEMNIFICATION AGREEMENTS DATED MARCH 23, 2005 BETWEEN THE COMPANY AND EACH OF ITS EXECUTIVE OFFICERS AND DIRECTORS

Following the Share Exchange Transaction, the Company entered into Indemnification Agreements with each of its executive officers and directors, namely, Neil Koehler, Ryan Turner, Maria Tharpe, Tom Koehler, Frank P. Greinke, John Pimentel, Terry L. Stone and Kenneth J. Friedman (each, an "Indemnitee").

Under the Indemnification Agreements, the Company has agreed to indemnify each Indemnitee in connection with any third-party proceeding or threatened proceeding against an Indemnitee or in connection with a proceeding or threatened proceeding by or in the right of the Company, such as a stockholder derivative suit, by reason of the fact that an Indemnitee is or was an officer and/or director of the Company, or is or was serving at the request of the Company as a director, officer, employee or agent of another enterprise, against all expenses, damages, judgments, amounts paid in settlement, fines, penalties and ERISA excise taxes actually and reasonably incurred by the Indemnitee in connection with the defense or settlement of any such proceeding, to the fullest extent permitted by the Delaware General Corporation Law, whether or not the Indemnitee was the successful party in any such proceeding; provided, however, that any settlement of a third-party proceeding must be approved in writing by the Company, and any settlement of a proceeding by or in the right of the Company is settled with the approval of a court of competent jurisdiction or indemnification of such amounts is otherwise ordered by a court of competent jurisdiction in connection with such proceeding.

In addition, the Company is required to advance expenses on behalf of the Indemnitee in connection with Indemnitee's defense in any such proceeding; provided, that the Indemnitee undertakes in writing to repay such amounts to the extent that it is ultimately determined that the Indemnitee is not entitled to indemnification by the Company.

No indemnification payments or payments for expenses may be made by the Company under the agreements (i) to indemnify or advance expenses to the Indemnitee with respect to actions initiated or brought voluntarily by the Indemnitee and not by way of defense, except with respect to actions brought to establish or enforce a right to indemnification or advancement of expenses under the agreement or any other statute or law or otherwise as required under the Delaware General Corporation Law, but such indemnification or advancement of expenses may be provided by the Company in specific cases if approved by the Board of Directors by a majority vote of a quorum thereof consisting of directors who are not parties to such action, (ii) to indemnify the Indemnitee for any expenses, damages, judgments, amounts paid in settlement, fines, penalties or ERISA excise taxes for which payment is actually made to the Indemnitee under a valid and collectible insurance policy, except in respect of any excess beyond the amount paid under such insurance, (iii) to indemnify the Indemnitee for any expenses, damages, judgments, amounts paid in settlement, fines, penalties or ERISA excise taxes for which the Indemnitee has been or is indemnified by the Company or any other party otherwise than pursuant to the agreement, or (iv) to indemnify the Indemnitee for any expenses, damages, judgments, fines or penalties sustained in any proceeding for an accounting of profits made from the purchase or sale by Indemnitee of securities of the

Company pursuant to the provisions of Section 16(b) of the Securities Exchange Act of 1934 and the rules and regulations promulgated thereunder or similar provisions of any federal, state or local statutory law.

The Company is also required under the agreement, at an Indemnitee's request, to maintain in full force and effect, at its sole cost and expense, directors' and officers' liability insurance by an insurer, in an amount and with a deductible reasonably acceptable to the Indemnitee covering the period during which the Indemnitee is serving in any one or more of the capacities covered by the agreement and for so long thereafter as the Indemnitee shall be subject to any possible claim or threatened, pending or completed proceeding by reason of the fact that the Indemnitee is serving in any of the capacities covered by the agreement; provided, that the Company shall have no obligation to maintain such insurance if the Company determines, in good faith, that (i) such insurance cannot be obtained on terms which are commercially reasonable, (ii) the premium costs for such insurance is significantly disproportionate to the amount of coverage provided, (iii) the coverage provided by such insurance is limited by exclusions so as to provide an insufficient benefit, or (iv) the Company, after using best efforts, is otherwise unable to obtain such insurance.

EXECUTIVE EMPLOYMENT AGREEMENTS DATED MARCH 23, 2005 BETWEEN THE COMPANY AND EACH OF NEIL KOEHLER, RYAN TURNER AND TOM KOEHLER

The Executive Employment Agreement with Neil Koehler provides for a three-year term and automatic one-year renewals thereafter, unless either the employee or the Company provides written notice to the other at least 90 days prior to the expiration of the then-current term. The Executive Employment Agreements with Ryan Turner and Tom Koehler provide for a one-year term and automatic one-year renewals thereafter, unless either the employee or the Company provides written notice to the other at least 90 days prior to the expiration of the then-current term.

Neil Koehler is to receive a base salary of $200,000 per year and is entitled to receive a cash bonus not to exceed 50% of his base salary to be paid based upon performance criteria set by the board on an annual basis and an additional cash bonus not to exceed 50% of the net free cash flow (defined as revenues of Kinergy Marketing, LLC, less his salary and performance bonus, less capital expenditures and all expenses incurred specific to Kinergy Marketing, LLC), subject to a maximum of $300,000 in any given year; provided that such bonus will be reduced by ten percentage points each year, such that 2009 will be the final year of such bonus at 10% of net free cash flow.

Ryan Turner and Tom Koehler are each to receive a base salary of $125,000 per year and are each entitled to receive cash bonuses not to exceed 50% of their base salary to be paid based upon performance criteria set by the board on an annual basis.

The Company is also required to provide an office and administrative support to each of Messrs. Koehler, Turner and Koehler and certain benefits, including medical insurance (or, if inadequate due to location of permanent residence, reimbursement of up to $1,000 per month for obtaining health insurance coverage), three weeks of paid vacation per year, participation in the stock option plan to be developed in relative proportion to the position in the organization, and participation in benefit plans on the same basis and to the same extent as other executives or employees.

Each of Messrs. Koehler, Turner and Koehler are also entitled to reimbursement for all reasonable business expenses incurred in promoting or on behalf of the business of the Company, including expenditures for entertainment, gifts and travel. Upon termination or resignation for any reason, the terminated employee is entitled to receive severance equal to three months of base salary

during the first year after termination or resignation and six months of base salary during the second year after termination unless he is terminated for

cause or voluntarily terminates his employment without providing the required written notice. If the employee is terminated (other than for cause) or terminates for good reason following, or within the 90 days preceding, any change in control, in lieu of further salary payments to the employee, the Company may elect to pay a lump sum severance payment equal to the amount of his annual base salary.

The term "for good reason" is defined in each of the Executive Employment Agreements as (i) a general assignment by the Company for the benefit of creditors or filing by the Company of a voluntary bankruptcy petition or the filing against the Company of any involuntary bankruptcy which remains undismissed for 30 days or more or if a trustee, receiver or liquidator is appointed, (ii) any material changes in the employee's titles, duties or responsibilities without his express written consent, or (iii) the employee is not paid the compensation and benefits required under the Employment Agreement.

The term "for cause" is defined in each of the Executive Employment Agreements as (i) any intentional misapplication by the employee of the Company's funds or other material assets, or any other act of dishonesty injurious to the Company committed by the employee; or (ii) the employee's conviction of (a) a felony or (b) a crime involving moral turpitude; or (iii) the employee's use or possession of any controlled substance or chronic abuse of alcoholic beverages, which use or possession the board reasonably determines renders the employee unfit to serve in his capacity as a senior executive of the Company; or (iv) the employee's breach, nonperformance or nonobservance of any of the terms of his employment agreement with the Company, including but not limited to the employee's failure to adequately perform his duties or comply with the reasonable directions of the board; but notwithstanding anything in the foregoing subsections (iii) or (iv) to the contrary, the Company shall not terminate the employee unless the board first provides the employee with a written memorandum describing in detail how his performance thereunder is not satisfactory and the employee is given a reasonable period of time (not less than 30 days) to remedy the unsatisfactory performance related by the board to the employee in that memorandum. A determination of whether the employee has satisfactorily remedied the unsatisfactory performance shall be promptly made by a majority of the disinterested directors of the board (or the entire board, but not including the employee, if there are no disinterested directors) at the end of the period provided to the employee for remedy, and the board's determination shall be final.

A "change in control" of the Company is deemed to have occurred if, in a single transaction or series of related transactions: (i) any person (as such term is used in Section 13(d) and 14(d) of the Securities Exchange Act of 1934 ("Exchange Act")), other than a trustee or fiduciary holding securities under an employment benefit program is or becomes a "beneficial owner" (as defined in Rule 13-3 under the Exchange Act), directly or indirectly of securities of the Company representing 51% or more of the combined voting power of the Company, (ii) there is a merger (other than a reincorporation merger) or consolidation in which the Company does not survive as an independent company, or (iii) the business of the Company is disposed of pursuant to a sale of assets.

STOCK PURCHASE AGREEMENT AND ASSIGNMENT AND ASSUMPTION AGREEMENT DATED MARCH 23, 2005 BETWEEN THE COMPANY AND BARRY SIEGEL

The Stock Purchase Agreement provides for the sale by the Company, and the purchase by Barry Siegel, of all of the outstanding capital stock of Sentaur Corp., which was a wholly-owned subsidiary of the Company, for the cash sum of $5,000. The Assignment and Assumption Agreement provides for the assignment by the Company and the assumption by Sentaur Corp. of the obligations under certain contracts relevant to the business of Sentaur Corp., but that the Company does not deem to be material to the Company or its business.

LETTER AGREEMENT DATED MARCH 23, 2005 BETWEEN THE COMPANY AND NEIL KOEHLER

In connection with the Share Exchange Transaction, the Company became the sole owner of the membership interests of Kinergy Marketing, LLC, an Oregon limited liability company. Neil Koehler, the President and Chief Executive Officer and a principal shareholder of the Company was formerly the sole owner of the membership interests of Kinergy Marketing, LLC and personally guaranteed

certain obligations of Kinergy Marketing, LLC to Comerica Bank. As part of the consummation of the Share Exchange Transaction, the Company executed a Letter Agreement dated March 23, 2005 with Neil Koehler that provides that the Company will, as soon as reasonably practical, replace Mr. Koehler as guarantor under certain financing agreements between Kinergy Marketing, LLC and Comerica Bank. Under the Letter Agreement, prior to the time that Mr. Koehler is replaced by the Company as guarantor under such financing agreements, the Company will defend and hold harmless Mr. Koehler, his agents and representatives for all losses, claims, liabilities and damages caused or arising from out of (i) the Company's failure to pay its indebtedness under such financing agreements in the event that Mr. Koehler is required to pay such amounts to Comerica Bank pursuant to his guaranty agreement with Comerica Bank, or (ii) a breach of the Company's duties to indemnify and defend as set forth above.

ASSIGNMENT OF TERM LOAN AGREEMENT AND DEED OF TRUST DATED MARCH 23, 2005 BETWEEN THE COMPANY, LYLES DIVERSIFIED, INC. AND THE OTHER PARTIES NAMED THEREIN

In connection with the Share Exchange Transaction, the Company was assigned and assumed a Term Loan Agreement and Deed of Trust between Lyles Diversified, Inc. and PEI California. The Term Loan Agreement dated June 16, 2003 between PEI California and Lyles Diversified, Inc. provides for a loan in the amount of up to $5,100,000 to PEI California. Outstanding principal amounts accrued interest at the rate of five percent per annum through June 19, 2004 and accrue interest at a rate per annum equal to the prime rate as published in THE WALL STREET JOURNAL plus two percentage points from June 20, 2004 until maturity. One-third of the principal outstanding on June 20, 2006 is payable on that date and one-half of the principal outstanding on June 20, 2007 is payable on that date. All remaining outstanding principal, together with any accrued interest thereon, is due and payable on June 20, 2008. The Company will be required to prepay principal outstanding in the event that (i) the Company's construction cost for its Madera facility to be constructed is less than $42.6 million, in which case the Company is then required to pay the difference between the actual construction cost and $42.6 million, up to the full amount of the principal outstanding, or (ii) the Company's obtains construction financing for its second facility to be constructed, in which case the Company is then required to pay all principal and accrued interest outstanding. Lyles Diversified, Inc. is entitled to convert up to $1,500,000 of the principal outstanding into shares of common stock of the Company at a fixed price of $1.50 per share for a period up to and including March 31, 2005. The Term Loan Agreement contains standard representations and warranties, covenants, events of default and remedies upon the occurrence of an event of default.

In connection with the Term Loan Agreement, Lyles Diversified, Inc. was granted a security interest in the real property on which the Company's Madera facility is to be constructed pursuant to a Deed of Trust (Non-Construction) Security Agreement and Fixture Filing with Assignment of Rents effective as of June 20, 2003 by and among PEI California, Lyles Diversified, Inc. and Chicago Title Company as trustee.

REGISTRATION RIGHTS AGREEMENT DATED MARCH 23, 2005 BETWEEN PEI CALIFORNIA AND THE PURCHASERS SUBSCRIBING TO A PRIVATE PLACEMENT OF PEI CALIFORNIA

In connection with the Share Exchange Transaction, the Company effectively became obligated under Registration Rights Agreements dated March 23, 2005 with 63 purchasers subscribing to a private placement of securities of PEI California to register for resale shares of common stock, and shares of common stock underlying warrants, issued in connection with the private placement. As a result of the Share Exchange Transaction, the shares of common stock of PEI California and the warrants to purchase shares of common stock of PEI California were exchanged for shares of common stock of the Company and warrants to purchase shares of common stock of the Company.

Under the Registration Rights Agreement, the Company is obligated to file, on or prior to 151 days following March 23, 2005, a Registration Statement with the Securities and Exchange Commission registering for resale shares of common stock, and shares of common stock underlying warrants, issued in connection with the private placement. If the Company (i) does not file the Registration Statement within the time period prescribed, or (ii) fails to file

with the Securities and Exchange Commission a request for acceleration in accordance with Rule 461 promulgated under the Securities Act of 1933, within five trading days of the date that the Company is notified (orally or in writing, whichever is earlier) by the Securities and Exchange Commission that the Registration Statement will not be "reviewed," or is not subject to further review, or (iii) the Registration Statement filed or required to be filed under the Registration Rights Agreement is not declared effective by the Securities and Exchange Commission on or before 225 days following March 23, 2005, or (iv) after the Registration Statement is first declared effective by the Securities and Exchange Commission, it ceases for any reason to remain continuously effective as to all securities registered thereunder, or the holders of such securities are not permitted to utilize the prospectus contained in the Registration Statement to resell such securities, for more than an aggregate of 45 trading days during any 12-month period (which need not be consecutive trading days) (any such failure or breach being referred to as an "Event," and for purposes of clause (i) or (iii) the date on which such Event occurs, or for purposes of clause (ii) the date on which such five-trading day period is exceeded, or for purposes of clause (iv) the date on which such 45-trading day-period is exceeded being referred to as "Event Date"), then in addition to any other rights the holders of such securities may have under the Registration Statement or under applicable law, then, on each such Event Date and on each monthly anniversary of each such Event Date (if the applicable Event shall not have been cured by such date) until the applicable Event is cured, the Company is required to pay to each such holder an amount in cash, as partial liquidated damages and not as a penalty, equal to 2.0% of the aggregate purchase price paid by such holder pursuant to the Securities Purchase Agreement relating to such

securities then held by such holder. If the Company fails to pay any partial liquidated damages in full within seven days after the date payable, the Company is required to pay interest thereon at a rate of 18% per annum (or such lesser maximum amount that is permitted to be paid by applicable law) to such holder, accruing daily from the date such partial liquidated damages are due until such amounts, plus all such interest thereon, are paid in full. The partial liquidated damages are to apply on a daily pro-rata basis for any portion of a month prior to the cure of an Event.

The Registration Rights Agreement also provides for customary piggy-back registration rights whereby holders of shares of common stock, or warrants to purchase shares of common stock, of the Company can cause the Company to register such shares for resale in connection with the Company's filing of a Registration Statement with the Securities and Exchange Commission to register shares in another offering. The Registration Rights Agreement also contains customary representations and warranties, covenants and limitations.

FORM OF WARRANT DATED MARCH 23, 2005 ISSUED TO 63 PURCHASERS SUBSCRIBING TO A PRIVATE PLACEMENT OF PEI CALIFORNIA

In connection with a private placement of securities by PEI California that occurred immediately prior to the consummation of the Share Exchange Transaction, the Company issued to 63 investors warrants to acquire an aggregate of 2,100,000 shares of common stock of the Company, including warrants to purchase an aggregate of 1,400,000 shares of common stock of the Company at an exercise price of $3.00 per share and warrants to purchase an aggregate of 700,000 shares of common stock of the Company at an exercise price of $5.00 per share. The warrants include standard cash exercise provisions. The warrants also include cashless exercise provisions that are applicable if, at any time after one year from the date of issuance of the warrants, there is no effective Registration Statement registering, or no current prospectus available for, the resale of the shares underlying the warrants by the holder thereof. The shares of common stock underlying the warrants are to be registered by the Company for resale as discussed above with regard to the Registration Rights Agreement dated March 23, 2005. The warrants also include certain anti-dilution provisions that provide that, in the event the Company issues equity securities or instruments convertible into equity securities of the Company, the exercise price of the warrants will be adjusted downward to be equal to the price at which such equity securities are sold, or the price at which such instruments are convertible into equity securities of the Company, as applicable. In addition, the anti-dilution provisions provide that the number of shares covered by the warrants shall be

increased such that the new number of shares multiplied by the adjusted exercise price will equal the aggregate exercise price for all shares covered by the warrant and in effect immediately prior to the dilutive issuance.

FORM OF WARRANT DATED MARCH 23, 2005 ISSUED TO PLACEMENT AGENTS IN CONNECTION WITH A PRIVATE PLACEMENT BY PEI CALIFORNIA

In connection with a private placement of securities by PEI California that occurred immediately prior to the consummation of the Share Exchange Transaction, the Company issued to four placement agents warrants to acquire an aggregate of 678,000 shares of common stock of the Company at an exercise price

of $3.00 per share. The warrants include standard cash exercise provisions and also include cashless exercise provisions. The warrants also provide for customary piggy-back registration rights whereby holders of the warrants can cause the Company to register such shares for resale in connection with the Company's filing of a Registration Statement with the Securities and Exchange Commission to register shares in another offering. The Company's understanding with the placement agents is that the Company will register for resale shares underlying the warrants in connection with the Company's filing of the Registration Statement that is contemplated by the Registration Rights Agreement described above. The registration rights provisions contained in the warrant also contain customary representations and warranties, covenants and limitations.

WARRANT DATED MARCH 23, 2005 ISSUED BY THE COMPANY TO LIVIAKIS COMMUNICATIONS, INC.

In connection with the consummation of the Share Exchange Transaction, the Company issued to Liviakis Communications, Inc. a warrant to acquire an aggregate of 230,000 shares of common stock of the Company at an exercise price of $0.0001 per share. The warrant includes standard cash exercise provisions and does not include cashless exercise provisions. The warrant also provides for customary piggy-back registration rights whereby the holder of the warrant can cause the Company to register such shares for resale in connection with the Company's filing of a Registration Statement with the Securities and Exchange Commission to register shares in another offering. The Company's understanding with the warrant holder is that the Company will register for resale shares underlying the warrants in connection with the Company's filing of the Registration Statement that is contemplated by the Registration Rights Agreement described above. The registration rights provisions contained in the warrant also contain customary representations and warranties, covenants and limitations.

ITEM 1.02. TERMINATION OF A MATERIAL DEFINITIVE AGREEMENT.

TERMINATION OF EMPLOYMENT AGREEMENTS

In connection with the Share Exchange Transaction, Barry Siegel and Philip B. Kart each resigned from their respective positions with the Company, and the following agreements were terminated as a result:

EMPLOYMENT AGREEMENT DATED FEBRUARY 4, 2002 BETWEEN THE COMPANY AND BARRY SIEGEL, AS AMENDED BY THAT CERTAIN FIRST AMENDMENT TO THE EMPLOYMENT AGREEMENT DATED MARCH 3, 2005 BETWEEN THE COMPANY AND MR. SIEGEL

The Company was a party to an Employment Agreement with Barry Siegel that commenced on January 1, 2002, and initially expired on December 31, 2004 and which expiration date, under the amendment referenced above, was extended to December 31, 2007. Mr. Siegel's annual salary was $300,000, and was granted stock options, under the Company's Amended 1995 Incentive Stock Plan, to purchase 60,000 shares of the Company's common stock, in addition to certain other perquisites. The Employment Agreement provided that following a change of control, which included the Share Exchange Transaction, the Company would be required to pay Mr. Siegel (i) a severance payment of 300% of his average annual salary for the past five years, less $100, (ii) the cash value of his outstanding but unexercised stock options, and (iii) other perquisites should he

be terminated for various reasons specified in the agreement. The agreement specified that in no event would any severance payments exceed the amount the Company could deduct under the provisions of the Internal Revenue Code. In recognition of the sale of a division of the Company, Mr. Siegel was also awarded a $250,000 bonus, which was paid in February 2002, and an additional grant of options to purchase 50,000 shares of common stock of the Company.

In connection with the Share Exchange Transaction and the Confidentiality, Non-Competition, Non-Solicitation and Consulting Agreement dated March 23, 2005 between the Company and Mr. Siegel, Mr. Siegel's Employment Agreement was terminated and he waived the payments that otherwise would have been due to him under the change of control provisions of his Employment Agreement.

EMPLOYMENT AGREEMENT DATED FEBRUARY 4, 2002 BETWEEN THE COMPANY AND PHILIP B. KART, AS AMENDED BY THAT CERTAIN FIRST AMENDMENT TO THE EMPLOYMENT AGREEMENT DATED NOVEMBER 15, 2002 BETWEEN THE COMPANY AND MR. KART AND AS FURTHER AMENDED BY THAT CERTAIN SECOND AMENDMENT TO THE EMPLOYMENT AGREEMENT DATED MARCH 3, 2005 BETWEEN THE COMPANY AND MR. KART

The Company was a party to an Employment Agreement with Philip B. Kart that commenced on January 1, 2002, and initially expired on January 1, 2004 and which expiration date, under the amendments referenced above, was extended first to December 31, 2004 and subsequently to December 31, 2005. Mr. Kart's annual salary was $155,000 per annum and he was granted stock options, under the Company's Amended 1995 Incentive Stock Plan, providing the right to purchase 30,000 shares of the Company's common stock, in addition to certain other perquisites. The Employment Agreement provided that following a change of control, which included the Share Exchange Transaction, the Company would be required to pay Mr. Kart a severance payment of 100% of his annual salary. The Employment Agreement also provided that following a change in control, all stock options previously granted to him would immediately become fully exercisable. The amendment to the Employment Agreement dated November 15, 2002 also provided for relocation expense payments that were conditioned upon Mr. Kart's relocation to the Company's former headquarters in Florida, which occurred in early 2003.

In connection with the Share Exchange Transaction and the Confidentiality, Non-Competition, Non-Solicitation and Consulting Agreement dated March 23, 2005 between the Company and Mr. Kart, Mr. Kart's Employment Agreement was terminated and he waived the payments that otherwise would have been due to him under the change of control provisions of his Employment Agreement.

TERMINATION OF RIGHTS AGREEMENT

In connection with consummation of the Reincorporation Merger, the Rights Agreement dated December 28, 1998 between Accessity and North American Transfer Co., as Rights Agent, was terminated.

On December 28, 1998, the Board of Directors of Accessity authorized the issuance of one preferred share purchase right (a "Right") to each holder of record as of December 28, 1998 for each outstanding share of common stock of Accessity held by such holder, and with respect to all shares of common stock of Accessity that became outstanding after such date and prior to the earliest of the Distribution Date (as defined below), the redemption of the Rights or

December 28, 2008. Each Right entitled the registered holder to purchase from Accessity one two-hundredths (1/200th) of a share of Junior Participating Preferred Stock at an exercise price of $137.50 per one two-hundredths (1/200th) of a share of Junior Participating Preferred Stock, subject to adjustment under certain circumstances. The administration of the Rights was governed by the

terms of a Rights Agreement between Accessity and North American Transfer Co., as Rights Agent, dated as of December 28, 1998. Until the earlier to occur of (i) a public disclosure that a person or group acquired or obtained the right to acquire (an "Acquiring Person") beneficial ownership of 20% or more (or 10% or more, in the case of certain "Adverse Persons" as defined in the Rights Agreement) of the outstanding common stock of Accessity (the "Stock Acquisition Date") or (ii) the tenth business day after the date (the "Tender Offer Date") of the commencement or public disclosure of a tender offer in which any person or group could acquire beneficial ownership of 20% or more (or 10% or more, in the case of certain "Adverse Persons" as defined in the Rights Agreement) of the outstanding common stock of Accessity (the earlier of such dates being called the "Distribution Date"), the Rights were to be evidenced by the shares of common stock of Accessity and not by separate certificates. Following the Distribution Date, separate certificates evidencing the Rights were to be mailed to the holders of record of the common stock of Accessity as of the close of business on the Distribution Date. The Rights were first exercisable on the Stock Acquisition Date (unless sooner redeemed or exchanged). The Rights were to expire on December 28, 2008 unless earlier redeemed or exchanged. At any time prior to the public disclosure that a person or group had become an Acquiring Person, the Board of Directors of Accessity could have redeemed the Rights in whole, but not in part, at a price of $.05 per Right, payable in cash, shares of common stock of Accessity or any other form of consideration deemed appropriate by the Board of Directors of Accessity.

ITEM 2.01. COMPLETION OF ACQUISITION OR DISPOSITION OF ASSETS.

On March 23, 2005, the Company completed a Share Exchange Transaction with the shareholders of Pacific Ethanol, Inc., a California corporation ("PEI California") and the holders of the membership interests of each of Kinergy Marketing, LLC, an Oregon limited liability company ("Kinergy"), and ReEnergy, LLC, a California limited liability company ("ReEnergy"), pursuant to which the Company acquired all of the issued and outstanding capital stock of PEI California and all of the outstanding membership interests of Kinergy and ReEnergy (as further described below, the "Share Exchange Transaction").

The Company's predecessor, Accessity Corp., a New York corporation, entered into a Share Exchange Agreement dated as of May 14, 2004, as amended on July 30, 2004, October 1, 2004, January 7, 2005, February 16, 2005 and March 3, 2005 with PEI California, Kinergy, ReEnergy and the holders of the capital stock and membership interests thereof.

Prior to the consummation of the Share Exchange Transaction, Accessity reincorporated in the State of Delaware under the name "Pacific Ethanol, Inc" through a merger of Accessity with and into its then-wholly-owned Delaware subsidiary named Pacific Ethanol, Inc., which was formed for the purpose of effecting the reincorporation (the "Reincorporation Merger"). In connection with the Reincorporation Merger, the shareholders of Accessity became stockholders of the Company and the Company succeeded to the rights, properties and assets and assumed the liabilities of Accessity. Also in connection with the Reincorporation Merger, the former shareholders of Accessity, who collectively

held 2,339,414 shares of common stock of Accessity, became the stockholders of an equal number of shares of common stock of the Company and holders of options and warrants to acquire shares common stock of Accessity, who collectively held options and warrants to acquire 402,667 shares of common stock of Accessity, became holders of options and warrants to acquire an equal number of shares of common stock of the Company.

In the Share Exchange Transaction, PEI California shareholders received one share of the Company's common stock for each share of PEI California common stock they owned, the sole limited liability company member of Kinergy received 38,750 shares of the Company's common stock for each one percent of outstanding limited liability company interest he owned, and the limited liability company members of ReEnergy received 1,250 shares of the Company's common stock for each one percent of outstanding limited liability company interest they owned. In addition, holders of options and warrants to acquire shares of common stock of PEI California became holders of warrants to acquire an equal number of shares of the Company's common stock.

The Company issued an aggregate of 20,469,866 shares of common stock to the shareholders of PEI California, 3,875,000 shares of common stock to the limited liability company member of Kinergy and an aggregate of 125,000 shares of common stock to the limited liability company members of ReEnergy. In addition, holders of options and warrants to acquire an aggregate of 3,126,487 shares of common stock of PEI California are, following the consummation of the Share Exchange Transaction, deemed to hold warrants to acquire an equal number of shares of the Company's common stock. Also, a holder of a promissory note convertible into an aggregate of 806,000 shares of common stock of PEI California is, following the consummation of the Share Exchange Transaction, entitled to convert the note into an equal number of shares of the Company's common stock. The shares of the Company's common stock issued, or issuable upon exercise of outstanding options and warrants, to the shareholders and holders of options and warrants of PEI California and limited liability company members of Kinergy and ReEnergy represented approximately 90% of the outstanding common stock of the Company on a fully-diluted basis after the consummation of the Share Exchange Transaction. Immediately following the consummation of the Share Exchange Transaction, the Company had an aggregate of 27,559,280 shares of common stock actually issued and outstanding and an aggregate of 31,894,434 shares of common stock issued and outstanding, calculated on a fully-diluted basis, including the 27,559,280 shares of common stock actually issued and outstanding and 4,335,154 shares of common stock issuable upon exercise of all outstanding options and warrants.

In connection with the Share Exchange Transaction, the Company (i) transferred DriverShield CRM Corp., a wholly-owned subsidiary of the Company, to Barry Siegel, the former Chairman of the Board, President and Chief Executive Officer of the Company, (ii) issued 400,000 shares of the Company's common stock to Mr. Siegel and 200,000 shares of the Company's common stock to Philip B. Kart, the Company's former Senior Vice President, Chief Financial Officer and Secretary, and (iii) executed Confidentiality, Non-Competition, Non-Solicitation and Consulting Agreements with Messrs. Siegel and Kart, in full consideration for the agreement of each of Messrs. Siegel and Kart to relinquish cash payments that otherwise would be due to each of them under their respective employment agreements with the Company as a result of the consummation of the Share Exchange Transaction. In addition, the Company sold Sentaur Corp., a wholly-owned subsidiary of the Company, to Mr. Siegel for the cash sum of $5,000.

ITEM 3.02. UNREGISTERED SALES OF EQUITY SECURITIES.

On March 23, 2005, the Company issued the following equity securities in connection with the Reincorporation Merger and the Share Exchange Transaction:

(1) The disclosures contained in Item 2.01 of this Report on Form 8-K regarding the Reincorporation Merger, the Share Exchange Transaction, the shares of common stock of the Company and options and warrants to purchase share of common stock of the Company issued and deemed issued in connection therewith, are incorporated herein by reference. The aggregate amounts set forth above in Item 2.01 include the securities described more particularly in (2) through (6) immediately below.

(2) The disclosures contained in Item 1.01 of this Report on Form 8-K regarding the Confidentiality, Non-Competition, Non-Solicitation and Consulting Agreements dated March 23, 2005 between the Company and each of Barry Siegel and Philip B. Kart, and the 400,000 and 200,000 shares of common stock of the Company, respectively, issued to such persons are incorporated herein by reference.

(3) The Company issued 150,000 shares of common stock to an independent contractor for services rendered as a finder in connection with the Share Exchange Transaction.

(4) The Company issued replacement warrants to 63 accredited investors to purchase an aggregate of 1,400,000 shares of common stock at an exercise price of $3.00 per share. The Company also issued replacement warrants to 63 accredited investors to purchase an aggregate of 700,000 shares of common stock

at an exercise price of $5.00 per share. These warrants were issued pursuant to the Share Exchange Transaction and replaced certain warrants to be issued by PEI California in connection with a private placement transaction by PEI California that occurred immediately prior to the consummation of the Share Exchange Transaction in which PEI California raised an aggregate of $21,000,000 through the sale of 7,000,000 shares of common stock at a price of $3.00 per share. The disclosures contained in Item 1.01 of this Report on Form 8-K regarding the warrants issued to the investors are incorporated herein by reference.

(5) The Company issued replacement warrants to four placement agents to purchase an aggregate of 678,000 shares of common stock at an exercise price of $3.00 per share. These warrants replaced certain warrants to be issued by PEI California in connection with the private placement transaction by PEI California referenced above. The disclosures contained in Item 1.01 of this Report on Form 8-K regarding the warrants issued to the placement agents are incorporated herein by reference.

(6) The Company issued to Liviakis Communications, Inc. a warrant to purchase 230,000 shares of common stock at an exercise price of $.0001 per share for certain investor relations and other services to be rendered under a consulting agreement with PEI California. The warrant became issuable upon consummation of the Share Exchange Transaction. The disclosures contained in Item 1.01 of this Report on Form 8-K regarding the warrant issued to Liviakis Communications, Inc. are incorporated herein by reference.

Exemption from the registration provisions of the Securities Act of 1933 for the transactions described above is claimed under Section 4(2) of the Securities Act of 1933, among others, on the basis that such transactions did not involve any public offering and the purchasers were sophisticated with access to the kind of information registration would provide.

ITEM 3.03. MATERIAL MODIFICATION OF RIGHTS OF SECURITY HOLDERS.

On March 23, 2005, in connection with and immediately prior to the Share Exchange Transaction, Accessity completed the Reincorporation Merger in the state of Delaware, and the shareholders of Accessity became stockholders of the Company, the rights and privileges of which are governed by Delaware law, the certificate of incorporation and bylaws of the Company, rather than by the New York Business Corporation Law (the "NYBCL") and the articles of incorporation, as amended, and bylaws of Accessity. Copies of the Company's certificate of incorporation and bylaws are attached to this Report on Form 8-K as Exhibits 3.1 and 3.2, respectively.

The following discussion includes a summary of the material differences between the rights of Accessity's shareholders before and after the Reincorporation Merger. In most cases, the rights of shareholders before and after the Reincorporation Merger are substantially similar, with changes having been made to the corporate charter documents to maintain this substantial similarity. In other cases, there are differences that might be considered material, and these differences may be understood from the following comparison.

In connection with the consummation of the Reincorporation Merger, the Rights Agreement dated December 28, 1998 between Accessity and North American Transfer Co., as Rights Agent, was terminated. See Item 1.02 of this Report on Form 8-K above regarding the termination of the Rights Agreement.

BOARD OF DIRECTORS

ACCESSITY. Accessity's bylaws provided that the board of directors shall consist of at least three and no more than seven directors, with the exact number to be set by the board of directors. The number was set at five. The board was divided into three classes of directors: Class I, Class II and Class III. The term of office of each class of directors was three years, with one class expiring each year at Accessity's annual meeting of shareholders. The classified board was intended to serve as an anti-takeover defense because it operated to slow a change in control of Accessity's board of directors by limiting the number of directors that were elected annually.

The board of directors consisted of three directors, with two

vacancies. Each director was entitled to serve until his successor is elected and qualified. Directors could have been removed for or without cause by an affirmative vote of a majority of the shares entitled to vote at a special or annual meeting of the shareholders.

THE COMPANY. The certificate of incorporation of the Company provides that the number of directors which shall constitute the board of directors of the Company will be fixed from time to time by, or in the manner provided in, the bylaws of the Company or in an amendment thereof duly adopted by the board of directors or the stockholders of the Company. The Company's bylaws provide that the board of directors shall consist of seven members. This number may be

changed by a duly adopted amendment to the certificate of incorporation or by an amendment to the bylaws duly adopted by the vote or written consent of the holders of a majority of the stock issued and outstanding and entitled to vote or by resolution of a majority of the board of directors, except as may be otherwise specifically provided by statute or by the restated certificate of incorporation. No reduction of the authorized number of directors shall have the effect of removing any director before that director's term of office expires. Each director is entitled to serve until his successor is elected and qualified or until his earlier death, resignation or removal. Directors may be removed for or without cause by a majority of the stockholders entitled to vote at a special or annual meeting of the stockholders.

The Company does not have a classified board and, therefore, does not have the benefit or burden of any anti-takeover effect relating to a classified board.

AUTHORIZED SHARES

ACCESSITY. Accessity's certificate of incorporation authorized 30,000,000 shares of common stock, $0.015 par value per share, and 1,000,000 shares of preferred stock, $0.01 par value per share, of which 1,000 shares had been designated as Series A Convertible Preferred Stock and 200,000 shares had been designated as Junior Participating Preferred Stock.

THE COMPANY. The certificate of incorporation of the Company authorizes 110,000,000 shares of capital stock consisting of 100,000,000 shares of common stock, par value $0.001 per share, and 10,000,000 shares of preferred stock, par value $0.001 per share.

LIMITATION OF DIRECTOR LIABILITY

ACCESSITY. Article Ninth of Accessity's articles of incorporation, as amended, provided that no provision of the articles of incorporation was intended by the corporation to be construed as limiting, prohibiting, denying or abrogating any of the general or specific powers or rights conferred under the NYBCL upon Accessity and upon its directors in particular, the power of Accessity to furnish indemnification to directors in their capacities as are conferred by the NYBCL. Additionally, under Section 717 of the NYBCL, directors are required to discharge their duties, including their duties as a member of any committee of the board upon which they may serve, in good faith and with that degree of care which an ordinarily prudent person in a like position would use under similar circumstances.

THE COMPANY. The certificate of incorporation of the Company provides that directors of the Company will not be liable personally to the Company or the stockholders of the Company for monetary damages for breach of fiduciary duty as a director except for liability: (i) for any breach of the director's duty of loyalty to the corporation or its stockholders, (ii) for acts or omissions not in good faith or which involve intentional misconduct or a knowing violation of law, (iii) under Section 174 of the Delaware General Corporation Law (the "DGCL") for unlawful payment of a dividend or approval of an unlawful stock

redemption or repurchase, or (iv) for any transaction from which the director derived any improper personal benefit. Additionally, if the DGCL is subsequently amended, then the liability of a director of the Company shall be eliminated or limited to the fullest extent permitted by the DGCL, as so amended. This provision, which is substantially similar to Section 719 of the NYBCL that was applicable to Accessity, protects directors of the Company against personal liability for monetary damages from breaches of their duty of care. Under Delaware law, absent adoption of this provision in the certificate of incorporation of the Company, directors can be held liable for gross negligence in connection with decisions made on behalf of the corporation in the performance of their duty of care, but may not be liable for simple negligence.

INDEMNIFICATION

ACCESSITY. Sections 722 and 726 et seq., of the NYBCL provide that Accessity had the right to indemnify, to purchase indemnity insurance for, and to pay and advance expenses to directors, officers and other persons who are eligible for, or entitled to, such indemnification, payments or advances, by being made or threatened to be made a party to an action or a proceedings, whether criminal, civil, administrative or investigative by reason of the fact that he is or was a director, officer or employee of Accessity, or served any other enterprise as director or officer or employee at the request of Accessity.

THE COMPANY. Under Section 145 of the DGCL, directors, officers, employees and other individuals may be indemnified against expenses (including attorneys' fees), judgments, fines and amounts paid in settlement in connection with specified actions, suits or proceedings, whether civil, criminal, administrative or investigative (other than an action by or in the right of the corporation, including a derivative action, a "Corporation Action") if they acted in good faith and in a manner they reasonably believed to be in, or not opposed to, the best interests of the corporation, and, regarding any criminal action or proceeding, had no reasonable cause to believe their conduct was unlawful. A similar standard is applicable in the case of Corporation Actions, except that indemnification only extends to expenses (including attorneys' fees) incurred in connection with the defense or settlement of such actions. The DGCL further requires court approval before there can be any indemnification where the person seeking indemnification has been found liable to the corporation. To the extent that a director or officer is otherwise eligible to be indemnified is successful on the merits of any claim or defense described above, indemnification for expenses (including attorneys' fees) actually and reasonably incurred is mandated by the DGCL.

The provisions regarding indemnification in the bylaws of the Company are substantially similar to those in the Accessity bylaws. The certificate of incorporation and bylaws of the Company also provides that the Company may indemnify, in addition to a person who is or was a director, officer, employee or agent of the Company, or is or was serving at the request of the Company as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise, a person who is or was a director, officer, employee or agent of any resulting corporation or any constituent corporation (including any constituent of a constituent) absorbed in a consolidation or merger with the Company which, if its separate existence had continued, would have had power and authority to indemnify its directors, officers, employees or agents, so that any person who is or was a director, officer, employee or agent of such constituent corporation, or is or was serving at the request of such constituent corporation as a director, officer, employee or agent of another

corporation, partnership, joint venture, trust or other enterprise, shall stand in the same position with respect to the resulting or surviving corporation as he would have with respect to such constituent corporation if its separate existence had continued. The right to indemnification is not exclusive of any other right which any person may have or acquire under any statute, any provision of the certificate of incorporation or bylaws of the Company, or otherwise.

ANTI-TAKEOVER STATUTES/PROVISIONS

ACCESSITY. Section 912 of the NYBCL prohibits, in general, any business combination, such as a merger or consolidation, between a New York corporation and an "interested shareholder" (which is defined generally as any owner of 20% or more of the corporation's outstanding voting stock) for five years after the date on which such shareholder became an interested shareholder unless the business combination or the stock acquisition which caused the person to become an interested shareholder was approved in advance by the corporation's board of directors. This provision of the NYBCL is effective even if all parties should subsequently decide that they wish to engage in the business combination. Following the five-year moratorium period, the New York corporation may engage in certain business combinations with an interested shareholder only if, among other things, (i) the business combination is approved by the affirmative vote of the holders of a majority of the outstanding voting shares not beneficially owned by the interested shareholder proposing the business combination, or (ii) the business combination meets certain criteria designed to ensure that the remaining shareholders receive fair consideration for their shares.

Neither Accessity's articles of incorporation, as amended, nor bylaws specifically addressed the foregoing. Accessity did not opt out of any of the foregoing anti-takeover provisions.

THE COMPANY. Section 203 of the DGCL is similar, but not identical, to Section 912 of the NYBCL. Section 203 of the DGCL, which applies to the Company, regulates transactions with major stockholders after they become major stockholders. Section 203 of the DGCL prohibits a Delaware corporation from engaging in mergers, dispositions of ten percent or more of its assets, certain issuances of stock and other transactions ("business combinations") with a person or group that owns 15% or more of the voting stock of the corporation (an "interested stockholder") for a period of three years after the interested stockholder crosses the 15% threshold. These restrictions on transactions involving an interested stockholder do not apply if (i) before the interested stockholder owned 15% or more of the voting stock, the board of directors approved the business combination or the transaction that resulted in the person or group becoming an interested stockholder, (ii) in the transaction that resulted in the person or group becoming an interested stockholder, the person or group acquired at least 85% of the voting stock other than stock owned by directors who are also officers and certain employee stock plans, or (iii) after the person or group became an interested stockholder, the board of directors and at least two-thirds of the voting stock other than stock owned by the interested stockholder approves the business combination at a meeting.

The restrictions contained in Section 203 of the DGCL do not apply to the Company in connection with the Reincorporation Merger because, under Section 203(b)(4) of the DGCL, such restrictions generally do not apply where a corporation does not have a class of voting stock that is (i) listed on a national securities exchange, (ii) authorized for quotation on The Nasdaq Stock Market, or (iii) held of record by more than 2,000 stockholders.

PREFERRED STOCK

ACCESSITY. Accessity's articles of incorporation, as amended, authorized the board of directors to issue preferred stock. Section 502 of the NYBCL provides that if more than one class of shares is authorized by the articles of incorporation, the articles of incorporation must prescribe the number of shares in each class and a distinguishing designation for each class and before the issuance of shares of a class, the preferences, limitations, and relative rights of each class must be described in the articles of incorporation. All shares of a class must have preferences, limitations, and relative rights identical with those of other shares of the same class except to the extent otherwise permitted by the NYBCL.

THE COMPANY. The certificate of incorporation of the Company authorizes the board of directors of the Company to issue up to 10,000,000 shares of preferred stock and to determine the preferences, limitations and relative rights of any class or series of the Company preferred stock prior to issuance.

CUMULATIVE VOTING

Section 618 of the NYBCL and Section 214 of the DGCL provide that cumulative voting rights, in respect of the election of directors, will only exist if provided for in the corporation's articles/certificate of incorporation. Neither Accessity's articles of incorporation, as amended, nor the certificate of incorporation of the Company provide for cumulative voting rights in the election of directors.

ACTION WITHOUT A MEETING

ACCESSITY. Under Section 615 of the NYBCL, any action required or permitted to be taken at a shareholders' meeting may be taken without a meeting only by the unanimous written consent signed by all of the shareholders entitled to vote on such action.

THE COMPANY. Section 228 of the DGCL permits any action required or permitted to be taken at a stockholders' meeting to be taken by written consent signed by the holders of the number of shares that would have been required to effect the action at an actual meeting of the stockholders at which all shares were present and voted. Section 228 of the DGCL will govern stockholders rights in the Company.

ANNUAL MEETINGS

ACCESSITY. Section 602 of the NYBCL requires that a corporation hold an annual meeting of its shareholders. Accessity's bylaws provide that an annual meeting of its shareholders shall be held five months following the close of the company's fiscal year to elect directors and transaction such other business as may be properly come before the meeting.

THE COMPANY. Section 211(d) of the DGCL authorizes the board of directors or those persons authorized by the corporation's certificate of incorporation or bylaws to call an annual meeting of the corporation's stockholders. The bylaws of the Company provide that an annual meeting may be called by the board of directors, the chairman of the board, the president, the secretary, any two officers of the Company, and by the secretary of the Company at the request of not less than 10% of the total voting power of all outstanding securities of the Company then entitled to vote or as otherwise may be required by law.

VOTING, APPRAISAL RIGHTS AND CORPORATE REORGANIZATIONS

ACCESSITY. The NYBCL generally requires a majority vote of shareholders to approve a plan of merger or share exchange unless the articles of incorporation or board requires a greater vote. Section 910 of the NYBCL does not provide for dissenters' rights for a merger or plan of share exchange by a corporation the shares of which are listed on a national securities exchange or designated as a national market system security on an interdealer quotation system by the National Association of Securities Dealers, Inc.

THE COMPANY. The DGCL generally requires a majority vote of stockholders to approve a merger, sale of assets or similar reorganization transaction. Section 262 of the DGCL does not provide for dissenters' rights of appraisal for (i) the sale, lease or exchange of all or substantially all of the assets of a corporation, (ii) a merger by a corporation, the shares of which are either listed on a national securities exchange or held by more than 2,000 stockholders if such stockholders receive shares of the surviving corporation or of a listed or widely held corporation, or (iii) certain mergers not requiring stockholder approval.

AMENDMENT TO CERTIFICATE/ARTICLES OF INCORPORATION

ACCESSITY. Except as otherwise provided in the NYBCL, an amendment to the articles of incorporation must be approved by (i) a majority of the votes cast when a quorum is present, unless shareholders have dissenters' rights on the amendment, and (ii) a majority of the outstanding shares entitled to vote, if shareholders have dissenters' rights on the amendment.

THE COMPANY. The DGCL provides that an amendment to the certificate of incorporation must be approved by a majority of the outstanding stock entitled

to vote. The certificate of incorporation of the Company reserves the right of the Company to amend, alter, change or repeal any provision contained in its certificate of incorporation, in the manner now or hereafter prescribed by statute.

AMENDMENT TO BYLAWS

ACCESSITY. Article IX, Section 1 of Accessity's bylaws provided that the bylaws may be amended by an affirmative vote of two-thirds of all shares eligible to be cast on such amendment or, if the board of directors recommends such an amendment, then only a majority of all shares eligible to be cast on such amendment is required.

THE COMPANY. Section 109 of the DGCL places the power to adopt, amend or repeal bylaws in the corporation's stockholders, but permits the corporation, in its certificate of incorporation, also to vest such power in the board of directors. Although the board of directors is vested with such authority pursuant to the certificate of incorporation of the Company, the stockholders' power to make, repeal, alter, amend and rescind bylaws will remain unrestricted.

PREEMPTIVE RIGHTS

ACCESSITY. NYBCL Section 622 provides that the shareholders of a corporation do not have a preemptive right to acquire a corporation's unissued shares except to the extent the articles of incorporation so provide. Accessity's articles of incorporation, as amended, did not provide Accessity's shareholders with preemptive rights.

THE COMPANY. Under Section 102 of the DGCL, no statutory preemptive rights will exist, unless a corporation's certificate of incorporation specifies otherwise. The certificate of incorporation of the Company does not provide for any such preemptive rights.

DIVIDEND RIGHTS

ACCESSITY. The NYBCL does not permit dividend distributions if, after giving effect to the proposed dividend, (i) the corporation would be unable to pay its debts as they become due in the usual course of business, or (ii) the corporation's total assets would be less than the sum of its total liabilities plus (unless the articles of incorporation permit otherwise) the amount that would be needed, if the corporation were to be dissolved at the time of distribution, to satisfy the preferential rights (if any) of shareholders whose preferential rights are superior to those of shareholders receiving the distribution.

THE COMPANY. Delaware corporations may pay dividends out of the excess of the net assets of the corporation (the "Surplus") less the consideration received by the corporation for any shares of its capital stock (the "Capital") or, if there is no Surplus, out of net profits for the fiscal year in which declared and/or the preceding fiscal year. Section 170 of the DGCL also provides that dividends may not be paid out of net profits if, after the payment of the dividend, Capital is less than the Capital represented by the outstanding stock of all classes having a preference upon the distribution of assets.

ITEM 4.01. CHANGES IN REGISTRANT'S CERTIFYING ACCOUNTANT.

(a) On March 24, 2005, the Company dismissed Nussbaum Yates & Wolpow, P.C. as the Company's independent registered public accountant.

The reports of Nussbaum Yates & Wolpow, P.C. on the Company's financial statements for the years ended December 31, 2004 and 2003 did not contain an adverse opinion or a disclaimer of opinion, and were not modified as to uncertainty, audit scope or accounting principles.

The decision to change the Company's independent registered public accountant was authorized and approved by the Audit Committee of the Board of Directors of the Company.

In connection with its audit of the financial statements of the Company

as of and for the years ended December 31, 2004 and 2003, the Company had no disagreement with Nussbaum Yates & Wolpow, P.C. on any matter of accounting principles or practices, financial statement disclosure, or auditing scope or procedure, which disagreements if not resolved to the satisfaction of Nussbaum Yates & Wolpow, P.C. would have caused them to make reference thereto in their report on the financial statements for such years.

The Company provided Nussbaum Yates & Wolpow, P.C. with a copy of this Report prior to its filing with the Commission. Nussbaum Yates & Wolpow, P.C. has provided the Company with a letter, dated March 28, 2005, and addressed to the Commission, which letter is attached to this Report on Form 8-K as Exhibit 16.1 and is incorporated herein by reference.

(b) The Company engaged Hein & Associates LLP on March 24, 2005, as the Company's independent registered public accountant.

ITEM 5.01. CHANGES IN CONTROL OF REGISTRANT.

(a) The disclosures contained in Item 2.01 of this Report on Form 8-K are incorporated herein by reference. A change in control of the Company occurred in connection with the Share Exchange Transaction. The persons who acquired control of the Company were the former shareholders of PEI California and the former members of Kinergy and ReEnergy who, in connection with the Share Exchange Transaction, exchanged their shares and equity interests in such entities for shares of common stock of the Company. However, to the knowledge of the Company, no person or group of persons, as such terms are used in Section 13(d)(3) of the Securities Exchange Act of 1934, is in control of the Company.

(b) Not applicable.

ITEM 5.02. DEPARTURE OF DIRECTORS OR PRINCIPAL OFFICERS; ELECTION OF DIRECTORS; APPOINTMENT OF PRINCIPAL OFFICERS.

(a) Not applicable.

(b) On March 23, 2005, in connection with the Share Exchange Transaction, Barry Siegel and Bruce Udell both resigned as members of the Board of Directors of the Company.

On March 23, 2005, also in connection with the Share Exchange Transaction, Mr. Siegel resigned from all officer and employee capacities with the Company, including in his capacity as President and Chief Executive Officer of the Company, and Philip B. Kart resigned from all officer and employee capacities with the Company, including in his capacity as Senior Vice President, Chief Financial Officer and Secretary of the Company.

(c) On March 23, 2005, in connection with the Share Exchange Transaction, the Board of Directors of the Company appointed the following persons to the following positions:

NAME	POSITION
Neil Koehler.....	President and Chief Executive Officer
Ryan Turner.....	Chief Operating Officer and Secretary
Maria Tharpe.....	Chief Financial Officer
Tom Koehler.....	Vice President, Public Policy and Markets

NEIL KOEHLER served as Chief Executive Officer of PEI California since its formation in January 2003 and as Chairman of the Board since March 2004. Prior to his association with PEI California, Mr. Koehler was the co-founder and General Manager of Parallel Products, one of the first ethanol production facilities in California (and one of only two currently existing ethanol production facilities in California), which was sold to a public company in 1997. Mr. Koehler was also the sole manager and sole limited liability company

member of Kinergy, which he founded in September 2000. Mr. Koehler has over 20 years of experience in the ethanol production, sales and marketing industry in the Western United States. Mr. Koehler is the Director of the California Renewable Fuels Partnership and a speaker on the issue of renewable fuels and ethanol production in California. Mr. Koehler has a B.A. degree in Government, from Pomona College and is the brother of Tom Koehler.

RYAN TURNER is a co-founder of PEI California and served as Chief Operating Officer, Secretary and a director of PEI California and led the business development efforts of PEI California since its inception in January 2003. Prior to co-founding and joining PEI California, Mr. Turner served as Chief Operating Officer of Bio-Ag, LLC from March 2002 until January 2003. Prior to joining Bio-Ag, LLC, Mr. Turner served as General Manager of J & J Farms, a large-scale, diversified agriculture operation of the west side of Fresno County, California from June 1997 to March 2002, where he guided the production of corn, cotton, tomatoes, melons, alfalfa and asparagus crops and operated a custom beef lot. Mr. Turner has a B.A. degree in Public Policy from Stanford University and is a graduate of the California Agricultural Leadership Program and is currently pursuing an M.B.A. at Fresno State University.

MARIA THARPE served as Chief Financial Officer of PEI California since November 2004. Ms. Tharpe joined PEI California in June 2004 with over eight years experience in public accounting and over 16 years of experience as a controller and finance director. Prior to joining PEI California, Ms. Tharpe was an accountant with Cassabon, McIlhatton & Associates of Fresno, California from October 2003 until June 2004 and served as Controller and General Manager of Kelbo, Inc. from October 2000 until August 2003. Prior to that time, Ms. Tharpe was Finance Director and Controller for a multi-site subsidiary division of Beverly Enterprises, Inc., doing business as HCPC, Inc. and MK Medical, with operations in California and Nevada.

TOM KOEHLER served as Vice President, Public Policy and Markets of PEI California since January 2003. Mr. Koehler was a limited liability company member and manager of ReEnergy. Mr. Koehler has over 10 years of experience in governmental affairs and marketing in the ethanol industry. As a consultant for the Renewable Fuels Association, Mr. Koehler has played an integral role in expanding the market for ethanol in California and is actively engaged in pursuing the replacement of MTBE with ethanol in the Pacific Northwest and in the Northeastern United States. Mr. Koehler has a B.A. degree in Economics from Oregon State University and is the brother of Neil Koehler.

CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS

On March 23, 2005, in connection with the Share Exchange Transaction, the Company entered into Executive Employment Agreements with Neil Koehler, Ryan Turner and Tom Koehler. On March 23, 2005, also in connection with the Share Exchange Transaction, the Company entered into Indemnification Agreements with each executive officer of the Company. Each of these agreements is described above, and the disclosures contained in Item 2.01 of this Report on Form 8-K are incorporated herein by reference.

Please note that the Certain Relationships and Related Transactions set forth below are with regard PEI California, Kinergy and ReEnergy, which became wholly-owned subsidiaries of the Company in connection with the Share Exchange Transaction, and which collectively comprise the business of the Company.

PEI CALIFORNIA

Neil Koehler is the Chief Executive Officer of PEI California and was the sole manager and sole limited liability company member of Kinergy and a limited liability company member of Kinergy Resources, LLC, which was a member of ReEnergy. Mr. Koehler did not receive compensation from PEI California.

Tom Koehler, the Vice President of Public Policy and Markets of PEI California, was a limited liability company member of ReEnergy. Mr. Koehler is the brother of Neil Koehler and received compensation from PEI California (through Celilo Group, LLC) as an independent contractor.

PEI California and ReEnergy are parties to an Option to Purchase Land

dated August 28, 2003, pursuant to which ReEnergy has agreed to sell approximately 89.3 acres of real property in Visalia, California to PEI California at a price of $12,000 per acre, with respect to which real property ReEnergy has executed and Option Agreement dated as of July 20, 2003 with Kent Kaulfuss, who was a limited liability company member of ReEnergy, and his wife, which Option Agreement grants ReEnergy an option to purchase such real property for a purchase price of $1,071,600 on or before June 15, 2005 and requires ReEnergy to lease the Wood Industries plant (comprising 35 acres) to Wood Industries (which is owned by Kent Kaulfuss and his wife) for an indefinite period of time for a monthly rental of $800. Accordingly, if the real property is purchased by PEI California pursuant to the terms of the Option to Purchase Land dated August 28, 2003, Kent Kaulfuss and his wife will realize a gain on sale of approximately $178,600.

PEI California entered into a consulting agreement with Ryan Turner for consulting services at $6,000 per month. During 2004, PEI California paid Mr. Turner a total of $72,000 pursuant to such consulting contract. This consulting agreement was terminated in connection with Mr. Turner's entry into an Executive Employment Agreement with the Company as provided in Item 1.01 of this Report on Form 8-K above.

PEI California sold various cattle feed products in 2003 totaling $109,698, at market rates, to a business owned by William Jones, who was a principal shareholder of PEI California and is now a principal shareholder of the Company and who is the father-in-law of Ryan Turner.

PEI California reimbursed Mr. Jones an aggregate of $200,000 during 2003 for expenses paid on behalf of PEI California.

On October 27, 2003, William and Maurine Jones, Ryan and Wendy Turner and Andrea Jones entered into an agreement with Southern Counties Oil Co., a former shareholder of PEI California, of which Frank P. Greinke, a director of PEI California and of the Company, is the owner and CEO, to sell 1,500,000 shares of common stock of PEI California personally held by them at $1.50 per share for total proceeds of $2,250,000. In connection with the sale of the

shares, the parties entered into a Voting Agreement under which William and Maurine Jones, Ryan and Wendy Turner and Andrea Jones agreed to vote a significant number of their existing shares of common stock of PEI California in favor of Mr. Greinke to be elected to the board of directors of PEI California or any successor-in-interest to PEI California, including the Company.

Barry Siegel, on the one hand, and William and Maurine Jones, Ryan and Wendy Turner and Andrea Jones, on the other, negotiated the terms of a stock purchase agreement that provided for, among other things, the sale of an aggregate of 250,000 shares of common stock of PEI California to Mr. Siegel for an aggregate purchase price of $25.00.

KINERGY

Neil Koehler is the Chief Executive Officer of PEI California and was the sole manager and sole limited liability company member of Kinergy and was a limited liability company member of Kinergy Resources, LLC, which was a member of ReEnergy. Mr. Koehler did not receive compensation from PEI California and did not receive compensation in his capacity as the sole manager of Kinergy.

Neil Koehler is the brother of Tom Koehler. Tom Koehler was a limited liability company member of ReEnergy.

One of Kinergy's larger customers is SC Fuels, Inc. Southern Counties Oil Co., an affiliate of SC Fuels, Inc., was a principal shareholder of PEI California and is now a shareholder of the Company and owns 1,500,000 shares of the issued and outstanding common stock of the Company. Mr. Frank P. Greinke, the President of SC Fuels, Inc., is a director of both the Company and PEI California. During the fiscal year ended December 31, 2004, SC Fuels, Inc. accounted for approximately 13% of the total revenues of Kinergy.

REENERGY

Tom Koehler, the Vice President of Public Policy and Markets of PEI California, was a limited liability company member of ReEnergy. Mr. Koehler is the brother of Neil Koehler and received compensation from PEI California (through Celilo Group, LLC) as an independent contractor.

PEI California and ReEnergy are parties to an Option to Purchase Land dated August 28, 2003, pursuant to which ReEnergy has agreed to sell approximately 89.3 acres of real property in Visalia, California to PEI California at a price of $12,000 per acre, with respect to which real property ReEnergy has executed and Option Agreement dated as of July 20, 2003 with Kent Kaulfuss, who was a limited liability company member of ReEnergy, and his wife, which Option Agreement grants ReEnergy an option to purchase such real property for a purchase price of $1,071,600 on or before June 15, 2005 and requires ReEnergy to lease the Wood Industries plant (comprising 35 acres) to Wood Industries (which is owned by Kent Kaulfuss and his wife) for an indefinite period of time for a monthly rental of $800. Accordingly, if the real property is purchased by PEI California pursuant to the terms of the Option to Purchase Land dated August 28, 2003, Kent Kaulfuss and his wife will realize a gain on sale of approximately $178,600.

(d) On March 23, 2005, in connection with the Share Exchange Transaction, the Board of Directors of the Company appointed Neil Koehler, Ryan Turner, Frank P. Greinke, John Pimentel and Terry L. Stone as members of the Board of Directors of the Company. Kenneth J. Friedman was a director of the Company prior to the consummation of the Share Exchange Transaction and continues as a member of the Board of Directors of the Company. In addition, on March 23, 2005, the Board of Directors of the Company appointed Messrs. Stone and Friedman to serve as members of the Audit Committee of the Board of Directors of the Company.

NEIL KOEHLER--please see Item 5.02(c) of this Report on Form 8-K above.

RYAN TURNER--please see Item 5.02(c) of this Report on Form 8-K above.

FRANK P. GREINKE served as a director of PEI California since October 2003. Mr. Greinke is currently, and has been for at least the past five years, the CEO and sole owner of SC Fuels, Inc., a petroleum distributor. Mr. Greinke is also a director of the Society of Independent Gasoline Marketers of America, the Chairman of the Southern California Chapter of the Young Presidents Organization and serves on the Board of Directors of The Bank of Hemet and on the Advisory Board of Solis Capital Partners, Inc.

JOHN PIMENTEL served as a director of PEI California since April 2004. Since 2003, Mr. Pimentel has been a Director with Cagan-McAfee Capital Partners, LLC, where he is responsible for business development, investment structuring, and portfolio company management. Prior to joining Cagan-McAfee Capital Partners, Mr. Pimentel worked with Bain & Company in the firm's Private Equity Group and the general consulting practice from 1998 to 2002. From 1993 to 1996 Mr. Pimentel served as Deputy Secretary for Transportation for the State of California where he oversaw a $4.5 billion budget and 28,000 employees, including the Department of Transportation, the California Highway Patrol, and parts of the Department of Motor Vehicles. Mr. Pimentel has an M.B.A. from Harvard Business School and a B.A. from University of California at Berkeley.

TERRY L. STONE is a Certified Public Accountant with over thirty years of experience in accounting and taxation. He has been the owner of his own accountancy firm since 1990. Mr. Stone has experience in accounting and taxation in a wide range of industries, including agriculture, manufacturing, retail, equipment leasing, professionals and not-for-profit organizations. Mr. Stone served as a part-time instructor at California State University, Fresno at various times throughout the 1990s and taught classes in taxation, auditing, and financial and management accounting. Mr. Stone also has various professional certifications in addition to his Certified Public Accountant certification, including Series 7 and 66 NASD securities licenses. Mr. Stone has a B.S. in Accounting from California State University, Fresno.

KENNETH J. FRIEDMAN was a director of Accessity, the Company's predecessor, since October 1998. Mr. Friedman has for more than five years

served as President of the Primary Group, Inc., an executive search consultancy firm.

CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS

On March 23, 2005, in connection with the Share Exchange Transaction, the Company entered into Indemnification Agreements with each member of its Board of Directors. Each of these agreements is described above, and the disclosures contained in Item 2.01 of this Report on Form 8-K are incorporated herein by reference.

Please also see Item 5.02(c) of this Report on Form 8-K above with respect to Certain Relationships and Related Transactions with the Company's new directors.

ITEM 5.03. AMENDMENTS TO ARTICLES OF INCORPORATION OR BYLAWS; CHANGES IN FISCAL YEAR.

The disclosures contained in Item 3.03 of this Report on Form 8-K are incorporated herein by reference. Copies of the Company's certificate of incorporation and bylaws are attached to this Report on Form 8-K as Exhibits 3.1 and 3.2, respectively.

ITEM 5.05. AMENDMENTS TO THE REGISTRANT'S CODE OF ETHICS, OR WAIVER OF A PROVISION OF THE CODE OF ETHICS.

(a) In connection with the Reincorporation Merger and the Share Exchange Transaction, the Company adopted a new Code of Ethics applicable to its employees generally and also adopted a new Code of Ethics applicable to its Chief Executive Officer and senior financial officers. The Company's Code of Ethics and its Code of Ethics for Chief Executive Officer and Senior Financial Officers are attached to this Report on Form 8-K as Exhibits 14.1 and 14.2, respectively, and are incorporated herein by reference.

(b) Not applicable.

ITEM 9.01. FINANCIAL STATEMENTS AND EXHIBITS.

(a) Financial Statements of Businesses Acquired.

To be filed under cover of Form 8-K/A on or before June 6, 2005.

(b) Pro Forma Financial Information.

To be filed under cover of Form 8-K/A on or before June 6, 2005.

(c) Exhibits.

Number	Description
2.1	Agreement and Plan of Merger dated March 23, 2005 between the Company and Accessity Corp.
2.2	Share Exchange Agreement dated as of May 14, 2004 by and among Accessity Corp., Pacific Ethanol, Inc., Kinergy Marketing, LLC, ReEnergy, LLC and the other parties named therein
2.3	Amendment No. 1 to Share Exchange Agreement dated as

	of July 29, 2004 by and among Accessity Corp., Pacific Ethanol, Inc., Kinergy Marketing, LLC, ReEnergy, LLC and the other parties named therein
2.4	Amendment No. 2 to Share Exchange Agreement dated as of October 1, 2004 by and among Accessity Corp., Pacific Ethanol, Inc., Kinergy Marketing, LLC, ReEnergy, LLC and the other parties named therein
2.5	Amendment No. 3 to Share Exchange Agreement dated as of January 7, 2005 by and among Accessity Corp., Pacific Ethanol, Inc., Kinergy Marketing, LLC, ReEnergy, LLC and the other parties named therein
2.6	Amendment No. 4 to Share Exchange Agreement dated as of February 16, 2005 by and among Accessity Corp., Pacific Ethanol, Inc., Kinergy Marketing, LLC, ReEnergy, LLC and the other parties named therein
2.7	Amendment No. 5 to Share Exchange Agreement dated as of March 3, 2005 by and among Accessity Corp., Pacific Ethanol, Inc., Kinergy Marketing, LLC, ReEnergy, LLC and the other parties named therein
3.1	Certificate of Incorporation of the Registrant
3.2	Bylaws of the Registrant
10.1	Confidentiality, Non-Competition, Non-Solicitation and Consulting Agreement dated March 23, 2005 between the Company and Barry Siegel
10.2	Confidentiality, Non-Competition, Non-Solicitation and Consulting Agreement dated March 23, 2005 between the Company and Philip B. Kart
10.3	Form of Confidentiality, Non-Competition and Non-Solicitation Agreement dated March 23, 2005 between the Company and each of Neil Koehler, Tom Koehler, William Jones, Andrea Jones and Ryan Turner
10.4	Confidentiality, Non-Competition and Non-Solicitation Agreement dated March 23, 2005 between the Company and Neil Koehler
10.5	Form of Indemnification Agreement dated March 23, 2005 between the Company and each of its Executive Officers and Directors
10.6	Executive Employment Agreement dated March 23, 2005 between the Company and Neil Koehler
10.7	Executive Employment Agreement dated March 23, 2005 between the Company and Ryan Turner
10.8	Executive Employment Agreement dated March 23, 2005 between the Company and Tom Koehler

10.9	Stock Purchase Agreement and Assignment and Assumption Agreement dated March 23, 2005 between the Company and Barry Siegel
10.10	Letter Agreement dated March 23, 2005 between the Company and Neil Koehler
10.11	Assignment of Term Loan Agreement and Deed of Trust dated March 23, 2005 between the Company, Lyles Diversified, Inc. and the other parties named therein

10.12 Term Loan Agreement dated June 16, 2003 and Deed of Trust dated June 20, 2003 between Pacific Ethanol, Inc., a California corporation and Lyles Diversified, Inc.

10.13 Form of Registration Rights Agreement dated effective March 23, 2005 between Pacific Ethanol, Inc., a California corporation and the investors who are parties thereto

10.14 Form of Warrant dated March 23, 2005 issued by the Company to subscribers to a private placement of securities by Pacific Ethanol, Inc., a California corporation

10.15 Form of Placement Warrant dated March 23, 2005 issued by the Company to certain placement agents

10.16 Warrant dated March 23, 2005 issued by the Company to Liviakis Communications, Inc.

14.1 Code of Ethics

14.2 Code of Ethics for Chief Executive Officer and Senior Financial Officers

16.1 Letter of Nussbaum Yates & Wolpow, P.C. dated March 28, 2005

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

Date: March 29, 2005 PACIFIC ETHANOL, INC.

By: /S/ RYAN TURNER

Ryan Turner, Chief Operating Officer

EXHIBITS FILED WITH THIS REPORT

Number	Description
2.1	Agreement and Plan of Merger dated March 23, 2005 between the Company and Accessity Corp.
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2.4	Amendment No. 2 to Share Exchange Agreement dated as of

October 1, 2004 by and among Accessity Corp., Pacific Ethanol, Inc., Kinergy Marketing, LLC, ReEnergy, LLC and the other parties named therein

2.5 Amendment No. 3 to Share Exchange Agreement dated as of January 7, 2005 by and among Accessity Corp., Pacific Ethanol, Inc., Kinergy Marketing, LLC, ReEnergy, LLC and the other parties named therein

2.6 Amendment No. 4 to Share Exchange Agreement dated as of February 16, 2005 by and among Accessity Corp., Pacific Ethanol, Inc., Kinergy Marketing, LLC, ReEnergy, LLC and the other parties named therein

2.7 Amendment No. 5 to Share Exchange Agreement dated as of March 3, 2005 by and among Accessity Corp., Pacific Ethanol, Inc., Kinergy Marketing, LLC, ReEnergy, LLC and the other parties named therein

3.1 Certificate of Incorporation of the Registrant

3.2 Bylaws of the Registrant

10.1 Confidentiality, Non-Competition, Non-Solicitation and Consulting Agreement dated March 23, 2005 between the Company and Barry Siegel

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10.3 Form of Confidentiality, Non-Competition and Non-Solicitation Agreement dated March 23, 2005 between the Company and each of Neil Koehler, Tom Koehler, William Jones, Andrea Jones and Ryan Turner

10.4 Confidentiality, Non-Competition and Non-Solicitation Agreement dated March 23, 2005 between the Company and Neil Koehler

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10.6 Executive Employment Agreement dated March 23, 2005 between the Company and Neil Koehler

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14.1 Code of Ethics

14.2 Code of Ethics for Chief Executive Officer and Senior Financial Officers

16.1 Letter of Nussbaum Yates & Wolpow, P.C. dated March 28, 2005

EXHIBIT 2.1

AGREEMENT AND PLAN OF MERGER
OF
ACCESSITY CORP.
AND
PACIFIC ETHANOL, INC.

This AGREEMENT AND PLAN OF MERGER (this "AGREEMENT AND PLAN OF MERGER"), dated as of March 23, 2005, between Pacific Ethanol, Inc., a Delaware corporation ("PACIFIC ETHANOL"), and Accessity Corp., a New York corporation ("ACCESSITY"), pursuant to Section 253 of the Delaware General Corporation Law (the "DGCL") and Section 907 of the New York Business Corporation Law (the "NYBCL").

W I T N E S S E T H
- - - - - - - - - -

WHEREAS, Pacific Ethanol is a corporation duly organized and in good standing under the laws of the State of Delaware;

WHEREAS, Accessity a corporation duly organized and in good standing under the laws of the State of New York. The name under which Accessity was formed is UNISEARCH, INC.;

WHEREAS, Pacific Ethanol is the wholly-owned subsidiary of Accessity; and

WHEREAS, the Board of Directors of Pacific Ethanol and the Board of Directors of Accessity have determined that it is advisable and in the best interests of each of them that Accessity merge with and into Pacific Ethanol upon the terms and subject to the conditions herein provided.

NOW, THEREFORE, in consideration of the mutual agreements and covenants set forth herein, the parties hereto agree as follows:

ARTICLE 1
MERGER

Upon the filing of a Certificate of Ownership and Merger with the Secretary of State of the State of Delaware and the Certificate of Merger with the Secretary of the State of New York (the "EFFECTIVE TIME"), Accessity shall be merged with and into Pacific Ethanol (the "MERGER"), and Pacific Ethanol shall be the corporation surviving the Merger (hereinafter referred to as, the "SURVIVING CORPORATION").

ARTICLE 2
DIRECTORS, OFFICERS AND GOVERNING DOCUMENTS

The directors of the Surviving Corporation immediately after the Effective Time shall be Barry Siegel, Kenneth J. Friedman and Bruce S. Udell. The officers of the Surviving Corporation immediately after the Effective Time shall be as follows:

NAME	POSITION
Barry Siegel	Chairman of the Board, President and Chief Executive Officer
Philip B. Kart	Senior Vice President, Secretary and Chief Financial Officer

These officers and directors shall hold office in accordance with the Certificate of Incorporation and Bylaws of the Surviving Corporation.

The Certificate of Incorporation and Bylaws of the Surviving Corporation as in force and effect at the effective time and date of the Merger will be the Certificate of Incorporation and Bylaws of said Surviving Corporation and will continue in full force and effect until changed, altered, or amended as therein provided and in the manner prescribed by the provisions of the laws of the State of Delaware of said Surviving Corporation.

ARTICLE 3
NAME

The name of the Surviving Corporation shall be: Pacific Ethanol, Inc.

ARTICLE 4
EFFECT OF MERGER ON SHARES OF STOCK OF ACCESSITY

At the Effective Time, except shares held by dissenting shareholders, every share of common stock, par value $0.015 per share, of Accessity immediately prior to the Effective Time shall be converted into and become one (1) share of common stock, par value $0.001 per share, of the Surviving Corporation. At the Effective Time, each issued and outstanding share of stock of the Surviving Corporation held by Accessity shall be canceled, without the payment of consideration therefor.

ARTICLE 5
EFFECT OF THE MERGER

The Merger shall have the effect set forth in Section 259 of the DGCL.

ARTICLE 6
APPROVAL

This Agreement and Plan of Merger, as made and approved, has been submitted to the shareholders of Accessity for their approval or rejection in the manner prescribed by the provisions of the NYBCL and shall be approved in the manner prescribed by the DGCL.

ARTICLE 7
AUTHORIZATION

The Board of Directors and the proper officers of Accessity and of the Surviving Corporation are hereby authorized, empowered, and directed to do any and all acts and things, and to make, execute, deliver, file, and/or record any and all instruments, papers, and documents which shall be or become necessary, proper, or convenient to carry out or put into effect any of the provisions of this Agreement and Plan of Merger or of the Merger herein provided for.

ARTICLE 8
FURTHER ASSURANCES

From time to time, as and when required by the Surviving Corporation or by its successors and assigns, there shall be executed and delivered on behalf of Accessity such deeds and other instruments, and there shall be taken or caused to be taken by the Surviving Corporation all such further and other actions, as shall be appropriate or necessary in order to vest, perfect or confirm in the Surviving Corporation the title to and possession of all property, interests, assets, rights, privileges, immunities, powers and authority of Accessity, and otherwise to carry out the purposes of this Agreement and Plan of Merger. The officers and directors of the Surviving Corporation are fully authorized, on behalf of the Surviving Corporation or Accessity, to take any and all such actions and to execute and deliver any and all such deeds, documents and other instruments.

ARTICLE 9

RESERVATION OF RIGHTS

The Board of Directors of Accessity reserves the right, notwithstanding shareholder approval and without further action by the shareholders, to elect not to proceed with the Merger, if at any time prior to consummating such Merger, the Board of Directors, in its sole discretion, determines that it is no longer in the best interests of Accessity and its shareholders. The Board of Directors may also elect not to proceed with the reincorporation if it receives demands for the exercise of dissenters' rights from holders of shares of common stock representing more than one percent (1%) of its issued and outstanding shares of common stock. In addition, the Board of Directors reserves the right to consummate the Merger for up to twelve (12) months following shareholder approval thereof. However, at the present time, the board of directors intends to proceed with the Merger, as presented herein without delay.

ARTICLE 10
CAPITALIZATION

Accessity has issued and outstanding 2,339,414 shares of Common Stock, 0 shares of Preferred Stock (0 shares of Series A Preferred Stock) and 0 shares of Junior Participating Preferred Stock. Except as otherwise provided by the New York Business Corporation Law, the holders of all of the foregoing classes and series of stock of Accessity shall have voting rights, voting together as a class. None of these shares are subject to change prior to the Effective Time of the Merger.

Pacific Ethanol has issued and outstanding One Hundred (100) shares of Common Stock. No shares Preferred Stock are issued and outstanding. Except as otherwise provided by the General Corporation Law of the State of Delaware, the holders of Common Stock of Pacific Ethanol shall exclusively possess all voting power of the corporation. None of these shares are subject to change prior to the Effective Time of the Merger.

IN WITNESS WHEREOF, the undersigned have executed this Agreement and Plan of Merger as of the date first above written.

ACCESSITY CORP.,
a New York corporation

By: /S/ BARRY SIEGEL

Name: BARRY SEIGEL

Title: CHAIRMAN AND CEO

PACIFIC ETHANOL, INC.,
a Delaware corporation

By: /S/ BARRY SIEGEL

Name: BARRY SEIGEL

Title: CHAIRMAN AND CEO

EXHIBIT 2.2

SHARE EXCHANGE AGREEMENT

THIS SHARE EXCHANGE AGREEMENT (this "AGREEMENT") is made and entered into as of May 14, 2004, by and among Accessity Corp., a New York corporation ("ACCESSITY"); Pacific Ethanol, Inc., a California corporation ("PEI"); Kinergy Marketing, LLC, an Oregon limited liability company ("KINERGY"); Reenergy, LLC, a California limited liability company ("REENERGY," and together with PEI and Kinergy, the "ACQUIRED COMPANIES"); each of the shareholders of PEI identified on the signature pages hereof (collectively, the "PEI SHAREHOLDERS"); each of the holders of options or warrants to acquire shares of common stock of PEI identified on the signature pages hereof (collectively, the "PEI WARRANTHOLDERS"); each of the limited liability company members of Kinergy identified on the signature pages hereof (collectively, the "KINERGY MEMBERS"); each of the limited liability company members of Reenergy identified on the signature pages hereof (collectively, the "REENERGY MEMBERS").

R E C I T A L S

A. PEI is in the business of developing a large-scale ethanol plant (the "PEI BUSINESS"). Kinergy is in the business of marketing ethanol throughout the Western United States (the "KINERGY BUSINESS"). Reenergy is in the business of developing a large-scale ethanol plant (the "REENERGY BUSINESS"). The PEI Business, Kinergy Business and Reenergy Business are sometimes collectively referred to herein as the "BUSINESSES."

B. The PEI Shareholders are the holders of all of the issued and outstanding capital stock of PEI (collectively, the "PEI STOCK"); the PEI Warrantholders are the holders of all of the issued and outstanding options and warrants to acquire shares of PEI Stock (collectively, the "PEI WARRANTS"); Kinergy Members are the holders of all of the outstanding limited liability company membership interests of Kinergy (collectively, the "KINERGY INTERESTS"); and the Reenergy Members are the holders of all of the outstanding limited liability company membership interests of Reenergy (collectively, the "REENERGY INTERESTS").

C. Accessity desires to acquire the PEI Stock from the PEI Shareholders, and the PEI Shareholders desire to transfer the PEI Stock to Accessity, in exchange for shares of Common Stock of Accessity ("ACCESSITY EXCHANGE SHARES"), subject to and in accordance with the terms and conditions set forth herein; Accessity desires to have the PEI Warrants cancelled in exchange for the issuance to the PEI Warrantholders of warrants to acquire shares of common stock of Accessity, subject to and in accordance with the terms and conditions set forth herein; Accessity desires to acquire the Kinergy Interests from the Kinergy Members, and the Kinergy Members desire to transfer the Kinergy Interests to Accessity, in exchange for Accessity Exchange Shares, subject to and in accordance with the terms and conditions set forth herein; and Accessity desires to acquire the Reenergy Interests from the Reenergy Members, and the Reenergy Members desire to transfer the Reenergy Interests to Accessity, in exchange for Accessity Exchange Shares, subject to and in accordance with the terms and conditions set forth herein.

D. This Agreement is being entered into by the parties as part of a unified plan for the exchange of stock that is intended by the parties to qualify for non-recognition treatment under Section 351 of the Internal Revenue Code of 1986, as amended (the "CODE").

AGREEMENT

NOW, THEREFORE, in consideration of the foregoing premises and the respective promises of the parties set forth herein, the parties hereto agree as follows:

ARTICLE I
DEFINITIONS

For purposes of this Agreement, in addition to the other capitalized terms defined elsewhere in this Agreement, the following terms shall have the meanings specified or referred to in this ARTICLE 1:

"ACTION" or "ACTIONS" shall mean any litigation, suits, actions, causes of actions, and proceedings or investigations, collectively.

"AFFILIATE" shall mean, with respect to any individual, partnership, corporation, limited liability company, association, business trust, joint

venture, governmental entity or other entity of any nature ("Person"), any Person that controls, is controlled by, or is under common control with, such Person.

"CODE" shall mean the Internal Revenue Code of 1986, as amended.

"ENVIRONMENTAL, HEALTH, AND SAFETY LIABILITIES" shall mean any cost, damages, expense, liability, obligation, or other responsibility arising from or under Environmental Law or Occupational Safety and Health Law and consisting of or relating to:

(a) any environmental, health, or safety matters or conditions (including on-site or off-site contamination, occupational safety and health, and regulation of chemical substances or products);

(b) fines, penalties, judgments, awards, settlements, legal or administrative proceedings, damages, losses, claims, demands and response, investigative, remedial, or inspection costs and expenses arising under Environmental Law or Occupational Safety and Health Law;

(c) financial responsibility under Environmental Law or Occupational Safety and Health Law for cleanup costs or corrective action, including any investigation, cleanup, removal, containment, or other remediation or response actions ("CLEANUP") required by applicable Environmental Law or Occupational Safety and Health Law (whether or not such Cleanup has been required or requested by any Governmental Body or any other Person) and for any natural resource damages; or

(d) any other compliance, corrective, investigative, or remedial measures required under Environmental Law or Occupational Safety and Health Law.

The terms "REMOVAL," "REMEDIAL," and "RESPONSE ACTION" include but are not limited to the types of activities covered by the United States Comprehensive Environmental Response, Compensation, and Liability Act, 42 U.S.C. Section 9601 et seq., as amended ("CERCLA").

"ENVIRONMENTAL LAWS" shall mean any federal, state and local environmental laws, rules, regulations, standards and requirements, including, without limitation, those respecting hazardous materials and substances (including, without limitation, the Comprehensive Environmental Response, Compensation and Liability Act, as amended, 42 U.S.C. sec. 9601, ET. SEQ.; the Resource Conservation and Recovery Act, as amended, 42 U.S.C. sec. 6901. ET. SEQ.; the Federal Water Pollution Control Act, as amended, 33 U.S.C sec. 1251, ET. SEQ.; the Toxic Substances Control Act, as amended, 15 U.S.C. sec. 9601, ET. SEQ.; the Emergency Planning and Community Right to Know Act, 42 U.S.C. sec. 11001, ET. SEQ.; the Safe Drinking Water Act, 42 U.S.C. sec. 300f, ET. SEQ.; the Solid Waste Disposal Act, as amended; and all comparable state and local laws; and any common law (including without limitation common law that may impose strict liability) that may impose liability or obligations for injuries or damages to, or threatened as a result of, the present of or exposure to any hazardous materials or substances).

"ERISA" shall mean the Employee Retirement Income Security Act of 1974 or any successor law, and regulations and rules issued pursuant to that Act or any successor law.

"EXCHANGE ACT" shall mean the Securities Exchange Act of 1934, as amended, or any successor law, and regulations and rules issued pursuant to that Act or any successor law

"GAAP" shall mean generally accepted United States accounting principles, applied on a basis consistent with the basis.

"GOVERNMENTAL BODY" shall mean any:

(a) nation, state, county, city, town, village, district, or other jurisdiction of any nature;

(b) federal, state, local, municipal, foreign, or other government;

(c) governmental or quasi-governmental authority of any nature (including any governmental agency, branch, department, official, or entity and any court or other tribunal);

(d) multi-national organization or body; or

(e) body exercising, or entitled to exercise, any administrative, executive, judicial, legislative, police, regulatory, or taxing authority or power of any nature.

"LEGAL REQUIREMENT" shall mean any federal, state, local, municipal, foreign, international, multinational, or other administrative order, constitution, law, ordinance, principle of common law, regulation, statute, or treaty.

"LIABILITY" or "LIABILITIES" shall mean debts, liabilities, commitments or obligations of any nature, absolute, accrued, contingent or otherwise.

"LIEN" or "LIENS" shall mean any mortgage, pledge, security interest, conditional sale or other title retention agreement, encumbrance, lien, easement, claim, right, covenant, restriction, right of way, warrant, option or charge of any kind.

"OCCUPATIONAL SAFETY AND HEALTH LAW" shall mean any Legal Requirement designed to provide safe and healthful working conditions and to reduce occupational safety and health hazards, and any program, whether governmental or private (including those promulgated or sponsored by industry associations and insurance companies), designed to provide safe and healthful working conditions.

"OWNERS" shall mean the PEI Shareholders, the Kinergy Members and the Reenergy Members, collectively.

"PERMIT" or "PERMITS" shall mean any licenses, permits, authorizations, approvals, consents, franchises and orders required for the conduct and operation of business as presently conducted.

"PERMITTED LIENS" shall mean any (i) Liens for taxes not yet due and payable or for taxes that are being contested in good faith through appropriate proceedings, (ii) Liens for purchase money security interests and Liens securing rental payments under capital lease arrangements, (iii) other Liens arising in the ordinary course of business and not incurred in connection with the borrowing of money, and (iv) Liens described on SCHEDULES 4.13, 6.13 and 8.13.

"SEC" shall mean the Securities and Exchange Commission.

"SECURITIES ACT" shall mean the Securities Act of 1933, as amended, or any successor law, and regulations and rules issued pursuant to that Act or any successor law.

"SHARE EXCHANGE" shall mean the PEI Exchange, the Kinergy Exchange and the Reenergy Exchange, collectively.

ARTICLE II
EXCHANGE OF OWNERSHIP INTERESTS

2.1 EXCHANGE OF PEI STOCK. Subject to the terms and conditions of this Agreement, each PEI Shareholder hereby agrees to assign, transfer and deliver to Accessity the shares of PEI Stock owned by the PEI Shareholder free and clear of all liens, claims, encumbrances, pledges, options, security interests and any other adverse interests of any kind or nature whatsoever, and Accessity hereby agrees to accept delivery of the PEI Stock from each of the PEI Shareholders. In consideration for the assignment and transfer of the PEI Stock to Accessity by the PEI Shareholders, Accessity shall issue to each of the PEI Shareholders one (1) Accessity Exchange Share for each one (1) share of PEI Stock ("PEI EXCHANGE RATIO"), as set forth on Exhibit A (the "PEI EXCHANGE"). No fractional shares shall be issued and in the event that the conversion results in a fraction, the number of Accessity Exchange Shares to be issued shall be rounded up to the nearest whole number.

2.2 CANCELLATION AND REPLACEMENT OF PEI WARRANTS. Subject to the terms and conditions of this Agreement, each PEI Warrantholder hereby agrees that the PEI Warrants which such PEI Warrantholder has to acquire shares of common stock of PEI shall be cancelled on and as of the Closing Date in consideration for the issuance by Accessity to such PEI Warrantholder of warrants to acquire the same number of shares of Accessity Common Stock at the same exercise price and on the same terms and conditions as provided for in the PEI Warrants of such PEI Warrantholder (the "ACCESSITY REPLACEMENT WARRANTS").

2.3 EXCHANGE OF KINERGY INTERESTS. Subject to the terms and conditions of this Agreement, each Kinergy Member hereby agrees to assign, transfer and deliver to Accessity the Kinergy Interests owned by each of the Kinergy Members free and clear of all Liens and any other adverse interests of any kind or nature whatsoever, and Accessity hereby agrees to accept delivery of the Kinergy Interests from each of the Kinergy Members. In consideration for the assignment and transfer of the Kinergy Interests to Accessity by the Kinergy Members, Accessity shall issue 1,875,000 Accessity Exchange Shares to Neil Koehler, the sole Kinergy Member, for 100% of the Kinergy Interests ("KINERGY EXCHANGE RATIO"), as set forth on EXHIBIT A (the "KINERGY EXCHANGE"). No fractional shares shall be issued and in the event that the conversion results in a

fraction, the number of Accessity Exchange Shares to be issued shall be rounded up to the nearest whole number.

2.4 EXCHANGE OF REENERGY INTERESTS. Subject to the terms and conditions of this Agreement, each Reenergy Member hereby agrees to assign, transfer and deliver to Accessity the Reenergy Interests owned by each of the Reenergy Members free and clear of all liens, claims, encumbrances, pledges, options, security interests and any other adverse interests of any kind or nature whatsoever, and Accessity hereby agrees to accept delivery of the Reenergy Interests from each of the Reenergy Members. In consideration for the assignment and transfer of the Reenergy Interests to Accessity by the Reenergy Members, Accessity shall issue to each of the Reenergy Members 21,250 Accessity Exchange Shares for each one percent (1%) of Reenergy Interests ("REENERGY EXCHANGE RATIO"), as set forth on EXHIBIT A (the "REENERGY EXCHANGE"). No fractional shares shall be issued and in the event that the conversion results in a fraction, the number of Accessity Exchange Shares to be issued shall be rounded up to the nearest whole number.

2.5 SHARE EXCHANGE. The parties intend to adopt this Agreement and consummate the Share Exchange as part of a unified plan for the exchange of stock that is qualified for non-recognition treatment under Section 351 of the Code. The Accessity Exchange Shares issued in the PEI Exchange will be issued solely in exchange for shares of PEI Stock, the Accessity Exchange Shares issued in the Kinergy Exchange will be issued solely in exchange for the Kinergy Interests, and the Accessity Exchange Shares issued in the Reenergy Exchange will be issued solely in exchange for the Reenergy Interests, and no other transaction other than the Share Exchange represents, provides for or is intended to be an adjustment to the consideration given for the PEI Stock, the Kinergy Interests and the Reenergy Interests. No consideration that could constitute "OTHER PROPERTY OR MONEY" within the meaning of Section 351(b) of the Code is being transferred by Accessity for the PEI Stock, the Kinergy Interests or the Reenergy Interests. The parties shall not take a position on any tax return inconsistent with this Section 2.5. In addition, the parties represent that, as of the Closing Date and after giving effect to the transactions contemplated by this Agreement, the Owners of the Acquired Companies shall be "IN CONTROL" of Accessity within the meaning of Section 351(a) of the Code.

ARTICLE III
CLOSING

3.1 CLOSING. The closing (the "CLOSING") of the transactions contemplated by this Agreement will be held at 10:00 a.m. at the offices of Rutan & Tucker, LLP, 611 Anton Boulevard, Suite 1400, Costa Mesa, California 92626, on such date as the parties hereto shall mutually agree upon, or at such other time, date or location as the parties hereto may mutually agree upon (the "Closing Date").

3.2 DELIVERIES BY ACCESSITY. At the Closing, Accessity shall deliver:

(a) to each PEI Shareholder, a stock certificate evidencing his or her ownership of the number of Accessity Exchange Shares set forth opposite his or her name as set forth on EXHIBIT B; to each PEI Warrantholder, an Accessity Replacement Warrant evidencing such PEI Warrantholder's right to acquire the number of shares of Accessity Common Stock set forth opposite his or her name as set forth on EXHIBIT B and otherwise providing for the same terms and conditions as provided for in the PEI Warrants of such PEI Warrantholder; to each Kinergy Member, a stock certificate evidencing his or her ownership of the number of Accessity Exchange Shares set forth opposite his or her name as set forth on EXHIBIT C; and to each Reenergy Member, a stock certificate evidencing his or her ownership of the number of Accessity Exchange Shares set forth opposite his or her name as set forth on EXHIBIT D;

(b) a copy of the Articles of Incorporation and Bylaws of Accessity, each as amended to date, and the resolutions adopted by the Board of Directors of Accessity approving, authorizing and directing the execution of this Agreement and the transactions contemplated thereby, each certified by the Secretary of Accessity as being in full force and effect on and as of the Closing Date;

(c) a certificate of the Secretary of State of Delaware to the effect that Accessity is a validly existing corporation in good standing under the laws of the State of Delaware and a certificate from the Secretary of State of each other state in which the character of its properties owned or leased or the nature of its activities requires qualification as a foreign corporation doing business in such state to the effect that Accessity (as a New York corporation) is a foreign corporation in good standing under the laws of such state;

(d) the written resignations of each of Barry Siegel, Barry J. Spiegel, Kenneth J. Friedman and Bruce S. Udell as directors of Accessity dated as of the Closing Date, in form and substance reasonably acceptable to each of

PEI, Kinergy and Reenergy; provided, that one current director may temporarily remain for the sole purpose of confirming said resignations and appointing one individual designated by Accessity as a Class II director (thereby holding such board seat until the annual meeting of Accessity shareholders to be held in the fourth calendar quarter of 2005) pursuant to a unanimous written consent of such remaining sole director, in form and substance reasonably acceptable to PEI, Kinergy and Reenergy, to be delivered by Accessity at the Closing; and the written resignation of such remaining sole director dated as of the Closing Date effective immediately after the effectiveness of such appointment, in form and substance reasonably acceptable to each of PEI, Kinergy and Reenergy;

(e) a certificate of the president or chief executive officer of Accessity certifying that the representations and warranties by Accessity set forth in this Agreement and in any certificate or document delivered pursuant to the provisions of this Agreement are true and accurate, on and as of the Closing Date, and that Accessity has performed and complied in all material respects with all agreements, obligations and conditions required by this Agreement to be performed or complied with by it on or prior to the Closing Date.

(f) the written resignation of each executive of Accessity who has entered into an employment agreement with Accessity (including, without limitation, a confirmation of the voluntary termination by such individual of his or her existing employment agreement with Accessity), including but not limited to Barry Siegel and Philip Kart, dated as of the Closing Date, in form and substance reasonably acceptable to each of PEI, Kinergy and Reenergy.

(g) an opinion of legal counsel to Accessity to the effect that: (i) Accessity is a corporation duly incorporated, validly existing and in good standing under the laws of New York and is duly qualified as a foreign corporation in each state in which the character of its properties owned or leased or the nature of its activities requires qualification as a foreign corporation doing business in such state, except where the failure to be so qualified would not have a material adverse effect on Accessity; (ii) this Agreement and each related agreement to which Accessity is a party has been duly authorized, executed and delivered by Accessity and each of this Agreement and each such related agreement constitutes the valid and binding obligation of Accessity enforceable against Accessity in accordance with its terms, except (x) as the same may be limited by bankruptcy, insolvency, reorganization, moratorium or similar laws now or hereafter in effect relating to creditors' rights generally and (y) that the remedy of specific performance and injunctive and other forms of equitable relief may be subject to equitable defenses and to the discretion of the court before which any proceeding therefor may be brought; (iii) Accessity, through its Board of Directors and shareholders, has taken all corporate action necessary for the approval of the execution, delivery and performance of this Agreement by Accessity; (iv) the Accessity Exchange Shares when issued to the Owners in exchange for the PEI Stock, Kinergy Interests and Reenergy Interests, will be duly and validly issued, fully paid and nonassessable; (v) except as otherwise disclosed in any Accessity SEC Documents (as defined below), to the knowledge of such legal counsel, there are no pending or threatened claims or litigation against Accessity; and (vi) neither the execution of this Agreement, nor the consummation of the Share Exchange and the other transactions contemplated hereby or any announcement of the execution of this Agreement or the consummation of the Share Exchange and the other transactions contemplated hereby constitutes or shall constitute a "Triggering Event" or a "Business Combination" as such terms are defined and used in that certain Rights Agreement dated as of December 28, 1998, between Accessity (formerly First Priority Group, Inc.) and North American Transfer Co., as Rights Agent.

(h) an original stock certificate evidencing the ownership by GV Capital Corp. of 150,000 shares of common stock of Accessity, together with a letter from Larry Kaplan confirming that issuance of such shares to GV Capital Corp. shall constitute full payment of a finder's fee for introducing Accessity to PEI and the other Acquired Companies;

(i) evidence, in form and substance reasonably acceptable to each of PEI, Kinergy and Reenergy, that each of the conditions precedent set forth in ARTICLE XIII below have been satisfied; and

(j) any and all consents, approvals, notices, filings or recordations of third parties required with respect to the execution and delivery of this Agreement or the transactions contemplated hereby or by any of the agreements, documents or instruments referred to herein.

3.3 DELIVERIES BY ACQUIRED COMPANIES AND OWNERS.

(a) PEI. At the Closing, PEI and the PEI Shareholders and PEI Warrantholders shall deliver to Accessity:

(i) the original PEI Warrants and the original stock

certificates representing the PEI Stock, accompanied by stock powers separate from such stock certificates duly executed in blank by the PEI Shareholders evidencing the transfer of PEI Stock to Accessity and, for each married PEI Shareholder that is a resident of California or a resident of any other community property state, a Consent of Spouse in the form attached hereto duly executed by the spouse of such PEI Shareholder;

(ii) any and all consents, approvals, notices, filings or recordations of third parties required with respect to the execution and delivery of this Agreement or the transactions contemplated hereby or by any of the agreements, documents or instruments referred to herein;

(iii) evidence, in form and substance reasonably satisfactory to Accessity, that any and all shareholder agreements or similar agreements to which PEI and the PEI Shareholders, or any of them, are a party or to which they or any of them may be subject have been duly terminated;

(iv) a certificate of the president or chief executive officer of PEI certifying that the representations and warranties by PEI set forth in this Agreement and in any certificate or document delivered pursuant to the provisions of this Agreement are true and accurate, on and as of the Closing Date, and that PEI has performed and complied in all material respects with all agreements, obligations and conditions required by this Agreement to be performed or complied with by it on or prior to the Closing Date;

(v) a copy of the Articles of Incorporation and Bylaws of PEI, each as amended to date, and the resolutions adopted by the Board of Directors of PEI approving, authorizing and directing the execution of this Agreement and the transactions contemplated thereby, each certified by the Secretary of PEI as being in full force and effect on and as of the Closing Date;

(vi) a certificate of the Secretary of State of California to the effect that PEI is a validly existing corporation in good standing under the laws of the State of California and a certificate from the Secretary of State of each other state in which the character of its properties owned or leased or the nature of its activities requires qualification as a foreign corporation doing business in such state to the effect that PEI is a foreign corporation in good standing under the laws of such state; and

(vii) an opinion of legal counsel to PEI to the effect that: (i) PEI is a corporation duly incorporated, validly existing and in good standing under the laws of California and is duly qualified as a foreign corporation in each state in which the character of its properties owned or leased or the nature of its activities requires qualification as a foreign corporation doing business in such state, except where the failure to be so qualified would not have a material adverse effect on PEI; (ii) this Agreement and each related agreement to which PEI is a party has been duly authorized, executed and delivered by PEI and each of this Agreement and each such related agreement constitutes the valid and binding obligation of PEI enforceable against PEI in accordance with its terms, except (x) as the same may be limited by bankruptcy, insolvency, reorganization, moratorium or similar laws now or hereafter in effect relating to creditors' rights generally and (y) that the

remedy of specific performance and injunctive and other forms of equitable relief may be subject to equitable defenses and to the discretion of the court before which any proceeding therefor may be brought; and (iii) PEI, through its Board of Directors and shareholders, has taken all corporate action necessary for the approval of the execution, delivery and performance of this Agreement by PEI.

(b) KINERGY. At the Closing, Kinergy and the Kinergy Members shall deliver to Accessity:

(i) original certificates, if any have been issued, representing the Kinergy Interests, accompanied by assignments of interest duly executed in blank by the Kinergy Members evidencing the transfer of the Kinergy Interests to Accessity and, for each married Kinergy Member that is a resident of California or a resident of any other community property state, a Consent of Spouse in the form attached hereto as EXHIBIT E, duly executed by the spouse of such Kinergy Member;

(ii) any and all consents, approvals, notices, filings or recordations of third parties required with respect to the execution and delivery of this Agreement or the transactions contemplated hereby or by any of the agreements, documents or instruments referred to herein;

(iii) evidence, in form and substance reasonably satisfactory to Accessity, that any and all member agreements or similar

agreements to which Kinergy and the Kinergy Members, or any of them, are a party or to which they or any of them may be subject have been duly terminated;

(iv) a certificate of the Managers or Managing Members of Kinergy certifying that the representations and warranties by Kinergy set forth in this Agreement and in any certificate or document delivered pursuant to the provisions of this Agreement are true and accurate, on and as of the Closing Date, and that Kinergy has performed and complied in all material respects with all agreements, obligations and conditions required by this Agreement to be performed or complied with by it on or prior to the Closing Date;

(v) a copy of the Articles of Organization and Operating Agreement of Kinergy, each as amended to date, and the resolutions adopted by the Managers or Managing Members of Kinergy and the Kinergy Members approving, authorizing and directing the execution of this Agreement and the transactions contemplated thereby, each certified by the Managers or Managing Members of Kinergy as being in full force and effect on and as of the Closing Date;

(vi) a certificate of the Secretary of State of Oregon to the effect that Kinergy is a validly existing limited liability company in good standing under the laws of the State of Oregon and a certificate from the Secretary of State of each other state in which the character of its properties owned or leased or the nature of its activities requires qualification as a foreign limited liability company doing business in such state to the effect that Kinergy is a foreign limited liability company in good standing under the laws of such state; and

(vii) an opinion of legal counsel to Kinergy to the effect that: (i) Kinergy is a limited liability company duly organized, validly existing and in good standing under the laws of California and is duly qualified as a foreign limited liability company in each state in which the character of its properties owned or leased or the nature of its activities requires qualification as a foreign limited liability company doing business in such state, except where the failure to be so qualified would not have a material adverse effect on Kinergy; (ii) this Agreement and each related agreement to

which Kinergy is a party has been duly authorized, executed and delivered by Kinergy and each of this Agreement and each such related agreement constitutes the valid and binding obligation of Kinergy enforceable against Kinergy in accordance with its terms, except (x) as the same may be limited by bankruptcy, insolvency, reorganization, moratorium or similar laws now or hereafter in effect relating to creditors' rights generally and (y) that the remedy of specific performance and injunctive and other forms of equitable relief may be subject to equitable defenses and to the discretion of the court before which any proceeding therefor may be brought; and (iii) Kinergy, through its Managers or Managing Members and the Kinergy Members, has taken all limited liability company action necessary for the approval of the execution, delivery and performance of this Agreement by Kinergy.

(c) REENERGY. At the Closing, Reenergy and the Reenergy Members shall deliver to Accessity:

(i) original certificates, if any have been issued, representing the Reenergy Interests, accompanied by assignments of interest duly executed in blank by the Reenergy Members evidencing the transfer of the Reenergy Interests to Accessity and, for each married Reenergy Member that is a resident of California or a resident of any other community property state, a Consent of Spouse in the form attached hereto as EXHIBIT E duly executed by the spouse of such Reenergy Member;

(ii) any and all consents, approvals, notices, filings or recordations of third parties required with respect to the execution and delivery of this Agreement or the transactions contemplated hereby or by any of the agreements, documents or instruments referred to herein;

(iii) evidence, in form and substance reasonably satisfactory to Accessity, that any and all member agreements or similar agreements to which Reenergy and the Reenergy Members, or any of them, are a party or to which they or any of them may be subject have been duly terminated;

(iv) a certificate of the Managers or Managing Members of Reenergy certifying that the representations and warranties by Reenergy set forth in this Agreement and in any certificate or document delivered pursuant to the provisions of this Agreement are true and accurate, on and as of the Closing Date, and that Reenergy has performed and complied in all material respects with all agreements, obligations and conditions required by this Agreement to be performed or complied with by it on or prior to the Closing Date;

(v) a copy of the Articles of Organization and Operating Agreement of Reenergy, each as amended to date, and the resolutions adopted by the Managers or Managing Members of Reenergy and the Reenergy Members approving, authorizing and directing the execution of this Agreement and the transactions contemplated thereby, each certified by the Managers or Managing Members of Reenergy as being in full force and effect on and as of the Closing Date;

(vi) a certificate of the Secretary of State of California to the effect that Reenergy is a validly existing limited liability company in good standing under the laws of the State of California and a certificate from the Secretary of State of each other state in which the character of its properties owned or leased or the nature of its activities requires qualification as a foreign limited liability company doing business in such state to the effect that Reenergy is a foreign limited liability company in good standing under the laws of such state; and

(vii) an opinion of legal counsel to Reenergy to the effect that: (i) Reenergy is a limited liability company duly organized, validly existing and in good standing under the laws of Oregon and is duly qualified as a foreign limited liability company in each state in which the character of its properties owned or leased or the nature of its activities requires qualification as a foreign limited liability company doing business in such state, except where the failure to be so qualified would not have a material adverse effect on Reenergy; (ii) this Agreement and each related agreement to which Reenergy is a party has been duly authorized, executed and delivered by Reenergy and each of this Agreement and each such related agreement constitutes the valid and binding obligation of Reenergy enforceable against Reenergy in accordance with its terms, except x) as the same may be limited by bankruptcy, insolvency, reorganization, moratorium or similar laws now or hereafter in effect relating to creditors' rights generally and (y) that the remedy of specific performance and injunctive and other forms of equitable relief may be subject to equitable defenses and to the discretion of the court before which any proceeding therefor may be brought; and (iii) Reenergy, through its Managers or Managing Members and the Reenergy Members, has taken all limited liability company action necessary for the approval of the execution, delivery and performance of this Agreement by Reenergy.

3.4 FURTHER ASSURANCES. From time to time after the Closing, and without further consideration, each of the Acquired Companies and Owners shall execute and deliver such other instruments of conveyance, assignment, transfer and delivery, and take such other actions as Accessity may reasonably request in order to more effectively transfer to Accessity, and to place Accessity in possession or control of, the Acquired Companies and to reasonably assist in the collection of any and all such rights, properties and assets, and to enable Accessity to exercise and enjoy all of the rights and benefits with respect thereto.

ARTICLE IV
REPRESENTATIONS AND WARRANTIES OF PEI

PEI hereby represents and warrants to Accessity that the following representations and warranties are true and correct on and as of the date hereof:

4.1 ORGANIZATION AND GOOD STANDING. PEI is a corporation duly organized, validly existing and in good standing under the laws of the State of California, has the power and authority to own, operate and lease its properties and to carry on its business as now conducted, and is duly qualified to do business and is in good standing in each jurisdiction where the character of its properties owned or leased or the nature of its activities make such qualification necessary (each such jurisdiction being listed on SCHEDULE 4.1), except where the failure to be so qualified would not have a material adverse effect on PEI.

4.2 CAPITALIZATION. The authorized capital stock of PEI consists solely of 20,000,000 shares of common stock, without par value, and 30,000,000 shares of Preferred Stock, without par value. There are no shares of Preferred Stock issued and outstanding as of the date of this Agreement. A total of 12,252,200

shares of PEI Stock are issued and outstanding as of the date of this Agreement, all of which are held of record and owned by the PEI Shareholders as set forth in EXHIBIT B. No equity securities of PEI are issued and outstanding as of the date of this Agreement other than the shares of PEI Stock set forth on EXHIBIT B. EXHIBIT B sets forth the number of shares of PEI Stock that are held by each PEI Shareholder as of the date of this Agreement. All issued and outstanding shares of PEI Stock have been duly authorized and validly issued, are fully paid and nonassessable, are not subject to any right of rescission and have been

offered, issued, sold and delivered by PEI in compliance with all requirements of applicable laws.

4.3 POWER AND AUTHORITY. PEI has full power and authority to enter into this Agreement, to perform its obligations hereunder and to carry out the transactions contemplated hereby. The execution and delivery of this Agreement, the performance by PEI of its obligations hereunder and the consummation of the transactions contemplated hereby have been duly authorized by all corporate, shareholder and other actions on the part of PEI required by applicable law, PEI's Articles of Incorporation or its Bylaws. This Agreement constitutes the legal, valid and binding obligation of PEI, enforceable against it in accordance with its terms.

4.4 OPTIONS/RIGHTS. Except as set forth in EXHIBIT B or in SCHEDULE 4.4, there are no (i) stock appreciation rights, options, warrants, calls, rights, commitments, conversion privileges or preemptive or other rights or agreements outstanding to purchase or otherwise acquire any shares of PEI, specifically including the PEI Stock (collectively, "PEI CAPITAL STOCK"), (ii) securities or debt convertible into or exchangeable for PEI Capital Stock or obligating PEI to grant, extend or enter into any such option, warrant, call, commitment, conversion privileges or preemptive or other right or agreement, or (iii) voting agreements, registration rights, rights of first refusal, preemptive rights, co-sale rights, or other restrictions applicable to any outstanding securities of PEI.

4.5 SUBSIDIARIES. Except as set forth in SCHEDULE 4.5, PEI does not have any subsidiaries or any equity interest, direct or indirect, in, or loans to, any corporation, partnership, joint venture, limited liability company or other business entity.

4.6 NO VIOLATION. Neither the execution and delivery of this Agreement nor the performance by PEI of its obligations hereunder nor the consummation of the transactions contemplated hereby will (a) contravene any provision of the Articles of Incorporation or Bylaws of PEI; (b) violate, be in conflict with, constitute a default under, permit the termination of, cause the acceleration of the maturity of any debt or obligation of PEI under, require (except as disclosed on SCHEDULE 4.6 hereto) the consent of any other party to, constitute a breach of, create a loss of a material benefit under, or result in the creation or imposition of any Lien, upon any property or assets of PEI under, any mortgage, indenture, lease, contract, agreement, instrument or commitment to which PEI is a party or by which it or he or any of its or his respective assets or properties may be bound; (c) to the knowledge of PEI, violate any statute or law or any judgment, decree, order, regulation or rule of any court or Governmental Body to which PEI or the PEI Business is subject or by which PEI, any of its assets or properties are bound; or (d) result in the loss of any license, privilege or certificate benefiting PEI or the PEI Business.

4.7 CONSENTS AND APPROVALS. Except as set forth on SCHEDULE 4.7 hereto, no consent, approval or authorization of, or declaration, filing or registration with, any governmental or regulatory authority or any other third party is required to be made or obtained by PEI in connection with the execution, delivery or performance of this Agreement.

4.8 LITIGATION. There are no Actions to which PEI is a party, including, without limitation, Actions for personal injury, products liability, wrongful death or other tortious conduct, or breach of warranty arising from or relating to materials, commodities, products or goods used, transferred, processed, manufactured, sold, distributed or shipped by PEI (a) involving or relating to PEI or any of its assets, properties or rights, or (b) pending, or, to PEI's knowledge, threatened, against PEI, or any of their respective assets, properties or rights, before any court, arbitrator or administrative or Governmental Body which, if adversely resolved, would have a material adverse effect on the PEI Business.

4.9 PEI FINANCIAL STATEMENTS. PEI has previously delivered to Accessity the unaudited balance sheet of PEI as of December 31, 2003 and the related statements of income and changes in financial position or cash flows, as appropriate, for the period then ended (the "UNAUDITED 2003 PEI FINANCIAL STATEMENTS"), together with an unaudited balance sheet of PEI as of March 31, 2004 and the related statements of income and changes in financial position or cash flows, as appropriate, for the period then ended and, subsequent to the date hereof, PEI will deliver to Accessity the audited balance sheet of PEI as of December 31, 2003 and the related statements of income and changes in financial position or cash flows, as appropriate, for the period then ended (the "AUDITED 2003 PEI FINANCIAL STATEMENTS") (all such financial statements, excluding, upon delivery to Accessity of the Audited 2003 PEI Financial Statements, the Unaudited 2003 PEI Financial Statements, are hereinafter collectively referred to as the "PEI FINANCIAL STATEMENTS"). The PEI Financial Statements, together with the notes thereto, (i) were compiled from the books and records of PEI regularly maintained by management and used to prepare the financial statements of PEI, (ii) were prepared in accordance with GAAP consistently applied throughout the period then ended and all periods prior to

that period; and (iii) present fairly and accurately the financial condition of PEI for the period or as of the dates thereof, subject, where appropriate, to normal year-end audit adjustments, in each case in accordance with GAAP consistently applied during the period covered.

4.10 NO UNDISCLOSED LIABILITIES. PEI has, and on the Closing Date will have, no Liabilities other than those which (a) are fully reflected reserved against in the PEI Financial Statements, (b) have been incurred since March 31, 2004 in the ordinary course of business in amounts and for terms consistent, individually and in the aggregate, with the past practice of PEI or (c) have been specifically disclosed in the Schedules hereto by reference to the specific section of this Agreement to which such disclosure relates.

4.11 TAXES AND TAX RETURNS. All of the tax returns and reports of PEI required by applicable law to be filed prior to the date hereof have been duly filed and all taxes shown as due thereon have been paid. There are in effect no waivers of the applicable statutes of limitations for any federal, state, local or foreign taxes for any period. No liability for any federal, state, local or foreign income, sales, use, withholding, payroll, franchise, real property or personal property taxes is pending, and there is no proposed liability for any such taxes to be imposed upon the properties or assets of PEI. PEI does not have any liability for any federal, state, local or foreign income, sales, use, withholding, payroll, franchise, real property or personal property taxes, assessments, amounts, interest or penalties of any nature whatsoever other than

as shown on the March 31, 2004 PEI Financial Statements and there is no basis for any additional claim or assessment other than with respect to liabilities for taxes which may have accrued since the date of the March 31, 2004 PEI Financial Statements in the ordinary course of business and reserved against on the books and records of PEI compiled in accordance with generally accepted accounting principles which have been consistently applied to the Closing Date. The provisions for taxes reflected in the March 31, 2004 PEI Financial Statements are adequate for federal, state, county and local taxes for the period ended on December 31, 2003 and for all prior periods, whether disputed or undisputed. There are no present disputes about taxes of any nature payable by PEI. PEI has never filed, and will not file on or before the Closing Date, any consent under section 341(f) of the Code. PEI's tax returns have never been audited by any taxation authority.

4.12 ABSENCE OF CERTAIN CHANGES. Except as set forth on SCHEDULE 4.12, since December 31, 2003, PEI has conducted the PEI Business only in the ordinary course and consistent with prior practices and has not:

(a) suffered any material adverse change in its condition (financial or otherwise), results of operations, assets, liabilities, reserves, the PEI Business, or operations;

(b) suffered any damage, destruction or loss, whether covered by insurance or not, materially adversely affecting the PEI Business, operations, assets, or condition (financial or otherwise);

(c) paid, discharged or satisfied any Liability or other expenses, other than the payment, discharge or satisfaction of the Liabilities described in SECTION 4.10 at the time the same were due and payable and in the ordinary course of business;

(d) paid or otherwise made any contribution to any profit-sharing or pension plan or other Employee Benefit Plan (as defined in SECTION 4.17 below);

(e) mortgaged or pledged, or permitted the imposition of any Lien upon, any of its properties or assets (real, personal or mixed, tangible or intangible), other than those incurred in the ordinary course of business or otherwise listed on SCHEDULE 4.12 hereto;

(f) cancelled or compromised any debts, or waived or permitted to lapse any material claims or rights, or sold, assigned, transferred or otherwise disposed of, other than in the ordinary course, any of its properties or assets (real, personal or mixed, tangible or intangible);

(g) disposed of or permitted to lapse any rights to the use of any patent, registered trademark, service mark, trade name or copyright, or disposed of or disclosed to any person any trade secret, formula, process or know-how material to the PEI Business not theretofore a matter of public knowledge;

(h) except as disclosed on SCHEDULE 4.12, granted any increase in the compensation of any officer, employee or consultant of PEI (including any such increase pursuant to any bonus, pension, profit-sharing or other plan or commitment) or any increase in the compensation payable or to become payable to any officer, employee or consultant;

(i) other than commitments, transactions and expenditures in connection with engineering work and other preliminary site work at the site of the ethanol plant currently being developed by PEI, the anticipated expenditures for which are set forth on SCHEDULE 4.12, and commitments, transactions and expenditures in connection with the repair of the grain facility of PEI located in Madera, California due to the fire that occurred at such facility in the

first quarter of 2004, the expenditures for which are anticipated to be reimbursed under applicable insurance coverage, entered into any commitment or transaction not in the ordinary course of business or made any capital expenditure or commitment for any additions to property, plant or equipment, except commitments, transactions or capital expenditures which do not in any single case exceed $25,000 or in the aggregate exceed $50,000;

(j) made any change in any method of accounting or accounting practice (including, without limitation, any change in depreciation or amortization policies or rates);

(k) paid, loaned or advanced any amount to, or sold, transferred or leased any properties or assets (real, personal or mixed, tangible or intangible) to, or entered into any agreement or arrangement with, any of its officers, directors, employees, shareholders, or any family member or Affiliate of any of its officers, directors, employees or shareholders, or any officer, director, employee or shareholder of any such Affiliate;

(l) declared, set aside, paid or made any dividend or other distribution or payment in respect of the capital stock of PEI, or any direct or indirect redemption, purchase or other acquisition of any of its shares of capital stock;

(m) knowingly waived or released any right or claim of PEI;

(n) received a commencement notice or, to the knowledge of PEI, received any threat of commencement, of any civil or criminal litigation, investigation or proceeding against PEI;

(o) experienced any labor trouble or, to the knowledge of PEI, received any claim of wrongful discharge or worker's compensation claim;

(p) agreed, whether in writing or otherwise, to take any action referred to in and prohibited by this SECTION 4.12; or

(q) become aware of any other event or condition that has had or would reasonably be expected to have a material adverse effect on the condition (financial or otherwise), results of operations, assets, liabilities, reserves, the PEI Business, the PEI Intellectual Property (as defined below) or the operations of PEI.

4.13 TITLE TO PROPERTIES; ENCUMBRANCES.

(a) PEI has good and marketable title to all of its properties and assets (real, personal or mixed, tangible or intangible), including without limitation the PEI Intellectual Property. None of PEI's properties or assets is subject to any Lien, except Permitted Liens (including the Liens set forth on SCHEDULE 4.13), none of which adversely affects the PEI Business or the continued operations of PEI.

(b) All material property and assets (real, personal or mixed, tangible or intangible) used or required by PEI in the conduct of the PEI Business are fully owned by PEI (except to the extent of any Permitted Liens). All such property and assets, or the leases or licenses thereof, constitute all property, assets and contractual rights necessary for the conduct of the PEI Business as presently conducted.

4.14 LEASES.

(a) SCHEDULE 4.14 contains a true and complete list of:

(i) all leases pursuant to which PEI leases or subleases any real property interests, whether as lessor, lessee, sublessor or sublessee;

(ii) all leases pursuant to which PEI leases any type of personal property;

(iii) all leases pursuant to which PEI leases any vehicles or related equipment; and

(iv) all leases pursuant to which PEI leases to others any type of property.

(b) Each such lease described on SCHEDULE 4.14 is the legal, valid and binding obligation of PEI and, to the knowledge of PEI, the other parties thereto, enforceable in accordance with their respective terms, and is in full force and effect. PEI is not in default under any such lease, and PEI has not received any notice from any person or entity asserting that PEI is in default under any such lease, and no events or circumstances exist which, with notice or the passage of time or both, would constitute a default under any such lease.

4.15 INTELLECTUAL PROPERTY. PEI owns all right, title and interest in, or has the right to use, sell or license all patent applications, patents, trademark applications, trademarks, service marks, trade names, copyright applications, copyrights, trade secrets, know-how, technology, customer lists, proprietary processes and formulae, all source and object code, algorithms, inventions, development tools and all documentation and media constituting, describing or relating to the above, including, without limitation, manuals, memoranda and records and other intellectual property and proprietary rights used in or reasonably necessary or required for the conduct of its respective business as presently conducted (collectively, the "PEI INTELLECTUAL PROPERTY").

4.16 COMPLIANCE WITH LAWS. PEI has not been charged with, and, to PEI's knowledge, PEI is not threatened with or under any investigation with respect to, any charge concerning any violation of any provision of any federal, state, local or foreign law, regulation, ordinance, order or administrative ruling affecting the PEI Business or PEI, and PEI is not in default with respect to any order, writ, injunction or decree of any court, agency or instrumentality affecting the PEI Business or PEI. To PEI's knowledge, PEI is not in violation of any federal, state, local or foreign law, ordinance or regulation or any other requirement of any Governmental Body or regulatory body, court or arbitrator applicable to the PEI Business or PEI which would have a material adverse effect on PEI or the PEI Business. Without limiting the generality of the foregoing, PEI is in compliance in all material respects with all Occupational Safety and Health Laws, including those rules and regulations promulgated by OSHA, except where such non-compliance would not have a material adverse effect on PEI or the PEI Business.

4.17 EMPLOYEE BENEFIT PLANS.

(a) SCHEDULE 4.17 contains a true and complete list and description of each pension, retirement, severance, welfare, profit-sharing, stock purchase, stock option, vacation, deferred compensation, bonus or other incentive plan, or other employee benefit program, arrangement, agreement or understanding, or medical, vision, dental or other health plan, or life insurance or disability plan, retiree medical or life insurance plan or any other employee benefit plans, including, without limitation, any "EMPLOYEE BENEFIT PLAN" (as defined in Section 3(3) of ERISA), to which PEI contributes or is a party or by which it is bound or under which it may have liability and under which employees or former employees of PEI (or their beneficiaries) are eligible to participate or derive a benefit. Each employee benefit plan which is a "GROUP HEALTH PLAN" (as such term is defined in Section 5000(b)(i) of the Code) satisfies the applicable requirements of Section 4980B of the Code. Except as described on SCHEDULE 4.17, PEI has no formal plan or commitment, whether legally binding or not, to create any additional plan, practice or agreement or modify or change any existing plan, practice or agreement that would affect any of its employees or terminated employees. Benefits under all employee benefit plans are as represented and have not been and will not be increased subsequent to the date copies of such plans have been provided.

(b) PEI does not contribute to or have any obligation to contribute to, has not at any time contributed to or had an obligation to contribute to, sponsor or maintain, and has not at any time sponsored or maintained, a "MULTI-EMPLOYER PLAN" (within the meaning of Section 3(37) of ERISA) for the benefit of employees or former employees of PEI.

(c) PEI has, in all material respects, performed all obligations, whether arising by operation of law, contract, or past custom, required to be performed under or in connection with the employee benefit plans disclosed on SCHEDULE 4.17 (individually, a "PEI EMPLOYEE BENEFIT PLAN" and, collectively, the "PEI EMPLOYEES BENEFIT PLANS"), and PEI has no knowledge of any default or violation by any other party with respect thereto.

(d) There are no Actions, suits or claims (other than routine claims for benefits) pending, or, to PEI's knowledge, threatened, against any PEI Employee Benefit Plan or against the assets funding any PEI Employee Benefit Plan.

(e) PEI neither maintains nor contributes to any "EMPLOYEE WELFARE BENEFIT" (as such term is defined in Section 3(i) of ERISA) plan which

provides any benefits to retirees or former employees of PEI.

4.18 EMPLOYMENT LAW MATTERS.

(a) PEI (i) is in material compliance with all applicable laws respecting employment, employment practices, terms and conditions of employment and wages and hours; (ii) is in material compliance with all applicable laws and regulations relating to the employment of aliens or similar immigration matters; and (iii) is not engaged in any unfair labor practice, including, but not limited to, discrimination or wrongful discharge.

(b) PEI has not at anytime had, nor to PEI's knowledge, is there now threatened, a strike, picket, work stoppage, work slowdown or other labor trouble, against or directly affecting PEI that had or would reasonably be expected to have a material adverse effect on the PEI Business or PEI.

(c) None of the employees of PEI is represented by a labor union, and no petition has been filed or proceedings instituted by any employee or group of employees with any labor relations board seeking recognition of a bargaining representative. PEI is not a party to any multi-employer collective bargaining agreement covering any of its employees.

(d) There are no controversies or disputes (including any union grievances or arbitration proceeding) pending, or, to PEI's knowledge, threatened, between PEI and any employees of PEI (or any union or other representative of such employees). No unfair labor practice complaints have been filed against PEI with the National Labor Relations Board or any other Governmental Body or administrative body, and PEI has not received any written notice or communication reflecting an intention or a threat to file any such complaint.

4.19 CONTRACTS AND COMMITMENTS.

(a) Together with the leases set forth on SCHEDULE 4.14, the insurance policies set forth on SCHEDULE 4.23, and the PEI Employee Benefit Plans and commitments set forth on SCHEDULE 4.17, SCHEDULE 4.19 contains a true and complete list and description (stated without duplication), of:

(i) all contracts (including, without limitation, letters of credit, and obligations for borrowed money) and commitments of PEI which are material to the operations, business, prospects or condition (financial or otherwise) of PEI;

(ii) all consulting agreements (whether written or oral), regardless of amounts or duration;

(iii) all material contracts or commitments (whether written or oral) with distributors, brokers, manufacturer's representatives, sales representatives, service or warranty representatives, customers and other persons, firms, corporations or other entities engaged in the sale, distribution, service or repair of PEI's products;

(iv) all contracts relating to construction-in-progress of capital assets; and

(v) all joint venture, licensing, profit sharing, royalty or similar agreements or arrangements to which PEI is a party in any way associated with the manufacture, marketing, sale or distribution of any products or provision of any services of PEI.

(b) PEI has delivered to Accessity true and complete copies of all of the documents identified on SCHEDULE 4.19 (collectively, the "PEI MATERIAL CONTRACTS") and shall deliver true and complete copies of all such other agreements, instruments and documents as Accessity may reasonably request relating to the operation, ownership or conduct of the PEI Business.

(c) PEI is not a party to any written agreement that would restrict it from carrying on the PEI Business anywhere in the world.

(d) PEI is not a party to any "TAKE-OR-PAY" contracts.

(e) Except as identified on SCHEDULE 4.19, PEI is not a party to any employment agreements, arrangements and commitments, including severance or termination arrangements and commitments (whether written or oral), between PEI and any employees of PEI.

(f) PEI is not, and to the knowledge of PEI and the PEI Majority Shareholders, no other party is, in default under or in breach or violation of, nor has PEI received notice of any asserted claim of default by

PEI or by any other party under, or a breach or violation of, any of the PEI Material Contracts.

4.20 NO BROKERS. Except as disclosed on SCHEDULE 4.20, PEI is not obligated for the payment of fees or expenses of any investment banker, broker or finder in connection with the origin, negotiation or execution of this Agreement in connection with any exchange of stock transaction provided for herein.

4.21 ENVIRONMENTAL MATTERS. PEI is in compliance in all material respects with all Environmental Laws. There is no Action pending before any court, Governmental Body or board or other forum or threatened by any person or entity (i) for noncompliance by PEI with any Environmental Law (ii) relating to the release into the environment by PEI of any pollutant, toxic or hazardous material or waste generated by PEI, whether or not occurring at or on a site owned, leased or operated by PEI. There has not been by PEI, nor to the knowledge of PEI has there been at all, any past, storage, disposal, generation, manufacture, refinement, transportation, production or treatment of any hazardous materials or substances at, upon or from the facilities occupied or used by PEI and any other real property presently or formerly owned by, used by or leased to or by PEI, any predecessor of PEI (collectively, the "PEI PROPERTY"). To the knowledge of PEI, neither PEI nor any properties owned or operated by PEI has been or is in violation or is otherwise liable under, any Environmental Law. To the knowledge of PEI, there are no asbestos-containing materials, underground storage tanks or polychlorinated biphenyls (PCBs) located on the PEI Property. To the knowledge of PEI, there has been no spill, discharge, leak, emission, injection, disposal, escape, dumping or release of any kind on, beneath or above the PEI Property or into the environment surrounding such PEI Property of any hazardous materials or substances in violation of any Environmental Law or requiring any remedial action. To the knowledge of PEI, PEI has all permits, registrations, approvals and licenses required by any Governmental Body under any Environmental Law to be obtained by PEI in connection with the conduct of the business of PEI as presently conducted.

4.22 BANK ACCOUNTS. SCHEDULE 4.22 sets forth the names and locations of all banks, trust companies, savings and loan associations, and other financial institutions at which PEI maintains accounts of any nature and the names of all persons authorized to draw thereon or make withdrawals therefrom.

4.23 INSURANCE. SCHEDULE 4.23 sets forth a true and complete list and description of (a) all of PEI's self-insurance practices and items covered by such self-insurance and (b) all policies of fire, liability, worker's compensation and other forms of insurance owned or held by PEI. No installment premiums are due under the policies set forth on SCHEDULE 4.23 or, if installment premiums shall be due and owing under such policies prior to the Closing Date, such premiums shall have been paid up-to-date prior to the Closing Date. All such policies are in full force and effect, insure against risks and liabilities to the extent and in the manner deemed appropriate and sufficient by

PEI in its reasonable business judgment, and, other than the receipt of a notice of nonrenewal of a general liability insurance policy expiring in June 2004 applicable to the grain facility of PEI located in Madera, California due to a fire that occurred at such facility in the first quarter of 2004, PEI has not received any notice of cancellation with respect thereto. To PEI's knowledge, PEI is not in default with respect to any provision contained in any such policy and has not failed to give any notice or present any claim under any such policy in a timely fashion.

4.24 SUPPLIERS AND CUSTOMERS. PEI does not have any knowledge that any supplier or customer or group of related suppliers or customers of PEI has canceled or otherwise terminated or threatened to cancel or otherwise terminate, its relationship with PEI, which termination would have a material adverse effect on the PEI Business or PEI, or that any such supplier or customer or group of related suppliers or customers expects to reduce its business with PEI by reason of the transactions contemplated by this Agreement or for any other reason whatsoever.

4.25 LICENSES, PERMITS AND AUTHORIZATIONS. PEI has all necessary Permits for the use and ownership or leasing of its properties and assets as currently operated, used, owned or leased (including, without limitation, the operation of a plant to product up to 40 million gallons of ethanol per year), except for such Permits as to which the lack thereof does not and would not have a material adverse effect on PEI or the PEI Business and except for certain non-discretionary grading, foundation and building Permits to be obtained by PEI in connection with the construction of an ethanol plant, as more particularly described on SCHEDULE 4.25. All of the Permits are valid, in full force and effect and in good standing. SCHEDULE 4.25 contains a true and complete list and description of all the Permits. There is no claim or Action pending, or, to PEI's knowledge, threatened, which disputes the validity of any such Permit or threatens to revoke, cancel, suspend or limit any such Permit.

4.26 ACCOUNTS RECEIVABLE. All accounts receivable of PEI shown on the PEI Financial Statements and all accounts receivable created after March 31, 2004, subject to reserves created in the ordinary course of business on a basis consistent with the past practices and policies of PEI and otherwise in accordance with generally accepted accounting principles, (a) have been collected or (b) to PEI's knowledge, are valid and enforceable, arose from bona-fide sales to third parties in the ordinary course of business, and are collectible at the aggregate recorded amounts thereof on the books of PEI.

4.27 CONDITION OF TANGIBLE ASSETS. Except as disclosed on SCHEDULE 4.12, PEI's facilities and tangible assets, including, without limitation, machinery, equipment, vehicles, furniture, plants and buildings, are in good operating condition and repair (ordinary wear and tear excepted) and are adequate for the uses to which they have been put by PEI in the ordinary course of business, except for parts or repairs of an immaterial nature in the aggregate, and PEI has not received any notice that any of such facilities or assets is in need of substantial maintenance or repair.

4.28 DISCLOSURE. No representation or warranty of PEI in this Agreement (including, without limitation, the Schedules of PEI hereto) contains or will contain any untrue statement of a material fact or omits or will omit to state any material fact necessary to make the statements herein or therein not misleading.

ARTICLE V
REPRESENTATIONS AND WARRANTIES OF THE PEI SHAREHOLDERS

Each of the PEI Shareholders, severally and not jointly, hereby represents and warrants to Accessity that the following representations and warranties are true and correct on and as of the date hereof:

5.1 POWER AND AUTHORITY. Such PEI Shareholder has full power and authority to enter into this Agreement, perform its respective obligations hereunder, and carry out the transactions contemplated hereby. This Agreement constitutes the legal, valid and binding obligation of such PEI Shareholder, enforceable against such PEI Shareholder in accordance with its terms.

5.2 NO VIOLATION. Neither the execution and delivery of this Agreement nor the performance by such PEI Shareholder of its respective obligations hereunder nor the consummation of the transactions contemplated hereby will violate, or be in conflict with, or constitute a default under, any mortgage, indenture, lease, or any agreement, instrument or commitment to which such PEI Shareholder is a party.

5.3 TITLE; CONSENTS AND APPROVALS; NO CLAIMS. Such PEI Shareholder is the owner, beneficially and of record, of its shares of PEI Stock, free and clear of all Liens. To such PEI Shareholder's knowledge, no consent, approval or authorization of, or declaration, filing or registration with, any governmental or regulatory authority or any other third party is required to be made or obtained by such PEI Shareholder in connection with the execution, delivery or performance of this Agreement. To such PEI Shareholder's knowledge, there is no claim, action, litigation, suit, cause of action or other proceeding pending or threatened before any federal, state or local court, governmental agency or regulatory body against such PEI Shareholder which seeks or may seek, directly or indirectly, (a) to invalidate or set aside, in whole or in part, this Agreement, (b) to restrain, prohibit, invalidate or set aside, in whole or in part, the consummation of the transactions contemplated hereby or (c) to obtain substantial damages in connection therewith.

5.4 SECURITIES LAW COMPLIANCE.

(a) Such PEI Shareholder has a net worth sufficient to bear the economic risk (including the entire loss) of its investment made in the Accessity Exchange Shares;

(b) Such PEI Shareholder is an "ACCREDITED INVESTOR," as such term is defined in Rule 501 of Regulation D promulgated under the rules and regulations of the Securities Act;

(c) Such PEI Shareholder has adequate means of providing for its current cash needs and personal contingencies and has no need for liquidity in this investment in the Accessity Exchange Shares and has no reason to anticipate any change in its personal circumstances, financial or otherwise, which may cause or require any sale or distribution by such PEI Shareholder or all or any part of the Accessity Exchange Shares acquired by it herein;

(d) by reason of such PEI Shareholder's business or financial experience or the business or financial experience of such PEI Shareholder's professional advisor(s) who are unaffiliated with and who are not compensated by Accessity or any affiliate or selling agent of Accessity, directly or

indirectly, such PEI Shareholder has the capacity to protect its own interests in connection with an investment in the Accessity Exchange Shares;

(e) Such PEI Shareholder understands that the he, she or it is acquiring Accessity Exchange Shares without being furnished any prospectus or offering circular, other than a copy of this Agreement, a copy of the Proxy Statement (as defined in SECTION 11.6 below) and a copy of the Owner Disclosure Document (as defined in SECTION 11.7 below);

(f) No representations or warranties have been made to such PEI Shareholder by Accessity or any employee or agent of Accessity and in entering into this Agreement, such PEI Shareholder is not relying on any information, other than as a result of the independent investigation of Accessity by such PEI Shareholder, and no guarantee of any profit or return on its investment made in the Accessity Exchange Shares has been made to such PEI Shareholder;

(g) In evaluating the merits and risk of this investment, such PEI Shareholder has relied on the advice of its personal tax advisor, investment advisor and/or legal counsel;

(h) Such PEI Shareholder is aware that the Accessity Exchange Shares have not been registered or qualified, nor is registration or qualification contemplated (except where such PEI Shareholder is a party to a Registration Rights Agreement with PEI, to the extent provided for therein), with the SEC under the Securities Act or any state securities law. Accordingly, the Accessity Exchange Shares may be sold or otherwise transferred or hypothecated only if they are subsequently registered or qualified under the Securities Act or applicable laws or if, in the opinion of counsel, an exemption from registration or qualification thereunder is available and the transaction will not jeopardize the availability of the exemptions under applicable federal and state securities laws relied upon by Accessity in connection with the offering in which such PEI Shareholder acquired its Accessity Exchange Shares;

(i) Such PEI Shareholder acknowledges that the Accessity Exchange Shares were not offered by means of any general solicitation or advertising;

(j) Such PEI Shareholder is acquiring its Accessity Exchange Shares solely for its own account, for investment purposes only, and not with an intent to sell, or for resale in connection with any distribution of all or any portion of the Accessity Exchange Shares within the meaning of the Securities Act; and

(k) The address of such PEI Shareholder set forth on the signature pages hereto is the principal residence of such PEI Shareholder, if such PEI Shareholder is an individual, or the principal business address of such PEI Shareholder, if such PEI Shareholder is a business or other entity, and that all offers to such PEI Shareholder have been made only in the state specified in such address.

ARTICLE VI
REPRESENTATIONS AND WARRANTIES OF KINERGY

Kinergy hereby represents and warrants to Accessity that the following representations and warranties are true and correct on and as of the date hereof:

6.1 ORGANIZATION AND GOOD STANDING. Kinergy is a limited liability company duly organized, validly existing and in good standing under the laws of the State of Oregon, has the power and authority to own, operate and lease its properties and to carry on its business as now conducted, and is duly qualified to do business and is in good standing in each jurisdiction where the character of its properties owned or leased or the nature of its activities make such qualification necessary (each such jurisdiction being listed on SCHEDULE 6.1), except where the failure to be so qualified would not have a material adverse effect on Kinergy.

6.2 CAPITALIZATION. The limited liability company membership interests of Kinergy are owned by the Kinergy Members as set forth in EXHIBIT C. No limited liability company membership interests of Kinergy are outstanding as of the date of this Agreement other than the Kinergy Interests set forth on EXHIBIT C. The Kinergy Interests have been duly authorized and validly issued, are fully paid and nonassessable, are not subject to any right of rescission and have been offered, issued, sold and delivered by Kinergy in compliance with all requirements of applicable laws.

6.3 POWER AND AUTHORITY. Kinergy has full power and authority to enter into this Agreement, to perform its obligations hereunder and to carry out the

transactions contemplated hereby. The execution and delivery of this Agreement, the performance by Kinergy of its obligations hereunder and the consummation of the transactions contemplated hereby have been duly authorized by the Managers or the Managing Members and the Kinergy Members as required by applicable law, Kinergy's Articles of Organization or its Operating Agreement. This Agreement constitutes the legal, valid and binding obligation of Kinergy, enforceable against it in accordance with its terms.

6.4 OPTIONS/RIGHTS. Except as set forth in SCHEDULE 6.4, there are no (i) options, warrants, calls, rights, commitments, conversion privileges or preemptive or other rights or agreements outstanding to purchase or otherwise acquire any limited liability company membership interests of Kinergy, (ii) securities or debt convertible into or exchangeable for Kinergy limited liability company membership interests or obligating Kinergy to grant, extend or enter into any such option, warrant, call, commitment, conversion privileges or preemptive or other right or agreement, or (iii) voting agreements, rights of first refusal, preemptive rights, co-sale rights, or other restrictions applicable to any outstanding limited liability company membership interests of Kinergy.

6.5 SUBSIDIARIES. Kinergy does not have any subsidiaries or any equity interest, direct or indirect, in, or loans to, any corporation, partnership, joint venture, limited liability company or other business entity.

6.6 NO VIOLATION. Neither the execution and delivery of this Agreement nor the performance by Kinergy of its obligations hereunder nor the consummation of the transactions contemplated hereby will (a) contravene any provision of the Articles of Organization or Operating Agreement of Kinergy; (b) violate, be in conflict with, constitute a default under, permit the termination of, cause the acceleration of the maturity of any debt or obligation of Kinergy under, require (except as disclosed on SCHEDULE 6.6 hereto) the consent of any other party to, constitute a breach of, create a loss of a material benefit under, or result in the creation or imposition of any Lien, upon any property or assets of Kinergy under, any mortgage, indenture, lease, contract, agreement, instrument or

commitment to which Kinergy is a party or by which it or any of its assets or properties may be bound; (c) to the knowledge of Kinergy, violate any statute or law or any judgment, decree, order, regulation or rule of any court or Governmental Body to which Kinergy or the Kinergy Business is subject or by which Kinergy, any of its assets or properties are bound; or (d) result in the loss of any license, privilege or certificate benefiting Kinergy or the Kinergy Business.

6.7 CONSENTS AND APPROVALS. Except as set forth on SCHEDULE 6.7 hereto, no consent, approval or authorization of, or declaration, filing or registration with, any governmental or regulatory authority or any other third party is required to be made or obtained by Kinergy in connection with the execution, delivery or performance of this Agreement.

6.8 LITIGATION. There are Actions to which Kinergy is a party, including, without limitation, Actions for personal injury, products liability, wrongful death or other tortious conduct, or breach of warranty arising from or relating to materials, commodities, products or goods used, transferred, processed, manufactured, sold, distributed or shipped by Kinergy (a) involving or relating to Kinergy, or any its assets, properties or rights, or (b) pending, or, to Kinergy's knowledge, threatened, against Kinergy, or any of its assets, properties or rights, before any court, arbitrator or administrative or Governmental Body which, if adversely resolved, would have a material adverse effect on the Kinergy Business.

6.9 KINERGY FINANCIAL STATEMENTS. Kinergy has previously delivered to Accessity the unaudited balance sheet of Kinergy as of December 31, 2003 and the related statements of income and changes in financial position or cash flows, as appropriate, for the period then ended (the "UNAUDITED 2003 KINERGY FINANCIAL STATEMENTS"), together with an unaudited balance sheet of Kinergy as of March 31, 2004 and the related statements of income and changes in financial position or cash flows, as appropriate, for the period then ended and, subsequent to the date hereof, Kinergy will deliver to Accessity the audited balance sheet of Kinergy as of December 31, 2003 and the related statements of income and changes in financial position or cash flows, as appropriate, for the period then ended (the "AUDITED 2003 KINERGY FINANCIAL STATEMENTS") (all such financial statements, excluding, upon delivery to Accessity of the Audited 2003 Kinergy Financial Statements, the Unaudited 2003 Kinergy Financial Statements, are hereinafter collectively referred to as the "KINERGY FINANCIAL STATEMENTS"). The Kinergy Financial Statements, together with the notes thereto, (i) were compiled from the books and records of Kinergy regularly maintained by management and used to prepare the financial statements of Kinergy, (ii) were prepared in accordance with GAAP consistently applied throughout the period then ended and all periods prior to that period; and (iii) present fairly and accurately the financial condition of Kinergy for the period or as of the dates thereof, subject, where appropriate, to normal year-end audit adjustments, in each case

in accordance with GAAP consistently applied during the period covered.

6.10 NO UNDISCLOSED LIABILITIES. Kinergy has, and on the Closing Date will have, no Liabilities other than those which (a) are fully reflected reserved against in the Kinergy Financial Statements, (b) have been incurred since March 31, 2004 in the ordinary course of business in amounts and for terms consistent, individually and in the aggregate, with the past practice of Kinergy or (c) have been specifically disclosed in the Schedules hereto by reference to the specific section of this Agreement to which such disclosure relates.

6.11 TAXES AND TAX RETURNS. All of the tax returns and reports of Kinergy required by applicable law to be filed prior to the date hereof have been duly filed and all taxes shown as due thereon have been paid. There are in effect no waivers of the applicable statutes of limitations for any federal,

state, local or foreign taxes for any period. No liability for any federal, state, local or foreign income, sales, use, withholding, payroll, franchise, real property or personal property taxes is pending, and there is no proposed liability for any such taxes to be imposed upon the properties or assets of Kinergy. Kinergy does not have any liability for any federal, state, local or foreign income, sales, use, withholding, payroll, franchise, real property or personal property taxes, assessments, amounts, interest or penalties of any nature whatsoever other than as shown on the March 31, 2004 Kinergy Financial Statements and there is no basis for any additional claim or assessment other than with respect to liabilities for taxes which may have accrued since the date of the March 31, 2004 Kinergy Financial Statements in the ordinary course of business and reserved against on the books and records of Kinergy compiled in accordance with generally accepted accounting principles which have been consistently applied to the Closing Date. The provisions for taxes reflected in the March 31, 2004 Kinergy Financial Statements are adequate for federal, state, county and local taxes for the period ended on December 31, 2003 and for all prior periods, whether disputed or undisputed. There are no present disputes about taxes of any nature payable by Kinergy. Kinergy has never filed, and will not file on or before the Closing Date, any consent under section 341(f) of the Code. Kinergy's tax returns have never been audited by any taxation authority.

6.12 ABSENCE OF CERTAIN CHANGES. Except as set forth on SCHEDULE 6.12, since December 31, 2003, Kinergy has conducted the Kinergy Business only in the ordinary course and consistent with prior practices and has not:

(a) suffered any material adverse change in its condition (financial or otherwise), results of operations, assets, liabilities, reserves, the Kinergy Business, or operations;

(b) suffered any damage, destruction or loss, whether covered by insurance or not, materially adversely affecting the Kinergy Business, operations, assets, or condition (financial or otherwise);

(c) paid, discharged or satisfied any Liability or other expenses, other than the payment, discharge or satisfaction of the Liabilities described in SECTION 6.10 at the time the same were due and payable and in the ordinary course of business;

(d) paid or otherwise made any contribution to any profit-sharing or pension plan or other Employee Benefit Plan (as defined in SECTION 6.17 below);

(e) mortgaged or pledged, or permitted the imposition of any Lien upon, any of its properties or assets (real, personal or mixed, tangible or intangible), other than those incurred in the ordinary course of business or otherwise listed on SCHEDULE 6.12 hereto;

(f) cancelled or compromised any debts, or waived or permitted to lapse any material claims or rights, or sold, assigned, transferred or otherwise disposed of, other than in the ordinary course, any of its properties or assets (real, personal or mixed, tangible or intangible);

(g) disposed of or permitted to lapse any rights to the use of any patent, registered trademark, service mark, trade name or copyright, or disposed of or disclosed to any person any trade secret, formula, process or know-how material to the Kinergy Business not theretofore a matter of public knowledge;

(h) except as disclosed on SCHEDULE 6.12, granted any increase in the compensation of any officer, employee or consultant of Kinergy (including any such increase pursuant to any bonus, pension, profit-sharing or other plan or commitment) or any increase in the compensation payable or to become payable to any officer, employee or consultant;

(i) entered into any commitment or transaction not in the ordinary course of business or made any capital expenditure or commitment for any additions to property, plant or equipment, except commitments, transactions or capital expenditures which do not in any single case exceed $25,000 or in the aggregate exceed $50,000;

(j) made any change in any method of accounting or accounting practice (including, without limitation, any change in depreciation or amortization policies or rates);

(k) paid, loaned or advanced any amount to, or sold, transferred or leased any properties or assets (real, personal or mixed, tangible or intangible) to, or entered into any agreement or arrangement with, any of its officers, employees, members, or any family member or Affiliate of any of its officers, employees or members, or any officer, employee or member of any such Affiliate;

(l) declared, set aside, paid or made any distribution or payment in respect of the limited liability company membership interests of Kinergy, or any direct or indirect redemption, purchase or other acquisition of any of its limited liability company membership interests;

(m) knowingly waived or released any right or claim of Kinergy;

(n) received a commencement notice or, to the knowledge of Kinergy, received any threat of commencement, of any civil or criminal litigation, investigation or proceeding against Kinergy;

(o) experienced any labor trouble or, to the knowledge of Kinergy, received any claim of wrongful discharge or worker's compensation claim;

(p) agreed, whether in writing or otherwise, to take any action referred to in and prohibited by this SECTION 6.12; or

(q) become aware of any other event or condition that has had or would reasonably be expected to have a material adverse effect on the condition (financial or otherwise), results of operations, assets, liabilities, reserves, the Kinergy Business, the Kinergy Intellectual Property (as defined below) or the operations of Kinergy.

6.13 TITLE TO PROPERTIES; ENCUMBRANCES.

(a) Kinergy has good and marketable title to all of its properties and assets (real, personal or mixed, tangible or intangible), including without limitation the Kinergy Intellectual Property. None of Kinergy's properties or assets is subject to any Lien, except for Permitted Liens (including the Liens set forth on SCHEDULE 6.13), none of which adversely affects the Kinergy Business or the continued operations of Kinergy.

(b) All material property and assets (real, personal or mixed, tangible or intangible) used or required by Kinergy in the conduct of the Kinergy Business are fully owned by Kinergy (except to the extent of any Permitted Liens). All such property and assets, or the leases or licenses thereof, constitute all property, assets and contractual rights necessary for the conduct of the Kinergy Business as presently conducted.

6.14 LEASES.

(a) SCHEDULE 6.14 contains a true and complete list of:

(i) all leases pursuant to which Kinergy leases or subleases any real property interests, whether as lessor, lessee, sublessor or sublessee;

(ii) all leases pursuant to which Kinergy leases any type of personal property;

(iii) all leases pursuant to which Kinergy leases any vehicles or related equipment; and

(iv) all leases pursuant to which Kinergy leases to others any type of property.

(b) Each such lease described on SCHEDULE 6.14 is the legal, valid and binding obligation of Kinergy and, to the knowledge of Kinergy, the other parties thereto, enforceable in accordance with their respective terms, and is in full force and effect. Kinergy is not in default under any such lease, and Kinergy has not received any notice from any person or entity asserting that Kinergy is in default under any such lease, and no events or circumstances exist which, with notice or the passage of time or both, would constitute a default

under any such lease.

6.15 INTELLECTUAL PROPERTY. Kinergy owns all right, title and interest in, or has the right to use, sell or license all patent applications, patents, trademark applications, trademarks, service marks, trade names, copyright applications, copyrights, trade secrets, know-how, technology, customer lists, proprietary processes and formulae, all source and object code, algorithms, inventions, development tools and all documentation and media constituting, describing or relating to the above, including, without limitation, manuals, memoranda and records and other intellectual property and proprietary rights used in or reasonably necessary or required for the conduct of its respective business as presently conducted (collectively, the "KINERGY INTELLECTUAL PROPERTY").

6.16 COMPLIANCE WITH LAWS. Kinergy has not been charged with, and, to Kinergy's knowledge, Kinergy is not threatened with or under any investigation with respect to, any charge concerning any violation of any provision of any federal, state, local or foreign law, regulation, ordinance, order or administrative ruling affecting the Kinergy Business or Kinergy, and Kinergy is not in default with respect to any order, writ, injunction or decree of any court, agency or instrumentality affecting the Kinergy Business or Kinergy. To Kinergy's knowledge, Kinergy is not in violation of any federal, state, local or foreign law, ordinance or regulation or any other requirement of any Governmental Body or regulatory body, court or arbitrator applicable to the Kinergy Business or Kinergy which would have a material adverse effect on

Kinergy or the Kinergy Business. Without limiting the generality of the foregoing, Kinergy is in compliance in all material respects with all Occupational Safety and Health Laws, including those rules and regulations promulgated by OSHA, except where such non-compliance would not have a material adverse effect on Kinergy or the Kinergy Business.

6.17 EMPLOYEE BENEFIT PLANS.

(a) SCHEDULE 6.17 contains a true and complete list and description of each pension, retirement, severance, welfare, profit-sharing, stock purchase, stock option, vacation, deferred compensation, bonus or other incentive plan, or other employee benefit program, arrangement, agreement or understanding, or medical, vision, dental or other health plan, or life insurance or disability plan, retiree medical or life insurance plan or any other employee benefit plans, including, without limitation, any "EMPLOYEE BENEFIT PLAN" (as defined in Section 3(3) of ERISA), to which Kinergy contributes or is a party or by which it is bound or under which it may have liability and under which employees or former employees of Kinergy (or their beneficiaries) are eligible to participate or derive a benefit. Each employee benefit plan which is a "GROUP HEALTH PLAN" (as such term is defined in Section 5000(b)(i) of the Code) satisfies the applicable requirements of Section 4980B of the Code. Except as described on SCHEDULE 6.17, Kinergy has no formal plan or commitment, whether legally binding or not, to create any additional plan, practice or agreement or modify or change any existing plan, practice or agreement that would affect any of its employees or terminated employees. Benefits under all employee benefit plans are as represented and have not been and will not be increased subsequent to the date copies of such plans have been provided.

(b) Kinergy does not contribute to or have any obligation to contribute to, has not at any time contributed to or had an obligation to contribute to, sponsor or maintain, and has not at any time sponsored or maintained, a "MULTI-EMPLOYER PLAN" (within the meaning of Section 3(37) of ERISA) for the benefit of employees or former employees of Kinergy.

(c) Kinergy has, in all material respects, performed all obligations, whether arising by operation of law, contract, or past custom, required to be performed under or in connection with the employee benefit plans disclosed on SCHEDULE 6.17 (individually, a "KINERGY EMPLOYEE BENEFIT PLAN" and, collectively, the "KINERGY EMPLOYEES BENEFIT PLANS"), and Kinergy has no knowledge of any default or violation by any other party with respect thereto.

(d) There are no Actions, suits or claims (other than routine claims for benefits) pending, or, to Kinergy's knowledge, threatened, against any Kinergy Employee Benefit Plan or against the assets funding any Kinergy Employee Benefit Plan.

(e) Kinergy neither maintains nor contributes to any "EMPLOYEE WELFARE BENEFIT" (as such term is defined in Section 3(i) of ERISA) plan which provides any benefits to retirees or former employees of Kinergy.

6.18 EMPLOYMENT LAW MATTERS.

(a) Kinergy (i) is in material compliance with all applicable laws respecting employment, employment practices, terms and conditions of

employment and wages and hours; (ii) is in material compliance with all applicable laws and regulations relating to the employment of aliens or similar immigration matters; and (iii) is not engaged in any unfair labor practice, including, but not limited to, discrimination or wrongful discharge.

(b) Kinergy has not at anytime during the last three (3) years had, nor to Kinergy's knowledge, is there now threatened, a strike, picket, work stoppage, work slowdown or other labor trouble, against or directly affecting Kinergy that had or would reasonably be expected to have a material adverse effect on the Kinergy Business or Kinergy.

(c) None of the employees of Kinergy is represented by a labor union, and no petition has been filed or proceedings instituted by any employee or group of employees with any labor relations board seeking recognition of a bargaining representative. Kinergy is not a party to any multi-employer collective bargaining agreement covering any of its employees.

(d) There are no controversies or disputes (including any union grievances or arbitration proceeding) pending, or, to Kinergy's knowledge, threatened, between Kinergy and any employees of Kinergy (or any union or other representative of such employees). No unfair labor practice complaints have been filed against Kinergy with the National Labor Relations Board or any other Governmental Body or administrative body, and Kinergy has not received any written notice or communication reflecting an intention or a threat to file any such complaint.

6.19 CONTRACTS AND COMMITMENTS.

(a) Together with the leases set forth on SCHEDULE 6.14, the insurance policies set forth on SCHEDULE 6.23, and the Kinergy Employee Benefit Plans and commitments set forth on SCHEDULE 6.17, SCHEDULE 6.19 contains a true and complete list and description (stated without duplication), of:

(i) all contracts (including, without limitation, letters of credit, and obligations for borrowed money) and commitments of Kinergy which are material to the operations, business, prospects or condition (financial or otherwise) of Kinergy;

(ii) all consulting agreements (whether written or oral), regardless of amounts or duration;

(iii) all material contracts or commitments (whether written or oral) with distributors, brokers, manufacturer's representatives, sales representatives, service or warranty representatives, customers and other persons, firms, corporations or other entities engaged in the sale, distribution, service or repair of Kinergy's products;

(iv) all contracts relating to construction-in-progress of capital assets; and

(v) all joint venture, licensing, profit sharing, royalty or similar agreements or arrangements to which Kinergy is a party in any way associated with the manufacture, marketing, sale or distribution of any products or provision of any services of Kinergy.

(b) Kinergy has delivered to Accessity true and complete copies of all of the documents identified on SCHEDULE 6.19 (collectively, the "KINERGY MATERIAL CONTRACTS") and shall deliver true and complete copies of all such other agreements, instruments and documents as Accessity may reasonably request relating to the operation, ownership or conduct of the Kinergy Business.

(c) Kinergy is not a party to any written agreement that would restrict it from carrying on the Kinergy Business anywhere in the world.

(d) Kinergy is not a party to any "TAKE-OR-PAY" contracts.

(e) Except as identified on SCHEDULE 6.19, Kinergy is not a party to any employment agreements, arrangements and commitments, including severance or termination arrangements and commitments (whether written or oral), between Kinergy and any employees of Kinergy.

(f) Kinergy is not, and to the knowledge of Kinergy, no other party is, in default under or in breach or violation of, nor has Kinergy received notice of any asserted claim of default by Kinergy or by any other party under, or a breach or violation of, any of the Kinergy Material Contracts.

6.20 NO BROKERS. Except as disclosed on SCHEDULE 6.20, Kinergy is not obligated for the payment of fees or expenses of any investment banker, broker or finder in connection with the origin, negotiation or execution of this

Agreement in connection with any exchange of stock transaction provided for herein.

6.21 ENVIRONMENTAL MATTERS. Kinergy is in compliance in all material respects with all Environmental Laws. There is no Action pending before any court, Governmental Body or board or other forum or threatened by any person or entity (i) for noncompliance by Kinergy with any Environmental Law (ii) relating to the release into the environment by Kinergy of any pollutant, toxic or hazardous material or waste generated by Kinergy, whether or not occurring at or on a site owned, leased or operated by Kinergy. There has not been by Kinergy, nor to the knowledge of Kinergy has there been at all, any past, storage, disposal, generation, manufacture, refinement, transportation, production or treatment of any hazardous materials or substances at, upon or from the facilities occupied or used by Kinergy and any other real property presently or formerly owned by, used by or leased to or by Kinergy, any predecessor of Kinergy (collectively, the "KINERGY PROPERTY"). To the knowledge of Kinergy, neither Kinergy nor any properties owned or operated by Kinergy has been or is in violation or is otherwise liable under, any Environmental Law. To the knowledge of Kinergy, there are no asbestos-containing materials, underground storage tanks or polychlorinated biphenyls (PCBs) located on the Kinergy Property. To the knowledge of Kinergy, there has been no spill, discharge, leak, emission, injection, disposal, escape, dumping or release of any kind on, beneath or above the Kinergy Property or into the environment surrounding such Kinergy Property of any hazardous materials or substances in violation of any Environmental Law or requiring any remedial action. To the knowledge of Kinergy, Kinergy has all permits, registrations, approvals and licenses required by any Governmental Body under any Environmental Law to be obtained by Kinergy in connection with the conduct of the business of Kinergy as presently conducted.

6.22 BANK ACCOUNTS. SCHEDULE 6.22 sets forth the names and locations of all banks, trust companies, savings and loan associations, and other financial institutions at which Kinergy maintains accounts of any nature and the names of all persons authorized to draw thereon or make withdrawals therefrom.

6.23 INSURANCE. SCHEDULE 6.23 sets forth a true and complete list and description of (a) all of Kinergy's self-insurance practices and items covered by such self-insurance and (b) all policies of fire, liability, worker's compensation and other forms of insurance owned or held by Kinergy. No installment premiums are due under the policies set forth on SCHEDULE 6.23 or, if installment premiums shall be due and owing under such policies prior to the Closing Date, such premiums shall have been paid up-to-date prior to the Closing Date. All such policies are in full force and effect, insure against risks and liabilities to the extent and in the manner deemed appropriate and sufficient by Kinergy in its reasonable business judgment, and Kinergy has not received any notice of cancellation with respect thereto. To Kinergy's knowledge, Kinergy is not in default with respect to any provision contained in any such policy and has not failed to give any notice or present any claim under any such policy in a timely fashion.

6.24 SUPPLIERS AND CUSTOMERS. Kinergy does not have any knowledge that any supplier or customer or group of related suppliers or customers of Kinergy has canceled or otherwise terminated or threatened to cancel or otherwise terminate, its relationship with Kinergy, which termination would have a material adverse effect on the Kinergy Business or Kinergy, or that any such supplier or customer or group of related suppliers or customers expects to reduce its business with Kinergy by reason of the transactions contemplated by this Agreement or for any other reason whatsoever.

6.25 LICENSES, PERMITS AND AUTHORIZATIONS. Kinergy has all necessary Permits for the use and ownership or leasing of its properties and assets as currently operated, used, owned or leased, except for such Permits as to which the lack thereof does not and would not have a material adverse effect on Kinergy or the Kinergy Business. All of the Permits are valid, in full force and effect and in good standing. SCHEDULE 6.25 contains a true and complete list and description of all the Permits and Kinergy has previously delivered to Accessity true and complete copies of all such Permits identified in SCHEDULE 6.25 and in effect as of the date hereof. There is no claim or Action pending, or, to Kinergy's knowledge, threatened, which disputes the validity of any such Permit or threatens to revoke, cancel, suspend or limit any such Permit.

6.26 ACCOUNTS RECEIVABLE. All accounts receivable of Kinergy shown on the Kinergy Financial Statements and all accounts receivable created after March 31, 2004, subject to reserves created in the ordinary course of business on a basis consistent with the past practices and policies of Kinergy and otherwise in accordance with generally accepted accounting principles, (a) have been collected or (b) to Kinergy's knowledge, are valid and enforceable, arose from bona-fide sales to third parties in the ordinary course of business, and are collectible at the aggregate recorded amounts thereof on the books of Kinergy.

6.27 CONDITION OF TANGIBLE ASSETS. Kinergy's facilities and tangible assets, including, without limitation, machinery, equipment, vehicles, furniture, plants and buildings, are in good operating condition and repair

(ordinary wear and tear excepted) and are adequate for the uses to which they have been put by Kinergy in the ordinary course of business, except for parts or repairs of an immaterial nature in the aggregate, and Kinergy has not received any notice that any of such facilities or assets is in need of substantial maintenance or repair.

6.28 DISCLOSURE. No representation or warranty of Kinergy in this Agreement (including, without limitation, the Schedules of Kinergy hereto) contains or will contain any untrue statement of a material fact or omits or will omit to state any material fact necessary to make the statements herein or therein not misleading.

ARTICLE VII
REPRESENTATIONS AND WARRANTIES OF THE KINERGY MEMBERS

Each of the Kinergy Members, severally and not jointly, hereby represents and warrants to Accessity that the following representations and warranties are true and correct on and as of the date hereof:

7.1 POWER AND AUTHORITY. Such Kinergy Member has full power and authority to enter into this Agreement, perform its respective obligations hereunder, and carry out the transactions contemplated hereby. This Agreement constitutes the legal, valid and binding obligation of such Kinergy Member, enforceable against such Kinergy Member in accordance with its terms.

7.2 NO VIOLATION. Neither the execution and delivery of this Agreement nor the performance by such Kinergy Member of its respective obligations hereunder nor the consummation of the transactions contemplated hereby will violate, or be in conflict with, or constitute a default under, any mortgage, indenture, lease, or any agreement, instrument or commitment to which such Kinergy Member is a party.

7.3 TITLE; CONSENTS AND APPROVALS; NO CLAIMS. Such Kinergy Member is the owner, beneficially and of record, of its Kinergy Interests, free and clear of all liens, encumbrances, security agreements, options, claims, charges and restrictions. To such Kinergy Member's knowledge, no consent, approval or authorization of, or declaration, filing or registration with, any governmental or regulatory authority or any other third party is required to be made or obtained by such Kinergy Member in connection with the execution, delivery or performance of this Agreement. To such Kinergy Member's knowledge, there is no claim, action, litigation, suit, cause of action or other proceeding pending or threatened before any federal, state or local court, governmental agency or regulatory body against such Kinergy Member which seeks or may seek, directly or indirectly, (a) to invalidate or set aside, in whole or in part, this Agreement, (b) to restrain, prohibit, invalidate or set aside, in whole or in part, the consummation of the transactions contemplated hereby or (c) to obtain substantial damages in connection therewith.

7.4 SECURITIES LAW COMPLIANCE.

(a) Such Kinergy Member has a net worth sufficient to bear the economic risk (including the entire loss) of its investment made in the Accessity Exchange Shares;

(b) Such Kinergy Member is an "ACCREDITED INVESTOR," as such term is defined in Rule 501 of Regulation D promulgated under the rules and regulations of the Securities Act;

(c) Such Kinergy Member has adequate means of providing for its current cash needs and personal contingencies and has no need for liquidity in this investment in the Accessity Exchange Shares and has no reason to anticipate any change in its personal circumstances, financial or otherwise, which may cause or require any sale or distribution by such Kinergy Member or all or any part of the Accessity Exchange Shares acquired by it herein;

(d) by reason of such Kinergy Member's business or financial experience or the business or financial experience of such Kinergy Member's professional advisor(s) who are unaffiliated with and who are not compensated by Accessity or any affiliate or selling agent of Accessity, directly or indirectly, such Kinergy Member has the capacity to protect its own interests in connection with an investment in the Accessity Exchange Shares;

(e) Such Kinergy Member understands that he, she or it is acquiring Accessity Exchange Shares without being furnished any prospectus or offering circular, other than a copy of this Agreement, a copy of the Proxy Statement (as defined in SECTION 11.6 below) and a copy of the Owner Disclosure Document (as defined in SECTION 11.7 below);

(f) No representations or warranties have been made to such Kinergy Member by Accessity or any employee or agent of Accessity and in entering into this Agreement, such Kinergy Member is not relying on any information, other than as a result of the independent investigation of Accessity by such Kinergy Member, and no guarantee of any profit or return on its investment made in the Accessity Exchange Shares has been made to such Kinergy Member;

(g) In evaluating the merits and risk of this investment, such Kinergy Member has relied on the advice of its personal tax advisor, investment advisor and/or legal counsel;

(h) Such Kinergy Member is aware that the Accessity Exchange Shares have not been registered or qualified, nor is registration or qualification contemplated, with the SEC under the Securities Act or any state securities law. Accordingly, the Accessity Exchange Shares may be sold or otherwise transferred or hypothecated only if they are subsequently registered or qualified under the Securities Act or applicable laws or if, in the opinion of counsel, an exemption from registration or qualification thereunder is available and the transaction will not jeopardize the availability of the exemptions under applicable federal and state securities laws relied upon by Accessity in connection with the offering in which such Kinergy Member acquired its Accessity Exchange Shares;

(i) Such Kinergy Member acknowledges that the Accessity Exchange Shares were not offered by means of any general solicitation or advertising;

(j) Such Kinergy Member is acquiring its Accessity Exchange Shares solely for its own account, for investment purposes only, and not with an intent to sell, or for resale in connection with any distribution of all or any portion of the Accessity Exchange Shares within the meaning of the Securities Act; and

(k) The address of such Kinergy Member furnished by such Kinergy Member at the end of this Agreement is the principal residence of such Kinergy Member, if such Kinergy Member is an individual, or the principal business address of such Kinergy Member, if such Kinergy Member is a business or other entity, and that all offers to such Kinergy Member have been made only in the state specified in such address.

ARTICLE VIII
REPRESENTATIONS AND WARRANTIES OF REENERGY

Reenergy hereby represents and warrants to Accessity that the following representations and warranties are true and correct on and as of the date hereof:

8.1 ORGANIZATION AND GOOD STANDING. Reenergy is a limited liability company duly organized, validly existing and in good standing under the laws of the State of California, has the power and authority to own, operate and lease its properties and to carry on its business as now conducted, and is duly qualified to do business and is in good standing in each jurisdiction where the character of its properties owned or leased or the nature of its activities make such qualification necessary (each such jurisdiction being listed on SCHEDULE 8.1), except where the failure to be so qualified would not have a material adverse effect on Reenergy.

8.2 CAPITALIZATION. The limited liability company membership interests of Reenergy are owned by the Reenergy Members as set forth in EXHIBIT D. No limited liability company membership interests of Reenergy are outstanding as of the date of this Agreement other than the Reenergy Interests set forth on EXHIBIT D. The Reenergy Interests have been duly authorized and validly issued, are fully paid and nonassessable, are not subject to any right of rescission and have been offered, issued, sold and delivered by Reenergy in compliance with all requirements of applicable laws.

8.3 POWER AND AUTHORITY. Reenergy has full power and authority to enter into this Agreement, to perform its obligations hereunder and to carry out the transactions contemplated hereby. The execution and delivery of this Agreement, the performance by Reenergy of its obligations hereunder and the consummation of the transactions contemplated hereby have been duly authorized by Reenergy and the Reenergy Majority Members as required by applicable law, Reenergy's Articles of Organization or Operating Agreement. This Agreement constitutes the legal, valid and binding obligation of Reenergy, enforceable against it in accordance with its terms.

8.4 OPTIONS/RIGHTS. Except as set forth in SCHEDULE 8.4, there are no (i) options, warrants, calls, rights, commitments, conversion privileges or preemptive or other rights or agreements outstanding to purchase or otherwise acquire any limited liability company membership interests of Reenergy, (ii)

securities or debt convertible into or exchangeable for Reenergy limited liability company membership interests or obligating Reenergy to grant, extend or enter into any such option, warrant, call, commitment, conversion privileges or preemptive or other right or agreement, or (iii) voting agreements, rights of first refusal, preemptive rights, co-sale rights, or other restrictions applicable to any outstanding limited liability company membership interests of Reenergy.

8.5 SUBSIDIARIES. Reenergy does not have any subsidiaries or any equity interest, direct or indirect, in, or loans to, any corporation, partnership, joint venture, limited liability company or other business entity.

8.6 NO VIOLATION. Neither the execution and delivery of this Agreement nor the performance by Reenergy of its obligations hereunder nor the consummation of the transactions contemplated hereby will (a) contravene any provision of the Articles of Organization or Operating Agreement of Reenergy; (b) violate, be in conflict with, constitute a default under, permit the termination of, cause the acceleration of the maturity of any debt or obligation

of Reenergy under, require (except as disclosed on SCHEDULE 8.6 hereto) the consent of any other party to, constitute a breach of, create a loss of a material benefit under, or result in the creation or imposition of any Lien, upon any property or assets of Reenergy under, any mortgage, indenture, lease, contract, agreement, instrument or commitment to which Reenergy is a party or by which it or he or any of its or his respective assets or properties may be bound; (c) to the knowledge of Reenergy, violate any statute or law or any judgment, decree, order, regulation or rule of any court or Governmental Body to which Reenergy or the Reenergy Business is subject or by which Reenergy, any of its assets or properties are bound; or (d) result in the loss of any license, privilege or certificate benefiting Reenergy or the Reenergy Business.

8.7 CONSENTS AND APPROVALS. Except as set forth on SCHEDULE 8.7 hereto, no consent, approval or authorization of, or declaration, filing or registration with, any governmental or regulatory authority or any other third party is required to be made or obtained by Reenergy in connection with the execution, delivery or performance of this Agreement by Reenergy.

8.8 LITIGATION. There are Actions to which Reenergy is a party, including, without limitation, Actions for personal injury, products liability, wrongful death or other tortious conduct, or breach of warranty arising from or relating to materials, commodities, products or goods used, transferred, processed, manufactured, sold, distributed or shipped by Reenergy (a) involving or relating to Reenergy, or any its assets, properties or rights, or (b) pending, or, to Reenergy's knowledge, threatened, against Reenergy or any of its assets, properties or rights, before any court, arbitrator or administrative or Governmental Body which, if adversely resolved, would have a material adverse effect on the Reenergy Business.

8.9 REENERGY FINANCIAL STATEMENTS. Reenergy has previously delivered to Accessity the unaudited balance sheet of Reenergy as of December 31, 2003 and the related statements of income and changes in financial position or cash flows, as appropriate, for the period then ended (the "UNAUDITED 2003 REENERGY FINANCIAL STATEMENTS"), together with an unaudited balance sheet of Reenergy as of March 31, 2004 and the related statements of income and changes in financial position or cash flows, as appropriate, for the period then ended and, subsequent to the date hereof, Reenergy will deliver to Accessity the audited balance sheet of Reenergy as of December 31, 2003 and the related statements of income and changes in financial position or cash flows, as appropriate, for the period then ended (the "AUDITED 2003 REENERGY FINANCIAL STATEMENTS") (all such financial statements, excluding, upon delivery to Accessity of the Audited 2003 Reenergy Financial Statements, the Unaudited 2003 Reenergy Financial Statements, are hereinafter collectively referred to as the "REENERGY FINANCIAL STATEMENTS"). The Reenergy Financial Statements, together with the notes thereto, (i) were compiled from the books and records of Reenergy regularly maintained by management and used to prepare the financial statements of Reenergy, (ii) were prepared in accordance with GAAP consistently applied throughout the period then ended and all periods prior to that period; and (iii) present fairly and accurately the financial condition of Reenergy for the period or as of the dates thereof, subject, where appropriate, to normal year-end audit adjustments, in each case in accordance with GAAP consistently applied during the period covered.

8.10 NO UNDISCLOSED LIABILITIES. Reenergy has, and on the Closing Date will have, no Liabilities other than those which (a) are fully reflected reserved against in the Reenergy Financial Statements, (b) have been incurred since March 31, 2004 in the ordinary course of business in amounts and for terms consistent, individually and in the aggregate, with the past practice of Reenergy or (c) have been specifically disclosed in the Schedules hereto by reference to the specific section of this Agreement to which such disclosure relates.

8.11 TAXES AND TAX RETURNS. All of the tax returns and reports of Reenergy required by applicable law to be filed prior to the date hereof have been duly filed and all taxes shown as due thereon have been paid. There are in effect no waivers of the applicable statutes of limitations for any federal, state, local or foreign taxes for any period. No liability for any federal, state, local or foreign income, sales, use, withholding, payroll, franchise, real property or personal property taxes is pending, and there is no proposed liability for any such taxes to be imposed upon the properties or assets of Reenergy. Reenergy does not have any liability for any federal, state, local or foreign income, sales, use, withholding, payroll, franchise, real property or personal property taxes, assessments, amounts, interest or penalties of any nature whatsoever other than as shown on the March 31, 2004 Reenergy Financial Statements and there is no basis for any additional claim or assessment other than with respect to liabilities for taxes which may have accrued since the date of the March 31, 2004 Reenergy Financial Statements in the ordinary course of business and reserved against on the books and records of Reenergy compiled in accordance with generally accepted accounting principles which have been consistently applied to the Closing Date. The provisions for taxes reflected in the March 31, 2004 Reenergy Financial Statements are adequate for federal, state, county and local taxes for the period ended on December 31, 2003 and for all prior periods, whether disputed or undisputed. There are no present disputes about taxes of any nature payable by Reenergy. Reenergy has never filed, and will not file on or before the Closing Date, any consent under section 341(f) of the Code. Reenergy's tax returns have never been audited by any taxation authority.

8.12 ABSENCE OF CERTAIN CHANGES. Except as set forth on SCHEDULE 8.12, since December 31, 2003, Reenergy has conducted the Reenergy Business only in the ordinary course and consistent with prior practices and has not:

(a) suffered any material adverse change in its condition (financial or otherwise), results of operations, assets, liabilities, reserves, the Reenergy Business, or operations;

(b) suffered any damage, destruction or loss, whether covered by insurance or not, materially adversely affecting the Reenergy Business, operations, assets, or condition (financial or otherwise);

(c) paid, discharged or satisfied any Liability or other expenses, other than the payment, discharge or satisfaction of the Liabilities described in SECTION 8.10 at the time the same were due and payable and in the ordinary course of business;

(d) paid or otherwise made any contribution to any profit-sharing or pension plan or other Employee Benefit Plan (as defined in SECTION 8.17 below);

(e) mortgaged or pledged, or permitted the imposition of any Lien upon, any of its properties or assets (real, personal or mixed, tangible or intangible), other than those incurred in the ordinary course of business or otherwise listed on SCHEDULE 8.12 hereto;

(f) cancelled or compromised any debts, or waived or permitted to lapse any material claims or rights, or sold, assigned, transferred or otherwise disposed of, other than in the ordinary course, any of its properties or assets (real, personal or mixed, tangible or intangible);

(g) disposed of or permitted to lapse any rights to the use of any patent, registered trademark, service mark, trade name or copyright, or disposed of or disclosed to any person any trade secret, formula, process or know-how material to the Reenergy Business not theretofore a matter of public knowledge;

(h) except as disclosed on SCHEDULE 8.12, granted any increase in the compensation of any officer, employee or consultant of Reenergy (including any such increase pursuant to any bonus, pension, profit-sharing or other plan or commitment) or any increase in the compensation payable or to become payable to any officer, employee or consultant;

(i) entered into any commitment or transaction not in the ordinary course of business or made any capital expenditure or commitment for any additions to property, plant or equipment, except commitments, transactions or capital expenditures which do not in any single case exceed $25,000 or in the aggregate exceed $50,000;

(j) made any change in any method of accounting or accounting practice (including, without limitation, any change in depreciation or amortization policies or rates);

(k) paid, loaned or advanced any amount to, or sold,

transferred or leased any properties or assets (real, personal or mixed, tangible or intangible) to, or entered into any agreement or arrangement with, any of its officers, employees, members, or any family member or Affiliate of any of its officers, employees or members, or any officer, employee or member of any such Affiliate;

(l) declared, set aside, paid or made any distribution or payment in respect of the limited liability company membership interests of Reenergy, or any direct or indirect redemption, purchase or other acquisition of any of its limited liability company membership interests;

(m) knowingly waived or released any right or claim of Reenergy;

(n) received a commencement notice or, to the knowledge of Reenergy, received any threat of commencement, of any civil or criminal litigation, investigation or proceeding against Reenergy;

(o) experienced any labor trouble or, to the knowledge of Reenergy, received any claim of wrongful discharge or worker's compensation claim;

(p) agreed, whether in writing or otherwise, to take any action referred to in and prohibited by this SECTION 8.12; or

(q) become aware of any other event or condition that has had or would reasonably be expected to have a material adverse effect on the condition (financial or otherwise), results of operations, assets, liabilities, reserves, the Reenergy Business, the Reenergy Intellectual Property (as defined below) or the operations of Reenergy.

8.13 TITLE TO PROPERTIES; ENCUMBRANCES.

(a) Reenergy has good and marketable title to all of its properties and assets (real, personal or mixed, tangible or intangible), including without limitation the Reenergy Intellectual Property. None of Reenergy's properties or assets is subject to any Lien, except Permitted Liens (including the Liens set forth on SCHEDULE 8.13), none of which adversely affects the Reenergy Business or the continued operations of Reenergy.

(b) All material property and assets (real, personal or mixed, tangible or intangible) used or required by Reenergy in the conduct of the Reenergy Business are fully owned by Reenergy (except to the extent of any Permitted Liens). All such property and assets, or the leases or licenses thereof, constitute all property, assets and contractual rights necessary for the conduct of the Reenergy Business.

8.14 LEASES.

(a) SCHEDULE 8.14 contains a true and complete list of:

(i) all leases pursuant to which Reenergy leases or subleases any real property interests, whether as lessor, lessee, sublessor or sublessee;

(ii) all leases pursuant to which Reenergy leases any type of personal property;

(iii) all leases pursuant to which Reenergy leases any vehicles or related equipment; and

(iv) all leases pursuant to which Reenergy leases to others any type of property.

(b) Each such lease described on SCHEDULE 8.14 is the legal, valid and binding obligation of Reenergy and, to the knowledge of Reenergy, the other parties thereto, enforceable in accordance with their respective terms, and is in full force and effect. Reenergy is not in default under any such lease, and Reenergy has not received any notice from any person or entity asserting that Reenergy is in default under any such lease, and no events or circumstances exist which, with notice or the passage of time or both, would constitute a default under any such lease.

8.15 INTELLECTUAL PROPERTY. Reenergy owns all right, title and interest in, or has the right to use, sell or license all patent applications, patents, trademark applications, trademarks, service marks, trade names, copyright applications, copyrights, trade secrets, know-how, technology, customer lists, proprietary processes and formulae, all source and object code, algorithms, inventions, development tools and all documentation and media constituting, describing or relating to the above, including, without limitation, manuals, memoranda and records and other intellectual property and proprietary rights used in or reasonably necessary or required for the conduct of its respective

business as presently conducted (collectively, the "REENERGY INTELLECTUAL Property").

8.16 COMPLIANCE WITH LAWS. Reenergy has not been charged with, and, to Reenergy's knowledge, Reenergy is not threatened with or under any investigation with respect to, any charge concerning any violation of any provision of any federal, state, local or foreign law, regulation, ordinance, order or administrative ruling affecting the Reenergy Business or Reenergy, and Reenergy is not in default with respect to any order, writ, injunction or decree of any court, agency or instrumentality affecting the Reenergy Business or Reenergy. To Reenergy's knowledge, Reenergy is not in violation of any federal, state, local or foreign law, ordinance or regulation or any other requirement of any Governmental Body or regulatory body, court or arbitrator applicable to the Reenergy Business or Reenergy which would have a material adverse effect on Reenergy or the Reenergy Business. Without limiting the generality of the foregoing, Reenergy is in compliance in all material respects with all Occupational Safety and Health Laws, including those rules and regulations promulgated by OSHA, except where such non-compliance would not have a material adverse effect on Reenergy or the Reenergy Business.

8.17 EMPLOYEE BENEFIT PLANS.

(a) SCHEDULE 8.17 contains a true and complete list and description of each pension, retirement, severance, welfare, profit-sharing, stock purchase, stock option, vacation, deferred compensation, bonus or other incentive plan, or other employee benefit program, arrangement, agreement or understanding, or medical, vision, dental or other health plan, or life insurance or disability plan, retiree medical or life insurance plan or any other employee benefit plans, including, without limitation, any "EMPLOYEE BENEFIT PLAN" (as defined in Section 3(3) of ERISA), to which Reenergy contributes or is a party or by which it is bound or under which it may have liability and under which employees or former employees of Reenergy (or their beneficiaries) are eligible to participate or derive a benefit. Each employee benefit plan which is a "GROUP HEALTH PLAN" (as such term is defined in Section 5000(b)(i) of the Code) satisfies the applicable requirements of Section 4980B of the Code. Except as described on SCHEDULE 8.17, Reenergy has no formal plan or commitment, whether legally binding or not, to create any additional plan, practice or agreement or modify or change any existing plan, practice or agreement that would affect any of its employees or terminated employees. Benefits under all employee benefit plans are as represented and have not been and will not be increased subsequent to the date copies of such plans have been provided.

(b) Reenergy does not contribute to or have any obligation to contribute to, has not at any time contributed to or had an obligation to contribute to, sponsor or maintain, and has not at any time sponsored or maintained, a "MULTI-EMPLOYER PLAN" (within the meaning of Section 3(37) of ERISA) for the benefit of employees or former employees of Reenergy.

(c) Reenergy has, in all material respects, performed all obligations, whether arising by operation of law, contract, or past custom, required to be performed under or in connection with the employee benefit plans disclosed on SCHEDULE 8.17 (individually, a "REENERGY EMPLOYEE BENEFIT PLAN" and, collectively, the "REENERGY EMPLOYEES BENEFIT PLANS"), and Reenergy has no knowledge of any default or violation by any other party with respect thereto.

(d) There are no Actions, suits or claims (other than routine claims for benefits) pending, or, to Reenergy's knowledge, threatened, against any Reenergy Employee Benefit Plan or against the assets funding any Reenergy Employee Benefit Plan.

(e) Reenergy neither maintains nor contributes to any "EMPLOYEE WELFARE BENEFIT" (as such term is defined in Section 3(i) of ERISA) plan which provides any benefits to retirees or former employees of Reenergy.

8.18 EMPLOYMENT LAW MATTERS.

(a) Reenergy (i) is in material compliance with all applicable laws respecting employment, employment practices, terms and conditions of employment and wages and hours; (ii) is in material compliance with all applicable laws and regulations relating to the employment of aliens or similar immigration matters; and (iii) is not engaged in any unfair labor practice, including, but not limited to, discrimination or wrongful discharge.

(b) Reenergy has not at anytime during the last three (3) years had, nor to Reenergy's knowledge, is there now threatened, a strike, picket, work stoppage, work slowdown or other labor trouble, against or directly affecting Reenergy that had or would reasonably be expected to have a material adverse effect on the Reenergy Business or Reenergy.

(c) None of the employees of Reenergy is represented by a labor union, and no petition has been filed or proceedings instituted by any employee or group of employees with any labor relations board seeking recognition of a bargaining representative. Reenergy is not a party to any multi-employer collective bargaining agreement covering any of its employees.

(d) There are no controversies or disputes (including any union grievances or arbitration proceeding) pending, or, to Reenergy's knowledge, threatened, between Reenergy and any employees of Reenergy (or any union or other representative of such employees). No unfair labor practice complaints have been filed against Reenergy with the National Labor Relations Board or any other Governmental Body or administrative body, and Reenergy has not received any written notice or communication reflecting an intention or a threat to file any such complaint.

8.19 CONTRACTS AND COMMITMENTS.

(a) Together with the leases set forth on SCHEDULE 8.14, the insurance policies set forth on SCHEDULE 8.23, and the Reenergy Employee Benefit Plans and commitments set forth on SCHEDULE 8.17, SCHEDULE 8.19 contains a true and complete list and description (stated without duplication), of:

(i) all contracts (including, without limitation, letters of credit, and obligations for borrowed money) and commitments of Reenergy which are material to the operations, business, prospects or condition (financial or otherwise) of Reenergy;

(ii) all consulting agreements (whether written or oral), regardless of amounts or duration;

(iii) all material contracts or commitments (whether written or oral) with distributors, brokers, manufacturer's representatives, sales representatives, service or warranty representatives, customers and other persons, firms, corporations or other entities engaged in the sale, distribution, service or repair of Reenergy's products;

(iv) all contracts relating to construction-in-progress of capital assets; and

(v) all joint venture, licensing, profit sharing, royalty or similar agreements or arrangements to which Reenergy is a party in any way associated with the manufacture, marketing, sale or distribution of any products or provision of any services of Reenergy.

(b) Reenergy has delivered to Accessity true and complete copies of all of the documents identified on SCHEDULE 8.19 (collectively, the "REENERGY MATERIAL CONTRACTS") and shall deliver true and complete copies of all such other agreements, instruments and documents as Accessity may reasonably request relating to the operation, ownership or conduct of the Reenergy Business.

(c) Reenergy is not a party to any written agreement that would restrict it from carrying on the Reenergy Business anywhere in the world.

(d) Reenergy is not a party to any "TAKE-OR-PAY" contracts.

(e) Except as identified on SCHEDULE 8.19, Reenergy is not a party to any employment agreements, arrangements and commitments, including severance or termination arrangements and commitments (whether written or oral), between Reenergy and any employees of Reenergy.

(f) Reenergy is not, and to the knowledge of Reenergy, no other party is, in default under or in breach or violation of, nor has Reenergy received notice of any asserted claim of default by Reenergy or by any other party under, or a breach or violation of, any of the Reenergy Material Contracts.

8.20 NO BROKERS. Except as disclosed on SCHEDULE 8.20, Reenergy is not obligated for the payment of fees or expenses of any investment banker, broker or finder in connection with the origin, negotiation or execution of this Agreement in connection with any exchange of stock transaction provided for herein.

8.21 ENVIRONMENTAL MATTERS. Reenergy is in compliance in all material respects with all Environmental Laws. There is no Action pending before any court, Governmental Body or board or other forum or threatened by any person or entity (i) for noncompliance by Reenergy with any Environmental Law (ii) relating to the release into the environment by Reenergy of any pollutant, toxic or hazardous material or waste generated by Reenergy, whether or not occurring at or on a site owned, leased or operated by Reenergy. There has not been by Reenergy, nor to the knowledge of Reenergy has there been at all, any past, storage, disposal, generation, manufacture, refinement, transportation,

production or treatment of any hazardous materials or substances at, upon or from the facilities occupied or used by Reenergy and any other real property presently or formerly owned by, used by or leased to or by Reenergy, any predecessor of Reenergy (collectively, the "REENERGY PROPERTY"). To the knowledge of Reenergy, neither Reenergy nor any properties owned or operated by Reenergy has been or is in violation or is otherwise liable under, any Environmental Law. To the knowledge of Reenergy, there are no asbestos-containing materials, underground storage tanks or polychlorinated

biphenyls (PCBs) located on the Reenergy Property. To the knowledge of Reenergy, there has been no spill, discharge, leak, emission, injection, disposal, escape, dumping or release of any kind on, beneath or above the Reenergy Property or into the environment surrounding such Reenergy Property of any hazardous materials or substances in violation of any Environmental Law or requiring any remedial action. To the knowledge of Reenergy, Reenergy has all permits, registrations, approvals and licenses required by any Governmental Body under any Environmental Law to be obtained by Reenergy in connection with the conduct of the business of Reenergy as presently conducted.

8.22 BANK ACCOUNTS. SCHEDULE 8.22 sets forth the names and locations of all banks, trust companies, savings and loan associations, and other financial institutions at which Reenergy maintains accounts of any nature and the names of all persons authorized to draw thereon or make withdrawals therefrom.

8.23 INSURANCE. SCHEDULE 8.23 sets forth a true and complete list and description of (a) all of Reenergy's self-insurance practices and items covered by such self-insurance and (b) all policies of fire, liability, worker's compensation and other forms of insurance owned or held by Reenergy. No installment premiums are due under the policies set forth on SCHEDULE 8.23 or, if installment premiums shall be due and owing under such policies prior to the Closing Date, such premiums shall have been paid up-to-date prior to the Closing Date. All such policies are in full force and effect, insure against risks and liabilities to the extent and in the manner deemed appropriate and sufficient by Reenergy in its reasonable business judgment, and Reenergy has not received any notice of cancellation with respect thereto. To Reenergy's knowledge, Reenergy is not in default with respect to any provision contained in any such policy and has not failed to give any notice or present any claim under any such policy in a timely fashion.

8.24 SUPPLIERS AND CUSTOMERS. Reenergy does not have any knowledge that any supplier or customer or group of related suppliers or customers of Reenergy has canceled or otherwise terminated or threatened to cancel or otherwise terminate, its relationship with Reenergy, which termination would have a material adverse effect on the Reenergy Business or Reenergy, or that any such supplier or customer or group of related suppliers or customers expects to reduce its business with Reenergy by reason of the transactions contemplated by this Agreement or for any other reason whatsoever.

8.25 LICENSES, PERMITS AND AUTHORIZATIONS. Reenergy has all necessary Permits for the use and ownership or leasing of its properties and assets as currently operated, used, owned or leased, except for such Permits as to which the lack thereof does not and would not have a material adverse effect on Reenergy or the Reenergy Business. All of the Permits are valid, in full force and effect and in good standing. SCHEDULE 8.25 contains a true and complete list and description of all the Permits. There is no claim or Action pending, or, to Reenergy's knowledge, threatened, which disputes the validity of any such Permit or threatens to revoke, cancel, suspend or limit any such Permit.

8.26 ACCOUNTS RECEIVABLE. All accounts receivable of Reenergy shown on the Reenergy Financial Statements and all accounts receivable created after March 31, 2004, subject to reserves created in the ordinary course of business on a basis consistent with the past practices and policies of Reenergy and otherwise in accordance with generally accepted accounting principles, (a) have been collected or (b) to Reenergy's knowledge, are valid and enforceable, arose from bona-fide sales to third parties in the ordinary course of business, and are collectible at the aggregate recorded amounts thereof on the books of Reenergy.

8.27 CONDITION OF TANGIBLE ASSETS. Reenergy's facilities and tangible assets, including, without limitation, machinery, equipment, vehicles, furniture, plants and buildings, are in good operating condition and repair (ordinary wear and tear excepted) and are adequate for the uses to which they have been put by Reenergy in the ordinary course of business, except for parts or repairs of an immaterial nature in the aggregate, and Reenergy has not received any notice that any of such facilities or assets is in need of substantial maintenance or repair.

8.28 DISCLOSURE. No representation or warranty of Reenergy in this Agreement (including, without limitation, the Schedules of Reenergy hereto)

contains or will contain any untrue statement of a material fact or omits or will omit to state any material fact necessary to make the statements herein or therein not misleading.

ARTICLE IX
REPRESENTATIONS AND WARRANTIES OF THE REENERGY MEMBERS

Each of the Reenergy Members, severally and not jointly, hereby represents and warrants to Accessity that the following representations and warranties are true and correct on and as of the date hereof:

9.1 POWER AND AUTHORITY. Such Reenergy Member has full power and authority to enter into this Agreement, perform its respective obligations hereunder, and carry out the transactions contemplated hereby. This Agreement constitutes the legal, valid and binding obligation of such Reenergy Member, enforceable against such Reenergy Member in accordance with its terms.

9.2 NO VIOLATION. Neither the execution and delivery of this Agreement nor the performance by such Reenergy Member of its respective obligations hereunder nor the consummation of the transactions contemplated hereby will violate, or be in conflict with, or constitute a default under, any mortgage, indenture, lease, or any agreement, instrument or commitment to which such Reenergy Member is a party.

9.3 TITLE; CONSENTS AND APPROVALS; NO CLAIMS. Such Reenergy Member is the owner, beneficially and of record, of its Reenergy Interests, free and clear of all liens, encumbrances, security agreements, options, claims, charges and restrictions. To such Reenergy Member's knowledge, no consent, approval or authorization of, or declaration, filing or registration with, any governmental or regulatory authority or any other third party is required to be made or obtained by such Reenergy Member in connection with the execution, delivery or performance of this Agreement. To such Reenergy Member's knowledge, there is no claim, action, litigation, suit, cause of action or other proceeding pending or threatened before any federal, state or local court, governmental agency or regulatory body against such Reenergy Member which seeks or may seek, directly or indirectly, (a) to invalidate or set aside, in whole or in part, this Agreement, (b) to restrain, prohibit, invalidate or set aside, in whole or in part, the consummation of the transactions contemplated hereby or (c) to obtain substantial damages in connection therewith.

9.4 SECURITIES LAW COMPLIANCE.

(a) Such Reenergy Member has a net worth sufficient to bear the economic risk (including the entire loss) of its investment made in the Accessity Exchange Shares;

(b) Such Reenergy Member is an "ACCREDITED INVESTOR," as such term is defined in Rule 501 of Regulation D promulgated under the rules and regulations of the Securities Act (except in regard to Celilo Group, a member of Kinergy Resources, LLC, and Tom Koehler, a Reenergy Member, each of whom shall be provided with an Owner Disclosure Document (as defined in SECTION 11.7 below) that is in compliance with paragraph (b)(2) of Rule 502 of Regulation D promulgated under the Securities Act);

(c) Such Reenergy Member has adequate means of providing for its current cash needs and personal contingencies and has no need for liquidity in this investment in the Accessity Exchange Shares and has no reason to anticipate any change in its personal circumstances, financial or otherwise, which may cause or require any sale or distribution by such Reenergy Member or all or any part of the Accessity Exchange Shares acquired by it herein;

(d) by reason of such Reenergy Member's business or financial experience or the business or financial experience of such Reenergy Member's professional advisor(s) who are unaffiliated with and who are not compensated by Accessity or any affiliate or selling agent of Accessity, directly or indirectly, such Reenergy Member has the capacity to protect its own interests in connection with an investment in the Accessity Exchange Shares;

(e) Such Reenergy Member understands that he, she or it is acquiring Accessity Exchange Shares without being furnished any prospectus or offering circular, other than a copy of this Agreement, a copy of the Proxy Statement (as defined in SECTION 11.6 below) and a copy of the Owner Disclosure Document (as defined in SECTION 11.7 below);

(f) No representations or warranties have been made to such Reenergy Member by Accessity or any employee or agent of Accessity and in entering into this Agreement, such Reenergy Member is not relying on any information, other than as a result of the independent investigation of Accessity by such Reenergy Member, and no guarantee of any profit or return on its investment made in the Shares has been made to such Reenergy Member;

(g) In evaluating the merits and risk of this investment, such Reenergy Member has relied on the advice of its personal tax advisor, investment advisor and/or legal counsel;

(h) Such Reenergy Member is aware that the Accessity Exchange Shares have not been registered or qualified, nor is registration or qualification contemplated, with the SEC under the Securities Act or any state securities law. Accordingly, the Accessity Exchange Shares may be sold or otherwise transferred or hypothecated only if they are subsequently registered or qualified under the Securities Act or applicable laws or if, in the opinion of counsel, an exemption from registration or qualification thereunder is available and the transaction will not jeopardize the availability of the exemptions under applicable federal and state securities laws relied upon by Accessity in connection with the offering in which such Reenergy Member acquired its Accessity Exchange Shares;

(i) Such Reenergy Member acknowledges that the Accessity Exchange Shares were not offered by means of any general solicitation or advertising;

(j) Such Reenergy Member is acquiring its Accessity Exchange Shares solely for its own account, for investment purposes only, and not with an intent to sell, or for resale in connection with any distribution of all or any portion of the Accessity Exchange Shares within the meaning of the Securities Act; and

(k) The address of such Reenergy Member furnished by such Reenergy Member at the end of this Agreement is the principal residence of such Reenergy Member, if such Reenergy Member is an individual, or the principal business address of such Reenergy Member, if such Reenergy Member is a business or other entity, and that all offers to such Reenergy Member have been made only in the state specified in such address.

ARTICLE X
REPRESENTATIONS AND WARRANTIES OF ACCESSITY

Accessity hereby represents and warrants that, except as disclosed herein or set forth on its Schedules attached hereto:

10.1 DUE ORGANIZATION, AUTHORIZATION AND VALIDITY. Accessity is a corporation duly organized, validly existing and in good standing under the laws of the state of its incorporation and has all necessary power, legal capacity and authority to (i) conduct its business in the manner in which its business is currently being conducted and to own and use its assets in the manner in which its assets are currently owned and used and (ii) enter into and perform its obligations under this Agreement and under all contracts, agreements and instruments to which it is a party or by which it or its assets or properties are subject or bound. This Agreement and the consummation of the transactions contemplated hereby has been duly and validly approved by the Board of Directors of Accessity. This Agreement constitutes the legal, valid and binding obligation of Accessity, enforceable against it in accordance with its terms.

10.2 ABSENCE OF CERTAIN CHANGES. Since December 31, 2003, there has not been any change in the financial condition, properties, assets, liabilities, business or results of operations of Accessity, which change by itself or in conjunction with all other such changes, whether or not arising in the ordinary course of business, has had or can reasonably be expected to have a material adverse effect on Accessity.

10.3 NO BROKERS. Accessity is not obligated for the payment of fees or expenses of any investment banker, broker or finder in connection with the origin, negotiation or execution of this Agreement in connection with the exchange of stock transaction provided for herein.

10.4 SEC FILINGS; FINANCIAL STATEMENTS.

(a) Accessity has delivered to each of the Acquired Companies accurate and complete copies (excluding copies of exhibits) of each report, registration statements (on a form other than Form S-8) and definitive proxy statement required to be filed with the SEC by Accessity with the SEC between January 1, 2002 and the date of this Agreement (collectively, the "ACCESSITY SEC DOCUMENTS"). As of the time it was filed with the SEC (or, if amended or superseded by a filing prior to the date of this Agreement, then on the date of such filing): (i) each of the Accessity SEC Documents complied in all material respects with the applicable requirements of the Securities Act or the Exchange Act (as the case may be); and (ii) none of the Accessity SEC Documents contained

any untrue statement of a material fact or omitted to state a material fact required to be stated therein or necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading. All of the Accessity SEC Documents were timely filed, unless a filing under Rule 12b-25 of the Exchange Act was timely filed, in which case the applicable filing was made within the time period prescribed in Rule 12b-25.

(b) The consolidated financial statements contained in the Accessity SEC Documents: (i) complied as to form in all material respect with the then applicable accounting requirements and with the published rules and regulations of the SEC applicable thereto; (ii) were prepared in accordance with GAAP throughout the periods covered, except as may be indicated in the notes to such financial statements and (in the case of unaudited statements) as permitted by Form 10-Q or Form 10-QSB, as applicable, and except that unaudited financial statements may not contain footnotes and are subject to year-end audit adjustments; and (iii) fairly present the consolidated financial position of Accessity and its subsidiaries as of the respective dates thereof and the consolidated results of operations of Accessity and its subsidiaries for the period covered thereby.

10.5 VALID ISSUANCE. The Accessity Exchange Shares to be issued in the Share Exchange will, when issued in accordance with the provisions of this Agreement, be validly issued, fully paid and nonassessable.

10.6 DISCLOSURE. None of the information in the Proxy Statement (as defined in SECTION 11.6 below) will contain any untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary in order to make the statements therein, in light of the circumstances under which they were made, not misleading. The Proxy Statement will comply as to form in all material respects with the provisions of the Exchange Act and the rules and regulations promulgated by the SEC thereunder, except that no representation or warranty is made by Accessity with respect to statements made therein based on information supplied by any of the Acquired Companies for inclusion in the Proxy Statement.

10.7 COMPLIANCE WITH APPLICABLE LAWS. The business of Accessity and the businesses of the Accessity Subsidiaries (as defined below) are not being conducted in violation of any law, ordinance, regulation, rule or order of any Governmental Body where such violation would have a material adverse effect. Accessity has not been notified by any Governmental Body that any investigation or review with respect to Accessity or any of the Accessity Subsidiaries is pending or threatened, nor has any Governmental Body notified Accessity of its intention to conduct the same. Accessity and the Accessity Subsidiaries Exchange Shares to be issued in the Share Exchange will, when issued in accordance with the provisions of this Agreement, be validly issued, fully paid and nonassessable.

10.8 NO CONFLICT. Neither the execution, delivery and performance of this Agreement nor the consummation of the transactions contemplated hereby or thereby nor compliance with the provisions hereof or thereof will: (i) conflict with, or result in any violations of, or cause a default (with or without notice or lapse of time, or both) under, or give rise to a right of termination, amendment, cancellation or acceleration of any obligation contained in, or the loss of any material benefit under, or result in the creation of any lien, security interest, charge or encumbrance upon any of the material properties or assets of Accessity or any of the Accessity Subsidiaries under, any term, condition or provision of (x) the articles of incorporation or bylaws of Accessity or any of the Accessity Subsidiaries or (y) any loan or credit

agreement, note, bond, mortgage, indenture, lease or other material agreement, judgment, order, decree, statute, law, ordinance, rule or regulation applicable to Accessity or any of the Accessity Subsidiaries or their respective properties or assets, other than any such conflicts, violations, defaults, losses, liens, security interests, charges, or encumbrances which, individually or in the aggregate, would not have a material adverse effect on Accessity or the business of Accessity; or (ii) require the affirmative vote of the holders of greater than a majority of the issued and outstanding shares of the common stock of Accessity.

10.9 GOVERNMENTAL CONSENTS. No consent, approval, order or authorization of, or registration, declaration or filing with, any Governmental Body, is required to be obtained by Accessity in connection with the execution and delivery of this Agreement or the consummation of the transactions contemplated hereby, except for: (i) the filing with the SEC of (x) the Proxy Statement relating to the Accessity Shareholders' Meeting (as defined in SECTION 11.6 below), and (y) such reports and information under the Exchange Act and the rules and regulations promulgated by the SEC thereunder, as may be required in connection with this Agreement and the transactions contemplated hereby; (ii) such filings, authorizations, orders and approvals as may be required under state "control share acquisition," "anti-takeover" or other similar statutes and regulations (collectively, "STATE TAKEOVER LAWS"); (iii) such filings,

authorizations, order and approvals as may be required under foreign laws, state securities laws and the Bylaws of the National Association of Securities Dealers, Inc. ("NASD"); (iv) such filings and notifications (if any) as may be necessary under the Hart-Scott-Rodino Antitrust Improvement Act of 1976, as amended ("HSR ACT"); and (v) where the failure to obtain such consents, approvals, etc., would not prevent or delay the consummation of the Share Exchange or otherwise prevent Accessity from performing its obligations under this Agreement and would not reasonably be expected to have a material adverse effect on Accessity or the business of Accessity.

ARTICLE XI
CERTAIN OBLIGATIONS OF THE PARTIES PRIOR TO CLOSING

Accessity and the Acquired Companies hereby covenant as follows:

11.1 ACCESS TO ACCESSITY PRIOR TO CLOSING. Accessity shall afford the Acquired Companies and their respective counsel, accountants, investment bankers, investors and other authorized agents and representatives (their "ADVISORS") reasonable access during normal business hours to Accessity's properties, books, records and personnel in order that the Acquired Companies and their respective Advisors may have the opportunity to make such reasonable investigations as they shall desire to make of the affairs of Accessity. Accessity shall furnish, or shall cause its accountants to furnish, such additional financial and operating data and other information as any of the Acquired Companies or any of their Advisors shall from time to time reasonably request, including, without limitation, all financial and operating data as shall be necessary for verification of the accuracy of the financial statements of Accessity. Accessity shall, upon the reasonable request of any of the Acquired Companies, assist the Acquired Companies and their respective Advisors in contacting and communicating with suppliers, customers, employees and Advisors of Accessity.

11.2 ACCESS TO ACQUIRED COMPANIES PRIOR TO CLOSING. Each Acquired Company shall afford Accessity and the other Acquired Companies and their respective Advisors reasonable access during normal business hours to such Acquired Company's properties, books, records and personnel in order that Accessity and the other Acquired Companies and their respective Advisors may have the opportunity to make such reasonable investigations as they shall desire

to make of the affairs of such Acquired Company. Each Acquired Company shall furnish, or shall cause its accountants to furnish, such additional financial and operating data and other information as Accessity or any of the other Acquired Companies or any of their respective Advisors shall from time to time reasonably request, including, without limitation, all financial and operating data as shall be necessary for verification of the accuracy of the financial statements of such Acquired Company. Such Acquired Company shall, upon the reasonable request of Accessity or any of the other Acquired Companies, assist Accessity and the Acquired Companies and their respective Advisors in contacting and communicating with suppliers, customers, employees and Advisors of such Acquired Company.

11.3 CONFIDENTIALITY PRIOR TO CLOSING. Except as required by law or any securities exchange, and subject to SECTION 17.1 below, each party hereto shall, and shall cause its officers and Advisors to, hold in strict confidence, and not disclose to others (except its Advisors) for any reason whatsoever, without the prior written consent of the other party, any nonpublic information received by it from the other party in connection with the transactions contemplated hereby and will not use such information for any purpose in the event that no Closing occurs under this Agreement. No party hereto shall communicate, directly or indirectly, to any third party other than their respective employees, agents and Advisors any of the terms, conditions and other aspects of this Agreement and the negotiation and preparation hereof until the Closing has occurred or the negotiations between the parties has terminated.

11.4 CONDUCT PRIOR TO CLOSING DATE. Except as otherwise contemplated by this Agreement, prior to the Closing Date:

(a) PEI shall:

(i) conduct the PEI Business and operations of PEI only in the ordinary course, including, without limitation, maintaining inventories at levels not in excess of those consistent with past practices;

(ii) maintain the properties and assets of PEI in good condition and repair and not dispose of any of its assets except in the ordinary course of business consistent with past practices, perform its obligations under all agreements to which it is a party or by which it or any of its assets or properties are bound and maintain all of its Permits in good standing;

(iii) continue in effect the policies of insurance (or similar coverage) referred to in SECTION 4.23;

(iv) not borrow any money except for amounts that are not in the aggregate material to the financial condition of PEI;

(v) use its commercially reasonable efforts to keep available the services of the present employees of PEI;

(vi) not declare, set aside or pay any cash or stock dividend or other distribution in respect of capital stock, or redeem or otherwise acquire any of its capital stock;

(vii) maintain and preserve the goodwill of the suppliers, customers and others having business relations with PEI;

(viii) not lend any amount to any person or entity, other than advances for travel and expenses which are incurred in the ordinary course of business consistent with past practices, not material in amount and documented by receipts for the claim amounts;

(ix) not guarantee or act as a surety for any obligation except for obligations in amounts that are not material;

(x) not waive or release any right or claim except for the waiver or release of non-material claims in the ordinary course of business consistent with past practices;

(xi) not issue or sell any shares of its capital stock of any class (except upon the exercise of a bona fide option, warrant or other right to acquire such capital stock currently outstanding or conversion of any currently outstanding securities which are by their terms convertible in shares of its capital stock), or any other of its securities, or issue or create any warrants, obligations, subscriptions, options, convertible securities or other commitments to issue shares of capital stock, or accelerate the vesting of any outstanding option or other security;

(xii) not split or combine the outstanding shares of its capital stock of any class or enter into any recapitalization or agreement affecting the number or rights of outstanding shares of its capital stock of any class or affecting any other of its securities;

(xiii) not form, merge, consolidate or reorganize with, or acquire, any entity; or

(xiv) not amend its articles of incorporation or bylaws.

(b) Kinergy shall:

(i) conduct the Kinergy Business and operations of Kinergy only in the ordinary course, including, without limitation, maintaining inventories at levels not in excess of those consistent with past practices;

(ii) maintain the properties and assets of Kinergy in good condition and repair and not dispose of any of its assets except in the ordinary course of business consistent with past practices, perform its obligations under all agreements to which it is a party or by which it or any of its assets or properties are bound and maintain all of its Permits in good standing;

(iii) continue in effect the policies of insurance (or similar coverage) referred to in SECTION 6.23;

(iv) not borrow any money except for amounts that are not in the aggregate material to the financial condition of Kinergy;

(v) use its commercially reasonable efforts to keep available the services of the present employees of Kinergy;

(vi) not declare, set aside or pay any cash or dividend or other distribution in respect of its limited liability company membership interests, or redeem or otherwise acquire any of its limited liability company membership interests; PROVIDED, HOWEVER, that effective the close of business on the day preceding the Closing Date, the Managers or Managing Members of Kinergy shall distribute to the Members of Kinergy in the form of cash, a promissory note or a combination of cash and a promissory note, the dollar amount of Kinergy's net worth as set forth on Kinergy's balance sheet dated as of such date, which balance sheet shall have been prepared in accordance with GAAP;

(vii) maintain and preserve the goodwill of the suppliers, customers and others having business relations with Kinergy;

(viii) not lend any amount to any person or entity, other than advances for travel and expenses which are incurred in the ordinary course of business consistent with past practices, not material in amount and documented by receipts for the claim amounts;

(ix) not guarantee or act as a surety for any obligation except for obligations in amounts that are not material;

(x) not waive or release any right or claim except for the waiver or release of non-material claims in the ordinary course of business consistent with past practices;

(xi) not issue or sell any limited liability company membership interests, or any other of its securities, or issue or create any warrants, obligations, subscriptions, options, convertible securities or other commitments to issue limited liability company membership interests, or accelerate the vesting of any outstanding option or other security;

(xii) not enter into any recapitalization or agreement affecting the number or rights of outstanding limited liability company membership interests or affecting any other of its securities;

(xiii) not form, merge, consolidate or reorganize with, or acquire, any entity; or

(xiv) not amend its articles of organization or operating agreement.

(c) Reenergy shall:

(i) conduct the Reenergy Business and operations of Reenergy only in the ordinary course, including, without limitation, maintaining inventories at levels not in excess of those consistent with past practices;

(ii) maintain the properties and assets of Reenergy in good condition and repair and not dispose of any of its assets except in the ordinary course of business consistent with past practices, perform its obligations under all agreements to which it is a party or by which it or any of its assets or properties are bound and maintain all of its Permits in good standing;

(iii) continue in effect the policies of insurance (or similar coverage) referred to in SECTION 8.23;

(iv) not borrow any money except for amounts that are not in the aggregate material to the financial condition of Reenergy;

(v) use its commercially reasonable efforts to keep available the services of the present employees of Reenergy;

(vi) not declare, set aside or pay any cash or dividend or other distribution in respect of its limited liability company membership interests, or redeem or otherwise acquire any of its limited liability company membership interests; PROVIDED, HOWEVER, that effective the close of business on the day preceding the Closing Date, the Managers or Managing Members of Reenergy shall distribute to the Members of Reenergy in the form of cash, a promissory note or a combination of cash and a promissory note, the dollar amount of Reenergy's net worth as set forth on Reenergy's balance sheet dated as of such date, which balance sheet shall have been prepared in accordance with GAAP;

(vii) maintain and preserve the goodwill of the suppliers, customers and others having business relations with Reenergy;

(viii) not lend any amount to any person or entity, other than advances for travel and expenses which are incurred in the ordinary course of business consistent with past practices, not material in amount and documented by receipts for the claim amounts;

(ix) not guarantee or act as a surety for any obligation except for obligations in amounts that are not material;

(x) not waive or release any right or claim except for the waiver or release of non-material claims in the ordinary course of business consistent with past practices;

(xi) not issue or sell any limited liability company membership interests, or any other of its securities, or issue or create any

warrants, obligations, subscriptions, options, convertible securities or other commitments to issue limited liability company membership interests, or accelerate the vesting of any outstanding option or other security;

(xii) not enter into any recapitalization or agreement affecting the number or rights of outstanding limited liability company membership interests or affecting any other of its securities;

(xiii) not form, merge, consolidate or reorganize with, or acquire, any entity; or

(xiv) not amend its articles of organization or operating agreement.

(d) Accessity shall:

(i) conduct the business and operations of Accessity only in the ordinary course, including, without limitation, maintaining inventories at levels not in excess of those consistent with past practices;

(ii) maintain the properties and assets of Accessity in good condition and repair and not dispose of any of its assets except in the ordinary course of business consistent with past practices, perform its obligations under all agreements to which it is a party or by which it or any of its assets or properties are bound and maintain all of its Permits in good standing;

(iii) not change any insurance coverage;

(iv) not borrow any money except for amounts that are not in the aggregate material to the financial condition of Accessity;

(v) use its commercially reasonable efforts to keep available the services of the present employees of Accessity, except as otherwise provided for herein;

(vi) not declare, set aside or pay any cash or stock dividend or other distribution in respect of capital stock, or redeem or otherwise acquire any of its capital stock;

(vii) maintain and preserve the goodwill of the suppliers, customers and others having business relations with Accessity;

(viii) not lend any amount to any person or entity, other than advances for travel and expenses which are incurred in the ordinary course of business consistent with past practices, not material in amount and documented by receipts for the claim amounts;

(ix) not guarantee or act as a surety for any obligation except for obligations in amounts that are not material;

(x) not waive or release any right or claim except for the waiver or release of non-material claims in the ordinary course of business consistent with past practices;

(xi) not issue or sell any shares of its capital stock of any class (except upon the exercise of a bona fide option, warrant or other right to acquire such capital stock currently outstanding or conversion of any currently outstanding securities which are by their terms convertible in shares of its capital stock), or any other of its securities, or issue or create any warrants, obligations, subscriptions, options, convertible securities or other commitments to issue shares of capital stock, or accelerate the vesting of any outstanding option or other security;

(xii) not split or combine the outstanding shares of its capital stock of any class or enter into any recapitalization or agreement affecting the number or rights of outstanding shares of its capital stock of any class or affecting any other of its securities;

(xiii) not form, merge, consolidate or reorganize with, or acquire, any entity (other than in connection with the reincorporation of Accessity in Delaware); or

(xiv) not amend its articles of incorporation or bylaws (except as may be necessary in connection with the reincorporation of Accessity in Delaware).

11.5 ACCESSITY SPECIAL SHAREHOLDERS' MEETING. Accessity shall, in accordance with its articles of incorporation and bylaws and the applicable requirements of New York law, call and hold a special meeting of its shareholders as promptly as practicable for the purpose of permitting them to

consider and to vote upon and approve the Share Exchange and the transactions contemplated by this Agreement, the reincorporation of Accessity in the State of Delaware referred to in SECTION 13.6 below, the sale or other disposition of the Accessity Subsidiaries (as defined below) to Barry Siegel referred to in SECTION 13.11 below, the adoption of an Amended and Restated 1995 Incentive Stock Plan of Accessity, in form and substance reasonably acceptable to the Acquired Companies, and the adoption of a new stock option plan referred to in SECTION 13.16 below, in form and substance reasonably acceptable to the Acquired Companies) (the "ACCESSITY SPECIAL SHAREHOLDERS' MEETING"). As soon as permissible under all applicable Legal Requirements, Accessity shall cause a copy of the Proxy Statement (as defined in SECTION 11.6 below) to be delivered to each shareholder of Accessity who is entitled to vote on such matter under its articles of incorporation and bylaws and the applicable requirements of New York law.

11.6 PROXY STATEMENT. Following delivery to Accessity of the audited balance sheets as of December 31, 2003 and the related statements of income and changes in financial position or cash flows, as appropriate, for the period then ended for each of the Acquired Companies and subject to the reasonable satisfaction of Accessity with same and with the results of its due diligence investigation of the Acquired Companies as of such time, promptly thereafter, Accessity shall prepare and cause to be filed with the SEC a Proxy Statement with respect to the Accessity Special Shareholders' Meeting (the "PROXY STATEMENT") and any other documents required by the Securities Act, the Exchange Act or any other federal, foreign or state Blue Sky or related laws in connection with the Share Exchange and the transactions contemplated by this Agreement (collectively, "OTHER FILINGS"). Accessity will notify each of the Acquired Companies of any comments from the SEC or its staff or any other Governmental Body and of any request by the SEC or its staff or any other Governmental Body for amendments to the Proxy Statement or any Other Filings or for additional information and will supply each of the Acquired Companies with copies of all correspondence between Accessity and any of its Advisors or representatives, on the one hand, and the SEC or its staff or any other Governmental Body, on the other hand, with respect to the Proxy Statement, any Other Filings or the Share Exchange. Accessity shall use all commercially reasonable efforts to cause the Proxy Statement and any Other Filings to comply with the rules and regulations promulgated by the SEC and to respond promptly to any comments of the SEC or its staff or any other Governmental Body. Accessity will use all reasonable efforts to cause the Proxy Statement to be mailed to Accessity's shareholders, as promptly as practicable after the Proxy Statement is permitted to be mailed under the rules and regulations promulgated by the SEC. Each of the Acquired Companies shall promptly furnish to Accessity all information concerning such Acquired Company and such Acquired Company's shareholders that may be required or reasonably requested in connection with any action contemplated by this SECTION 11.6.

11.7 NONPUBLIC OFFERING; PREPARATION OF DISCLOSURE DOCUMENT. Prior to the Closing Date, Accessity shall use all commercially reasonable efforts to obtain or comply with all regulatory approvals and provisions of any and all applicable Governmental Bodies to ensure that the Accessity Exchange Shares to be issued in the Share Exchange will be exempted from registration or qualification under the securities law of every jurisdiction of the United States in which any Owner has an address of record as set forth on the signature pages hereto; provided, that Accessity shall not be required (i) to qualify to do business as a foreign corporation in any jurisdiction in which it is not now qualified or (ii) file a general consent to service of process in any jurisdiction in which it has not already filed a general consent to service of

process. As soon as practicable after the execution of this Agreement, Accessity shall have prepared a document containing certain disclosures, risk factors and disclaimers in regard to Accessity, PEI, Kinergy and Reenergy and the Share Exchange for distribution to the Owners and the PEI Warrantholders prior to the Closing, subject to the review, comment and approval of each of PEI, Kinergy and Reenergy prior to such distribution (the "OWNER DISCLOSURE DOCUMENT").

11.8 COOPERATION. Each party shall use its best efforts to cause the transactions contemplated by this Agreement to be consummated, and without limiting the generality of the foregoing, to obtain all consents and authorizations of any Governmental Body and third parties listed on SCHEDULES 4.7, 6.7, AND 8.7, and to make all filings with and give all notices to government agencies and third parties which may be necessary or reasonably required in order to consummate the transactions contemplated by this Agreement. Each party shall give prompt notice to Accessity and the Acquired Companies, after receipt thereof by such party, of (i) any notice of, or other communication relating to, any default or event which, with notice or the lapse of time or both, would be reasonably likely to become a default under any indenture, instrument or agreement material to any of the Acquired Companies or Accessity or the operations, condition (financial or otherwise) of any of the

Acquired Companies or Accessity, or to which any of the Acquired Companies or Accessity is a party or by which any of the Acquired Companies or Accessity or their respective assets or properties are bound and (ii) any notice or other communication from or to any third party alleging or stating that the consent of such third party is or may be required in connection with the transactions contemplated by this Agreement.

11.9 NO NEGOTIATIONS, ETC. Prior to the Closing Date, neither Accessity nor any of the Acquired Companies or the Owners shall, directly or indirectly, in any way contact, initiate, enter into or conduct any discussions or negotiations, or enter into any agreements, whether written or oral, with any Person with respect to the sale of all or any part of the assets of any of the Acquired Companies or Accessity or a merger or consolidation of any of the Acquired Companies or Accessity with any other person (other than in connection with the reincorporation of Accessity in Delaware), except, by the Board of Directors of Accessity or PEI or the managers of any of the Acquired Companies to the extent otherwise required in the exercise of its fiduciary duties to its shareholders or members, as the case may be, if it shall have received a Superior Proposal after the date hereof from a third party or parties. As used in this Agreement, the defined term "Superior Proposal" shall mean a bona fide unsolicited written proposal made by a third party which is (a)(i) for a sale, exchange, transfer or other disposition of more than 50% of the assets of the company, taken as a whole, in a single transaction or a series of related transactions, or (ii) for the acquisition, directly or indirectly, by such third party of beneficial ownership of more than 50% of the stock or limited liability company membership interests of the company, as the case may be, whether by merger, reorganization, consolidation, share exchange or purchase, business combination, recapitalization, liquidation, dissolution or similar transaction, and which and is (b) otherwise on terms which the Board of Directors or managers of the company, as the case may be, in good faith has concluded (after consultation with its financial advisors and legal counsel), taking into account, among other things, all legal, financial, regulatory and other aspects of the proposal and the third party making the proposal (x) that the proposal would, if consummated, result in a transaction that is more favorable to its shareholders (in their capacity as shareholders) or members (in their capacity as members), as the case may be, from a financial point of view, than the transactions contemplated by this Agreement and (y) that the proposal is reasonably capable of being consummated.

11.10 DELIVERY OF DISCLOSURE SCHEDULES. The respective disclosure schedules relating to the representations and warranties of Accessity and each of the Acquired Companies in this Agreement shall be delivered as soon as practicable after such execution and, in any event, a reasonable time prior to the Closing.

11.11 DISTRIBUTION TO OWNERS AND PEI WARRANTHOLDERS. As soon as practicable after delivery of the respective disclosures schedules relating to the representations and warranties of the Acquired Companies in this Agreement and completion of the Owner Disclosure Document and the Proxy Statement, each of the Acquired Companies shall distribute to its respective Owners (and PEI will also distribute to the PEI Warrantholders) for execution a copy of this Agreement, together with a copy of such disclosure schedules, a copy of the Owner Disclosure Document and a copy of the Proxy Statement.

ARTICLE XII
CONDITIONS TO ACCESSITY'S OBLIGATIONS

Each and every obligation of Accessity under this Agreement to be performed on or before the Closing Date shall be subject to the satisfaction, on or before the Closing Date, of each of the following conditions:

12.1 REPRESENTATIONS AND WARRANTIES TRUE. The representations and warranties of each of the Acquired Companies and the Owners contained herein, in the Schedules and Exhibits hereto and in all certificates and other documents delivered by each of the Acquired Companies and the Owners to Accessity pursuant hereto or in connection with the transactions contemplated hereby shall be true and accurate as of the date of this Agreement and as of the Closing Date with the same effect as if made on and as of the Closing Date.

12.2 PERFORMANCE. Each of the Acquired Companies shall have performed and complied in all material respects with all agreements, obligations and conditions required by this Agreement to be performed or complied with by it on or prior to the Closing Date, including, without limitation, those referred to in ARTICLE XI above.

12.3 PERMITS. The Acquired Companies shall have obtained all such Permits (other than nondiscretionary Permits issued upon completion of construction of the proposed ethanol plant) from federal, state and local Governmental Bodies as are required by applicable law for the Acquired Companies to conduct each of the PEI Business, the Kinergy Business and the Reenergy Business (including, without limitation, the commencement of construction of a

plant to produce up to 40 million gallons of ethanol per year), unless the failure to obtain any such Permit would not have an adverse effect on the assets, properties, business, condition (financial or otherwise) or prospects of Accessity or any of the Acquired Companies or the transactions contemplated hereby.

12.4 GOVERNMENTAL CONSENTS. There shall have been obtained on or before the Closing such material permits or authorizations, and there shall have been taken such other action, as may be required to consummate the Share Exchange and the other transactions contemplated hereby by any Governmental Body having jurisdiction over the parties and the actions herein proposed to be taken, including but not limited to requirements under applicable federal and state securities laws and the compliance with, and expiration of any applicable waiting period for, the HSR Act.

12.5 DOCUMENTS AND ACTIONS. Each of Acquired Companies shall have executed and delivered to Accessity this Agreement and the other agreements, documents and instruments and shall have taken the actions contemplated by SECTION 3.3 hereof.

12.6 THIRD PARTY APPROVALS AND CONSENTS. Each Acquired Company shall have received any and all consents, approvals, notices, filings or recordations of third parties required with respect to the execution and delivery of this Agreement or the transactions contemplated hereby or by any of the agreements, documents or instruments referred to herein.

12.7 NO LEGAL ACTION. No temporary restraining order, preliminary injunction or permanent injunction or other order preventing the consummation of the Share Exchange or any of the transactions contemplated hereby shall have been issued by any Federal or state court and remain in effect, nor shall any proceeding initiated by any Governmental Body seeking any of the foregoing be pending.

12.8 NO MATERIAL ADVERSE CHANGE. There shall have been no material adverse change in the business, financial condition, operations or financial performance of any of the Acquired Companies since the date of this Agreement.

12.9 CONSULTING AGREEMENTS. Accessity shall have entered into a consulting agreement with Barry Siegel for advisory services, in form and substance mutually acceptable to the Acquired Companies, Accessity and Barry Siegel (the "Siegel Consulting Agreement"). The Siegel Consulting Agreement shall include payment to Barry Siegel on the Closing Date of compensation (a) in the form of the number of shares of Common Stock of Accessity equal to the excess, if any, of 400,000 shares of the Common Stock of Accessity over the number of shares of Siegel Common Stock determined in accordance with Section 13.11 of this Agreement and (b) allocated between compensation for consulting services and a covenant not to compete, each in such amounts as shall be mutually acceptable to the Acquired Companies, Accessity and Barry Siegel. Accessity shall also have entered into a consulting agreement with Philip Kart for advisory services, in form and substance mutually acceptable to the Acquired Companies, Accessity and Philip Kart (the "Kart Consulting Agreement"). The Kart Consulting Agreement shall include payment to Philip Kart on the Closing Date of compensation (a) in the amount of 200,000 shares of the Common Stock of Accessity and (b) allocated between compensation for consulting services and a covenant not to compete, in such amounts as shall be mutually acceptable to the Acquired Companies, Accessity and Philip Kart.

12.10 PROXY STATEMENT. The Proxy Statement shall on the Closing Date not be subject to any proceedings commenced or threatened by the SEC.

12.11 AUDITED FINANCIAL STATEMENTS. Each of the Acquired Companies shall have delivered to Accessity the audited balance sheet of such Acquired Company as of December 31, 2003 and the related statements of income and changes in financial position or cash flows, as appropriate, for the period then ended.

12.12 EXECUTION OF AGREEMENT BY PEI SHAREHOLDERS, PEI WARRANTHOLDERS, KINERGY MEMBERS AND REENERGY MEMBERS. All or substantially all (representing at least 95% of the issued and outstanding shares of PEI Stock as of the Closing) of the PEI Shareholders, all of the PEI Warrantholders, all of Kinergy Members and all of the Reenergy Members shall have executed and delivered to PEI, Kinergy or Reenergy, respectively, a copy of this Agreement and, in any event, a

sufficient number of PEI Shareholders shall have executed a copy of this Agreement such that, after giving effect to the Share Exchange, the PEI Shareholders, the Kinergy Members and the Reenergy Members shall beneficially own in the aggregate at least 80% of the issued and outstanding common stock of Accessity.

12.13 APPROVAL BY ACCESSITY SHAREHOLDERS. The shareholders of Accessity

shall have approved the execution, delivery and performance of this Agreement and the consummation of the transactions contemplated hereby (including, without limitation, the reincorporation of Accessity in the State of Delaware referred to in SECTION 13.6 below, the sale or other disposition of the Accessity Subsidiaries (as defined below) to Barry Siegel referred to in SECTION 13.13 below, the adoption of an Amended and Restated 1995 Incentive Stock Plan of Accessity, in form and substance reasonably acceptable to the Acquired Companies, and the adoption of a new stock option plan referred to in SECTION 13.16 below, in form and substance reasonably acceptable to the Acquired Companies)).

12.14 LIMITATION OF OUTSTANDING CAPITAL STOCK. As of the Closing Date, giving effect to the transactions contemplated hereby, Accessity shall not be obligated to issue to the PEI Shareholders, the Kinergy Members and the Reenergy Members or any other Person(s), more than 18,800,000 Accessity Exchange Shares in connection with the Share Exchange and the consummation of the transactions contemplated hereby on a fully-diluted basis (including shares of capital stock issuable upon exercise of any and all options, calls, warrants, claims, convertible debt and any other rights to acquire shares of capital stock of any of the Acquired Companies, whether accrued or contingent (including shares issuable upon exercise of the Accessity Replacement Warrants).

12.15 COMPLETION OF DUE DILIGENCE; DISCLOSURE SCHEDULES. Accessity shall have completed its financial and legal due diligence investigation of each of the Acquired Companies with results thereof satisfactory to Accessity in its sole discretion (including, without limitation, satisfaction with matters related to Security Markets (as defined in SECTION 14.4 below) and litigation and any and all disclosures contained in the respective disclosure schedules). In this regard, each of Accessity and the Acquired Companies acknowledge and agree that the respective disclosure schedules relating to the representations and warranties of Accessity and the Acquired Companies in this Agreement are not required to be delivered as of the time of execution of this Agreement by Accessity and the Acquired Companies, but are required to be delivered as soon as practicable after such execution and, in any event, a reasonable time prior to the Closing, to permit the parties to review, evaluate and approve the disclosures made therein as a part of their due diligence investigation. Notwithstanding the absence of such disclosure schedules as of the time of execution of this Agreement, each of Accessity and the Acquired Companies acknowledge and agree the representations and warranties made herein by Accessity and the Acquired Companies shall not be deemed false or misleading or deemed to contain untrue statements of material fact or to have omitted to state material facts solely because of the absence of such disclosure schedules as of the time of execution of this Agreement.

12.16 FAIRNESS OPINION. Accessity shall have received a fairness opinion regarding the sale or otherwise disposition of its two subsidiaries, DriverShield CRM Corp., a Delaware corporation, and Sentaur Corp., a Florida corporation (collectively, the "ACCESSITY SUBSIDIARIES"), in consideration of the waiver by Barry Siegel of the change in control provisions set forth in the employment agreement between Accessity and Barry Siegel that expires on December 31, 2004.

ARTICLE XIII
CONDITIONS TO THE ACQUIRED COMPANIES', PEI WARRANTHOLDERS' AND OWNERS' OBLIGATIONS

Each and every obligation of the Acquired Companies, each of the PEI Warrantholders and each of the Owners under this Agreement to be performed on or before the Closing Date shall be subject to the satisfaction, on or before the Closing Date, of each of the following conditions:

13.1 REPRESENTATIONS AND WARRANTIES TRUE. The representations and warranties of Accessity contained herein and in all certificates and other documents delivered by Accessity to each of the Acquired Companies or the Owners pursuant hereto or in connection with the transactions contemplated hereby shall be true and accurate on and as of the Closing Date with the same effect as if made on and as of the Closing Date.

13.2 PERFORMANCE. Accessity shall have performed and complied with all agreements, obligations and conditions required by this Agreement to be performed or complied with by it on or prior to the Closing Date, including, without limitation, those referred to in ARTICLE XI above.

13.3 DOCUMENTS AND ACTIONS. Accessity shall have executed and delivered to the each of the Acquired Companies and each of the Owners the agreements, documents and instruments and shall have taken the actions contemplated by SECTION 3.2.

13.4 APPROVAL BY ACCESSITY SHAREHOLDERS. The shareholders of Accessity

shall have approved the execution, delivery and performance of this Agreement and the consummation of the transactions contemplated hereby (including, without limitation, the reincorporation of Accessity in the State of Delaware referred to in SECTION 13.6 below, the sale or other disposition of the Accessity Subsidiaries (as defined below) to Barry Siegel referred to in SECTION 13.11 below, the adoption of an Amended and Restated 1995 Incentive Stock Plan of Accessity, in form and substance reasonably acceptable to the Acquired Companies, and the adoption of a new stock option plan referred to in SECTION 13.16 below, in form and substance reasonably acceptable to the Acquired Companies)).

13.5 RESIGNATIONS OF OFFICERS AND DIRECTORS. At Closing, all of the directors of Accessity and the officers of Accessity identified in subsection (f) of SECTION 3.2 shall have resigned in writing from their positions as officers and employees of Accessity, effective upon the appointment of the individuals identified in subsection (d) of SECTION 3.2 above to the Board of Directors of Accessity.

13.6 REINCORPORATION IN DELAWARE; AUTHORIZED CAPITAL. Accessity shall have reincorporated, changed its name to Pacific Ethanol, Inc. and become duly organized, validly existing and in good standing under the laws of the State of Delaware in compliance with all applicable federal, state and applicable laws, rules and regulations and shall have sufficient shares of its capital stock authorized for issuance in order to complete the Share Exchange and the transactions contemplated hereby.

13.7 VALID ISSUANCE OF ACCESSITY EXCHANGE SHARES. The shares of restricted Accessity common stock to be issued to the PEI Shareholders, the Kinergy Members and the Reenergy Members at Closing will be validly issued, fully paid and nonassessable under applicable law and will have been duly issued in a non-public offering in compliance with all applicable federal and state securities laws.

13.8 THIRD PARTY APPROVALS AND CONSENTS. Each Acquired Company shall have received any and all consents, approvals, notices, filings or recordations of third parties required with respect to the execution and delivery of this Agreement or the transactions contemplated hereby or by any of the agreements, documents or instruments referred to herein.

13.9 CASH BALANCE. As of the Closing Date, Accessity shall have at least the same Cash Balance as reported in its Quarterly Report on Form 10-QSB for the quarter ended March 31, 2004 filed with the SEC (approximately $4,360,000), subject to adjustment as set forth on Schedule 13.9 hereto, and Accessity shall have delivered to the Acquired Companies a certificate of the president or chief executive officer of Accessity certifying to the foregoing. As used herein, the defined term "Cash Balance" shall mean the sum of (i) the amount of cash in Accessity's operating and disbursement bank accounts at JPMorgan-Chase Bank, (ii) the amount of Accessity funds invested in highly liquid investments in fixed income mutual funds at Solomon Smith Barney (with available liquidity on a next-day basis) and (iii) a $300,000 restricted certificate of deposit with Bank Atlantic in Coral Springs, Florida established in connection with the lease agreement referred to in Section 13.11 below (which is to be released in $100,000 increments in the 36th, 48th and 60th months of such lease agreement), excluding any cash received from the exercise of any outstanding options or warrants.

13.10 LIMITATION OF OUTSTANDING CAPITAL STOCK. As of the Closing Date, without giving effect to the transactions contemplated hereby, Accessity shall have no more than 2,638,081 of capital stock issued and outstanding on a fully-diluted basis (including shares of capital stock issuable upon exercise of any and all options, calls, warrants, claims and any other rights to acquire shares of capital stock of Accessity, whether accrued or contingent, other than an aggregate of 600,000 shares of common stock of Accessity to be issued and beneficially owned by Barry Siegel and Philip Kart and up to 100,000 shares of common stock of Accessity issuable upon conversion of the issued and outstanding shares of Series A Convertible Preferred Stock of Accessity).

13.11 DISPOSITION OF ACCESSITY SUBSIDIARIES AND WAIVER OF CHANGE OF CONTROL PROVISIONS BY BARRY SIEGEL AND PHILIP KART. Prior to Closing, Accessity shall have (a) sold or otherwise disposed of its two subsidiaries, DriverShield CRM Corp., a Delaware corporation, and Sentaur Corp., a Florida corporation (collectively, the "ACCESSITY SUBSIDIARIES"), pursuant to a written agreement between Accessity and Barry Siegel, in form and substance reasonably satisfactory to PEI, Kinergy and Reenergy, and (b) issued a certain number of shares of Common Stock of Accessity (the "Siegel Common Stock"), not to exceed 400,000 shares, in consideration of the waiver by Barry Siegel of the change in control provisions set forth in the employment agreement between Accessity and Barry Siegel that expires on December 31, 2004, as the same would be applicable to the consummation of the transactions contemplated by this Agreement (including, but not limited to, the provisions that require Accessity to pay to Barry Siegel (i) a severance payment of 300% of his average annual salary for the past five years, less $100; (ii) the cash value of his outstanding but

unexercised stock options; and (iii) for any and all other perquisites in the event that he is terminated for various reasons specified in such agreement following a change of control (as defined in such agreement)). The number of shares of Siegel Common Stock to be issued shall be such number, which shall not exceed 400,000 shares of Common Stock of Accessity, as shall be equal to a fraction, the numerator of which is the excess of the value of the waived severance payment over the combined fair market value of the Accessity Subsidiaries, both determined as of the Closing Date, and the denominator of

which is the closing price per share of the Common Stock of Accessity on the business day before the Closing Date. Without in any way limiting the foregoing, as part of the disposition of the Accessity Subsidiaries to Barry Siegel, the facilities of Accessity located in Coral Springs, Florida shall have been duly subleased to Barry Siegel or an entity owned or controlled by Barry Siegel (which may be Sentaur Corp.) with the consent of the lessor under the existing lease agreement for such facilities, on terms and conditions reasonably satisfactory to the Acquired Companies. The parties acknowledge and agree that the personal property at the facilities of Accessity located in Coral Springs, Florida shall also be transferred to Barry Siegel or an entity owned or controlled by Barry Siegel (which may be Sentaur Corp.). Prior to Closing, Accessity shall also have obtained from Philip Kart, in consideration for the execution and delivery by Accessity of the Kart Consulting Agreement described in Section 12.9 of this Agreement. the waiver by Philip Kart of the change in control provisions set forth in the employment agreement between Accessity and Philip Kart that expires on December 31, 2004, as the same would be applicable to the consummation of the transactions contemplated by this Agreement (including, but not limited to, the provisions that require Accessity to pay to Philip Kart (i) a severance payment of 100% of his annual salary on a date specified in such agreement; (ii) the cash value of his outstanding but unexercised stock options; and (iii) for any and all other perquisites in the event that he is terminated for various reasons specified in such agreement following a change of control (as defined in such agreement)).

13.12 GOVERNMENTAL CONSENTS. There shall have been obtained on or before the Closing such material permits or authorizations, and there shall have been taken such other action, as may be required to consummate the Share Exchange and the other transactions contemplated hereby by any Governmental Body having jurisdiction over the parties and the actions herein proposed to be taken, including but not limited to requirements under applicable federal and state securities laws.

13.13 NO LEGAL ACTION. No temporary restraining order, preliminary injunction or permanent injunction or other order preventing the consummation of the Share Exchange or any of the transactions contemplated hereby shall have been issued by any Federal or state court and remain in effect, nor shall any proceeding initiated by any Governmental Body seeking any of the foregoing be pending.

13.14 NO MATERIAL ADVERSE CHANGE. There shall have been no material adverse change in the business, financial condition, operations or financial performance of Accessity since the date of this Agreement.

13.15 PROXY STATEMENT. The Proxy Statement shall on the Closing Date not be subject to any proceedings commenced or threatened by the SEC.

13.16 STOCK OPTION PLAN. Prior to Closing, Accessity shall have adopted a new stock option plan in the manner requested by PEI.

13.17 RETIREMENT OR CONVERSION OF PREFERRED STOCK OF ACCESSITY. Prior to Closing, Accessity shall have retired all of the issued and outstanding shares of Series A Convertible Preferred Stock of Accessity, on terms and conditions that are reasonably acceptable to PEI, Kinergy and Reenergy, or all of the issued and outstanding shares of Series A Convertible Preferred Stock of Accessity shall have been duly converted into shares of common stock of Accessity in accordance with the terms and provisions set forth in the Certificate of Incorporation of Accessity.

13.18 EXECUTION OF AGREEMENT BY PEI SHAREHOLDERS, PEI WARRANTHOLDERS, KINERGY MEMBERS AND REENERGY MEMBERS. All or substantially all (representing at least 95% of the issued and outstanding shares of PEI Stock as of the Closing) of the PEI Shareholders, all of the PEI Warrantholders, all of Kinergy Members and all of the Reenergy Members shall have executed and delivered to PEI, Kinergy or Reenergy, respectively, a copy of this Agreement and, in any event, a sufficient number of PEI Shareholders shall have executed a copy of this Agreement such that, after giving effect to the Share Exchange, the PEI Shareholders, the Kinergy Members and the Reenergy Members shall beneficially own in the aggregate at least 80% of the issued and outstanding common stock of Accessity.

13.19 ESTABLISHMENT OF ESCROW RELATING TO MERCATOR ACTION. Prior to Closing, Accessity shall have established an escrow account with an escrow agent mutually acceptable to PEI and Accessity into which Accessity will deposit the net proceeds from a recovery from the current arbitration proceeding with Presidion Solutions, Inc., which shall thereafter be used solely to fund the legal fees, expenses and disbursements incurred in connection with the Mercator Action. After full and final settlement or other final resolution of the Mercator Action, Accessity shall cause the net proceeds from the Mercator Action received from the law firms representing Accessity in the Mercator Action (i.e., after retention by the law firms representing Accessity in this action, of the additional fees and expenses pursuant to the engagement agreement between the law firms and Accessity and an amount equal to twenty-five percent (25%) of the gross proceeds from the Mercator Action as full payment for these law firms' representation of Accessity in the Mercator Action) to be deposited into such escrow account and thereafter to be distributed on a pro rata basis, to the fullest extent permitted under applicable law, to the holders of record of shares of Accessity common stock as of the date immediately prior to the Closing Date (for further distribution to the beneficial owners of shares of Accessity common stock as of such date, as applicable), after payment of any and all other fees and expenses in connection with the Mercator Action and with respect to such escrow arrangement, including, without limitation, a fee in an amount equal to one-third of the net proceeds from the Mercator Action received from the law firms representing Accessity in the Mercator Action which shall be paid to Accessity prior to such distribution.

13.20 COMPLETION OF DUE DILIGENCE; DISCLOSURE SCHEDULES. Each of the Acquired Companies shall have completed its financial and legal due diligence investigation of Accessity and each of the other Acquired Companies with results thereof satisfactory to such Acquired Company in its sole discretion (including, without limitation, satisfaction with matters related to Security Markets (as defined in SECTION 14.4 below), and litigation and any and all disclosures contained in the respective disclosure schedules). In this regard, each of Accessity and the Acquired Companies acknowledge and agree that the respective disclosure schedules relating to the representations and warranties of Accessity and the Acquired Companies in this Agreement are not required to be delivered as of the time of execution of this Agreement by Accessity and the Acquired Companies, but are required to be delivered as soon as practicable after such execution and, in any event, a reasonable time prior to the Closing, to permit the parties to review, evaluate and approve the disclosures made therein as a part of their due diligence investigation. Notwithstanding the absence of such disclosure schedules as of the time of execution of this Agreement, each of

Accessity and the Acquired Companies acknowledge and agree that the representations and warranties made herein by Accessity and the Acquired Companies shall not be deemed false or misleading or deemed to contain untrue statements of material fact or to have omitted to state material facts solely because of the absence of such disclosure schedules as of the time of execution of this Agreement.

ARTICLE XIV
POST-CLOSING COVENANTS

14.1 CERTAIN REPORTING MATTERS. Upon consummation of the Closing, Accessity shall timely file with the SEC a Current Report on Form 8-K with respect to the Share Exchange and the consummation of the transactions contemplated hereby.

14.2 STANDARD AND POORS. Upon consummation of the Closing, to the extent required or otherwise deemed advisable by the Majority Parties, Accessity shall apply for listing with Standard and Poors Information Service and Blue Sky filings.

14.3 BOOKS AND RECORDS. Unless otherwise consented to in writing by Accessity, neither the Acquired Companies nor any of the Owners shall destroy, alter or otherwise dispose of any original books or records of any of the Acquired Companies prior to the Closing Date without first offering to surrender such books and records to Accessity and shall maintain such books and records in good condition in a reasonably accessible location.

14.4 LISTING. If the shares of common stock of Accessity are listed on the Nasdaq SmallCap Market of the Nasdaq Stock Market, the Nasdaq National Market of the Nasdaq Stock Market, the American Stock Exchange or the New York Stock Exchange (these securities markets collectively referred to as the "SECURITY MARKETS" and, individually as a SECURITY MARKET") as of the Closing Date, Accessity shall use its commercially reasonable efforts to maintain a listing on a Security Market for a period of one (1) year after the Closing Date.

14.5 GRANT OF STOCK OPTIONS AND WARRANTS. Upon consummation of the Closing and for a period of one (1) year after the Closing Date, Accessity shall

not grant or issue any security, stock option or warrant (other than stock options contemplated to be issued pursuant to the new stock option plan referred to in SECTION 13.16 above, which would not be exercisable until one (1) year after the Closing Date) that may be sold in the Security Markets after having been registered under the Securities Act or traded pursuant to an exemption under the Securities Act, except (i) as otherwise contemplated by this Agreement; (ii) the sale of securities by Accessity pursuant to equity and/or debt financings to provide funds for working capital purposes; (iii) the Accessity Replacement Warrants; and (iv) the Accessity Exchange Shares which are subject to registration rights of certain PEI Shareholders pursuant to the terms of the various Registration Rights Agreement between PEI and such PEI Shareholders.

14.6 BOARD SEAT. As provided in subsection (d) of SECTION 3.2 above, immediately prior to the Closing, the Board of Directors of Accessity shall have designated an individual to serve on the Board of Directors of Accessity as a Class II director (thereby holding such board seat until the annual meeting of Accessity shareholders to be held in the fourth calendar quarter of 2005).

14.7 CONTINUATION AND PROSECUTION OF LAWSUIT. Upon consummation of the Closing, Accessity shall continue to use its commercially reasonable efforts to vigorously prosecute the lawsuit previously filed against Mercator Group, LLC, Mercator Advisory Group, LLC, Mercator Momentum Fund, LP, Mercator Momentum Fund III, LP and Mercator Focus Fund, LP, Taurus Global, LLC and the action that was previously filed, dismissed without prejudice and may be re-filed against John W. Burcham, II, Craig A. Vanderburg, James E. Baiers and MediaBus Networks, Inc. n/k/a Presidion Corp., in the Circuit Court of the 11th Judicial Circuit in and for Miami-Dade County, Florida, Case No. 03-30243 CA 15, or as removed or re-filed in such other venue, as the case may be (the "MERCATOR ACTION"). The Mercator Action shall not be settled, to the fullest extent permitted by applicable law, without the express written consent (which consent shall not be unreasonably withheld or delayed) of: (i) the individual sitting on the Board of Directors and designated as the Accessity Board Member or (ii) should such Accessity Board Member no longer serve on the Board of Directors, then by the unanimous written consent of all the independent members of the Board of Directors of Accessity. The proceeds from any recovery or settlement in the Mercator Action shall be allocated as provided in SECTION 13.19 above.

Upon consummation of the Closing, Accessity shall continue to use its commercially reasonable efforts to vigorously collect an arbitration award that it may have received from the American Arbitration Association against Presidion Solutions, Inc. The proceeds of any recovery from Presidion Solutions, Inc. shall be deposited into the escrow account pursuant to Section 13.19 above.

14.8 REIMBURSEMENT OF COSTS PAID BY REENERGY MEMBERS. As soon as practicable after the Closing Date, PEI shall pay to the Reenergy Members or shall otherwise have caused the Reenergy Members to be paid an amount equal to $150,000, as payment and reimbursement for the services, costs and expenses of the Reenergy Members in connection with the development of the Visalia project.

ARTICLE XV
SURVIVAL OF REPRESENTATIONS AND WARRANTIES; INDEMNIFICATION

15.1 SURVIVAL OF REPRESENTATIONS AND WARRANTIES. Notwithstanding (a) the making of this Agreement or any related agreement, (b) any examination made by or on behalf of the parties hereto and (c) the Closing hereunder, (x) the representations and warranties of the Acquired Companies, the Owners and Accessity contained in this Agreement, or in any document delivered pursuant to the provisions of this Agreement, shall survive the Closing for a period of twenty-four (24) months, except for the representations and warranties made in SECTIONS 4.11, 6.11, AND 8.11 (Taxes and Tax Returns), SECTIONS 4.13, 6.13, AND 8.13 (Title to Properties; Encumbrances), SECTIONS 4.15, 6.15, AND 8.15 (Intellectual Property), SECTIONS 4.16, 6.16, AND 8.16 (Compliance with Laws), and SECTIONS 4.21, 6.21 AND 8.21 (Environmental Matters), which in each case shall survive until the expiration of the applicable statute of limitations for the underlying cause of action plus six (6) months and (y) the covenants and agreements required to be performed after the Closing or pursuant to ARTICLE XI of this Agreement (unless noncompliance with those covenants contained in ARTICLE XI was waived in writing at the Closing) shall survive until fully performed or fulfilled. No action may be brought with respect thereto after such date; PROVIDED, HOWEVER, that if, prior to such date, one party has notified the other party of a claim for indemnity under this ARTICLE XV (whether or not formal legal action shall have been commenced based upon such claim), such claim shall continue to be subject to indemnification in accordance with this ARTICLE XV.

15.2 INDEMNIFICATION. The parties shall indemnify each other as set forth below:

(a) Subject to SECTION 15.1 above, from and after the Closing, (x) each of the Acquired Companies shall, severally and not jointly, indemnify and save harmless Accessity and its officers, directors, shareholders, successors and assigns from and against any loss, claim, liability, damage, complaint, action or causes of action, suits, proceedings, investigations, punitive damages, remedial costs, civil and criminal penalties or expenses, costs or other damages of any kind or nature, including reasonable attorneys' fees incurred in connection with any of the foregoing (collectively, the "DAMAGES"), to the extent arising from, relating to or otherwise in respect of (i) the inaccuracy or breach of any representation or warranty of such Acquired Company contained in this Agreement (as of the date hereof, or as of the Closing Date) or of any representation, warranty or statement made in any schedule, certificate, document or instrument delivered by the Acquired Company, and (ii) the failure of such Acquired Company to perform any agreements or covenants of such Acquired Company contained in this Agreement; PROVIDED, HOWEVER, that such Acquired Company shall not be responsible for any Damages with respect to any such matters until the cumulative aggregate amount of such Damages exceeds $25,000, in which event such Acquired Company shall then be liable for all such cumulative aggregate Damages, including the first $25,000; and (y) Accessity shall indemnify and save harmless each of the Owners, the PEI Warrantholders and the Acquired Companies and their respective officers, directors, shareholders, successors and assigns from and against any Damages to the extent arising from, relating to or otherwise in respect of (i) the inaccuracy or breach of any representation or warranty of Accessity contained in this Agreement (as of the date hereof, or as of the Closing Date) or of any representation, warranty or statement made in any schedule, certificate, document or instrument delivered by Accessity, and (ii) the failure of Accessity to perform any agreements or covenants of Accessity contained in this Agreement; PROVIDED, HOWEVER, that Accessity shall not be responsible for any Damages with respect to any such matters until the cumulative aggregate amount of such Damages exceeds $25,000, in which event Accessity shall then be liable for all such cumulative aggregate Damages, including the first $25,000. As used in this SECTION 15.2, any Person entitled to indemnification pursuant to the provisions of this SECTION 15.2 shall be referred to herein as an "INDEMNIFIED PARTY" and any Person required to indemnify any Indemnified Party pursuant to the provisions of this SECTION 15.2 shall be referred to herein as an "INDEMNIFYING PARTY."

(b) The Indemnified Parties shall notify each of the Indemnifying Parties within a reasonable period of time after becoming aware of, and shall provide to each of the Indemnifying Parties as soon as practicable thereafter all information and documentation necessary to support and verify, any matter which the Indemnified Party shall have determined has given rise to a claim for indemnification hereunder, and the Indemnifying Parties shall be given reasonable access to all books and records in the possession or under the control of the Indemnified Party which the Indemnifying Parties reasonably determine to be related to such claim. The failure by any Indemnified Party to so notify the Indemnifying Parties or any indemnification claim hereunder shall not relieve the relevant Indemnifying Party from any liability which such Indemnifying Party may have to such Indemnified Party under this Agreement, except to the extent that such claim for indemnification involves the claim of a third party against the Indemnified Party and the Indemnifying Party shall have been actually prejudiced by such failure. If any Indemnifying Party does not notify the Indemnified Parties within 30 calendar days following receipt by it of such notice that such Indemnifying Parties disputes its liability to the

Indemnified Parties under this Agreement, such claim specified by such Indemnified Party in such notice shall be conclusively deemed a liability of such Indemnifying Parties under this Agreement and such Indemnifying Parties shall pay the amount of such liability to such Indemnified Party on demand or, in the case of any notice in which the amount of the claim (or any portion thereof) is estimated, on such later date when the amount of such claim (or portion thereof) becomes finally determined. If an Indemnifying Party has timely disputed its liability with respect to such claim, as provided above, such Indemnifying Party and the Indemnified Party or Parties shall proceed in good faith to negotiate a resolution of such dispute and, if not resolved through such negotiations, such dispute shall be resolved by litigation in accordance with the terms of this Agreement.

(c) All claims for indemnity under this ARTICLE XV shall be paid by the Indemnifying Parties on demand in immediately available funds in U.S. dollars.

(d) With respect to any third party claim or action that could give rise to indemnity under this Agreement, the Indemnifying Party shall be entitled to assume the defense thereof with counsel satisfactory to the Indemnified Party, PROVIDED, HOWEVER, that upon the request of the Indemnified Party, the Indemnifying Party provide reasonable evidence of its ability to perform its obligations under this SECTION 15.2. After notice from the Indemnifying Party to the Indemnified Party of their election so to assume the defense thereof, the Indemnifying Party shall not be liable to the Indemnified

Party under the foregoing indemnity agreement for any legal or other expenses subsequently incurred by the Indemnified Party in connection with the defense thereof other than (i) those relating to investigation or the furnishing of documents or witnesses and (ii) all reasonable fees and expenses of separate counsel retained by such Indemnified Party if (A) the Indemnifying Party and the Indemnified Party shall have agreed to the retention of such counsel or (B) counsel to the Indemnified Party shall have concluded reasonably that the representation of the Indemnifying Party and the Indemnified Party by the same counsel would be inappropriate due to actual or potential differing interests between them in the conduct of the defense of such action.

(e) Whenever the Indemnifying Party controls the defense of a third party claim, the Indemnifying Party may only settle or compromise the matter subject to indemnification without the consent of the Indemnified Party if such settlement includes a complete release of all Indemnified Parties as to the matters in dispute and relates solely to money damages. An Indemnified Party will not unreasonably withhold consent to any settlement or compromise that requires its consent.

(f) In the event the Indemnifying Party fails to timely defend, contest or otherwise protect the Indemnified Party against any such claim or suit, the Indemnified Party may, but will not be obligated to, depend, contest or otherwise protect against the same, and make any compromise or settlement thereof, and in such event, or in the case where the Indemnified Party jointly controls such claim or suit, the Indemnified Party shall be entitled to recover its costs thereof from the Indemnifying Party, including without limitation, attorneys' fees, disbursements and all amounts paid as a result of such claim or the compromise or settlement thereof.

(g) Each Indemnified Party shall cooperate and provide such assistance as the Indemnifying Party may reasonably request in connection with the defense of the matter subject to indemnification and in connection with recovering from any third parties amounts that the Indemnifying Party may pay or be required to pay by way of indemnification hereunder.

ARTICLE XVI
TERMINATION

16.1 TERMINATION. This Agreement may be terminated at any time prior to the Closing Date (whether before or after approval of this Agreement and the consummation of the transactions contemplated hereby by the shareholders of Accessity):

(a) by the mutual consent of Accessity and the Acquired Companies;

(b) by either Accessity or any of the Acquired Companies, upon written notice, if there has been a material misrepresentation or any breach on the part of a party hereto in the representations, warranties or covenants contained in this Agreement which is not cured within ten (10) business days after such breaching party (and Accessity and the Acquired Companies) has been notified of the intent to terminate this Agreement pursuant to this subsection (b);

(c) by either Accessity or the Acquired Companies if the Closing has not occurred on or before July 30, 2004 (the "FINAL DATE");

(d) by Accessity, upon written notice, if the shareholders of Accessity shall not have approved the Agreement and the consummation of the transactions contemplated hereby (including, without limitation, with respect to the approval by the shareholders of Accessity, the appointment of the individuals identified in subsection (d) of SECTION 3.2 above to the Board of Directors of Accessity, the reincorporation of Accessity in the State of Delaware referred to in SECTION 13.6 above, the sale or other disposition of the Accessity Subsidiaries (as defined below) to Barry Siegel referred to in SECTION 13.13 above, the adoption of an Amended and Restated 1995 Incentive Stock Plan of Accessity, in form and substance reasonably acceptable to the Acquired Companies, and the adoption of a new stock option plan as referred to in SECTION 13.16 above, in form and substance reasonably acceptable to the Acquired Companies) prior to the Closing Date;

(e) by Accessity, if the Board of Directors of Accessity shall have received a Superior Proposal;

(f) by either Accessity or any of the Acquired Companies, upon written notice, if Accessity or such Acquired Company, as the case may be, shall have determined in good faith not to proceed with the Closing on the basis of the results of its financial and legal due diligence investigation of the other parties to this Agreement (including, without limitation, satisfaction with matters related to Security Markets (as defined in SECTION 14.4 above) and litigation);

(g) by either Accessity or any of the Acquired Companies, if all the conditions for Closing shall not have been satisfied or waived on or before the Final Date other than as a result of a breach of this Agreement by the terminating party; or

(h) by either Accessity or any of the Acquired Companies, if a permanent injunction or other order by any federal or state court which would make illegal or otherwise restrain or prohibit the consummation of the Share Exchange or the other transactions contemplated hereby shall have been issued and shall have become final and nonappealable.

16.2 EFFECT OF TERMINATION. If this Agreement is terminated as expressly permitted under SECTION 16.1, such termination shall be the sole remedy and this Agreement shall forthwith become void (except for SECTION 11.2 and SECTION 17.3) and there shall be no liability on the part of the Acquired Companies, the Owners, the PEI Warrantholders, or Accessity or any of their respective Affiliates; PROVIDED, HOWEVER, that if such termination shall result from the breach by a party hereto of its obligations under this Agreement, such party shall be fully liable for any and all damages, costs and expenses sustained or incurred by the other parties as a result of such breach; and provided, further, that if such termination shall result from the receipt by Accessity of a Superior Proposal, such party shall be liable for and shall pay to the other the termination fee provided for in SECTION 16.3 below. If this Agreement is terminated without a Closing, the Acquired Companies shall return promptly to Accessity all documents, work papers and other materials of Accessity furnished or made available to the Owners, the PEI Warrantholders, the Acquired Companies or their respective Advisors, and all copies thereof, and no such information, documents, work papers or other materials received by the Owners, the PEI Warrantholders or the Acquired Companies shall be revealed to any third party or used for the advantage of the Owners, the PEI Warrantholders or the Acquired Companies or any other party; and Accessity shall return promptly to each of the Acquired Companies, respectively, all documents, work papers and other material of the Acquired Companies furnished or made available to Accessity or its Advisors, and all copies thereof, and no such information, documents, work papers or other materials received by Accessity shall be revealed to any third party or used for the advantage of Accessity or any other party.

16.3 TERMINATION FEE. If Accessity, prior to termination of this Agreement, receives any Superior Proposal, and this Agreement is thereafter terminated pursuant to SECTION 16.1(E) above as a result of the receipt of such Superior Proposal, then Accessity shall promptly pay to each of the Acquired Companies the reasonable fees and expenses of each such Acquired Company incurred by it prior to termination, up to a maximum of $150,000 for all of the Acquired Companies (which, if the combined aggregate amount of such fees and expenses exceeds $150,000 for all of the Acquired Companies, shall be allocated to each Acquired Company based on proportion that the aggregate number of Accessity Exchange Shares that the Owners of such Acquired Company would receive if the Share Exchange were consummated pursuant to the terms of this Agreement bears to the aggregate number of Accessity Exchange Shares that all of the Owners of all of the Acquired Companies would receive if the Share Exchange were consummated pursuant to the terms of this Agreement, provided, that if such allocation for any Acquired Company exceeds the amount of actual fees and expenses of such Acquired Company incurred by it prior to termination, the excess shall be allocated to the other Acquired Companies and divided based on the relative number of Accessity Exchange Shares that the Owners of the other Acquired Companies would receive if the Share Exchange were consummated pursuant to the terms of this Agreement). Notwithstanding anything to the contrary, the foregoing termination fee, if paid in the full amount set forth above, shall constitute liquidated damages and shall constitute the non-terminating party's sole remedy.

ARTICLE XVII
MISCELLANEOUS PROVISIONS

17.1 PUBLIC ANNOUNCEMENTS. Upon the execution of this Agreement by all parties, Accessity, PEI, Kinergy and Reenergy promptly will issue a joint press release approved by Accessity and the Acquired Companies announcing the execution of this Agreement. Thereafter, Accessity may issue such press releases, and make such other disclosures regarding the proposed Share Exchange, as it determines (after consultation with legal counsel and after having given

PEI, Kinergy and Reenergy and their respective legal counsel the opportunity to review and comment on such disclosure) are required under applicable state and federal securities laws or the rules and regulations of the NASD. Subject to the foregoing, except as the Acquired Companies and Accessity shall authorize in writing, the parties hereto shall not, and shall cause their respective

officers, directors, employees, Affiliates and Advisors not to, disclose any matter or matters relating to this transaction to any person not an officer, director, employee, Affiliate or Advisor of such party.

17.2 AMENDMENT; WAIVER. Neither this Agreement, nor any of the terms or provisions hereof, may be amended, modified, supplemented or waived, except by a written instrument signed by the parties hereto (or, in the case of a waiver, by the party granting such waiver). No waiver of any of the provisions of this Agreement shall be deemed or shall constitute a waiver of any other provision hereof (whether or not similar), nor shall such waiver constitute a continuing waiver. No failure of either party hereto to insist upon strict compliance by the other party with any obligation, covenant, agreement or condition contained in this Agreement shall operate as a waiver of, or estoppel with respect to, any subsequent or other failure. Whenever this Agreement requires or permits consent by or on behalf of any party hereto, such consent shall be given in a manner consistent with the requirements for a waiver of compliance as set forth in this SECTION 17.2. For purposes of this SECTION 17.2, each of the PEI Shareholders and each of the PEI Warrantholders hereby appoints Ryan Turner as his, her or its agent and attorney-in-fact to make and execute and any all such amendments, modifications, supplements and waivers and hereby acknowledge and agree that a decision by Ryan Turner shall be final, binding and conclusive on such PEI Shareholder or PEI Warrantholder, as the case may be, and that Accessity, Kinergy, Reenergy and the other Owners may rely upon any act, decision, consent or instruction of Ryan Turner.

17.3 FEES AND EXPENSES. Except as otherwise provided in this Agreement, each of the parties hereto shall bear and pay its own costs and expenses incurred in connection with the origin, preparation, negotiation, execution and delivery of this Agreement and the agreements, instruments, documents and transactions referred to in or contemplated by this Agreement (whether or not such transactions are consummated) including, without limitation, any fees, expenses or commissions of any of its Advisors, attorneys, accountants, agents, finders or brokers. Accessity shall indemnify the Owners and the PEI Warrantholders against any claims of third parties for any brokerage, finder's, agent's or similar fees or commissions in connection with the transactions contemplated hereby insofar as such claims are alleged to be based on arrangements or contacts made by, to or with Accessity or its Advisors or representatives. The Acquired Companies shall indemnify Accessity against all such claims insofar as they are alleged to be based on arrangements or contacts made by, to or with any of the Owners, the PEI Warrantholders or the Acquired Companies or their respective Advisors or representatives.

17.4 NOTICES.

(a) All notices, requests, demands and other communications required or permitted under this Agreement shall be in writing (including telefax, telegraphic, telex or cable communication) and mailed, telefaxed, telegraphed, telexed, cabled or delivered:

(i) If to the Owners or the PEI Warrantholders, to the respective address for each such Owner or PEI Warrantholder set forth on the signature pages hereto.

(ii) If to PEI, to:

Pacific Ethanol, Inc.
5711 N. West Avenue
Fresno, CA 93711
Attn: Jeff Manternach
Facsimile no.: (559) 435-1478

with a copy to:

Rutan & Tucker, LLP
611 Anton Blvd., 14th Floor
Costa Mesa, California 92626
Attn: Larry A. Cerutti, Esq.
Facsimile no.: (714) 546-9035

(iii) If to Kinergy, to:

Kinergy Marketing, LLC
1260 Lake Blvd., Suite 225
Davis, CA 95616
Attn: Neil Koehler
Facsimile no.: (530) 750-3019

(iv) If to Reenergy, to:

Reenergy, LLC
225 SE 59th Avenue
Portland, OR 97215

Attn: Tom Koehler
Facsimile no.: (530) 226-7917

(v) If to Accessity, to:

Accessity Corp.
12514 West Atlantic Blvd.
Coral Springs, FL 33071
Attn: Barry Siegel
Facsimile no.: (954) 752-6544

with a copy to:
Meritz & Muenz, LLP
Three Hughes Place
Dix Hills, NY 11746
Attn: Lawrence A. Muenz, Esq.
Facsimile no.: (631) 242-6715

(b) All notices and other communications required or permitted under this Agreement which are addressed as provided in this SECTION 17.4 (i) if delivered personally against proper receipt or by confirmed telefax or telex, shall be effective upon delivery and (ii) if delivered (A) by certified or registered mail with postage prepaid, or (B) by Federal Express or similar courier service with courier fees paid by the sender upon receipt. Either party may from time to time change its address for the purpose of notices to that party by a similar notice specifying a new address, but no such change shall be deemed to have been given until it is actually received by the party sought to be charged with its contents.

17.5 ASSIGNMENT. This Agreement and all of the provisions hereof shall be binding upon and inure to the benefit of the parties hereto and their respective successors and permitted assigns, but neither this Agreement nor any of the rights, interests or obligations hereunder may be assigned by any party hereto without the prior written consent of the other parties; PROVIDED, HOWEVER, that Accessity may assign its rights and obligations under this Agreement to any entity who by merger, consolidation, purchase or sale subsequently becomes an Affiliate without the prior consent of the Owners or any of the Acquired Companies. Any assignment which contravenes this SECTION 17.5 shall be void AB INITIO.

17.6 GOVERNING LAW. This Agreement and the legal relations between the parties hereto shall be governed by and construed in accordance with (i) with respect to matters arising prior to the Closing Date, the internal laws of the State of New York, without giving effect to the conflicts of laws principles thereof, and (ii) with respect to matters arising on and after the Closing Date, the internal laws of the State of Delaware, without giving effect to the conflicts of laws principles thereof.

17.7 COUNTERPARTS. This Agreement may be executed in one or more counterparts, each of which shall be deemed an original, but all of which taken together shall constitute one and the same instrument. This Agreement will become binding when one or more counterparts hereof, individually or taken together, will bear the signatures of all the parties reflected hereon as signatories.

17.8 HEADINGS. The headings contained in this Agreement are for convenience of reference only and shall not constitute a part hereof or define, limit or otherwise affect the meaning of any of the terms or provisions hereof.

17.9 ENTIRE AGREEMENT. This Agreement (which defined term includes the Schedules and Exhibits to this Agreement) embodies the entire agreement and understanding among the parties hereto with respect to the subject matter of this Agreement and supersedes all prior agreements, commitments, arrangements, negotiations or understandings, whether oral or written, between the parties with respect thereto. There are no agreements, covenants, undertakings, representations or warranties with respect to the subject matter of this Agreement other than those expressly set forth or referred to herein. This is an integrated agreement.

17.10 SEVERABILITY. Each term and provision of this Agreement constitutes a separate and distinct undertaking, covenant, term and/or provision hereof. In the event that any term or provision of this Agreement shall be determined to be unenforceable, invalid or illegal in any respect, such unenforceability, invalidity or illegality shall not affect any other term or provision of this Agreement, but this Agreement shall be construed as if such unenforceable, invalid or illegal term or provision had never been contained herein. Moreover, if any term or provision of this Agreement shall for any reason be held to be excessively broad as to time, duration, activity or subject, it shall be construed, by limiting and reducing it, so as to be enforceable to the extent permitted under applicable law as it shall then exist.

17.11 OTHER REMEDIES. Except as otherwise provided herein, any and all remedies herein expressly conferred upon a party will be deemed cumulative with and not exclusive of any other remedy conferred hereby or by law on such party, and the exercise of any one remedy will not preclude the exercise of any other.

17.12 ABSENCE OF THIRD PARTY RIGHTS. No provisions of this Agreement are intended, nor will be interpreted, to provide or create any third party beneficiary rights or any other rights of any kind in any client, customer, Affiliate, shareholders, or partner of any party hereto or any other person or entity unless specifically provided otherwise herein, and, except as so provided, all provisions hereof will be personal solely between the parties to this Agreement.

17.13 CONSTRUCTION OF AGREEMENT. The Agreement has been negotiated by the respective parties hereto and their attorneys and the language hereof will not be construed for or against either party. A reference to a Section or an Exhibit will mean a Section in, or Exhibit to, this Agreement unless otherwise explicitly set forth herein.

17.14 ATTORNEYS' FEES. In the event that any action or proceeding is commenced by any party hereto for the purpose of enforcing any provision of this Agreement, the parties to such action or proceeding may receive as part of any award, judgment, decision or other resolution of such action or proceeding their costs and reasonable attorneys' fees as determined by the person or body making such award, judgment, decision or resolution. Should any claim hereunder be settled short of the commencement of any such action or proceeding, the parties in such settlement shall be entitled to include as part of the damages alleged to have been incurred reasonable costs of attorneys or other professionals in investigation or counseling on such claim.

17.15 NO JOINT VENTURE. Nothing contained in this Agreement will be deemed or construed as creating a joint venture or partnership between any of the parties hereto. Except to the extent provided in ARTICLE XVI and SECTION 17.2 above and SECTION 17.16 below, no party is by virtue of this Agreement authorized as an agent, employee or legal representative of any other party and no party will have the power or authority to control the activities and operations of any other or to bind or commit any other. The status of the parties hereto is, and at all times will continue to be, that of independent contractors with respect to each other.

17.16 FURTHER ASSURANCES. On and after the Closing Date, the Owners shall take such other steps and actions as may be necessary to put Accessity in actual possession and operating control of PEI, Kinergy and Reenergy as may be reasonably requested by Accessity. Each party agrees to cooperate fully with the other parties and to execute such further instruments, documents and agreements and to give such further written assurances as may be reasonably requested by any other party to evidence and reflect the transactions described herein and contemplated hereby and to carry into effect the intents and purposes of this Agreement.

[SIGNATURES CONTAINED ON THE FOLLOWING PAGES]

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed as of the day and year first above written.

"ACCESSITY": ACCESSITY CORP.

By: /s/ Barry Siegel
Print Name: Barry Siegel
Title: Chairman and CEO

"ACQUIRED COMPANIES": PACIFIC ETHANOL, INC.

By: /s/ Neil M. Koehler
Print Name: Neil M. Koehler
Title: President

KINERGY MARKETING, LLC

By: /s/ Neil M. Koehler

Print Name: Neil M. Koehler
Title: Manager and Sole Member

REENERGY, LLC

By: /s/ Neil M. Koehler

Print Name: Neil M. Koehler
Title: Manager

PEI SHAREHOLDER
SIGNATURE PAGE
TO
SHARE EXCHANGE AGREEMENT

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed as of the day and year first above written.

By:_____

Name:_____

Title:_____

Name of PEI Shareholder (if other than individual):

_____

PEI WARRANTHOLDER
SIGNATURE PAGE
TO
SHARE EXCHANGE AGREEMENT

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed as of the day and year first above written.

By:_____

Name:_____

Title:_____

Name of PEI Warrantholder (if other than individual):

_____

KINERGY MEMBER
SIGNATURE PAGE
TO
SHARE EXCHANGE AGREEMENT

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed as of the day and year first above written.

/s/ Neil Koehler

Neil Koehler

REENERGY MEMBER
SIGNATURE PAGE
TO
SHARE EXCHANGE AGREEMENT

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed as of the day and year first above written.

By: /s/ Thomas Koehler

Name: Thomas Koehler
Title: --

Name of Reenergy Member (if other than individual):

_____

REENERGY MEMBER
SIGNATURE PAGE
TO
SHARE EXCHANGE AGREEMENT

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed as of the day and year first above written.

By: /s/ Frank R. Lindbloom

Name: Frank R. Lindbloom
Title: President

Name of Reenergy Member (if other than individual):

Flin-Mac, Inc.

REENERGY MEMBER
SIGNATURE PAGE
TO
SHARE EXCHANGE AGREEMENT

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed as of the day and year first above written.

By: /s/ Neil M. Koehler

Name: Neil M. Koehler
Title: Managing Member

Name of Reenergy Member (if other than individual):

Kinergy Resources, LLC

REENERGY MEMBER
SIGNATURE PAGE
TO
SHARE EXCHANGE AGREEMENT

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed as of the day and year first above written.

By: /s/ Kent Kaulfull

Name: Kent Kaulfuss
Title: --

Name of Reenergy Member (if other than individual):

--

EXHIBIT A

EXCHANGE RATIOS

PEI EXCHANGE RATIO:

1.0 (1-to-1)

KINERGY EXCHANGE RATIO:

18,750 (18,750 shares per 1% Kinergy Interest)

REENERGY EXCHANGE RATIO:

21,250 (21,250 shares per 1% Reenergy Interest)

<TABLE>

EXHIBIT B

PEI SHAREHOLDERS AND ACCESSITY EXCHANGE SHARES TO BE RECEIVED

Name of Shareholder	No. of Shares of Pei Stock Owned	No. of Accessity Exchange Shares
<S>	<C>	<C>
William Jones	4,800,000	4,800,000
SC Fuels, Inc.	1,500,000	1,500,000
Ryan Turner	1,243,333	1,243,333
Jeannine Campos	6,667	6,667
Tony Campos	100,000	100,000
Cagan McAfee Capital Partners, LLC	1,000,000	1,000,000
Andrea Jones	1,350,000	1,350,000
Bradley Rotter	66,666.67	66,667
Turner Family Trust	20,000	20,000
Clark and Patti Abramson	20,000	20,000
Rogene Scott Turner, as Trustee for the Rogene Scott Turner Trust dated 9/10/91	3,000	3,000
W. Denman Zirkle	126,666	126,666
Luise Bettina Zirkle Garcia	16,667	16,667
Sigrid Anne Zirkle Carroll	16,667	16,667
William Wade Zirkle	16,667	16,667
Anne Pendleton Zirkle	3,333	3,333
Janet Dumper	5,000	5,000
Robert Dumper	5,000	5,000

Name of Shareholder	No. of Shares of Pei Stock Owned	No. of Accessity Exchange Shares
Joseph Childrey	40,000	40,000
Micaela Zirkle Shaugnesy	20,000	20,000
Illiquid Assets Trust, FBO Peter H. Koehler (Jon W. Nickel, Trustee)	16,666.67	16,667
Roger Manternach	16,666.67	16,667
Barry Fay	35,000	35,000
James and Bernice Campbell	2,000	2,000
John Burke	5,000	5,000
McDonald Investments, Inc., FBO Michael Frangopoulos	10,000	10,000
Samuel Kozasky	2,000	2,000
Dermot Fallon	8,000	8,000
James Burkdoll	4,000	4,000
Howard Kaplan	10,000	10,000

Jay Scott	8,000	8,000
Gregg Mullery	10,000	10,000
Richard DeSousa	4,000	4,000
R. V. Edwards, Jr.	17,000	17,000
Louis Lyras	7,000	7,000
John and Anne Fallon	8,000	8,000
Venkata Kollipara (as Custodian for Priya Kollipara)	10,000	10,000

Name of Shareholder	No. of Shares of Pei Stock Owned	No. of Accessity Exchange Shares
Venkata Kollipara (as Custodian for Puneet Kollipara)	10,000	10,000
Robert and Rosalie Dettle Living Trust (Robert E. Dettle, Trustee)	10,000	10,000
Michael Kemp	14,000	14,000
Daniel Yates	10,000	10,000
Alex and Lisa Jachno	10,000	10,000
Barbara LaCosse	3,400	3,400
Lakshmana Madala	13,400	13,400
Edward Muransky	7,000	7,000
Alex and Luba Jachno	2,000	2,000
Katharine Moore	7,000	7,000
Armen Arzoomanian	10,000	10,000
David DeSilva	35,000	35,000
Steve Elefter	4,000	4,000
Tom McFaul	3,400	3,400
Elizabeth Reed	17,000	17,000
Venkata Kollipara	10,000	10,000
Kennon White	7,000	7,000
Teixeira Investments, L.P.	34,000	34,000
David Jessen	4,000	4,000
Henry Mauz	8,000	8,000
Lyles Diversified, Inc.	1,000,000	1,000,000

Name of Shareholder	No. of Shares of Pei Stock Owned	No. of Accessity Exchange Shares
Linden Growth Partners	250,000	250,000
Dan Hollis	250,000	250,000
Lyles Diversified, Inc.*	1,000,000*	1,000,000*
TOTAL	12,252,200	12,252,200

</TABLE>

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* Lyles Diversified, Inc. ("LDI") may receive up to 1,000,000 shares of PEI Stock pursuant to the conversion of a portion of the currently outstanding debt owed by PEI to LDI, which conversion is at the option of LDI. Accordingly, the number of Accessity Exchange Shares to be received by LDI shall be equal to the product of (i) the number of shares of PEI Stock received upon conversion (at a conversion rate of $1.50 per share) of such portion of such debt, multiplied by (ii) the PEI Exchange Ratio. The parties acknowledge and agree that Accessity Exchange Shares will be directly issued to LDI (without any preceding issuance of shares of PEI Stock) if such conversion occurs after the Closing Date.

<TABLE>

PEI WARRANTHOLDERS AND WARRANTS TO ACQUIRE ACCESSITY COMMON STOCK

Name of Pe Warrantholder	No. of Shares Subject to Accessity Replacement Warrants	Exercise Price Per Share
<S>	<C>	<C>
Cagan-McAfee Capital Partners	14,167	$1.50
Prima Capital Group, Inc.	28,320	$1.50
Frank Siefert	1,000	$1.50
Cagan-McAfee Capital Partners	50,000	$2.00
Jeffrey Manternach	25,000	$0.01
Liviakis Group	1,150,000	$0.0001
TOTAL	1,268,487	$ .0001 - $2.00
	CONVERTIBLE DEBT	
Lyles Diversified, Inc.*	1,000,000*	1,000,000*

</TABLE>

* Lyles Diversified, Inc. ("LDI") may receive up to 1,000,000 shares of PEI Stock pursuant to the conversion of a portion of the currently outstanding debt owed by PEI to LDI, which conversion is at the option of LDI. Accordingly, the number of Accessity Exchange Shares to be received by LDI shall be equal to the product of (i) the number of shares of PEI Stock received upon conversion (at a conversion rate of $1.50 per share) of such portion of such debt, multiplied by (ii) the PEI Exchange Ratio. The parties acknowledge and agree that Accessity Exchange Shares will be directly issued to LDI (without any preceding issuance of shares of PEI Stock) if such conversion occurs after the Closing Date.

EXHIBIT C

KINERGY MEMBERS AND ACCESSITY EXCHANGE SHARES TO BE RECEIVED

Name of Member	Kinergy Percentage Interest	No. of Accessity Exchange Shares
Neil Koehler	100%	1,875,000

EXHIBIT D

REENERGY MEMBERS AND ACCESSITY EXCHANGE SHARES TO BE RECEIVED

Name of Member	Reenergy Percentage Interest	No. of Accessity Exchange Shares
Kinergy Resources, LLC	23.5%	499,375
Kent Kaulfuss	23.5%	499,375
Flin-Mac, Inc.	23.5%	499,375
Tom Koehler	29.5%	626,875

EXHIBIT E

FORM OF SPOUSAL CONSENT

The undersigned, as the spouse of _____, hereby signs and consents to the foregoing "SHARE EXCHANGE AGREEMENT" for the purpose of binding and consenting to the commitment of the marital community property of _____ and the undersigned as assets available for the satisfaction of the undersigned's obligations under the foregoing "SHARE EXCHANGE AGREEMENT" and any other documents, agreements or instruments referenced therein, and for the purpose of acknowledging and agreeing that (i) no consent of the undersigned shall be required for any future modification of the foregoing "SHARE EXCHANGE AGREEMENT" or any other document, agreement or instrument referenced therein, and (ii) any community property of _____ and the undersigned which shall hereafter be transmuted into separate property of the undersigned shall be available for satisfaction of obligations under the foregoing "SHARE EXCHANGE AGREEMENT" and any other documents, agreements or instruments referenced therein.

By:_____
(Signature)

Name:_____
(Please print)

EXHIBIT 2.3

AMENDMENT NO. 1 TO SHARE EXCHANGE AGREEMENT

THIS AMENDMENT NO. 1 TO SHARE EXCHANGE AGREEMENT (this "AMENDMENT") is made and entered into as of July 29, 2004, by and among Accessity Corp., a New York corporation ("ACCESSITY"); Pacific Ethanol, Inc., a California corporation ("PEI"); Kinergy Marketing, LLC, an Oregon limited liability company ("KINERGY"); Reenergy, LLC, a California limited liability company ("REENERGY," and together with PEI and Kinergy, the "ACQUIRED COMPANIES"); each of the shareholders of PEI identified on the signature pages hereof (collectively, the "PEI SHAREHOLDERS"); each of the holders of options or warrants to acquire shares of common stock of PEI identified on the signature pages hereof (collectively, the "PEI WARRANTHOLDERS"); each of the limited liability company members of Kinergy identified on the signature pages hereof (collectively, the "KINERGY MEMBERS"); each of the limited liability company members of Reenergy identified on the signature pages hereof (collectively, the "REENERGY MEMBERS").

WHEREAS, Accessity, PEI, Kinergy, and Reenergy have executed a Share Exchange Agreement dated as of May 14, 2004 (the "EXCHANGE AGREEMENT"); and

WHEREAS, Accessity, PEI, Kinergy and Reenergy desire to amend certain provisions of the Share Exchange Agreement.

NOW THEREFORE, in consideration of the foregoing premises and the respective promises and agreements of the parties set forth herein, the parties hereto agree as follows:

1. DEFINITIONS. Capitalized terms used herein and not otherwise defined herein shall have the respective meanings ascribed thereto in the Exchange Agreement.

2. AMENDMENTS.

(a) Section 2.5 of the Exchange Agreement is hereby amended by deleting in its entirety the next-to-last sentence of said Section 2.5 which reads: "The parties shall not take a position on any tax return inconsistent with this Section 2.5." and inserting in its place the following new next-to-last sentence of Section 2.5 which shall read in its entirety as follows:

> "The parties shall not take a position on any tax return inconsistent with this Section 2.5 and shall not take any action or omit to take any action which will or which could reasonably be expected to result in the disqualification of the Share Exchange as part of a unified plan for the exchange of stock entitled to non-recognition treatment under Section 351 of the Code."

(b) Section 4.8 of the Exchange Agreement is hereby amended by inserting the phrase "Except as set forth on SCHEDULE 4.8," at the beginning of Section 4.8.

(c) Section 6.8 of the Exchange Agreement is hereby amended by inserting the word "no" before the word "Actions" in the first line of said Section 6.8, so that the first portion of the first sentence of Section 6.8 up to the first comma therein reads:

"There are no Actions to which Kinergy is a party, ..."

(d) Section 8.8 of the Exchange Agreement is hereby amended by inserting the word "no" before the word "Actions" in the first line of said Section 8.8, so that the first portion of the first sentence of Section 8.8 up to the first comma therein reads:

"There are no Actions to which Reenergy is a party, ..."

(e) Section 11.11 of the Exchange Agreement is hereby amended by deleting the period at the end of Section 11.11 and adding the following

additional language at the end of Section 11.11 as so modified:

> "; provided, that, in lieu of preparing (pursuant to Section 11.7 above) and distributing the Owner Disclosure Document, the documents required to be furnished pursuant to Rule 502(b)(ii) of Regulation D promulgated under the rules and regulations of the Securities Act of 1933, as amended, may instead be distributed."

(f) Subsection (a) of Section 3.2 of the Exchange Agreement is hereby amended by deleting said subsection in its entirety and inserting in its place the following new subsection (a) of Section 3.2, which shall read in its entirety as follows:

> "(a) to each PEI Warrantholder, an Accessity Replacement Warrant evidencing such PEI Warrantholder's right to acquire the number of shares of Accessity Common Stock set forth opposite his or her name as set forth on EXHIBIT B and otherwise providing for the same terms and conditions as provided for in the PEI Warrants of such PEI Warrantholder; and, if the transfer agent is able to provide such stock certificates by the Closing Date or, if not, as soon as the transfer agent is able to provide such stock certificates after the Closing Date, to each PEI Shareholder, a stock certificate evidencing his or her ownership of the number of Accessity Exchange Shares set forth opposite his or her name as set forth on EXHIBIT B; to each Kinergy Member, a stock certificate evidencing his or her ownership of the number of Accessity Exchange Shares set forth opposite his or her name as set forth on EXHIBIT C; and to each Reenergy Member, a stock certificate evidencing his or her ownership of the number of Accessity Exchange Shares set forth opposite his or her name as set forth on EXHIBIT D;"

(g) Subsection (c) of Section 16.1 of the Exchange Agreement is hereby amended by deleting said subsection in its entirety and inserting in its place the following new subsection (c), which shall read in its entirety as follows:

> "(c) by either Accessity or the Acquired Companies if the Closing has not occurred on or before October 29, 2004 (the "FINAL DATE");"

(h) Section 16.1 of the Exchange Agreement is hereby further amended by deleting the word "or" set forth at the end of subsection (g) of Section 16.1, by deleting the period and inserting the word "; or" at the end of subsection (h) of Section 16.1, and by adding a new subsection (i) to Section 16.1 which shall read in its entirety as follows:

"(i) by either Accessity or any of the Acquired Companies, if holders of one percent (1%) or more of the common stock of Accessity exercise their dissenters' rights in connection with the proposed reincorporation of Accessity in the State of Delaware as contemplated by Section 13.6 above."

(i) Exhibit B to the Exchange Agreement is hereby amended by deleting the information in the last row of the table entitled "PEI Shareholders and Accessity Exchange Shares to be Received" on Exhibit B that reads: "Dan Hollis 250,000 250,000" and inserting in its place the following new information:

"Barry Uphoff	12,500	12,500
Andrew Hoffman	25,000	25,000
Stephen George	12,500	12,500
Bradley Rotter	150,000	150,000
Michael Peterson	37,500	37,500
James George	12,500	12,500"

(j) Exhibit B to the Exchange Agreement is hereby further amended by deleting the name "Liviakis Group" set forth immediately above the TOTAL line in the table entitled "PEI Warrantholders and Warrants to Acquire Accessity Common Stock" on Exhibit B and inserting in its place the name "Liviakis Financial Communications, Inc."

(k) Section 4.2 of the Exchange Agreement is hereby amended by deleting the number "20,000,000" and replacing it with "30,000,000".

3. MISCELLANEOUS. Except as modified and amended pursuant to this Amendment, the Exchange Agreement shall remain in full force and effect. This Amendment may be executed in one or more counterparts, each of which shall be deemed an original, but all of which taken together shall constitute one and the same instrument. This Amendment will become binding when one or more counterparts hereof, individually or taken together, will bear the signatures of all the parties reflected hereon as signatories.

[SIGNATURES CONTAINED ON THE FOLLOWING PAGE]

IN WITNESS WHEREOF, the parties hereto have caused this Amendment to be duly executed as of the day and year first above written.

"ACCESSITY": ACCESSITY CORP.

By: /S/ BARRY SIEGEL
Barry Siegel, Chairman and CEO

"ACQUIRED COMPANIES": PACIFIC ETHANOL, INC.

By: /S/ RYAN TURNER
Ryan Turner, Director and COO

KINERGY MARKETING, LLC

By: /S/ NEIL M. KOEHLER
Neil M. Koehler, President

REENERGY, LLC

By: /S/ FRANK R. LINDBLOOM
Frank R. Lindbloom, Member/Owner

PEI SHAREHOLDER AND PEI WARRANTHOLDER
SIGNATURE PAGE
TO
AMENDMENT NO. 1 TO
SHARE EXCHANGE AGREEMENT

Pursuant to the authority granted to the undersigned in Section 17.2 of the Exchange Agreement, by execution of this Amendment below by the undersigned, the PEI Shareholders and PEI Warrantholders have executed this Amendment as of the day and year first above written.

By:/S/ RYAN TURNER
Ryan Turner,
Attorney-in-Fact

KINERGY MEMBER
SIGNATURE PAGE
TO
AMENDMENT NO. 1 TO
SHARE EXCHANGE AGREEMENT

IN WITNESS WHEREOF, the parties hereto have caused this Amendment to be duly executed as of the day and year first above written.

/S/ NEIL M. KOEHLER

Neil M. Koehler

REENERGY MEMBER
SIGNATURE PAGE
TO
AMENDMENT NO. 1 TO
SHARE EXCHANGE AGREEMENT

IN WITNESS WHEREOF, the parties hereto have caused this Amendment to be duly executed as of the day and year first above written.

KINERGY RESOURCES, LLC

By: /S/ NEIL M. KOEHLER

Neil M. Koehler, Member

FLIN-MAC, INC.

By: /S/ FRANK R. LINDBLOOM

Frank R. Lindbloom, President

/S/ KENT KAULFUSS

Kent Kaulfuss

/S/ TOM KOEHLER

Tom Koehler

EXHIBIT 2.4

AMENDMENT NO. 2 TO SHARE EXCHANGE AGREEMENT

THIS AMENDMENT NO. 2 TO SHARE EXCHANGE AGREEMENT (this "AMENDMENT") is made and entered into as of October 1, 2004, by and among Accessity Corp., a New York corporation ("ACCESSITY"); Pacific Ethanol, Inc., a California corporation ("PEI"); Kinergy Marketing, LLC, an Oregon limited liability company ("KINERGY"); ReEnergy, LLC, a California limited liability company ("REENERGY," and together with PEI and Kinergy, the "ACQUIRED COMPANIES"); each of the shareholders of PEI (collectively, the "PEI SHAREHOLDERS"); each of the holders of options or warrants to acquire shares of common stock of PEI (collectively, the "PEI WARRANTHOLDERS"); each of the limited liability company members of Kinergy identified on the signature pages hereof (collectively, the "KINERGY MEMBERS"); each of the limited liability company members of ReEnergy identified on the signature pages hereof (collectively, the "REENERGY MEMBERS").

WHEREAS, Accessity, PEI, Kinergy, and ReEnergy have executed a Share Exchange Agreement dated as of May 14, 2004, as amended by that certain Amendment No. 1 to Share Exchange Agreement dated as of July 29, 2004 (as so amended, the "EXCHANGE AGREEMENT"); and

WHEREAS, Accessity, PEI, Kinergy and ReEnergy desire to amend certain provisions of the Share Exchange Agreement.

NOW THEREFORE, in consideration of the foregoing premises and the respective promises and agreements of the parties set forth herein, the parties hereto agree as follows:

1. DEFINITIONS. Capitalized terms used herein and not otherwise defined herein shall have the respective meanings ascribed thereto in the Exchange Agreement.

2. AMENDMENTS.

(a) Section 2.3 of the Exchange Agreement is hereby amended by replacing the reference to "1,875,000 Accessity Exchange Shares" with "3,875,000 Accessity Exchange Shares."

(b) Section 2.4 of the Exchange Agreement is hereby amended by replacing the reference to "21,250 Accessity Exchange Shares" with "1,250 Accessity Exchange Shares."

(c) Section 3.2(d) of the Exchange Agreement is hereby amended by deleting said Section 3.2(d) in its entirety and inserting in its place the following new Section 3.2(d) which shall read in its entirety as follows:

> "(d) the written resignations of each of the current directors of Accessity other than Kenneth J. Friedman (Barry Siegel and Bruce S. Udell), dated as of the Closing Date, in form and substance reasonably acceptable to each of PEI, Kinergy and ReEnergy (and Kenneth J. Friedman shall thereafter remain as a Class II director (thereby holding such board seat until the annual meeting of Accessity shareholders to be held in the fourth calendar quarter of 2005) and

> shall confirm said resignations and appoint Neil M. Koehler and William Lyles as Class I directors of Accessity, John Pimentel as a Class II director of Accessity and Ryan Turner and Frank P. Greinke as Class III directors of Accessity to fill the vacant director positions and serve as directors of Accessity upon and after the Closing);"

(d) Section 4.2 of the Exchange Agreement is hereby amended by deleting the number "12,252,200" appearing in the fourth line of said section and inserting in its place the number "13,332,200."

(e) Clause (xi) of Section 11.4(a) of the Exchange Agreement is hereby amended by adding the following additional language at the end of clause (xi) as so modified:

> ",PROVIDED, HOWEVER, that PEI may issue shares of its common stock in a private placement transaction provided that in connection with such private placement transaction all but $500,000 of the offering proceeds must be held in an escrow account and not released until on or after the Closing Date;"

(f) Section 11.5 of the Exchange Agreement is hereby amended by deleting said Section 11.5 in its entirety and inserting in its place the

following new Section 11.5 which shall read in its entirety as follows:

"11.5 ACCESSITY ANNUAL SHAREHOLDERS' MEETING. Accessity shall, in accordance with its articles of incorporation and bylaws and the applicable requirements of New York law, call and hold an annual meeting of its shareholders as promptly as practicable for the purpose of permitting them to consider and to vote upon and approve the Share Exchange and the transactions contemplated by this Agreement, the reincorporation of Accessity in the State of Delaware referred to in SECTION 13.6 below, the Subsidiary Transfer and the Subsidiary Sale referred to in SECTION 13.11 below, and the adoption of a new stock option plan referred to in SECTION 13.16 below, in form and substance reasonably acceptable to the Acquired Companies) (the "ACCESSITY ANNUAL SHAREHOLDERS' MEETING"). As soon as permissible under all applicable Legal Requirements, Accessity shall cause a copy of the Proxy Statement (as defined in SECTION 11.6 below) to be delivered to each shareholder of Accessity who is entitled to vote on such matter under its articles of incorporation and bylaws and the applicable requirements of New York law."

(g) Section 12.9 of the Exchange Agreement is hereby amended by deleting said Section 12.9 in its entirety and inserting in its place the following new Section 12.9 which shall read in its entirety as follows:

"12.9 CONSULTING AND NONCOMPETITION AGREEMENTS. Accessity shall have entered into a consulting and noncompetition agreement with Barry Siegel in regard to advisory services to be rendered by Mr. Siegel, in form and substance mutually acceptable to the Acquired Companies, Accessity and Barry Siegel (the "SIEGEL CONSULTING AND NONCOMPETITION AGREEMENT"). The Siegel Consulting and Noncompetition Agreement shall

include payment to Barry Siegel on the Closing Date of compensation (a) in the form of the number of shares of Common Stock of Accessity equal to the excess, if any, of 400,000 shares of the Common Stock of Accessity over the number of shares of Siegel Common Stock determined in accordance with Section 13.11 of this Agreement and (b) allocated between compensation for consulting services and a covenant not to compete, each in such amounts as shall be mutually acceptable to the Acquired Companies, Accessity and Barry Siegel. Accessity shall also have entered into a consulting and noncompetition agreement with Philip Kart in regard to advisory services to be rendered by Mr. Kart, in form and substance mutually acceptable to the Acquired Companies, Accessity and Philip Kart (the "KART CONSULTING AND NONCOMPETITION AGREEMENT"). The Kart Consulting and Noncompetition Agreement shall include payment to Philip Kart on the Closing Date of compensation (a) in the amount of 200,000 shares of the Common Stock of Accessity and (b) allocated between compensation for consulting services and a covenant not to compete, in such amounts as shall be mutually acceptable to the Acquired Companies, Accessity and Philip Kart."

(h) Section 12.13 of the Exchange Agreement is hereby amended by deleting said Section 12.13 in its entirety and inserting in its place the following new Section 12.13 which shall read in its entirety as follows: :

"12.13 APPROVAL BY ACCESSITY SHAREHOLDERS. The shareholders of Accessity shall have approved the execution, delivery and performance of this Agreement and the consummation of the transactions contemplated hereby (including, without limitation, the reincorporation of Accessity in the State of Delaware referred to in SECTION 13.6 below, the Subsidiary Transfer and the Subsidiary Sale referred to in SECTION 13.11 below, and the adoption of a new stock option plan referred to in SECTION 13.16 below, in form and substance reasonably acceptable to the Acquired Companies)). "

(i) Section 12.14 of the Exchange Agreement is hereby amended by deleting the number "18,800,000" appearing in the fourth line of said section and inserting in its place the number "21,700,000."

(j) Section 12.16 of the Exchange Agreement is hereby amended by deleting said Section 12.16 in its entirety and inserting in its place the following new Section 12.16 which shall read in its entirety as follows: :

"12.16 FAIRNESS OPINION. Accessity shall have received a fairness opinion regarding the Subsidiary Transfer referred to in SECTION 13.11 below. "

(k) Article XII of the Exchange Agreement is hereby amended by adding at the end thereof a new Section 12.17 which shall read in its entirety as

follows:

"12.17 RECEIPT OF ADDITIONAL EQUITY CAPITAL BY PEI. PEI shall have raised an additional $7.0 million in equity capital pursuant to the private placement of securities of PEI between October 1, 2004 and the Closing Date (which securities shall also be exchanged for securities of Accessity pursuant to the Share Exchange, subject to the other terms and conditions set forth in this Agreement)."

(l) Article XII of the Exchange Agreement is hereby amended by adding at the end thereof a new Section 12.18 which shall read in its entirety as follows:

"12.18 NONCOMPETITION AND NONSOLICITATION AGREEMENTS. Each of Neil M. Koehler, William Jones, Andrea Jones, Ryan Turner and Tom Koehler shall have entered into a Noncompetition and Nonsolicitation Agreement with Accessity in a form mutually agreeable to the parties."

(m) Section 13.4 of the Exchange Agreement is hereby amended by deleting said Section 13.4 in its entirety and inserting in its place the following new Section 13.4 which shall read in its entirety as follows:

"13.4 APPROVAL BY ACCESSITY SHAREHOLDERS. The shareholders of Accessity shall have approved the execution, delivery and performance of this Agreement and the consummation of the transactions contemplated hereby (including, without limitation, the reincorporation of Accessity in the State of Delaware referred to in SECTION 13.6 below, the Subsidiary Transfer and the Subsidiary Sale referred to in SECTION 13.11 below, and the adoption of a new stock option plan referred to in SECTION 13.16 below, in form and substance reasonably acceptable to the Acquired Companies)). "

(n) Section 13.10 of the Exchange Agreement is hereby amended by deleting said Section 13.10 in its entirety and inserting in its place the following new Section 13.10 which shall read in its entirety as follows: :

"13.10 LIMITATION OF OUTSTANDING CAPITAL STOCK. As of the Closing Date, without giving effect to the transactions contemplated hereby, Accessity shall have no more than 2,800,000 of capital stock issued and outstanding on a fully-diluted basis (including shares of capital stock issuable upon exercise of any and all options, calls, warrants, claims and any other rights to acquire shares of capital stock of Accessity, whether accrued or contingent, other than an aggregate of 600,000 shares of common stock of Accessity to be issued and beneficially owned by Barry Siegel and Philip Kart)."

(o) Section 13.11 of the Exchange Agreement is hereby amended by deleting said Section 13.11 in its entirety and inserting in its place the following new Section 13.11 which shall read in its entirety as follows: :

"13.11 SUBSIDIARY TRANSFER, SUBSIDIARY SALE AND WAIVER OF CHANGE OF CONTROL PROVISIONS BY BARRY SIEGEL AND PHILIP KART.. Prior to Closing, Accessity shall have (a) transferred its subsidiary DriverShield CRM Corp., a Delaware corporation, to Barry Siegel pursuant to a written agreement between Accessity and Barry Siegel, in form and substance reasonably satisfactory to PEI, Kinergy and ReEnergy (the "SUBSIDIARY TRANSFER"), and sold its other subsidiary, Sentaur Corp., a Florida corporation, to Barry Siegel pursuant to a written agreement between Accessity and Barry Siegel, in form and substance reasonably satisfactory to PEI, Kinergy and ReEnergy (the "SUBSIDIARY SALE"), and (b) issued a certain number of shares of Common Stock of Accessity (the "SIEGEL COMMON STOCK"), not to exceed 400,000 shares, in consideration of the waiver by Barry Siegel of the change in control provisions set forth in the employment agreement between Accessity and Barry Siegel that expires on December 31, 2004, as the same would be applicable to the consummation of the transactions contemplated by this Agreement (including, but not limited to, the provisions that require Accessity to pay to Barry Siegel (i) a severance payment of 300% of his average annual salary for the past five years, less $100; (ii) the cash value of his outstanding but unexercised stock options; and (iii) for any and all other perquisites in the event that he is terminated for various reasons specified in such agreement following a change of control (as defined in such agreement)). The number of shares of Siegel Common Stock to be issued shall be such number, which shall not exceed 400,000 shares of Common Stock of Accessity, as shall be equal to a

fraction, the numerator of which is the excess of the value of the waived severance payment over the fair market value of DriverShield CRM Corp. determined as of the Closing Date, and the denominator of which is the closing price per share of the Common Stock of Accessity on the business day before the Closing Date. Without in any way limiting the foregoing, as part of the Subsidiary Sale, until the landlord of the present Accessity headquarters in Coral Springs, Florida sells the building, Mr. Siegel or an entity owned or controlled by Mr. Siegel (which may include Sentaur) with the consent of the lessor under the existing lease agreement for such facilities, on terms and conditions reasonably satisfactory to the Acquired Companies, will contribute the sum of $3,500 toward the monthly rent obligation; PROVIDED, HOWEVER, that once the Acquired Companies have made lease payments of $50,000 under the lease, Mr. Siegel shall make all lease payment until the building is sold. The parties acknowledge and agree that the personal property at the facilities of Accessity located in Coral Springs, Florida shall also be transferred to Barry Siegel or an entity owned or controlled by Barry Siegel (which may be Sentaur Corp.) and Accessity shall pay Barry Siegel or Sentaur Corp. $20,000 for moving expenses. Prior to Closing, Accessity shall also have obtained from Philip Kart, in consideration for the execution and delivery by Accessity of the Kart Consulting and Non-Competition Agreement described in Section 12.9 of this Agreement, the waiver by Philip Kart of the change in control provisions set forth in the employment agreement between Accessity and Philip Kart that expires on December 31, 2004, as the same would be applicable to the consummation of the transactions contemplated by this

Agreement (including, but not limited to, the provisions that require Accessity to pay to Philip Kart (i) a severance payment of 100% of his annual salary on a date specified in such agreement; (ii) the cash value of his outstanding but unexercised stock options; and (iii) for any and all other perquisites in the event that he is terminated for various reasons specified in such agreement following a change of control (as defined in such agreement)). Immediately prior to the Closing, Accessity shall file with the SEC a Form S-8 covering the Siegel Common Stock and the 200,000 shares of the Common Stock of Accessity issuable to Philip Kart pursuant to Section 12.9."

(p) Section 13.17 of the Exchange Agreement is hereby amended by deleting said Section 13.17 in its entirety and inserting in its place the following: "[Intentionally omitted]."

(q) Section 14.6 of the Exchange Agreement is hereby amended by deleting said Section 14.6 in its entirety and inserting in its place the following: "[Intentionally omitted]."

(r) Subsection (b) of Section 14.7 of the Exchange Agreement is hereby amended by deleting said subsection (b) in its entirety and inserting in its place the following: "(b) [Intentionally omitted]."

(s) Subsections (c) and (d) of Section 16.1 of the Exchange Agreement are hereby amended by deleting said subsections in their entirety and inserting in their place the following new subsections (c) and (d), which shall read in their entirety as follows:

"(c) by either Accessity or the Acquired Companies if the Closing has not occurred on or before January 7, 2005 (the "FINAL DATE");

(d) by Accessity, upon written notice, if the shareholders of Accessity shall not have approved the Agreement and the consummation of the transactions contemplated hereby (including, without limitation, with respect to the approval by the shareholders of Accessity, the appointment of the individuals identified in subsection (d) of SECTION 3.2 above to the Board of Directors of Accessity, the reincorporation of Accessity in the State of Delaware referred to in SECTION 13.6 above, the Subsidiary Transfer and the Subsidiary Sale referred to in SECTION 13.11 above, the adoption of a new stock option plan as referred to in SECTION 13.16 above, in form and substance reasonably acceptable to the Acquired Companies) prior to the Closing Date;"

(t) The Exchange Agreement is hereby amended to replace all references to "Reenergy" with "ReEnergy."

(u) Exhibit A to the Exchange Agreement is hereby amended by deleting each reference to "18,750" and "21,250" and replacing each with "38,750" and "1,250," respectively.

(v) Exhibit B to the Exchange Agreement is hereby amended by deleting the row of the table entitled "PEI SHAREHOLDERS AND ACCESSITY EXCHANGE SHARES TO BE RECEIVED" on Exhibit B that reads:

"Lyles Diversified, Inc. 1,000,000 1,000,000"

and inserting in its place the following new information:

"Lyles Diversified, Inc. 1,160,000 1,160,000"

(w) Exhibit B to the Exchange Agreement is hereby amended by deleting the last row of the table entitled "PEI SHAREHOLDERS AND ACCESSITY EXCHANGE SHARES TO BE RECEIVED" on Exhibit B that reads: "TOTAL 12,252,200 12,252,200"

and inserting in its place the following new information:

"Liviakis Financial Communications, Inc. 920,000 920,000

TOTAL 13,332,200 13,332,200"

(x) Exhibit B to the Exchange Agreement is hereby further amended by deleting the table entitled name "PEI WARRANTHOLDERS AND WARRANTS TO ACQUIRE ACCESSITY COMMON STOCK" in its entirety and replacing said table with the following new table which shall read in its entirety as follows:

<TABLE>

PEI WARRANTHOLDERS AND WARRANTS TO ACQUIRE ACCESSITY COMMON STOCK

Name of Pe Warrantholder	No. of Shares Subject to Accessity Replacement Warrants	Exercise Price Per Share
<S>	<C>	<C>
Cagan-McAfee Capital Partners	14,167	$ 1.50
Prima Capital Group, Inc.	28,320	$ 1.50
Frank Siefert	1,000	$ 1.50
Cagan-McAfee Capital Partners	50,000	$ 2.00
Jeffrey Manternach	25,000	$ 0.01
Liviakis Financial Communications	230,000	$0.0001
TOTAL	348,487	$0.0001- $2.00

</TABLE>

(y) Exhibit B to the Exchange Agreement is hereby further amended by deleting the table entitled name "CONVERTIBLE DEBT" in its entirety and replacing said table with the following new table which shall read in its entirety as follows:

	"CONVERTIBLE DEBT	
"Lyles Diversified, Inc.	840,000*	840,000*

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* Lyles Diversified, Inc. ("LDI") may receive up to 840,000 shares of PEI Stock pursuant to the conversion of a portion of the currently outstanding debt owed by PEI to LDI, which conversion is at the option of LDI. Accordingly, the number of Accessity Exchange Shares to be received by LDI shall be equal to the product of (i) the number of shares of PEI Stock received upon conversion (at a conversion rate of $1.50 per share) of such portion of such debt, multiplied by (ii) the PEI Exchange Ratio. The parties acknowledge and agree that Accessity Exchange Shares will be directly issued to LDI (without any preceding issuance of shares of PEI Stock) if such conversion occurs after the Closing Date."

(z) Exhibit C to the Exchange Agreement is hereby amended by deleting the reference to "1,875,000" and replacing it with "3,875,000."

(aa) Exhibit D to the Exchange Agreement is hereby amended by deleting the references to "499,375" and "626,875" and replacing each with "29,375" and "36,875," respectively.

3. MISCELLANEOUS. Except as modified and amended pursuant to this Amendment, the Exchange Agreement shall remain in full force and effect. This Amendment may be executed in one or more counterparts, each of which shall be deemed an original, but all of which taken together shall constitute one and the same instrument. This Amendment will become binding when one or more counterparts hereof, individually or taken together, will bear the signatures of all the parties reflected hereon as signatories.

[SIGNATURES CONTAINED ON THE FOLLOWING PAGE]

IN WITNESS WHEREOF, the parties hereto have caused this Amendment to be duly executed as of the day and year first above written.

"ACCESSITY": ACCESSITY CORP.

By: /S/ BARRY SIEGEL
Barry Siegel, Chairman and CEO

"ACQUIRED COMPANIES": PACIFIC ETHANOL, INC.

By: /S/ RYAN TURNER
Ryan Turner, Director and COO

KINERGY MARKETING, LLC

By: /S/ NEIL M. KOEHLER
Neil M. Koehler, President

REENERGY, LLC

By: /S/ FRANK R. LINDBLOOM
Frank R. Lindbloom, Member/Owner

PEI SHAREHOLDER AND PEI WARRANTHOLDER
SIGNATURE PAGE
TO
AMENDMENT NO. 2 TO
SHARE EXCHANGE AGREEMENT

Pursuant to the authority granted to the undersigned in Section 17.2 of the Exchange Agreement, by execution of this Amendment below by the undersigned, the PEI Shareholders and PEI Warrantholders have executed this Amendment as of the day and year first above written.

By: /S/ RYAN TURNER
Ryan Turner,
Attorney-in-Fact

KINERGY MEMBER
SIGNATURE PAGE
TO
AMENDMENT NO. 2 TO
SHARE EXCHANGE AGREEMENT

IN WITNESS WHEREOF, the parties hereto have caused this Amendment to be duly executed as of the day and year first above written.

/S/ NEIL M. KOEHLER

Neil M. Koehler

REENERGY MEMBER
SIGNATURE PAGE
TO
AMENDMENT NO. 2 TO
SHARE EXCHANGE AGREEMENT

IN WITNESS WHEREOF, the parties hereto have caused this Amendment to be duly executed as of the day and year first above written.

KINERGY RESOURCES, LLC

By: /S/ NEIL M. KOEHLER

Neil M. Koehler, Member

FLIN-MAC, INC.

By: /S/ FRANK R. LINDBLOOM

Frank R. Lindbloom, President

/S/ KENT KAULFUSS

Kent Kaulfuss

/S/ TOM KOEHLER

Tom Koehler

EXHIBIT 2.5

AMENDMENT NO. 3 TO SHARE EXCHANGE AGREEMENT

THIS AMENDMENT NO. 3 TO SHARE EXCHANGE AGREEMENT (this "AMENDMENT") is made and entered into as of January 7, 2005, by and among Accessity Corp., a New York corporation ("ACCESSITY"); Pacific Ethanol, Inc., a California corporation ("PEI"); Kinergy Marketing, LLC, an Oregon limited liability company ("KINERGY"); ReEnergy, LLC, a California limited liability company ("REENERGY," and together with PEI and Kinergy, the "ACQUIRED COMPANIES"); each of the shareholders of PEI (collectively, the "PEI SHAREHOLDERS"); each of the holders of options or warrants to acquire shares of common stock of PEI (collectively, the "PEI WARRANTHOLDERS"); each of the limited liability company members of Kinergy identified on the signature pages hereof (collectively, the "KINERGY MEMBERS"); each of the limited liability company members of ReEnergy identified on the signature pages hereof (collectively, the "REENERGY MEMBERS").

WHEREAS, Accessity, PEI, Kinergy, and ReEnergy have executed a Share Exchange Agreement dated as of May 14, 2004, as amended by that certain Amendment No. 1 to Share Exchange Agreement dated as of July 29, 2004 and that certain Amendment No. 2 to Share Exchange Agreement dated as of October 1, 2004 (as so amended, the "EXCHANGE AGREEMENT"); and

WHEREAS, Accessity, PEI, Kinergy and ReEnergy desire to amend certain provisions of the Share Exchange Agreement.

NOW THEREFORE, in consideration of the foregoing premises and the respective promises and agreements of the parties set forth herein, the parties hereto agree as follows:

1. DEFINITIONS. Capitalized terms used herein and not otherwise defined herein shall have the respective meanings ascribed thereto in the Exchange Agreement.

2. AMENDMENTS.

(a) Section 12.14 of the Exchange Agreement is hereby amended by deleting the number "21,700,000" appearing in the fourth line of said section and inserting in its place the number "25,700,000."

(b) Article XIV of the Exchange Agreement is hereby amended by adding at the end thereof a new Section 14.9 which shall read in its entirety as follows:

> "14.9 REGISTRATION OF SECURITIES. The Acquired Companies and/or Accessity shall not file a registration statement with the Securities and Exchange Commission to register any securities issued by any of the Acquired Companies and/or Accessity from October 1, 2004 through six (6) months after the Closing Date of the Share Exchange, other than a registration statement on Form S-8 covering the shares of common stock issuable to Barry Siegel and Philip Kart pursuant to Section 12.9 of this Agreement."

(c) Subsection (c) of Section 16.1 of the Exchange Agreement is hereby amended by deleting the reference to "January 7, 2005" and inserting in its place "February 28, 2005."

(d) Exhibit B to the Exchange Agreement is hereby amended by deleting the row of the table entitled "PEI SHAREHOLDERS AND ACCESSITY EXCHANGE SHARES TO BE RECEIVED" on Exhibit B that reads: "Lyles Diversified, Inc. 1,160,000 1,160,000" and inserting in its place the following new information:

"Lyles Diversified, Inc. 1,170,000 1,170,000"

(e) Exhibit B to the Exchange Agreement is hereby amended to include the following information and to amend the TOTAL amounts shown on the table entitled "PEI SHAREHOLDERS AND ACCESSITY EXCHANGE SHARES TO BE RECEIVED":

<TABLE>

"Name of Shareholder	No. of Shares of PEI Stock Owned	No. of Accessity Exchange Shares
<S>	<C>	<C>
Bock-Stegman Trust	33,333	33,333
Michael T. Bock Revocable Trust	33,333	33,333
Jon Spar and Karen Kulkowski	27,000	27,000
Peter Bock	10,000	10,000
Neil Sullivan	60,000	60,000
TOTAL	13,505,866	13,505,866"

</TABLE>

(f) Exhibit B to the Exchange Agreement is hereby further amended to include the following information and to amend the TOTAL amounts shown on the table entitled "PEI WARRANTHOLDERS AND WARRANTS TO ACQUIRE ACCESSITY COMMON STOCK":

<TABLE>

"Name of PE Warrantholder	No. of Shares Subject to Accessity Replacement Warrants	Exercise Price Per Share
<S>	<C>	<C>
Bock-Stegman Trust	6,666	$3.00
Michael T. Bock Revocable Trust	6,666	$3.00
Jon Spar and Karen Kulkowski	5,400	$3.00
Peter Bock	2,000	$3.00
Neil Sullivan	12,000	$3.00
TOTAL		$.0001-$3.00"

</TABLE>

(g) Exhibit B to the Exchange Agreement is hereby further amended by deleting the table entitled name "CONVERTIBLE DEBT" in its entirety and replacing said table with the following new table which shall read in its entirety as follows:

	"CONVERTIBLE DEBT	
Lyles Diversified, Ins. *	830,000*	830,000*

---

* Lyles Diversified, Inc. ("LDI") may receive up to 830,000 shares of PEI Stock pursuant to the conversion of a portion of the currently outstanding debt owed by PEI to LDI, which conversion is at the option of LDI. Accordingly, the number of Accessity Exchange Shares to be received by LDI shall be equal to the product of (i) the number of shares of PEI Stock received upon conversion (at a conversion rate of $1.50 per share) of such portion of such debt, multiplied by (ii) the PEI Exchange Ratio. The parties acknowledge and agree that Accessity Exchange Shares will be directly issued to LDI (without any

preceding issuance of shares of PEI Stock) if such conversion occurs after the Closing Date."

3. MISCELLANEOUS. Except as modified and amended pursuant to this Amendment, the Exchange Agreement shall remain in full force and effect. This Amendment may be executed in one or more counterparts, each of which shall be deemed an original, but all of which taken together shall constitute one and the same instrument. This Amendment will become binding when one or more counterparts hereof, individually or taken together, will bear the signatures of all the parties reflected hereon as signatories.

[SIGNATURES CONTAINED ON THE FOLLOWING PAGE]

IN WITNESS WHEREOF, the parties hereto have caused this Amendment to be duly executed as of the day and year first above written.

"ACCESSITY": ACCESSITY CORP.

By: /S/ BARRY SIEGEL
Barry Siegel, Chairman and CEO

"ACQUIRED COMPANIES": PACIFIC ETHANOL, INC.

By: /S/ RYAN TURNER
Ryan Turner, Director and COO

KINERGY MARKETING, LLC

By: /S/ NEIL M. KOEHLER
Neil M. Koehler, President

REENERGY, LLC

By: /S/ FRANK R. LINDBLOOM
Frank R. Lindbloom, Member/Owner

PEI SHAREHOLDER AND PEI WARRANTHOLDER
SIGNATURE PAGE
TO
AMENDMENT NO. 3 TO
SHARE EXCHANGE AGREEMENT

Pursuant to the authority granted to the undersigned in Section 17.2 of the Exchange Agreement, by execution of this Amendment below by the undersigned, the PEI Shareholders and PEI Warrantholders have executed this Amendment as of the day and year first above written.

By: /S/ RYAN TURNER

Ryan Turner,
Attorney-in-Fact

KINERGY MEMBER
SIGNATURE PAGE
TO
AMENDMENT NO. 3 TO
SHARE EXCHANGE AGREEMENT

IN WITNESS WHEREOF, the parties hereto have caused this Amendment to be duly executed as of the day and year first above written.

/S/ NEIL M. KOEHLER

Neil M. Koehler

REENERGY MEMBER
SIGNATURE PAGE
TO
AMENDMENT NO. 3 TO
SHARE EXCHANGE AGREEMENT

IN WITNESS WHEREOF, the parties hereto have caused this Amendment to be duly executed as of the day and year first above written.

KINERGY RESOURCES, LLC

By: /S/ NEIL M. KOEHLER

Neil M. Koehler, Member

FLIN-MAC, INC.

By: /S/ FRANK R. LINDBLOOM

Frank R. Lindbloom, President

/S/ KENT KAULFUSS

Kent Kaulfuss

/S/ TOM KOEHLER

Tom Koehler

EXHIBIT 2.6

AMENDMENT NO. 4 TO SHARE EXCHANGE AGREEMENT

THIS AMENDMENT NO. 4 TO SHARE EXCHANGE AGREEMENT (this "AMENDMENT") is made and entered into as of February 16, 2005, by and among Accessity Corp., a New York corporation ("ACCESSITY"); Pacific Ethanol, Inc., a California corporation ("PEI"); Kinergy Marketing, LLC, an Oregon limited liability company ("KINERGY"); ReEnergy, LLC, a California limited liability company ("REENERGY," and together with PEI and Kinergy, the "ACQUIRED COMPANIES"); each of the shareholders of PEI (collectively, the "PEI SHAREHOLDERS"); each of the holders of options or warrants to acquire shares of common stock of PEI (collectively, the "PEI WARRANTHOLDERS"); each of the limited liability company members of Kinergy identified on the signature pages hereof (collectively, the "KINERGY MEMBERS"); each of the limited liability company members of ReEnergy identified on the signature pages hereof (collectively, the "REENERGY MEMBERS").

WHEREAS, Accessity, PEI, Kinergy, and ReEnergy have executed a Share Exchange Agreement dated as of May 14, 2004, as amended by that certain Amendment No. 1 to Share Exchange Agreement dated as of July 29, 2004, that certain Amendment No. 2 to Share Exchange Agreement dated as of October 1, 2004 and that certain Amendment No. 3 to Share Exchange Agreement dated as of January 7, 2005 (as so amended, the "EXCHANGE AGREEMENT"); and

WHEREAS, Accessity, PEI, Kinergy and ReEnergy desire to amend certain provisions of the Share Exchange Agreement.

NOW THEREFORE, in consideration of the foregoing premises and the respective promises and agreements of the parties set forth herein, the parties hereto agree as follows:

1. DEFINITIONS. Capitalized terms used herein and not otherwise defined herein shall have the respective meanings ascribed thereto in the Exchange Agreement.

2. AMENDMENTS.

(a) Section 12.14 of the Exchange Agreement is hereby amended by deleting the number "25,700,000" appearing in the fourth line of said section and inserting in its place the number "26,200,000."

(b) Subsection (c) of Section 16.1 of the Exchange Agreement is hereby amended by deleting the reference to "February 28, 2005" and inserting in its place "March 25, 2005."

(c) Exhibit B to the Exchange Agreement is hereby amended by deleting the row of the table entitled "PEI SHAREHOLDERS AND ACCESSITY EXCHANGE SHARES TO BE RECEIVED" on
Exhibit B that reads: "Lyles Diversified, Inc. 1,170,000 1,170,000"
and inserting in its place the following new information:

"Lyles Diversified, Inc. 1,270,000 1,270,000"

(d) Exhibit B to the Exchange Agreement is hereby amended to delete the following information: "Neil Sullivan 60,000 60,000" and to amend the TOTAL amounts shown on the table entitled "PEI SHAREHOLDERS AND ACCESSITY EXCHANGE SHARES TO BE RECEIVED" as follows:

"TOTAL	13,545,866	13,545,866"

(e) Exhibit B to the Exchange Agreement is hereby further amended to restate in its entirety the table entitled "PEI WARRANTHOLDERS AND WARRANTS TO ACQUIRE ACCESSITY COMMON STOCK" as follows:

<TABLE>

"Name of PEI Warrantholder	No. of Shares Subject to Accessity Replacement Warrants	Exercise Price Per Share
<S>	<C>	<C>
Cagan-McAfee Capital Partners	14,167	$ 1.50
Prima Capital Group, Inc.	28,320	$ 1.50
Frank Siefert	1,000	$ 1.50
Cagan-McAfee Capital Partners	50,000	$ 2.00
Jeffrey Manternach	25,000	$ 0.01
Liviakis Financial Communications, Inc.	230,000	$0.0001
Bock-Stegman Trust	6,666	$ 3.00
Michael T. Bock Revocable Trust	6,666	$ 3.00
Jon Spar and Karen Kulkowski	5,400	$ 3.00
Peter Bock	2,000	$ 3.00
Bock-Stegman Trust	3,333	$ 5.00
Michael T. Bock Revocable Trust	3,333	$ 5.00
Jon Spar and Karen Kulkowski	2,700	$ 5.00
Peter Bock	1,000	$ 5.00
TOTAL	379,585	$.0001-$5.00"

</TABLE>

(f) Exhibit B to the Exchange Agreement is hereby further amended by deleting the table entitled name "CONVERTIBLE DEBT" in its entirety and replacing said table with the following new table which shall read in its entirety as follows:

"CONVERTIBLE DEBT

Lyles Diversifield, Inc.	730,000*	730,000*

* Lyles Diversified, Inc. ("LDI") may receive up to 730,000 shares of PEI Stock pursuant to the conversion of a portion of the currently outstanding debt owed by PEI to LDI, which conversion is at the option of LDI. Accordingly, the number of Accessity Exchange Shares to be received by LDI shall be equal to the product of (i) the number of shares of PEI Stock received upon conversion (at a conversion rate of $1.50 per share) of such portion of such debt, multiplied by (ii) the PEI Exchange Ratio. The parties acknowledge and agree that Accessity Exchange Shares will be directly issued to LDI (without any preceding issuance of shares of PEI Stock) if such conversion occurs after the Closing Date."

3. MISCELLANEOUS. Except as modified and amended pursuant to this Amendment, the Exchange Agreement shall remain in full force and effect. This Amendment may be executed in one or more counterparts, each of which shall be deemed an original, but all of which taken together shall constitute one and the same instrument. This Amendment will become binding when one or more counterparts hereof, individually or taken together, will bear the signatures of

all the parties reflected hereon as signatories.

[SIGNATURES CONTAINED ON THE FOLLOWING PAGE]

IN WITNESS WHEREOF, the parties hereto have caused this Amendment to be duly executed as of the day and year first above written.

"ACCESSITY": ACCESSITY CORP.

By: /S/ BARRY SIEGEL
Barry Siegel, Chairman and CEO

"ACQUIRED COMPANIES": PACIFIC ETHANOL, INC.

By: /S/ RYAN TURNER
Ryan Turner, Director and COO

KINERGY MARKETING, LLC

By: /S/ NEIL M. KOEHLER
Neil M. Koehler, President

REENERGY, LLC

By: /S/ FRANK R. LINDBLOOM
Frank R. Lindbloom, Member/Owner

PEI SHAREHOLDER AND PEI WARRANTHOLDER
SIGNATURE PAGE
TO
AMENDMENT NO. 4 TO
SHARE EXCHANGE AGREEMENT

Pursuant to the authority granted to the undersigned in Section 17.2 of the Exchange Agreement, by execution of this Amendment below by the undersigned, the PEI Shareholders and PEI Warrantholders have executed this Amendment as of the day and year first above written.

By: /S/ RYAN TURNER
Ryan Turner,
Attorney-in-Fact

KINERGY MEMBER
SIGNATURE PAGE
TO

AMENDMENT NO. 4 TO
SHARE EXCHANGE AGREEMENT

IN WITNESS WHEREOF, the parties hereto have caused this Amendment to be duly executed as of the day and year first above written.

/S/ NEIL M. KOEHLER

Neil M. Koehler

REENERGY MEMBER
SIGNATURE PAGE
TO
AMENDMENT NO. 4 TO
SHARE EXCHANGE AGREEMENT

IN WITNESS WHEREOF, the parties hereto have caused this Amendment to be duly executed as of the day and year first above written.

KINERGY RESOURCES, LLC

By: /S/ NEIL M. KOEHLER

Neil M. Koehler, Member

FLIN-MAC, INC.

By: /S/ FRANK R. LINDBLOOM

Frank R. Lindbloom, President

/S/ KENT KAULFUSS

Kent Kaulfuss

/S/ TOM KOEHLER

Tom Koehler

EXHIBIT 2.7

AMENDMENT NO. 5 TO SHARE EXCHANGE AGREEMENT

THIS AMENDMENT NO. 5 TO SHARE EXCHANGE AGREEMENT (this "AMENDMENT") is made and entered into as of March 3, 2005, by and among Accessity Corp., a New York corporation ("ACCESSITY"); Pacific Ethanol, Inc., a California corporation ("PEI"); Kinergy Marketing, LLC, an Oregon limited liability company ("KINERGY"); ReEnergy, LLC, a California limited liability company ("REENERGY," and together with PEI and Kinergy, the "ACQUIRED COMPANIES"); each of the shareholders of PEI (collectively, the "PEI SHAREHOLDERS"); each of the holders of options or warrants to acquire shares of common stock of PEI (collectively, the "PEI WARRANTHOLDERS"); each of the limited liability company members of Kinergy identified on the signature pages hereof (collectively, the "KINERGY MEMBERS"); each of the limited liability company members of ReEnergy identified on the signature pages hereof (collectively, the "REENERGY MEMBERS").

WHEREAS, Accessity, PEI, Kinergy, and ReEnergy have executed a Share Exchange Agreement dated as of May 14, 2004, as amended by that certain Amendment No. 1 to Share Exchange Agreement dated as of July 29, 2004, that certain Amendment No. 2 to Share Exchange Agreement dated as of October 1, 2004, that certain Amendment No. 3 to Share Exchange Agreement dated as of January 7, 2005 and that certain Amendment No. 4 to Share Exchange Agreement dated as of February 16, 2005 (as so amended, the "EXCHANGE AGREEMENT"); and

WHEREAS, Accessity, PEI, Kinergy and ReEnergy desire to amend certain provisions of the Share Exchange Agreement.

NOW THEREFORE, in consideration of the foregoing premises and the respective promises and agreements of the parties set forth herein, the parties hereto agree as follows:

1. DEFINITIONS. Capitalized terms used herein and not otherwise defined herein shall have the respective meanings ascribed thereto in the Exchange Agreement.

2. AMENDMENTS. (a) Article V of the Exchange Agreement is hereby amended to add the following new Section 5.5:

> 5.5 APPROVAL OF EQUITY OFFERING. Such PEI Shareholder hereby approves and ratifies the Securities Purchase Agreement (the "SECURITIES PURCHASE AGREEMENT") between PEI and each investor who subscribes for units (the "UNITS") consisting of shares of PEI's common stock and warrants to purchase shares of PEI's common stock pursuant to PEI's Confidential Private Placement Memorandum dated February 2, 2005, as supplemented by Supplement No. 1 to Confidential Private Placement Memorandum dated February 24 2005, and as further supplemented by Supplement No. 2 to Confidential Private Placement Memorandum dated March 3, 2005 (collectively, the "Memorandum").

(b) Article XVII of the Exchange Agreement is hereby amended to add the following new Section 17.17:

> 17.17 JOINDER. Each PEI Shareholder who is also a subscriber of Units offered by PEI pursuant to the Memorandum and the Securities Purchase Agreement shall, by virtue of their execution of the Securities Purchase Agreement, be deemed to be a signatory to this Agreement and, as a result, shall be subject to all of the provisions of this Agreement as if such PEI Shareholder were an actual signatory hereto.

(c) Section 12.14 of the Exchange Agreement is hereby amended by deleting the number "26,200,000" appearing in the fourth line of said section and inserting in its place the number "28,800,000."

3. MISCELLANEOUS. Except as modified and amended pursuant to this Amendment, the Exchange Agreement shall remain in full force and effect. This Amendment may be executed in one or more counterparts, each of which shall be deemed an original, but all of which taken together shall constitute one and the same instrument. This Amendment will become binding when one or more counterparts hereof, individually or taken together, will bear the signatures of all the parties reflected hereon as signatories.

[SIGNATURES CONTAINED ON THE FOLLOWING PAGE]

IN WITNESS WHEREOF, the parties hereto have caused this Amendment to be duly executed as of the day and year first above written.

"ACCESSITY": ACCESSITY CORP.

By: /S/ BARRY SIEGEL
Barry Siegel, Chairman and CEO

"ACQUIRED COMPANIES": PACIFIC ETHANOL, INC.

By: /S/ RYAN TURNER
Ryan Turner, Director and COO

KINERGY MARKETING, LLC

By: /S/ NEIL M. KOEHLER
Neil M. Koehler, President

REENERGY, LLC

By: /S/ FRANK R. LINDBLOOM
Frank R. Lindbloom, Member/Owner

PEI SHAREHOLDER AND PEI WARRANTHOLDER
SIGNATURE PAGE
TO
AMENDMENT NO. 5 TO
SHARE EXCHANGE AGREEMENT

Pursuant to the authority granted to the undersigned in Section 17.2 of the Exchange Agreement, by execution of this Amendment below by the undersigned, the PEI Shareholders and PEI Warrantholders have executed this Amendment as of the day and year first above written.

By: /S/ RYAN TURNER
Ryan Turner,
Attorney-in-Fact

KINERGY MEMBER
SIGNATURE PAGE
TO
AMENDMENT NO. 5 TO
SHARE EXCHANGE AGREEMENT

IN WITNESS WHEREOF, the parties hereto have caused this Amendment to be duly executed as of the day and year first above written.

/S/ NEIL M. KOEHLER

Neil M. Koehler

REENERGY MEMBER
SIGNATURE PAGE
TO
AMENDMENT NO. 5 TO
SHARE EXCHANGE AGREEMENT

IN WITNESS WHEREOF, the parties hereto have caused this Amendment to be duly executed as of the day and year first above written.

KINERGY RESOURCES, LLC

By: /S/ NEIL M. KOEHLER

Neil M. Koehler, Member

FLIN-MAC, INC.

By: /S/ FRANK R. LINDBLOOM

Frank R. Lindbloom, President

/S/ KENT KAULFUSS

Kent Kaulfuss

/S/ TOM KOEHLER

Tom Koehler

EXHIBIT 3.1

State of Delaware
Secretary of State
Division of Corporations
Delivered 06:27 PM 02/28/2005
Filed 06:27 PM 02/28/2005
SRV 050169353 - 3877538 FILE

CERTIFICATE OF INCORPORATION
OF
PACIFIC ETHANOL, INC.,
A DELAWARE CORPORATION

FIRST: The name of the corporation is:

PACIFIC ETHANOL, INC.

SECOND: The address of the corporation's registered office in the State of Delaware is Corporation Trust Center, 1209 Orange Street, in the City of Wilmington, County of New Castle, State of Delaware. The name of the registered agent of the corporation at such location is The Corporation Trust Company.

THIRD: The nature of the business or purposes to be conducted or promoted by the corporation is to engage in any lawful act or activity for which corporations may be organized under the General Corporation Law of the State of Delaware.

FOURTH: The corporation is authorized to issue one class of capital stock to be designated "Common Stock" and another class of capital stock to be designated "Preferred Stock." The total number of shares of Common Stock that the corporation is authorized to issue is one hundred million (100,000,000), with a par value of $.001 per share. The total number of shares of Preferred Stock that the corporation is authorized to issue is ten million (10,000,000)with a par value of $.001 per share.

Except as otherwise provided by law, the shares of stock of the corporation, regardless of class, may be issued by the corporation from time to time in such amounts, for such consideration and for such corporate purposes as the board of directors may from time to time determine. A description of the different classes and series of the corporation's capital stock and a statement of the designations and the relative rights, preferences and limitations of the shares of each class and series of capital stock are as follows:

COMMON STOCK. Except as otherwise provided by the General Corporation Law of the State of Delaware or in this Article FOURTH (or in any certificate of designation establishing a series of Preferred Stock), the holders of Common Stock shall exclusively possess all voting power of the corporation. Each share of Common Stock shall be equal in all respects to every other share of Common Stock. Each holder of record of issued and outstanding Common Stock shall be entitled to one (1) vote on all matters for each share so held. Subject to the rights and preferences, if any, of the holders of Preferred Stock, each issued and outstanding share of Common Stock shall entitle the record holder thereof to receive dividends and distributions out of funds legally available therefor, when, as and if declared by the board of directors, in such amounts and at such times, if any, as the board of directors shall determine, ratably in proportion to the number of shares of Common Stock held by each such record holder. Upon any voluntary or involuntary liquidation, dissolution or winding up of the corporation, after there shall have been paid to or set aside for the holders of any class of capital stock having preference over the Common Stock in such circumstances the full preferential amounts to

which they are respectively entitled, the holders of the Common Stock, and of any class or series of capital stock entitled to participate in whole or in part therewith as to the distribution of assets, shall be entitled, after payment or

provision for the payment of all debts and liabilities of the corporation, to receive the remaining assets of the corporation available for distribution, in cash or in kind, ratably in proportion to the number of shares of Common Stock held by each such holder.

PREFERRED STOCK. The board of directors is authorized by resolution or resolutions, from time to time adopted, to provide for the issuance of Preferred Stock in one or more series and to fix and state the voting powers, designations, preferences and relative participating, optional or other special rights of the shares of each series and the qualifications, limitations and restrictions thereof, including, but not limited to, determination of one or more of the following:

(i) the distinctive designations of each such series and the number of shares which shall constitute such series, which number may be increased (except where otherwise provided by the board of directors in creating such series) or decreased (but not below the number of shares thereof then outstanding) from time to time by the board of directors;

(ii) the annual rate or amount of dividends payable on shares of such series, whether such dividends shall be cumulative or non-cumulative, the conditions upon which and the dates when such dividends shall be payable, the date from which dividends on cumulative series shall accrue and be cumulative on all shares of such series issued prior to the payment date for the first dividend of such series, the relative rights of priority, if any, of payment of dividends on the shares of that series, and the participating or other special rights, if any, with respect to such dividends;

(iii) whether such series will have any voting rights in addition to those prescribed by law and, if so, the terms and conditions of the exercise of such voting rights;

(iv) whether the shares of such series will be redeemable or callable and, if so, the prices at which, and the terms and conditions on which, such shares may be redeemed or called, which prices may vary under different conditions and at different redemption or call dates;

(v) the amount or amounts payable upon the shares of such series in the event of voluntary or involuntary liquidation, dissolution or winding up of the corporation, and the relative rights of priority, if any, of payment of shares of such series;

(vi) whether the shares of such series shall be entitled to the benefit of a sinking or retirement fund to be applied to the purchase or redemption of such shares, and if so entitled, the amount of such fund and the manner of its application, including the price or prices at which such shares may be redeemed or purchased through the application of such fund;

(vii) whether the shares of such series shall be convertible into, or exchangeable for, shares of any other class or classes or of any other series of the same or any other class or classes of capital stock of the corporation, and if so convertible or exchangeable, the conversion price or prices, or the rate or rates of exchange, and the adjustments thereof, if any, at which such conversion or exchange may be made, and any other terms of such conversion or exchange;

(viii) whether the shares of such series that are redeemed or converted shall have the status of authorized but unissued shares of Preferred Stock and whether such shares may be reissued as shares of the same or any other series of stock;

(ix) the conditions and restrictions, if any, on the payment of dividends or on the making of other distributions on, or the purchase, redemption or other acquisition by the corporation, or any subsidiary thereof, of, the Common Stock or any other class (or other series of the same class) ranking junior to the shares of such series as to dividends or upon liquidation, dissolution or winding up of the corporation; and

(x) the conditions and restrictions, if any, on the creation of indebtedness of the corporation, or any subsidiary thereof, or on

the issue of any additional stock ranking on parity with or prior to the shares of such series as to dividends or upon liquidation, dissolution or winding up of the corporation.

All shares within each series of Preferred Stock shall be alike in every particular, except with respect to the dates from which dividends, if any, shall commence to accrue.

FIFTH: The number of directors which constitute the whole Board of Directors shall be fixed exclusively by one or more resolutions adopted from time to time by the Board of Directors in accordance with the Bylaws of the corporation. Except as otherwise required by the General Corporation Law of the State of Delaware, (i) newly created directorships resulting from any increase in the number of directors and any vacancies on the Board of Directors resulting from death, resignation, disqualification, removal or other cause shall be filled by the affirmative vote of a majority of the remaining directors then in office, even though less than a quorum of the Board of Directors, or by a sole remaining director; (ii) any director elected in accordance with the preceding clause (i) shall hold office for the remainder of the full term of the class of directors in which the new directorship was created or the vacancy occurred and until such director's successor shall have been elected and qualified; and (iii) no decreased in the number of directors constituting the Board of Directors shall shorten the term of any incumbent director. The manner by which a director of the corporation may be removed from office shall be as provided in the Bylaws of the corporation. Advance notice of new business and stockholder nominations for the election of directors shall be given in the manner and to the extent provided in the Bylaws of the corporation. Elections of directors need not be by written ballot unless the Bylaws of the corporation shall so provide.

SIXTH: The corporation may, to the fullest extent to which it is empowered to do so and under the circumstances permitted by the General Corporation Law of the State of Delaware or any other applicable laws, as they may from time to time be in effect, indemnify any person who was made or is threatened to be made party to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative, by reason of the fact that he is or was a director or officer of the corporation, or is or was serving at the specific request of the corporation as a director or officer of another corporation, partnership, joint venture, trust or other enterprise (including, without limitation, any employee benefit plan), against

all expenses (including attorneys' fees), judgments, fines and amounts incurred by him or her in connection with such action, suit or proceeding, and may take such steps as may be deemed appropriate by the board of directors, including purchasing and maintain insurance, entering into contracts (including, without limitation, contracts of indemnification between the corporation and its directors and officers), creating a trust fund, granting security interests or using other means (including, without limitation, a letter of credit) to ensure the payment of such amounts as may be necessary to effect such indemnification.

SEVENTH: To the fullest extent permitted by the General Corporation Law of the State of Delaware as the same exists or as it may hereafter by amended, a director of the corporation shall not be personally liable to the corporation or its stockholders for monetary damages for breach of fiduciary duty as a director; provided, that in no event will the liability of any director of this corporation be eliminated or otherwise limited (i) for any breach of the director's duty of loyalty to the corporation or its stockholders; (ii) for acts or omissions not in good faith or which involve intentional misconduct or a knowing violation of law; (iii) under Section 174 of the General Corporation Law of the State of Delaware; or (iv) for any transaction from which the director derived any improper personal benefit. If the General Corporation Law of the State of Delaware is amended to authorize corporate action further eliminating or limiting the personal liability of directors, then the liability of a director of the corporation shall be eliminated or limited to the fullest extent permitted by the General Corporation Law of the State of Delaware, as so amended.

Any repeal or modification of the foregoing paragraph, or the adoption of any provision of this certificate of incorporation inconsistent with the foregoing paragraph, shall not eliminate, reduce or otherwise adversely affect any right or protection of a director of the corporation existing at the

time of such repeal or modification in respect of any matter occurring, or any cause of action, suit or proceeding that, but for the foregoing paragraph, would accrue or arise, prior to such repeal, modification or adoption of an inconsistent provision.

EIGHTH: The corporation reserves the right to amend, alter, change or repeal any provision contained in this Certificate of Incorporation, in the manner now or hereafter prescribed by law, and all rights conferred upon the stockholders herein are granted pursuant to this reservation.

NINTH: The corporation is to have perpetual existence.

TENTH: Meetings of the stockholders of the corporation may be held within or without the State of Delaware, as the Bylaws may provide. The books of the corporation may be kept (subject to any provision contained in the Bylaws) outside the State of Delaware at such place or places as may be designated from time to time by the Board of Directors or in the Bylaws of the corporation.

ELEVENTH: In furtherance and not in limitation of the powers conferred by statute, the Board of Directors is expressly authorized to make, alter, amend or repeal the Bylaws of the Corporation unless and to the extent the General Corporation Law of the State of Delaware shall provide otherwise.

TWELFTH: The name and address of the sole incorporator of the corporation is:

Larry A. Cerutti
611 Anton Boulevard, 14th Floor
Costa Mesa, CA 92626

THIRTEENTH: The provisions of Section 203 of the General Corporation Law of the State of Delaware shall be applicable to this corporation.

I, THE UNDERSIGNED, being the sole incorporator hereinbefore named, for the purpose of forming a corporation pursuant to the General Corporation Law of the State of Delaware, do make this certificate, hereby declaring and certifying that this is my act and deed and the facts herein stated are true, and accordingly have hereunto set my hand this 28th day of February, 2005.

By: /S/ LARRY A. CERUTTI

Larry A. Cerutti, Sole Incorporator

EXHIBIT 3.2

BYLAWS
OF
PACIFIC ETHANOL, INC.
a Delaware corporation

PREAMBLE

These bylaws are subject to, and governed by, the General Corporation Law of the State of Delaware (the "Delaware General Corporation Law") and the certificate of incorporation, as it may be amended from time to time, of PACIFIC ETHANOL, INC., a Delaware corporation (the "Corporation") . In the event of a direct conflict between the provisions of these bylaws and the mandatory provisions of the Delaware General Corporation Law or the provisions of the certificate of incorporation, such provisions of the Delaware General Corporation Law or the certificate of incorporation of the Corporation, as the case may be, will be controlling.

ARTICLE I
CORPORATE OFFICES

1.1 REGISTERED OFFICE

The registered office of the Corporation shall be at Corporation Trust Center, 1209 Orange Street, in the City of Wilmington, County of New Castle, State of Delaware. The name of the registered agent of the Corporation at such location is The Corporation Trust Company. The registered office of the Corporation may be changed from time to time by the board of directors in the manner provided by law and need not be identical to the principal place of business of the Corporation.

1.2 OTHER OFFICES

The Corporation may also maintain or establish an office or offices at such other place or places, within or without the State of Delaware, as the board of directors may from time to time determine by resolution.

ARTICLE II
MEETINGS OF STOCKHOLDERS

2.1 PLACE OF MEETINGS

Meetings of stockholders shall be held at any place, within or outside the State of Delaware, designated by the board of directors. The board of directors may, in its sole discretion, determine that a meeting of stockholders shall not be held at any place, but may instead be held solely by means of remote communication as authorized by Section 211(a)(2) of the Delaware General Corporation Law. In the absence of any such designation, meetings of stockholders shall be held at the principal office of the Corporation.

2.2 ANNUAL MEETING

The annual meeting of the stockholders shall be held each year at such place within or without the State of Delaware and on a date and at a time as may be designated from time to time by the board of directors, for the purpose of

electing directors and for the transaction of any and all such other business as may properly be brought before the meeting. Any and all business of any nature or character whatsoever may be transacted, and action may be taken thereon, at any annual meeting, except as otherwise provided by law or by these bylaws.

2.3 SPECIAL MEETING

Special meetings of the stockholders for any purpose or purposes, unless otherwise prescribed by law, may be called by the board of directors, the

chairman of the board, the chief executive officer or president (in the absence of a chief executive officer), and shall be called by the secretary of the Corporation at the request in writing by holders of not less than 10% of the total voting power of all outstanding securities of the Corporation then entitled to vote. Each special meeting of stockholders shall be held, respectively, at any place within or without the State of Delaware as determined by the board of directors, or as designated in a waiver of notice signed by all of the stockholders then entitled to vote.

If a special meeting is called by any person or persons other than the board of directors, chief executive officer, president or the chairman of the board, then the request shall be in writing, specifying the time of such meeting and the general nature of the business proposed to be transacted, and shall be delivered personally or sent by registered mail or by telegraphic or other facsimile transmission to the secretary of the Corporation. The secretary shall cause notice to be promptly given to the stockholders entitled to vote, in accordance with the provisions of Sections 2.4 and 2.5 of these bylaws, that a meeting will be held at the time requested by the person or persons calling the meeting. No business may be transacted as such special meeting other than the business specified in such notice to stockholders. Nothing contained in this paragraph of this Section 2.3 shall be construed as limiting, fixing or affecting the time when a meeting of stockholders called by action of the board of directors may be held.

2.4 NOTICE OF MEETINGS OF STOCKHOLDERS

All notices of meetings with stockholders shall be in writing and shall be sent or otherwise given in accordance with Section 2.5 or Section 9.1 of these bylaws not less than ten (10) nor more than sixty (60) days before the date of the meeting to each stockholder entitled to vote at such meeting. The notice shall specify the place, date, and hour of the meeting, the means of remote communication, if any, by which stockholders and proxy holders may be deemed to be present in person and vote at such meeting, and, in the case of a special meeting, the purpose or purposes for which the meeting is called.

2.5 MANNER OF GIVING NOTICE; AFFIDAVIT OF NOTICE

Written notice of any meeting of stockholders, if mailed, is given when deposited in the United States mail, postage prepaid, directed to the stockholder at his address as it appears on the records of the Corporation or, if electronically transmitted, as provided in Article IX of these bylaws. An affidavit of the secretary or an assistant secretary or of the transfer agent of the Corporation that the notice has been given shall, in the absence of fraud, be prima facie evidence of the facts stated therein.

2.6 QUORUM

The holders of a majority of the stock issued and outstanding and entitled to vote thereat, present in person or represented by proxy, shall constitute a quorum at all meetings of the stockholders for the transaction of business, except where otherwise provided by statute, the certificate of incorporation or these bylaws. Any shares, the voting of which at such meeting has been enjoined, or which for any reason cannot be lawfully voted at such meeting, shall not be counted to determine a quorum at such meeting. Any meeting at which a quorum is present may continue to transact business until adjournment

notwithstanding the withdrawal of enough stockholders to leave less than a quorum. Except as otherwise provided by law, the certificate of incorporation or these bylaws, all action taken by holders of a majority of the voting power represented at any meeting at which a quorum is present shall be valid and binding upon the corporation.

2.7 ADJOURNED MEETING; NOTICE

If a quorum is not present or represented at any meeting of the stockholders, then either (i) the chairperson of the meeting or (ii) the stockholders holding a majority of the shares represented thereat in person or by proxy shall have power to adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum is present or represented. When a meeting is adjourned to another time or place, unless these

bylaws otherwise require, notice need not be given of the adjourned meeting if the time, place if any thereof, and the means of remote communications if any by which stockholders and proxy holders may be deemed to be present in person and vote at such adjourned meeting are announced at the meeting at which the adjournment is taken. At the adjourned meeting the Corporation may transact any business that might have been transacted at the original meeting. If the adjournment is for more than thirty (30) days, or if after the adjournment a new record date is fixed for the adjourned meeting, a notice of the adjourned meeting shall be given to each stockholder of record entitled to vote at the meeting.

2.8 VOTING

The stockholders entitled to vote at any meeting of stockholders shall be determined in accordance with the provisions of Section 2.11 of these bylaws, subject to the provisions of Section 217 of the Delaware General Corporation Law (relating to voting rights of fiduciaries, pledgors and joint owners of stock) and Section 218 of the Delaware General Corporation Law (relating to voting trusts and other voting agreements).

Except as may be otherwise provided in the certificate of incorporation or these bylaws, each stockholder shall be entitled to one vote for each share of capital stock held by such stockholder.

2.9 WAIVER OF NOTICE

Whenever notice is required to be given under any provision of the Delaware General Corporation Law or of the certificate of incorporation or these bylaws, a written waiver thereof, signed by the person entitled to notice, or a waiver by electronic transmission by the person entitled to notice, whether before or after the time of the event for which notice is to be given, shall be deemed equivalent to notice. Attendance of a person at a meeting shall constitute a waiver of notice of such meeting, except when the person attends a meeting for the express purpose of objecting, at the beginning of the meeting, to the transaction of any business because the meeting is not lawfully called or convened. Neither the business to be transacted at, nor the purpose of, any regular or special meeting of the stockholders need be specified in any written waiver of notice or any waiver by electronic transmission unless so required by the certificate of incorporation or these bylaws.

2.10 STOCKHOLDER ACTION BY WRITTEN CONSENT WITHOUT A MEETING

Unless otherwise provided in the certificate of incorporation, any action required to be taken at any annual or special meeting of stockholders of the Corporation, or any action which may be taken at any annual or special meeting of such stockholders, may be taken without a meeting, without prior notice and without a vote, if a consent or consents in writing, setting forth the action so taken and bearing the dates of signature of the stockholders who signed the consent or consents, shall be signed by the holders of outstanding stock having not less than the minimum number of votes that would be necessary to authorize or take such action at a meeting at which all shares entitled to vote thereon were present and voted.

Prompt notice of the taking of the corporate action without a meeting by less than unanimous written consent shall be given to those stockholders who have not consented in writing and who, if the action had been taken at a meeting, would have been entitled to notice of the meeting if the record date for such meeting had been the date that written consents signed by a sufficient number of holders to take the action were delivered to the Corporation as provided in Section 228 of the Delaware General Corporation Law. In the event that the action which is consented to is such as would have required the filing of a certificate under any provision of the Delaware General Corporation Law, if such action had been voted on by stockholders at a meeting thereof, the certificate filed under such provision shall state, in lieu of any statement required by such provision concerning any vote of stockholders, that written consent has been given in accordance with Section 228 of the Delaware General Corporation Law. Any action taken pursuant to such written consent or consents of the stockholders shall have the same force and effect as if taken by the stockholders at a meeting thereof.

2.11 RECORD DATE FOR STOCKHOLDER NOTICE; VOTING; GIVING CONSENTS

In order that the Corporation may determine the stockholders entitled to notice of or to vote at any meeting of stockholders or any adjournment thereof, or entitled to express consent to corporate action in writing without a meeting, or entitled to receive payment of any dividend or other distribution or allotment of any rights, or entitled to exercise any rights in respect of any change, conversion or exchange of stock or for the purpose of any other lawful action, the board of directors may fix, in advance, a record date, which record date shall not precede the date upon which the resolution fixing the record date is adopted by the board of directors, and shall not be more than sixty (60) nor less than ten (10) days before the date of such meeting, nor more than ten (10) days after the date upon which the resolution fixing the record date for a written consent is adopted by the board of directors, nor more than sixty (60) days prior to any other action.

If the board of directors does not so fix a record date:

(i) The record date for determining stockholders entitled to notice of or to vote at a meeting of stockholders shall be at the close of business on the day next preceding the day on which notice is given, or, if notice is waived, at the close of business on the day next preceding the day on which the meeting is held.

(ii) The record date for determining stockholders entitled to express consent to corporate action in writing without a meeting, when no prior action by the board of directors is necessary, shall be the day on which the first written consent is delivered to the Corporation as provided in Section 213(b) of the Delaware General Corporation Law.

(iii) The record date for determining stockholders for any other purpose shall be at the close of business on the day on which the board of directors adopts the resolution relating thereto.

A determination of stockholders of record entitled to notice of or to vote at a meeting of stockholders shall apply to any adjournment of the meeting; provided, however, that the board of directors may fix a new record date for the adjourned meeting.

2.12 PROXIES

Each stockholder entitled to vote at a meeting of stockholders or to express consent or dissent to corporate action in writing without a meeting may authorize another person or persons to act for him by proxy authorized by an instrument in writing or by a transmission permitted by law filed in accordance with the procedure established for the meeting, but no such proxy shall be voted or acted upon after three years from its date, unless the proxy provides for a longer period. The revocability of a proxy that states on its face that it is irrevocable shall be governed by the provisions of Section 212 of the Delaware General Corporation Law.

2.13 LIST OF STOCKHOLDERS ENTITLED TO VOTE

The officer who has charge of the stock ledger of the Corporation shall prepare and make, at least ten (10) days before every meeting of stockholders, a complete list of the stockholders entitled to vote at the meeting, arranged in alphabetical order, and showing the address of each stockholder and the number of shares registered in the name of each stockholder. The Corporation shall not be required to include electronic mail addresses or other electronic contact information on such list. Such list shall be open to the examination of any stockholder, for any purpose germane to the meeting, during ordinary business hours, for a period of at least ten days prior to the meeting, either: (i) on a reasonably accessible electronic network, provided that the information required to gain access to such list is provided with the notice of the meeting; or (ii) during ordinary business hours, at the Corporation's principal executive office; or (iii) if not so specified, at the place where the meeting is to be held. In the event the Corporation determines to make the list available on an electronic network, the Corporation may take reasonable steps to ensure that such information is available only to stockholders of the Corporation. If the meeting is to be held at a place, then the list shall be produced and kept at the time

and place of the meeting during the whole time thereof, and may be inspected by any stockholder who is present. If the meeting is to be held solely by means of remote communication, then the list shall also be open to the examination of any stockholder during the whole time of the meeting on a reasonably accessible electronic network, and the information required to access such list shall be provided with the notice of the meeting. Such list shall presumptively determine the identity of the stockholders entitled to vote at the meeting and the number of shares held by each of them.

2.14 NOMINATIONS AND PROPOSALS

Nominations of persons for election to the board of directors of the Corporation and the proposal of business to be considered by the stockholders may be made at any meeting of stockholders only (a) pursuant to the Corporation's notice of meeting, (b) by or at the direction of the board of directors or (c) by any stockholder of the Corporation who was a stockholder of record at the time of giving of notice provided for in these bylaws, who is entitled to vote at the meeting and who complies with the notice procedures set forth in this Section 2.14; provided that stockholder nominations of persons for election to the board of directors of the Corporation at a special meeting may only be made if the board of directors has determined that directors are to be elected at the special meeting.

For nominations or other business to be properly brought before a meeting of stockholders by a stockholder pursuant to clause (c) of the preceding sentence, the stockholder must have given timely notice thereof in writing to the secretary of the Corporation and such other business must otherwise be a proper matter for stockholder action. To be timely, a stockholder's notice must be delivered to the secretary of the Corporation not later than: (A) in the case of an annual meeting, the close of business on the forty-fifth (45th) day before the first anniversary of the date on which the Corporation first mailed its proxy materials for the prior year's annual meeting of stockholders; provided, however, that if the date of the meeting has changed more than thirty (30) days from the date of the prior year's meeting, then in order for the stockholder's

notice to be timely it must be delivered to the secretary of the Corporation a reasonable time before the Corporation mails its proxy materials for the current year's meeting; provided further, that for purposes of the preceding sentence, a "reasonable time" shall conclusively be deemed to coincide with any adjusted deadline publicly announced by the Corporation pursuant to Rule 14a-5(f) or otherwise; and (B) in the case of a special meeting, the close of business on the seventh (7th) day following the day on which public announcement is first made of the date of the special meeting. In no event shall the public announcement of an adjournment of a meeting of stockholders commence a new time period for the giving of a stockholder's notice as described above.

Such stockholder's notice shall set forth (a) as to each person whom the stockholder proposes to nominate for election or reelection as a director all information relating to such person that is required to be disclosed in solicitations of proxies for election of directors in an election contest, or is otherwise required, in each case pursuant to Regulation 14A under the Securities Exchange Act of 1934, as amended (or any successor thereto, "Exchange Act") and Rule 14a-11 thereunder (or any successor thereto) (including such person's written consent to being named in the proxy statement as a nominee and to serving as a director if elected); (b) as to any other business that the stockholder proposes to bring before the meeting, a brief description of the business desired to be brought before the meeting, the reasons for conducting such business at the meeting and any material interest in such business of such stockholder and the beneficial owner, if any, on whose behalf the proposal is made, the text of the proposal or business (including the text of any resolutions proposed for consideration and in the event that such business includes a proposal to amend the bylaws of the Corporation, the language of the proposed amendment); and (c) as to the stockholder giving the notice and the beneficial owner, if any, on whose behalf the nomination or proposal is made (i) the name and address of such stockholder, as they appear on the Corporation's books, and of such beneficial owner, (ii) the class and number of shares of the Corporation that are owned beneficially and of record by such stockholder and such beneficial owner, (iii) a representation that the stockholder is a holder of record of stock of the Corporation entitled to vote at such meeting and intends to appear in person or by proxy at the meeting to propose such business

or nomination, and (iv) a representation whether the stockholder or the beneficial owner, if any, intends or is part of a group that intends (X) to deliver a proxy statement and/or form of proxy to holders of at least the percentage of the Corporation's outstanding capital stock required to approve or adopt the proposal or elect the nominee and/or (Y) otherwise to solicit proxies from stockholders in support of such proposal or nomination.

The Corporation may require any proposed nominee to furnish such other information as it may reasonably require to determine the eligibility of such proposed nominee to serve as a director of the Corporation. Notwithstanding any provision of these bylaws to the contrary, no business shall be conducted at a meeting of stockholders except in accordance with the procedures set forth in this Section 2.14.

For purposes of this Section 2.14, "public announcement" shall include disclosure in a press release reported by the Dow Jones News Service, Associated Press, Reuters, Market Wire or comparable national news service or in a document publicly filed by the Corporation with the Securities and Exchange Commission pursuant to Section 13, 14 or 15(d) of the Exchange Act.

Notwithstanding the foregoing provisions of this Section 2.14, a stockholder shall also comply with all applicable requirements of the Exchange Act and the rules and regulations thereunder with respect to the matters set forth in this Section 2.14. Nothing in this Section 2.14 shall be deemed to affect any rights (1) of stockholders to request inclusion of proposals in the Corporation's proxy statement pursuant to Rule 14a-8 under the Exchange Act, if applicable to the Corporation, or (2) of the holders of any series of preferred stock to elect directors pursuant to any applicable provisions of the certificate of incorporation.

Except as otherwise provided by law, the chairperson of the meeting shall have the power and duty to determine whether a nomination or any business proposed to be brought before the meeting was made or proposed, as the case may be, in accordance with the procedures set forth in this Section 2.14 and, if any proposed nomination or business was not made or proposed in compliance with this Section 2.14, to declare that such nomination shall be disregarded or that such proposed business shall not be transacted.

ARTICLE III
DIRECTORS

3.1 POWERS

Subject to the provisions of the Delaware General Corporation Law and any limitations in the certificate of incorporation or these bylaws relating to action required to be approved by the stockholders or by the outstanding shares, the business and affairs of the Corporation shall be managed and all corporate powers shall be exercised by or under the direction of the board of directors.

3.2 NUMBER OF DIRECTORS

The authorized number of directors of the Corporation shall be seven until changed by resolution of the board of directors. No reduction of the authorized number of directors shall have the effect of removing any director before that director's term of office expires.

3.3 ELECTION, QUALIFICATION AND TERM OF OFFICE OF DIRECTORS

All elections of directors shall be by written ballot, unless otherwise provided in the certificate of incorporation. If authorized by the board of directors, such requirement of a written ballot shall be satisfied by a ballot submitted by electronic transmission, provided that any such electronic transmission must be either set forth or be submitted with information from which it can be determined that the electronic transmission was authorized by the stockholder or proxy holder.

Notwithstanding the foregoing provisions of this Section 3.3, each director shall serve until his or her successor is duly elected and qualified or until his or her death, resignation or removal. No decrease in the number of directors constituting the board of directors shall shorten the term of any

incumbent director.

No person entitled to vote at an election for directors may cumulate votes to which such person is entitled, unless, at the time of such election, the Corporation is subject to Section 2115(b) of the California General Corporation Law. During such time or times that the Corporation is subject to Section 2115(b) of the California General Corporation Law, every stockholder entitled to vote at an election for directors may cumulate such stockholder's votes and give one candidate a number of votes equal to the number of directors to be elected multiplied by the number of votes to which such stockholder's shares are otherwise entitled, or distribute the stockholder's votes on the same principle among as many candidates as such stockholder thinks fit. No stockholder, however, shall be entitled to so cumulate such stockholder's votes unless: (i) the names of such candidate or candidates have been placed in nomination prior to the voting; and (ii) the stockholder has given notice at the meeting, prior to the voting, of such stockholder's intention to cumulate such stockholder's votes. If any stockholder has given proper notice to cumulate votes, all stockholders may cumulate their votes for any candidates who have been properly placed in nomination. Under cumulative voting, the candidates receiving the highest number of votes, up to the number of directors to be elected, are elected.

3.4 RESIGNATION AND VACANCIES

Any director may resign at any time upon notice given in writing or by electronic transmission to the secretary of the Corporation. When one or more directors so resigns and the resignation is effective at a future date, a majority of the directors then in office, including those who have so resigned, shall have power to fill such vacancy or vacancies, the vote thereon to take effect when such resignation or resignations shall become effective, and each director so chosen shall hold office as provided in this Section in the filling of other vacancies.

Any vacancies on the board of directors resulting from death, resignation, disqualification, removal, newly created directorships or other causes shall, except as otherwise provided by the Delaware General Corporation Law or by the certificate of incorporation, be filled only by the affirmative vote of a majority of the remaining directors then in office, even though less than a quorum of the board of directors, or by a sole remaining director, and not by the stockholders. Whenever the holders of any class or classes of stock or series thereof are entitled to elect one or more directors by the provisions of the certificate of incorporation, vacancies and newly created directorships of such class or classes or series may be filled by a majority of the directors elected by such class or classes or series thereof then in office, or by a sole remaining director so elected. Any director elected in accordance with the preceding sentence shall hold office for the remainder of the full term of the class of directors in which the new directorship was created or the vacancy occurred and until such director's successor shall have been elected and qualified.

At any time or times that the Corporation is subject to Section 2115(b) of the California General Corporation Law, if, after the filling of any vacancy, the directors then in office who have been elected by stockholders shall constitute less than a majority of the directors then in office, then: (i) any holder or holders of an aggregate of five percent (5%) or more of the total number of shares at the time outstanding having the right to vote for those directors may call a special meeting of the stockholders; or (ii) the Superior Court of the proper county shall, upon application of such stockholder or stockholders, summarily order a special meeting of the stockholders, to elect the entire board of directors, all in accordance with Section 305(c) of the California General Corporation Law. The term of office of any director shall terminate upon that election of the director's successor.

3.5 PLACE OF MEETINGS; MEETINGS BY TELEPHONE

The board of directors of the Corporation may hold meetings, both regular and special, either within or outside the State of Delaware.

Unless otherwise restricted by the certificate of incorporation or these bylaws, members of the board of directors, or any committee designated by

the board of directors, may participate in a meeting of the board of directors, or any committee, by means of conference telephone or other communications equipment by means of which all persons participating in the meeting can hear each other, and such participation in a meeting shall constitute presence in person at the meeting.

3.6 REGULAR MEETINGS

Regular meetings of the board of directors may be held without notice at such time and at such place as shall from time to time be determined by resolution of the board.

3.7 SPECIAL MEETINGS; NOTICE

Special meetings of the board of directors may be called by the chairman of the board or the chief executive officer or the president or the secretary or by any two directors. Notice of the time and place of special meetings shall be delivered either personally by hand, by courier or by telephone, sent by United States first-class mail, postage prepaid, sent by facsimile or sent by electronic mail, directed to each director at that director's address, telephone number, facsimile number or electronic mail address, as the case may be, as shown on the Corporation's records.

If the notice is (i) delivered personally by hand, by courier or by telephone, (ii) sent by facsimile or (iii) sent by electronic mail, it shall be delivered or sent at least twenty-four (24) hours before the time of the holding of the meeting. If the notice is sent by United States mail, it shall be deposited in the United States mail at least four (4) days before the time of the holding of the meeting. Any oral notice may be communicated to the director. The notice need not specify the place or the meeting (if the meeting is to be held at the Corporation's principal executive office) nor the purpose of the meeting. It shall not be necessary that the same method of giving notice be employed in respect of all directors, but one permissible method may be employed in respect of any one or more, and any other permissible method or methods may be employed in respect of any other or others.

3.8 QUORUM

At all meetings of the board of directors, a majority of the authorized number of directors shall constitute a quorum for the transaction of business and the act of a majority of the directors present at any meeting at which there is a quorum shall be the act of the board of directors, except as may be otherwise specifically provided by statute or by the certificate of incorporation. If a quorum is not present at any meeting of the board of directors, then the directors present thereat may adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum is present. A meeting at which a quorum is initially present may continue to transact business notwithstanding the withdrawal of directors, if any action taken is approved by at least a majority of the required quorum for that meeting.

3.9 WAIVER OF NOTICE

Whenever notice is required to be given under any provision of the Delaware General Corporation Law or of the certificate of incorporation or these bylaws, a written waiver thereof, signed by the person entitled to notice, or a waiver by electronic transmission by the person entitled to notice, whether before or after the time of the event for which notice is to be given, shall be deemed equivalent to notice. Attendance of a person at a meeting shall constitute a waiver of notice of such meeting, except when the person attends a meeting for the express purpose of objecting, at the beginning of the meeting, to the transaction of any business because the meeting is not lawfully called or convened. Neither the business to be transacted at, nor the purpose of, any regular or special meeting of the stockholders need be specified in any written waiver of notice or any waiver by electronic transmission unless so required by the certificate of incorporation or these bylaws.

3.10 BOARD ACTION BY WRITTEN CONSENT WITHOUT A MEETING

Unless otherwise restricted by the certificate of incorporation or

these bylaws, any action required or permitted to be taken at any meeting of the board of directors, or of any committee thereof, may be taken without a meeting if all members of the board or committee, as the case may be, consent thereto in writing or by electronic transmission and the writing or writings or electronic transmission or transmissions are filed with the minutes of proceedings of the board or committee. Such filing shall be in paper form if the minutes are maintained in paper form and shall be in electronic form if the minutes are maintained in electronic form.

3.11 FEES AND COMPENSATION OF DIRECTORS

Unless otherwise restricted by the certificate of incorporation or these bylaws, the board of directors shall have the authority to fix the compensation of directors.

3.12 APPROVAL OF LOANS TO OFFICERS OR EMPLOYEES

The Corporation may lend money to, or guarantee any obligation of, or otherwise assist any officer or other employee of the Corporation or of its subsidiary, including any officer or employee who is a director of the Corporation or its subsidiary, whenever, in the judgment of the directors, such loan, guaranty or assistance may reasonably be expected to benefit the Corporation and is not prohibited by applicable laws, rules or regulations. The loan, guaranty or other assistance may be with or without interest and may be unsecured, or secured in such manner as the board of directors shall approve, including, without limitation, a pledge of shares of stock of the Corporation.

3.13 REMOVAL OF DIRECTORS

Assuming the Corporation is not subject to Section 2115 of the California General Corporation Law, notwithstanding any other provisions of the Corporation's certificate of incorporation, or these bylaws (and notwithstanding the fact that some lesser percentage may be specified by the Delaware General Corporation Law, the certificate of incorporation or these bylaws, any director, or the entire board of directors of the Corporation may be removed at any time, but only for cause. The removal shall be accomplished by the affirmative vote, at a special meeting of stockholders called for that purpose in the manner provided in these bylaws, of the holders of at least a majority of the outstanding shares entitled to vote at an election for directors.

During such time or times that the Corporation is subject to Section 2115(b) of the California General Corporation Law, the board of directors of any individual director may be removed from office at any time without cause by the affirmative vote of the holders of at least a majority of the outstanding shares entitled to vote on such removal; provided, however, that unless the entire board of directors is removed, no individual director may be removed when the votes cast against such director's removal, or not consenting in writing to such removal, would be sufficient to elect that director if voted cumulatively at an election at which the same total number of votes were cast (of, if such action is taken by written consent, all shares entitled to vote were voted) and the entire number of directors authorized at the time of such director's most recent election were then being elected. No reduction of the authorized number of directors shall have the effect of removing any director prior to the expiration of such director's term of office.

ARTICLE IV
COMMITTEES

4.1 COMMITTEES OF DIRECTORS

The board of directors may, by resolution passed by a majority of the whole board, designate one or more committees, with each committee to consist of one or more of the directors of the Corporation. The board may designate one or more directors as alternate members of any committee, who may replace any absent or disqualified member at any meeting of the committee. In the absence or disqualification of a member of a committee, the member or members thereof present at any meeting and not disqualified from voting, whether or not he or they constitute a quorum, may unanimously appoint another member of the board of

directors to act at the meeting in the place of any such absent or disqualified member. Any such committee, to the extent provided in the resolution of the board of directors or in the bylaws of the Corporation, shall have and may exercise all the powers and authority of the board of directors in the management of the business and affairs of the Corporation, and may authorize the seal of the Corporation to be affixed to all papers that may require it; but no such committee shall have the power or authority to (i) amend the certificate of incorporation (except that a committee may, to the extent authorized in the resolution or resolutions providing for the issuance of shares of stock adopted by the board of directors as provided in Section 151(a) of the Delaware General Corporation Law, fix any of the preferences or rights of such shares relating to dividends, redemption, dissolution, any distribution of assets of the Corporation or the conversion into, or the exchange of such shares for, shares of any other class or classes or any other series of the same or any other class or classes of stock of the Corporation), (ii) approve or adopt, or recommend to the stockholders, any matter expressly required by the Delaware General Corporation Law to be submitted to stockholders for approval, (iii) adopt, amend or repeal any bylaw of the Corporation or (iv) declare any dividend.

The board of directors may at any time increase or decrease the number of members of a committee or terminate the existence of a committee. The board of directors may at any time and for any reason remove any individual committee member or fill any committee vacancy created by death, resignation, removal or increase in the number of members of a committee.

4.2 COMMITTEE MINUTES

Each committee shall keep regular minutes of its meetings and report the same to the board of directors when required.

4.3 MEETINGS AND ACTION OF COMMITTEES

Meetings and actions of committees shall be governed by, and held and taken in accordance with, the provisions of Article III of these bylaws, Section 3.5 (place of meetings and meetings by telephone), Section 3.6 (regular meetings), Section 3.7 (special meetings and notice), Section 3.8 (quorum), Section 3.9 (waiver of notice), Section 3.10 (adjournment and notice of adjournment), and Section 3.11 (action without a meeting), with such changes in the context of those bylaws as are necessary to substitute the committee and its members for the board of directors and its members; provided, however, that the time of regular meetings of committees and special meetings of committees may also be called by resolution of the board of directors and that notice of special meetings of committees shall also be given to all alternate members, who shall have the right to attend all meetings of the committee. The board of directors may adopt rules for the government of any committee not inconsistent with the provisions of these bylaws.

4.4 ADVISORY COMMITTEES

The board of directors may, by resolution passed by a majority of the whole board, designate one or more advisory committees, with each committee to consist of one or more of the directors of the Corporation or any other such persons as the board may appoint. The board may designate one or more persons as alternate members of any committee, who may replace any absent or disqualified member at any meeting of the committee. Members who are not board members shall not have the responsibilities or obligations of board members nor be deemed directors of the Corporation for any other purpose.

ARTICLE V
OFFICERS

5.1 OFFICERS

The officers of the Corporation shall be a chief executive officer, a secretary, and a chief financial officer. The Corporation may also have, at the discretion of the board of directors, a chairman of the board, a vice chairman of the board, a treasurer, one or more presidents, one or more vice presidents, one or more assistant vice presidents, assistant secretaries, assistant

treasurers, and any such other officers as may be appointed in accordance with the provisions of these bylaws. Any number of offices may be held by the same person.

5.2 APPOINTMENT OF OFFICERS

The board of directors shall appoint the officers of the Corporation, except such officers as may be appointed in accordance with the provisions of Sections 5.3 or 5.5 of these bylaws, subject to the rights, if any, of an officer under any contract of employment.

5.3 SUBORDINATE OFFICERS

The board of directors may appoint, or empower the chief executive officer or, in the absence of a chief executive officer, one or more presidents, to appoint, such other officers and agents as the business of the Corporation may require, each of whom shall hold office for such period, have such authority, and perform such duties as are provided in these bylaws or as the board of directors may from time to time determine.

5.4 REMOVAL AND RESIGNATION OF OFFICERS

Subject to the rights, if any, of an officer under any contract of employment, any officer may be removed, either with or without cause, by an affirmative vote of the majority of the board of directors at any regular or special meeting of the board or, except in the case of an officer chosen by the board, by any officer upon whom such power of removal may be conferred by the board of directors.

Any officer may resign at any time by giving written notice to the board of directors or secretary of the Corporation. Any resignation shall take effect at the date of the receipt of that notice or at any later time specified in that notice; and, unless otherwise specified in that notice, the acceptance of the resignation shall not be necessary to make it effective. Any resignation is without prejudice to the rights, if any, of the Corporation under any contract to which the officer is a party.

5.5 VACANCIES IN OFFICES

Any vacancy occurring in any office of the Corporation shall be filled by the board of directors or as provided in Section 5.2.

5.6 CHAIRMAN OF THE BOARD

The chairman of the board, if such an officer be elected, shall, if present, preside at meetings of the board of directors and exercise and perform such other powers and duties as may from time to time be assigned to him by the board of directors or as may be prescribed by these bylaws. If there is no chief executive officer or president, then the chairman of the board shall also be the chief executive officer of the Corporation and shall have the powers and duties prescribed in Section 5.7 of these bylaws.

5.7 CHIEF EXECUTIVE OFFICER

Subject to such supervisory powers, if any, as may be given by the board of directors to the chairman of the board, if there be such an officer, the chief executive officer of the Corporation shall, subject to the control of the board of directors, have general supervision, direction, and control of the business and affairs of the Corporation and shall report directly to the board of directors. All other officers, officials, employees and agents shall report directly or indirectly to the chief executive officer. The chief executive officer shall see that all orders and resolutions of the board of directors are carried into effect. He shall serve as the chairperson and preside at all meetings of the stockholders and, in the absence or nonexistence of a chairman of the board, at all meetings of the board of directors. He shall have the general powers and duties of management usually vested in the chief executive officer of a corporation, and shall have such other powers and duties as may be prescribed by the board of directors or these bylaws.

5.8 PRESIDENT

The president may assume and perform the duties of the chief executive officer in the absence or disability of the chief executive officer or whenever the office of the chief executive officer is vacant. When acting as the chief executive officer, a president shall have all the powers of, and be subject to all the restrictions upon, the chief executive officer. The president of the Corporation shall exercise and perform such powers and duties as may from time to time be assigned to him by the board of directors, the chairman of the board, the chief executive officer or as may be prescribed by these bylaws. The president shall have authority to execute in the name of the Corporation bonds, contracts, deeds, leases and other written instruments to be executed by the Corporation. In the absence or nonexistence of the chairman of the board and chief executive officer, he shall preside at all meetings of the stockholders and, in the absence or nonexistence of a Chairman of the board of directors and chief executive officer, at all meetings of the board of directors and shall perform such other duties as the board of directors may from time to time determine.

5.9 VICE PRESIDENTS

In the absence or disability of the chief executive officer and any president, the vice presidents, if any, in order of their rank as fixed by the board of directors or, if not ranked, a vice president designated by the board of directors, shall perform all the duties of a president and when so acting shall have all the powers of, and be subject to all the restrictions upon, a president. The vice presidents shall have such other powers and perform such other duties as from time to time may be prescribed for them respectively by the board of directors, these bylaws, the chairman of the board, the chief executive officer or, in the absence of a chief executive officer, one or more of the presidents.

5.10 SECRETARY

The secretary shall keep or cause to be kept, at the principal executive office of the Corporation or such other place as the board of directors may direct, a book of minutes of all meetings and actions of directors, committees of directors, and stockholders. The minutes shall show the time and place of each meeting, whether regular or special (and, if special, how authorized and the notice given), the names of those present at meetings of the board of directors or committees, the number of shares present or represented at meetings of stockholders, and the proceedings thereof.

The secretary shall keep, or cause to be kept, at the principal executive office of the Corporation or at the office of the Corporation's transfer agent or registrar, as determined by resolution of the board of directors, a share register, or a duplicate share register, showing the names of all stockholders and their addresses, the number and classes of shares held by each, the number and date of certificates evidencing such shares, and the number and date of cancellation of every certificate surrendered for cancellation.

The secretary shall give, or cause to be given, notice of all meetings of the stockholders and of the board of directors required to be given by law or by these bylaws. He or she shall keep the seal of the Corporation, if one be adopted, in safe custody and shall have such other powers and perform such other duties as may be prescribed by the board of directors or by these bylaws.

5.11 CHIEF FINANCIAL OFFICER

The chief financial officer shall keep and maintain, or cause to be kept and maintained, adequate and correct books and records of accounts of the properties and business transactions of the Corporation, including accounts of its assets, liabilities, receipts, disbursements, gains, losses, capital, retained earnings, and shares. The books of account shall at all reasonable times be open to inspection by any director.

The chief financial officer shall deposit all monies and other valuables in the name and to the credit of the Corporation with such depositories as the board of directors may designate. The chief financial officer shall disburse the funds of the Corporation as may be ordered by the board of directors, shall render to the chief executive officer or, in the

absence of a chief executive officer, any president and directors, whenever they request it, an account of all his or her transactions as chief financial officer and of the financial condition of the Corporation, and shall have such other powers and perform such other duties as may be prescribed by the board of directors or these bylaws. The chief financial officer may be the treasurer of the Corporation.

5.12 TREASURER

The treasurer shall keep and maintain, or cause to be kept and maintained, adequate and correct books and records of accounts of the properties and business transactions of the Corporation, including accounts of its assets, liabilities, receipts, disbursements, gains, losses, capital, retained earnings, and shares. The books of account shall at all reasonable times be open to inspection by any director.

The treasurer shall deposit all monies and other valuables in the name and to the credit of the Corporation with such depositories as the board of directors may designate. The treasurer shall disburse the funds of the Corporation as may be ordered by the board of directors, shall render to the chief executive officer or, in the absence of a chief executive officer, any president and directors, whenever they request it, an account of all his or her transactions as treasurer and of the financial condition of the Corporation, and shall have such other powers and perform such other duties as may be prescribed by the board of directors or these bylaws.

5.13 ASSISTANT SECRETARY

The assistant secretary, or, if there is more than one, the assistant secretaries in the order determined by the stockholders or board of directors (or if there be no such determination, then in the order of their election) shall, in the absence of the secretary or in the event of his or her inability or refusal to act, perform the duties and exercise the powers of the secretary and shall perform such other duties and have such other powers as the board of directors or the stockholders may from time to time prescribe.

5.14 ASSISTANT TREASURER

The assistant treasurer, or, if there is more than one, the assistant treasurers, in the order determined by the stockholders or board of directors (or if there be no such determination, then in the order of their election), shall, in the absence of the treasurer or in the event of his or her inability or refusal to act, perform the duties and exercise the powers of the treasurer and shall perform such other duties and have such other powers as the board of directors or the stockholders may from time to time prescribe.

5.15 AUTHORITY AND DUTIES OF OFFICERS

In addition to the foregoing authority and duties, all officers of the Corporation shall respectively have such authority and perform such duties in the management of the business of the Corporation as may be designated from time to time by the board of directors or the stockholders.

ARTICLE VI
INDEMNITY

6.1 INDEMNIFICATION OF DIRECTORS AND OFFICERS

The Corporation shall, to the fullest extent and in the manner permitted by the Delaware Corporation General Law as it presently exists or may hereafter be amended, indemnify and hold harmless each of its directors and officers who was or is made or is threatened to be made a party or is otherwise involved in any action, suit or proceeding, whether civil, criminal or administrative or investigative (a "proceeding") by reason of the fact that he or she, or a person for whom he or she is the legal representative, is or was a director, officer, employee or agent of the Corporation or is or was serving at the request of the Corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust, non-profit entity or other enterprise, including service with respect to employee benefit plans, against all liability and loss suffered and expenses reasonably incurred by such

person in connection with any such action, suit, or proceeding. The Corporation shall be required to indemnify a person in connection with a proceeding initiated by such person only if the proceeding was authorized by the board of directors.

6.2 INDEMNIFICATION OF OTHERS

The Corporation shall have the power, to the fullest extent and in the manner permitted by the Delaware General Corporation Law as it presently exists or may hereafter be amended, to indemnify and hold harmless, each of its employees and agents who was or is made or is threatened to be made a party or is otherwise involved in any action, suit or proceeding, whether civil, criminal or administrative or investigative (a "proceeding") by reason of the fact that he or she, or a person for whom he or she is the legal representative, is or was an employee or agent of the Corporation or is or was serving at the request of the Corporation as an employee or agent of another corporation, partnership, joint venture, trust, non-profit entity or other enterprise, including service with respect to employee benefit plans, against all liability and loss suffered and expenses reasonably incurred by such person in connection with any such action, suit, or proceeding.

6.3 INSURANCE

The Corporation may purchase and maintain insurance on behalf of any person who is or was a director, officer, employee or agent of the Corporation, or is or was serving at the request of the Corporation or its subsidiaries as a director, officer, employee or agent of another corporation, partnership, joint

venture, trust or other enterprise against any liability asserted against him and incurred by him in any such capacity, or arising out of his status as such, whether or not the Corporation would have the power to indemnify him against such liability under the provisions of the Delaware General Corporation Law.

6.4 EXPENSES

The Corporation shall pay the expenses incurred by any officer or director of the Corporation, and may pay the expenses incurred by any employee or agent of the Corporation, in defending any proceeding in advance of its final disposition; provided, however, that the payment of expenses incurred by a person in advance of the final disposition of the proceeding shall be made only upon receipt of an undertaking by the person to repay all amounts advanced if it should ultimately be determined that he is not entitled to be indemnified by the Corporation under this Article VI or otherwise. Such expenses incurred by other employees and agents described in Section 6.2 of this Article VI may be so paid upon such terms and conditions, if any, as the board of directors deems appropriate.

6.5 OTHER INDEMNIFICATION

The indemnification and advancement of expenses provided by, or granted pursuant to, this Article VI shall not be deemed exclusive of any other rights to which those seeking indemnification or advancement of expenses may be entitled under any bylaw, agreement, vote of stockholders or disinterested directors or otherwise, both as to action in such person's official capacity and as to action in another capacity while holding such office. However, the Corporation's obligation, if any, to indemnify a person who was or is serving at its request as a director, officer, employee or agent of another corporation, partnership, joint venture, trust, non-profit entity or other enterprise shall be reduced by any amount such person may collect as indemnification from such other corporation, partnership, joint venture, trust, non-profit entity or other enterprise.

6.6 AMENDMENT OR REPEAL

Any repeal or modification of the foregoing provisions of this Article VI shall not adversely affect any right or protection hereunder of any person in respect of any act or omission occurring prior to the time of such repeal or modification.

6.7 MERGER OR CONSOLIDATION

For purposes of this Article VI, references to "the Corporation" shall include, in addition to the resulting corporation, any constituent corporation (including any constituent of a constituent) absorbed in a consolidation or merger which, if its separate existence had continued, would have had power and authority to indemnify its directors, officers, and employees or agents, so that any person who is or was a director, officer, employee or agent of such constituent corporation, or is or was serving at the request of such constituent corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust, non-profit entity or other enterprise, shall stand in the same position under this Article VI with respect to the resulting or surviving corporation as he would have with respect to such constituent corporation if its separate existence had continued.

6.8 SEVERABILITY

The invalidity or unenforceability of any provision of this Article VI shall not affect the validity or enforceability of the remaining provisions of this Article VI.

ARTICLE VII
RECORDS AND REPORTS

7.1 MAINTENANCE AND INSPECTION OF RECORDS

The Corporation shall, either at its principal executive office or at such place or places as designated by the board of directors, keep a record of its stockholders listing their names and addresses and the number and class of shares held by each shareholder, a copy of these bylaws as amended to date, accounting books, and other records.

Any stockholder of record, in person or by attorney or other agent, shall, upon written demand under oath stating the purpose thereof, have the right during the usual hours for business to inspect for any proper purpose the Corporation's stock ledger, a list of its stockholders, and its other books and records and to make copies or extracts therefrom. A proper purpose shall mean a purpose reasonably related to such person's interest as a stockholder. In every instance where an attorney or other agent is the person who seeks the right to inspection, the demand under oath shall be accompanied by a power of attorney or such other writing that authorizes the attorney or other agent to so act on behalf of the stockholder. The demand under oath shall be directed to the Corporation at its registered office in Delaware or at its principal executive office.

7.2 INSPECTION BY DIRECTORS

Any director shall have the right to examine the Corporation's stock ledger, a list of its stockholders, and its other books and records for a purpose reasonably related to his position as a director. The Court of Chancery is hereby vested with the exclusive jurisdiction to determine whether a director is entitled to the inspection sought. The Court of Chancery may summarily order the Corporation to permit the director to inspect any and all books and records, the stock ledger, and the stock list and to make copies or extracts therefrom. The Court of Chancery may, in its discretion, prescribe any limitations or conditions with reference to the inspection, or award such other and further relief as the Court may deem just and proper.

7.3 REPRESENTATION OF SHARES OF OTHER CORPORATIONS

The chairman of the board, the chief executive officer, the chief financial officer or any other person authorized by the board of directors or the chief executive officer, is authorized to vote, represent, and exercise on behalf of the Corporation all rights incident to any and all shares of any other corporation or corporations standing in the name of the Corporation. The authority granted herein may be exercised either by such person directly or by any other person authorized to do so by proxy or power of attorney duly executed by such person having the authority.

ARTICLE VIII
GENERAL MATTERS

8.1 CHECKS

From time to time, the board of directors shall determine by resolution which person or persons may sign or endorse all checks, drafts, other orders for payment of money, notes or other evidences of indebtedness that are issued in the name of or payable to the Corporation, and only the persons so authorized shall sign or endorse those instruments.

8.2 EXECUTION OF CORPORATE CONTRACTS AND INSTRUMENTS

The board of directors, except as otherwise provided in these bylaws, may authorize any officer or officers, or agent or agents, to enter into any contract or execute any instrument in the name of and on behalf of the Corporation; such authority may be general or confined to specific instances. Unless so authorized or ratified by the board of directors or within the agency power of an officer, agent or employee, no officer, agent or employee shall have any power or authority to bind the Corporation by any contract or engagement or to pledge its credit or to render it liable for any purpose or for any amount.

8.3 STOCK CERTIFICATES; PARTLY PAID SHARES

The shares of the Corporation shall be represented by certificates, provided that the board of directors of the Corporation may provide by resolution or resolutions that some or all of any or all classes or series of its stock shall be uncertificated shares. Any such resolution shall not apply to shares represented by a certificate until such certificate is surrendered to the Corporation. Notwithstanding the adoption of such a resolution by the board of directors, every holder of stock represented by certificates and upon request every holder of uncertificated shares shall be entitled to have a certificate signed by, or in the name of the Corporation by the chairman or vice-chairman of the board of directors, or a president or vice-president, and by the treasurer or an assistant treasurer, or the secretary or an assistant secretary of the Corporation representing the number of shares registered in certificate form. Any or all of the signatures on the certificate may be a facsimile. In case any officer, transfer agent or registrar who has signed or whose facsimile signature has been placed upon a certificate has ceased to be such officer, transfer agent or registrar before such certificate is issued, it may be issued by the Corporation with the same effect as if he were such officer, transfer agent or registrar at the date of issue.

The Corporation may issue the whole or any part of its shares as partly paid and subject to call for the remainder of the consideration to be paid therefor. Upon the face or back of each stock certificate issued to represent any such partly paid shares, upon the books and records of the Corporation in the case of uncertificated partly paid shares, the total amount of the consideration to be paid therefor and the amount paid thereon shall be stated. Upon the declaration of any dividend on fully paid shares, the Corporation shall declare a dividend upon partly paid shares of the same class, but only upon the basis of the percentage of the consideration actually paid thereon.

8.4 SPECIAL DESIGNATION ON CERTIFICATES

If the Corporation is authorized to issue more than one class of stock or more than one series of any class, then the powers, the designations, the preferences, and the relative, participating, optional or other special rights of each class of stock or series thereof and the qualifications, limitations or restrictions of such preferences and/or rights shall be set forth in full or summarized on the face or back of the certificate that the Corporation shall issue to represent such class or series of stock; provided, however, that, except as otherwise provided in Section 202 of the Delaware General Corporation Law, in lieu of the foregoing requirements there may be set forth on the face or back of the certificate that the Corporation shall issue to represent such class or series of stock a statement that the Corporation will furnish without charge to each stockholder who so requests the powers, the designations, the preferences, and the relative, participating, optional or other special rights of each class of stock or series thereof and the qualifications, limitations or restrictions of such preferences and/or rights.

8.5 LOST CERTIFICATES

Except as provided in this Section 8.5, no new certificates for shares shall be issued to replace a previously issued certificate unless the latter is surrendered to the Corporation and canceled at the same time. The Corporation may issue a new certificate of stock or uncertificated shares in the place of

any certificate theretofore issued by it, alleged to have been lost, stolen or destroyed, and the Corporation may require the owner of the lost, stolen or destroyed certificate, or his legal representative, to give the Corporation a bond sufficient to indemnify it against any claim that may be made against it on account of the alleged loss, theft or destruction of any such certificate or the issuance of such new certificate or uncertificated shares.

8.6 CONSTRUCTION; DEFINITIONS

Unless the context requires otherwise, the general provisions, rules of construction, and definitions in the Delaware General Corporation Law shall govern the construction of these bylaws. Without limiting the generality of this provision, the singular number includes the plural, the plural number includes the singular, and the term "person" includes both a corporation and a natural person.

8.7 DIVIDENDS

The directors of the Corporation, subject to any restrictions contained in either the Delaware General Corporation Law or the Certificate of Incorporation, may declare and pay dividends upon the shares of its capital stock. Dividends may be paid in cash, in property, or in shares of the Corporation's capital stock.

The directors of the Corporation may set apart out of any of the funds of the Corporation available for dividends a reserve or reserves for any proper purpose and may abolish any such reserve. Such purposes shall include but not be limited to equalizing dividends, repairing or maintaining any property of the Corporation, and meeting contingencies.

8.8 FISCAL YEAR

The fiscal year of the Corporation shall end on December 31 of each year until changed by the board of directors.

8.9 SEAL

The Corporation may adopt a corporate seal, which shall be adopted and which may be altered by the board of directors. The Corporation may use the corporate seal by causing it or a facsimile thereof to be impressed or affixed or in any other manner reproduced.

8.10 TRANSFER OF STOCK

Upon surrender to the Corporation or the transfer agent of the Corporation of a certificate for shares duly endorsed or accompanied by proper evidence of succession, assignation or authority to transfer, it shall be the duty of the Corporation to issue a new certificate to the person entitled thereto, cancel the old certificate, and record the transaction in its books.

8.11 STOCK TRANSFER AGREEMENTS

The Corporation shall have power to enter into and perform any agreement with any number of stockholders of any one or more classes of stock of the Corporation to restrict the transfer of shares of stock of the Corporation of any one or more classes owned by such stockholders in any manner not prohibited by the Delaware General Corporation Law.

8.12 REGISTERED STOCKHOLDERS

The Corporation shall be entitled to recognize the exclusive right of a

person registered on its books as the owner of shares to receive dividends and to vote as such owner, shall be entitled to hold liable for calls and assessments the person registered on its books as the owner of shares, and shall not be bound to recognize any equitable or other claim to or interest in such share or shares on the part of another person, whether or not it shall have express or other notice thereof, except as otherwise provided by the laws of Delaware.

ARTICLE IX
NOTICE BY ELECTRONIC TRANSMISSION

9.1 NOTICE BY ELECTRONIC TRANSMISSION

Without limiting the manner by which notice otherwise may be given effectively to stockholders pursuant to the Delaware General Corporation Law, the certificate of incorporation or these bylaws, any notice to stockholders given by the Corporation under any provision of the Delaware General Corporation Law, the certificate of incorporation or these bylaws shall be effective if given by a form of electronic transmission consented to by the stockholder to whom the notice is given. Any such consent shall be revocable by the stockholder by written notice to the Corporation. Any such consent shall be deemed revoked if: (i) the Corporation is unable to deliver by electronic transmission two consecutive notices given by the Corporation in accordance with such consent; and (ii) such inability becomes known to the secretary or an assistant secretary of the Corporation or to the transfer agent, or other person responsible for the giving of notice. However, the inadvertent failure to treat such inability as a revocation shall not invalidate any meeting or other action.

Any notice given pursuant to the preceding paragraph shall be deemed given: (i) if by facsimile telecommunication, when directed to a number at which the stockholder has consent to receive notice; (ii) if by electronic mail, when directed to an electronic mail address at which the stockholder has consented to receive notice; (iii) if by a posting on an electronic network together with separate notice to the stockholder of such specific posting, upon the later of (A) such posting and (B) the giving of such separate notice; and (iv) if by any other form of electronic transmission, when directed to the stockholder. An affidavit of the secretary or an assistant secretary or of the transfer agent or other agent of the Corporation that the notice has been given by a form of electronic transmission shall, in the absence of fraud, be prima facie evidence of the facts stated therein. Notice by a form of electronic transmission shall not apply to Sections 164, 296, 311, 312 or 324 of the Delaware General Corporation Law.

An "electronic transmission" means any form of communication, not directly involving the physical transmission of paper, that creates a record that may be retained, retrieved, and reviewed by a recipient thereof, and that may be directly reproduced in paper form by such a recipient through an automated process.

ARTICLE X
AMENDMENTS

These bylaws may be amended, altered or repealed, and new bylaws may be adopted, by the stockholders entitled to vote. However, the Corporation may, in its certificate of incorporation, confer the power to adopt, amend or repeal bylaws upon the board of directors. The fact that such power has been so conferred upon the directors shall not divest the stockholders of the power, nor limit their power to adopt, amend, alter or repeal bylaws.

CERTIFICATE OF SECRETARY

OF

PACIFIC ETHANOL, INC.
(a Delaware corporation)

I hereby certify that I am the duly elected and acting secretary of Pacific Ethanol, Inc., a Delaware corporation, and that the foregoing Bylaws, comprising 21 pages, including this page, constitute the Bylaws of the Corporation as duly adopted by the board of directors thereof by action taken

without a meeting on February 28, 2005.

IN WITNESS WHEREOF, the undersigned has hereunto set his or her hand this 28th day of February, 2005.

/S/ PHILIP B. KART

Philip B. Kart, Secretary

EXHIBIT 10.1

CONFIDENTIALITY, NON-COMPETITION, NON-SOLICITATION AND CONSULTING AGREEMENT

CONFIDENTIALITY, NON-COMPETITION AND NON-SOLICITATION AGREEMENT dated March 23, 2005 by and between, Pacific Ethanol, Inc., a Delaware corporation (the "COMPANY") and Barry Siegel (the "CONSULTANT").

RECITALS

WHEREAS, Accessity Corp., a New York corporation ("ACCESSITY"), has entered into a Share Exchange Agreement (the "SHARE EXCHANGE AGREEMENT") by and among Accessity; Pacific Ethanol, Inc., a California corporation ("PEI"); Kinergy Marketing, LLC, an Oregon limited liability company ("KINERGY"); ReEnergy, LLC, a California limited liability company ("REENERGY," and together with PEI and Kinergy, the "ACQUIRED COMPANIES"); each of the shareholders of PEI (collectively, the "PEI SHAREHOLDERS"); each of the holders of options or warrants to acquire shares of common stock of PEI (collectively, the "PEI WARRANTHOLDERS"); each of the limited liability company members of Kinergy identified on the signature pages hereof (collectively, the "KINERGY Members"); each of the limited liability company members of ReEnergy identified on the signature pages hereof (collectively, the "REENERGY MEMBERS"); and

WHEREAS, immediately prior to the closing of the Share Exchange Agreement, Accessity will merge with and into the Company; and

WHEREAS, the Consultant, as a condition to and pursuant to the Share Exchange Agreement, the parties have requested that the Consultant resign from Accessity and the Company and relinquishing certain rights pursuant to his employment agreement with Accessity to receive cash and benefits; and, whereas, the Consultant has the ability and background to effectively compete with the Company subsequent to his resignation having spent extensive time, encompassing more than 15 years, as CEO of a public company operational control of such companies, extensive contacts with both equity and bank lending sources; and, whereas the Company has as a key strategy to manufacture and market ethanol and other alternative fuels; and

WHEREAS, Accessity and Consultant are defendants in a certain law suit which have been brought by Gerald M. Zutler in connection with Mr. Zutler's previous employment with the Company (the "ZUTLER ACTION") and the events that occurred during Consultant's period of employment with Accessity and of which the Consultant has certain direct knowledge; and

WHEREAS, Accessity has filed suit against Mercator Group LLC, Global Taurus LLC, et al, for in excess of $100 million (the "MERCATOR ACTION") related to a transaction that was contemplated by Accessity during the period of the Consultant's employment with Accessity with the Consultant holding unique knowledge that may be key to the successful prosecution of this suit; and

WHEREAS, the Company and the Consultant desire to enter into this Agreement under which the Consultant will provide consulting services and cooperation in connection with the Zutler Action and Mercator Action or any other related litigation or disputes that may subsequently be brought arising out of events that occurred during the period that the Consultant was employed by Accessity; and

WHEREAS, the Consultant has many years of experience as chief executive officer of a public company and by using this experience can assist in the transition of the new management following the closing of the Share Exchange Agreement by assisting with review and advice regarding press releases, discussions with the new senior management regarding Nasdaq listing matters, management of a public company, dealings with the Securities and Exchange Commission ("SEC"), advice for structuring debt financings, broker communications, investor and public relations matters, strategic acquisition evaluation and negotiation, negotiations for acquisitions, divestitures and other contractual relationships, the search and the evaluation of management talent, evaluation and selection of professional, marketing and sales advice; and

WHEREAS, the Company wishes to protect the confidential information of the Company and to protect against the Consultant's skills, knowledge, experience, ideas and influence being used for the benefit of a competitor of the Company. Consultant is willing to enter into an agreement to provide such protection to the Company upon the terms and conditions set forth in this Agreement.

NOW, THEREFORE, in consideration of the foregoing and the mutual agreements herein contained, the parties agree as follows.

1. CONFIDENTIALITY, NON-COMPETITION AND NON-SOLICITATION.

(a) Consultant acknowledges that: the business of acquiring manufacturing, distributing, reselling and brokering Ethanol and/or other alternative fuels (the "BUSINESS") is intensely competitive and Consultant's former and current position with Accessity and the Company has exposed the Consultant to knowledge of confidential information of the Company; the direct and indirect disclosure of any such confidential information to existing or potential competitors of the Company would place the Company at a competitive disadvantage and would do damage, monetary or otherwise, to the Company's Business; and the engaging by Consultant in any of the activities prohibited by this Agreement may constitute improper appropriation and/or use of such information and trade secrets. Consultant expressly acknowledges the trade secret status of the confidential information and that the confidential information constitutes a protectable business interest of the Company. Confidential information and trade secrets include, but are not limited to, customer and client lists, price lists, marketing and sales strategies and

procedures, operational and equipment techniques, business plans and systems, quality control procedures and systems, special projects and technological research, including projects, research and reports for any entity or client or any project, research, report or the like concerning sales or manufacturing or new technology, employee compensation plans and any other information relating thereto, and any other records, files, drawings, inventions, discoveries, applications or processes which are not in the public domain (all the foregoing shall be referred to herein as the "CONFIDENTIAL INFORMATION").

(b) For purposes of this Agreement, the term "COMPANY" shall be construed to include the Company and its current and future subsidiaries and affiliates engaged in the Business.

(c) From and after the Closing of the Share Exchange Agreement (the "EFFECTIVE TIME"), Consultant shall not, directly or indirectly, whether individually, as a director, stockholder, owner, partner, employee, principal or agent of any business, or in any other capacity, make known, disclose, furnish, make available or utilize any of the confidential information of the Company other than in the proper performance of the duties contemplated thereafter, or as required by a court of competent jurisdiction or other administrative or legislative body; PROVIDED THAT, prior to disclosing any of the confidential information to a court or other administrative or legislative body, Consultant shall promptly notify the Company so that it may seek a protective order or other appropriate remedy. Consultant agrees to return all confidential information, including all photocopies, extracts and summaries thereof, and any such information stored electronically on tapes, computer disks or in any other manner to the Company at any time upon request by the Company and upon the termination of his engagement for any reason.

(d) From the Effective Time until the fifth anniversary of the Effective Time (the "NON-COMPETITION Period"), Consultant shall not engage in Competition (as defined below) with the Company. For purposes of this Agreement, "COMPETITION" by Consultant shall mean Consultant's engaging in, or otherwise directly or indirectly being employed by or acting as a the Consultant or lender to, or being a director, officer, employee, principal, licensor, trustee, broker, agent, stockholder, member, owner, joint venturer or partner of, or permitting his name to be used in connection with the activities of any other business or organization which is engaged in the same business as the Business of the Company as the same shall be constituted at any time on the date hereof or during the tenure of the Consultant's engagement with the Company in any role as the case may be, whichever is later; PROVIDED THAT, it shall not be a

violation of this Agreement for Consultant to (i) become the registered or beneficial owner of less than five percent (5%) of any class of the capital stock of a competing corporation registered under the Securities Exchange Act of 1934, as amended or (ii) be employed by an entity that engages in the same business as the Business of the Company at the date of acquisition, so long as Consultant does not directly perform services for or work within a division or business unit of such entity that engages in such business.

(e) Without limiting the generality of the foregoing, during the Non-Competition Period, Consultant agrees that he will not, directly or indirectly, for his benefit or for the benefit of any other person, firm or entity, do any of the following:

(i) solicit from any customer doing business with the Company business of the same or of a similar nature to the Business conducted between the Company and such customer;

(ii) solicit the employment or services of any person who during the Non-competition Period is employed by or a the Consultant to the Company; or

(iii) make any statements or comments of a defamatory or disparaging nature to third parties regarding the Company or its officers, directors, personnel, products or services.

(f) Consultant acknowledges that this Agreement is being entered into in connection with the consummation of the transactions contemplated by the Share Exchange Agreement, that Consultant's agreement to the terms set forth herein are a critical inducement to the entering into the Share Exchange Agreement by the parties thereto, that the disclosure of the Confidential Information by the Consultant and/or breach of the non-solicitation restrictions listed above are of a special and unique character, which gives this Agreement a particular value to the Company, the loss of which may not be reasonably or adequately compensated for by damages in an action at law, and that a material breach by the Consultant of any of the provisions contained herein will cause the Company irreparable injury. Consultant therefore agrees that the Company shall be entitled, in addition to any other right or remedy, to a temporary, preliminary and permanent injunction, without the necessity of proving the inadequacy of monetary damages or the posting of any bond or security, enjoining or restraining Consultant from any such violation.

(g) Consultant further acknowledges and agrees that due to the uniqueness of the Confidential Information the Consultant will possess, the covenants set forth herein are reasonable and necessary for the protection of the business and goodwill of the Company; and it is the intent of the parties hereto that if in the opinion of any court of competent jurisdiction any provision set forth in this Agreement is not reasonable in any respect, such court shall have the right, power and authority to modify any and all such provisions as to such court shall appear not unreasonable and to enforce the remainder of this Agreement as so modified.

(h) Consultant acknowledges that a condition precedent of the initial Share Exchange Agreement dated May 14, 2004 required that all 1000 Series A Convertible Preferred Shares issued to PHH Arval (a subsidiary of the Cendant Corporation) would be reacquired and converted to common stock prior to closing the transaction, at the lowest possible cost. Consultant has agreed to provide additional extensions of his non-compete arrangement with PHH related to the automotive business in order to assure this repurchase was effected at a reasonable cost in order to comply with the Share Exchange Agreement.

2. CONSULTING DUTIES. For of period of five (5) years from the Effective Time, the Consultant agrees as follows:

(a) In consideration for the compensation provided for in Section 3 hereof, the Consultant shall provide all reasonable and necessary assistance and cooperation to the Company's legal counsel and other retained professionals (the "SERVICES") with respect to the Zutler Action, and/or the Mercator Action (the "Proceedings"). The Consultant shall make himself available, at times and places reasonably convenient for the Consultant and the

Company's counsel, for depositions, interviews, preparation and review of affidavits, interrogatories and discovery materials, investigative assistance, and all such other matters as shall be necessary or in the opinion of counsel to the Company useful to the Company in connection with the Proceedings. The Consultant shall provide the services described herein in a good faith and professional manner consistent with the role of an executive officer which the Consultant held while an employee of Accessity and the Company.

(b) In consideration for the compensation provided for in Section 3 hereof, the Consultant shall provide consultation and advisory services (the "CONSULTING SERVICES") to the Company, which shall consist of his personal advice and counsel to the Company regarding (a) the transition of Accessity to new management and to a new ownership structure following the Effective Time, (b) related post-closing long-range planning, strategic direction and integration and rationalization processes, (c) the Consultant has many years of experience as chief executive officer of a public company and by using this experience can assist in the transition of the new management following the closing of the Share Exchange Agreement by assisting with review and advice regarding press releases, discussions with the new senior management regarding Nasdaq listing matters, management of a public company, dealings with the Securities and Exchange Commission, advice for structuring debt financings, broker communications, investor and public relations matters, strategic acquisition evaluation and negotiation, negotiations for acquisitions, divestitures and other contractual relationships, the search and the evaluation of management talent, evaluation and the selection of professionals, marketing and sales advice and other matters related to the Company's business, the Consultant shall provide Consulting Services as may be reasonably requested by the Company's Board of Directors or Chief Consultant Officer (or his designee) from time to time and at mutually agreeable times. Consulting Services may be provided in person, telephonically, electronically or by correspondence, to the extent appropriate under the circumstances. Subject to the provisions of Sections 1 and 2 hereof, the Consultant will be free to spend such portions of the Consultant's time, energy and skill in such manner and with such persons as he sees fit. Notwithstanding anything to the contrary, the Consulting Services are to be solely advisory and it is not the intention of the parties that the Consultant will provide management or day-to-day operational duties under the terms of this Agreement.

3. COMPENSATION.

(a) The Consultant and the Company agree that in exchange for the: (a) Services, (b) the Consulting Services, and (c) the confidentiality and non-competition covenants set forth in Section 1 herein, the Company agrees to (i) deliver 400,000 shares of the Company's common stock, par value $.001 per share, within three (3) business days after the date of this Agreement, which shares will be registered under the Securities Act of 1933, as amended, on a Form S-8 that will be filed with the SEC as soon as practicable after the date hereof, and (ii) transfer all of the capital stock it holds in DriverShield CRM Corp. to the Consultant.

(b) In addition to the consideration provided by the Consultant above, the Company and the Consultant hereby agree as follows: (i) to terminate the Employment Agreement dated January 30, 2002 and amended on March 3, 2005 (the "EMPLOYMENT AGREEMENT") between Accessity and the Consultant effective at the Effective Time, (ii) the Consultant hereby waives any and all rights and benefits contained in the Employment Agreement, including, without limitation those benefits set forth in Section 5 of the Employment Agreement relating to benefits payable to the Consultant following a Change in Control of Accessity, as that term is defined in the Employment Agreement.

(c) The Consultant shall be reimbursed for all reasonable out of pocket expenses incurred in the course of fulfilling his duties under this Agreement.

4. RESIGNATION. Upon the Effective Time, the Consultant shall resign all positions with Accessity and the Company.

5. ENTIRE AGREEMENT. This Agreement sets forth the entire agreement between the parties with respect to its subject matter and merges and supersedes all prior discussions, agreements and understandings of every kind and nature between any of them and neither party shall be bound by any term or condition

other than as expressly set forth or provided for in this Agreement. This Agreement may not be changed or modified nor may any of its provisions be waived, except by an agreement in writing, signed by the parties hereto.

6. WAIVER. The failure of any party to this Agreement to enforce any of its terms, provisions or covenants shall not be construed as a waiver of the same or of the right of such party to enforce the same. Waiver by any party hereto of any breach or default by any other party of any term or provision of this Agreement shall not operate as a waiver of any other breach or default.

7. SEVERABILITY. In the event that any one or more of the provisions of this Agreement shall be held to be invalid, illegal or unenforceable, the validity, legality and enforceability of the remainder of the Agreement shall not in any way be affected or impaired thereby. Moreover, if any one or more of the provisions contained in this Agreement shall be held to be excessively broad as to duration, activity or subject, such provisions shall be construed by limiting and reducing them so as to be enforceable to the maximum extent allowed by applicable law.

8. NOTICES. Any notice given hereunder shall be in writing and shall be deemed to have been given when delivered by messenger or courier service (against appropriate receipt), or mailed by registered or certified mail (return receipt requested), addressed as follows.

If to the Company:	Pacific Ethanol, Inc. 5711 N. West Avenue Fresno, CA 93711
with a copy to:	Rutan & Tucker, LLP 611 Anton Boulevard, 14th Floor Costa Mesa, CA 92626 Attn: Larry A. Cerutti, Esq.
If to Consultant:	Barry Siegel _____ _____
with a copy to:	Lawrence A. Muenz, Esq. Meritz & Muenz LLP 2021 O Street, NW Washington, DC 20036

or at such other address as shall be indicated to either party in writing. Notice of change of address shall be effective only upon receipt.

9. GOVERNING LAW. This Agreement shall be governed by and construed in accordance with the laws of the State of Florida without regard to conflicts of law principles.

10. DESCRIPTIVE HEADINGS. The section headings contained herein are for reference purposes only and shall not in any way affect the meaning or interpretation of this Agreement.

11. COUNTERPARTS. This Agreement may be executed in counterparts, each of which shall be deemed an original for all purposes but which, together, shall constitute one and the same instrument.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date written below.

PACIFIC ETHANOL, INC.	CONSULTANT
By: /S/ PHILIP KART ----------	By: /S/ BARRY SIEGEL ----------
Name: PHILIP KART ----------	Name: BARRY SIEGEL ----------

Title: CFO

Date: MARCH 23, 2005	Date: MARCH 23, 2005

EXHIBIT 10.2

CONFIDENTIALITY, NON-COMPETITION, NON-SOLICITATION AND CONSULTING AGREEMENT

CONFIDENTIALITY, NON-COMPETITION, NON-SOLICITATION AND CONSULTING AGREEMENT dated March 23, 2005 ("AGREEMENT") by and between, Pacific Ethanol, Inc., a Delaware corporation (the "COMPANY") and Philip B. Kart (the "CONSULTANT").

RECITALS

WHEREAS, Accessity Corp., an New York corporation ("ACCESSITY") has entered into a Share Exchange Agreement (the "SHARE EXCHANGE AGREEMENT") by and among Accessity; Pacific Ethanol, Inc., a California corporation ("PEI"); Kinergy Marketing, LLC, an Oregon limited liability company ("KINERGY"); ReEnergy, LLC, a California limited liability company ("REENERGY," and together with PEI and Kinergy, the "ACQUIRED COMPANIES"); each of the shareholders of PEI (collectively, the "PEI SHAREHOLDERS"); each of the holders of options or warrants to acquire shares of common stock of PEI (collectively, the "PEI WARRANTHOLDERS"); each of the limited liability company members of Kinergy identified on the signature pages hereof (collectively, the "KINERGY Members"); each of the limited liability company members of ReEnergy identified on the signature pages hereof (collectively, the "REENERGY MEMBERS"); and

WHEREAS, immediately prior to the closing of the Share Exchange Agreement, Accessity will merge with and into the Company; and

WHEREAS, the Consultant, pursuant to the Share Exchange Agreement, is resigning from Accessity and the Company and relinquishing certain rights to receive cash and benefits pursuant to his employment agreement with Accessity; and whereas, the Consultant has the ability and background to effectively compete in this area subsequent to his resignation, having spent extensive time, encompassing more than 10 years, in the agricultural and corn industry which provides the basic feedstock for ethanol and nearly all ethanol businesses are currently owned by agricultural companies, and the Consultant has held executive positions in agricultural corn companies that grew through acquisition with Consultant as a key financial officer engaged in the acquisition and operational control of such companies, having direct access to both equity and bank lending sources, and has retained those contacts, and the Company has defined a key strategy to acquire ethanol businesses from agricultural and other entities; and

WHEREAS, the Company is a defendant in a certain law suit which have been brought by Gerald M. Zutler in connection with Mr. Zutler's previous employment with Accessity (the "ZUTLER ACTION") and the events that occurred during Consultant's period of employment with Accessity and of which the Consultant has certain direct knowledge; and

WHEREAS, Accessity has filed suit against Mercator Group LLC, Global Taurus LLC, et al, for in excess of $100 million (the "MERCATOR ACTION") related to a transaction that was contemplated by Accessity during the period of the Consultant's employment with Accessity with the Consultant holding unique knowledge that may be key to the successful prosecution of this suit; and

WHEREAS, the Company and the Consultant desire to enter into this Agreement under which the Consultant will provide consulting services and cooperation in connection with the Zutler Action and Mercator Action and any other related litigation or disputes that may subsequently be brought arising out of events that occurred during the period that the Consultant was employed by Accessity; and

WHEREAS, the Consultant has many years of experience as chief financial officer of a public company and by using this experience can assist in the transition of the new management following the closing of the Share Exchange Agreement by assisting with review and advice regarding press releases, discussions with the new senior management regarding Nasdaq listing matters,

advice for structuring financings and fund raising issues, broker communications and investor relations matters, transition and information related to the Company's 401(k) pension plan and related procedures, issues and problems which have occurred, information regarding the transferred account balances and details related thereto, information and advice related to disclosure requirements of the Securities Exchange Commission ("SEC"), Accessity's prior SEC filings as required under the Securities Exchange Act of 1934, as amended (the "EXCHANGE ACT") and advice regarding cash management and investments including the strategies regarding the current invested funds; and

WHEREAS, the Company wishes to protect the confidential information of the Company and to protect against the Consultant's skills, knowledge, experience, ideas and influence being used for the benefit of a competitor of the Company. Consultant is willing to enter into an agreement to provide such protection to the Company upon the terms and conditions set forth in this Agreement.

NOW, THEREFORE, in consideration of the foregoing and the mutual agreements herein contained, the parties agree as follows.

1. CONFIDENTIALITY, NON-COMPETITION AND NON-SOLICITATION.

(a) Consultant acknowledges that: the business of acquiring manufacturing, distributing, reselling and brokering Ethanol and/or other alternative fuels (the "BUSINESS") is intensely competitive and Consultant's former and current position with Accessity and the Company has exposed the Consultant to knowledge of confidential information of the Company; the direct and indirect disclosure of any such confidential information to existing or potential competitors of the Company would place the Company at a competitive disadvantage and would do damage, monetary or otherwise, to the Company's Business; and the engaging by Consultant in any of the activities prohibited by this Agreement may constitute improper appropriation and/or use of such information and trade secrets. Consultant expressly acknowledges the trade secret status of the confidential information and that the confidential information constitutes a protectable business interest of the Company.

Confidential information and trade secrets include, but are not limited to, customer and client lists, price lists, marketing and sales strategies and procedures, operational and equipment techniques, business plans and systems, quality control procedures and systems, special projects and technological research, including projects, research and reports for any entity or client or any project, research, report or the like concerning sales or manufacturing or new technology, employee compensation plans and any other information relating thereto, and any other records, files, drawings, inventions, discoveries, applications or processes which are not in the public domain (all the foregoing shall be referred to herein as the "CONFIDENTIAL INFORMATION").

(b) For purposes of this Agreement, the term "COMPANY" shall be construed to include the Company and its current and future subsidiaries and affiliates engaged in the Business.

(c) From and after the Closing of the Share Exchange Agreement (the "EFFECTIVE TIME"), Consultant shall not, directly or indirectly, whether individually, as a director, stockholder, owner, partner, employee, principal or agent of any business, or in any other capacity, make known, disclose, furnish, make available or utilize any of the confidential information of the Company other than in the proper performance of the duties contemplated thereafter, or as required by a court of competent jurisdiction or other administrative or legislative body; PROVIDED THAT, prior to disclosing any of the confidential information to a court or other administrative or legislative body, Consultant shall promptly notify the Company so that it may seek a protective order or other appropriate remedy. Consultant agrees to return all confidential information, including all photocopies, extracts and summaries thereof, and any such information stored electronically on tapes, computer disks or in any other manner to the Company at any time upon request by the Company and upon the termination of his engagement for any reason.

(d) From the Effective Time until the fifth anniversary of the Effective Time (the "NON-COMPETITION Period"), Consultant shall not engage in Competition (as defined below) with the Company. For purposes of this Agreement,

"COMPETITION" by Consultant shall mean Consultant's engaging in, or otherwise directly or indirectly being employed by or acting as a consultant or lender to, or being a director, officer, employee, principal, licensor, trustee, broker, agent, stockholder, member, owner, joint venturer or partner of, or permitting his name to be used in connection with the activities of any other business or organization which is engaged in the same business as the Business of the Company as the same shall be constituted at any time on the date hereof; PROVIDED THAT, it shall not be a violation of this Agreement for Consultant to (i) become the registered or beneficial owner of less than five percent (5%) of any class of the capital stock of a competing corporation registered under the Exchange Act, or (ii) be employed by an entity that engages in the same business as the Business of the Company at the date of acquisition, so long as Consultant does not directly perform services for or work within a division or business unit of such entity that engages in such business.

(e) Without limiting the generality of the foregoing, during the Non-Competition Period, Consultant agrees that he will not, directly or indirectly, for his benefit or for the benefit of any other person, firm or entity, do any of the following:

(i) solicit from any customer doing business with the Company business of the same or of a similar nature to the Business conducted between the Company and such customer;

(ii) solicit the employment or services of any person who during the Non-competition Period is employed by or a consultant to the Company; or

(iii) make any statements or comments of a defamatory or disparaging nature to third parties regarding the Company or its officers, directors, personnel, products or services.

(f) Consultant acknowledges that this Agreement is being entered into in connection with the consummation of the transactions contemplated by the Share Exchange Agreement, that Consultant's agreement to the terms set forth herein are a critical inducement to the entering into the Share Exchange Agreement by the parties thereto, that the disclosure of the Confidential Information by the Consultant and/or breach of the non-solicitation restrictions listed above are of a special and unique character, which gives this Agreement a particular value to the Company, the loss of which may not be reasonably or adequately compensated for by damages in an action at law, and that a material breach by the Consultant of any of the provisions contained herein will cause the Company irreparable injury. Consultant therefore agrees that the Company shall be entitled, in addition to any other right or remedy, to a temporary, preliminary and permanent injunction, without the necessity of proving the inadequacy of monetary damages or the posting of any bond or security, enjoining or restraining Consultant from any such violation.

(g) Consultant further acknowledges and agrees that due to the uniqueness of the Confidential Information the Consultant will possess, the covenants set forth herein are reasonable and necessary for the protection of the business and goodwill of the Company; and it is the intent of the parties hereto that if in the opinion of any court of competent jurisdiction any provision set forth in this Agreement is not reasonable in any respect, such court shall have the right, power and authority to modify any and all such provisions as to such court shall appear not unreasonable and to enforce the remainder of this Agreement as so modified.

2. CONSULTING DUTIES. For of period of five (5) years from the Effective Time, the Consultant agrees as follows:

(a) In consideration for the compensation provided for in Section 3 hereof, the Consultant shall provide all reasonable and necessary assistance and cooperation to the Company's legal counsel and other retained professionals (the "SERVICES") with respect to the Zutler Action, and the Mercator Action (the "PROCEEDINGS"). The Consultant shall make himself available, at times and places reasonably convenient for the Consultant and the Company's counsel, for depositions, interviews, preparation and review of

affidavits, interrogatories and discovery materials, investigative assistance, and all such other matters as shall be necessary or in the opinion of counsel to the Company useful to the Company in connection with the Proceedings. The Consultant shall provide the services described herein in a good faith and professional manner consistent with the role of an executive officer which the Consultant held while an employee of the Company.

(b) In consideration for the compensation provided for in Section 3 hereof, the Consultant shall provide consultation and advisory services (the "CONSULTING SERVICES") to the Company, which shall consist of his personal advice and counsel to the Company regarding (a) the transition of Accessity to new management and to a new ownership structure following the Effective Time, (b) related post-closing long-range planning, strategic direction and integration and rationalization processes, (c) by using his experience and background, assisting in the transition of the new management following the Effective Time by assisting with review and advice regarding press releases, discussions with the new senior management regarding Nasdaq listing matters, advice for structuring financings and fund raising issues, broker communications and investor relations matters, transition and information related to the Company's 401(k) pension plan and related procedures, issues and problems which have occurred, information regarding the transferred account balances and details related thereto, information and advice related to SEC disclosure requirements, Accessity's prior SEC filings as required under the Exchange Act and advice regarding cash management and investments including the strategies regarding the current invested funds; and other matters related to the Company's business, the Consultant shall provide Consulting Services as may be reasonably requested by the Company's Board of Directors or Chief Executive Officer (or his designee) from time to time and at mutually agreeable times. Consulting Services may be provided in person, telephonically, electronically or by correspondence, to the extent appropriate under the circumstances. Subject to the provisions of Sections 1 and 2 hereof, the Consultant will be free to spend such portions of the Consultant's time, energy and skill in such manner and with such persons as he sees fit. Notwithstanding anything to the contrary, the Consulting Services are to be solely advisory and it is not the intention of the parties that the Consultant will provide management or day-to-day operational duties under the terms of this Agreement.

3. COMPENSATION.

(a) The Consultant and the Company agree that in exchange for the: (i) Services, (ii) the Consulting Services, and (iii) the confidentiality and non-competition covenants set forth in Section 1 herein, the Company agrees to deliver 200,000 shares of the Company's common stock, par value $.001 per share, within three (3) business days after the date of this Agreement. Such shares will be registered under the Securities Act of 1933, as amended, on a Form S-8 that will be filed with the SEC as soon as practicable after the date hereof.

(b) In addition to the consideration provided by the Consultant above, the Company and the Consultant hereby agree as follows: (i) to terminate the Employment Agreement dated February 22, 2002 and amended on November 15, 2002 and March 3, 2005 (the "EMPLOYMENT AGREEMENT") between Accessity and the Consultant effective at the Effective Time, and (b) the Consultant hereby waives any and all rights and benefits contained in the Employment Agreement, including without limitation those benefits set forth in Section 23 of the Employment Agreement relating to benefits payable to the Consultant following a Change in Control of Accessity, as that term is defined in the Employment Agreement.

(c) The Consultant shall be reimbursed for all reasonable out of pocket expenses incurred in the course of fulfilling his duties under this Agreement.

4. RESIGNATION. Effective the Effective Time, the Consultant shall resign all positions with the Company, Accessity, DriverShield CRM, Inc. and Sentaur Corp.

5. ENTIRE AGREEMENT. This Agreement sets forth the entire agreement between the parties with respect to its subject matter and merges and supersedes all prior discussions, agreements and understandings of every kind and nature

between any of them and neither party shall be bound by any term or condition other than as expressly set forth or provided for in this Agreement. This Agreement may not be changed or modified nor may any of its provisions be waived, except by an agreement in writing, signed by the parties hereto.

6. WAIVER. The failure of any party to this Agreement to enforce any of its terms, provisions or covenants shall not be construed as a waiver of the same or of the right of such party to enforce the same. Waiver by any party hereto of any breach or default by any other party of any term or provision of this Agreement shall not operate as a waiver of any other breach or default.

7. SEVERABILITY. In the event that any one or more of the provisions of this Agreement shall be held to be invalid, illegal or unenforceable, the validity, legality and enforceability of the remainder of the Agreement shall not in any way be affected or impaired thereby. Moreover, if any one or more of the provisions contained in this Agreement shall be held to be excessively broad as to duration, activity or subject, such provisions shall be construed by limiting and reducing them so as to be enforceable to the maximum extent allowed by applicable law.

8. NOTICES. Any notice given hereunder shall be in writing and shall be deemed to have been given when delivered by messenger or courier service (against appropriate receipt), or mailed by registered or certified mail (return receipt requested), addressed as follows.

If to the Company: Pacific Ethanol, Inc.
5711 N. West Avenue
Fresno, CA 93711

with a copy to: Rutan & Tucker, LLP
611 Anton Boulevard, 14th Floor
Costa Mesa, CA 92626
Attn: Larry A. Cerutti, Esq.

If to Consultant: Philip Kart
_____
_____

with a copy to: Lawrence A. Muenz, Esq.
Meritz & Muenz LLP
2021 O Street, NW
Washington, DC 20036

or at such other address as shall be indicated to either party in writing. Notice of change of address shall be effective only upon receipt.

9. GOVERNING LAW. This Agreement shall be governed by and construed in accordance with the laws of the State of California without regard to conflicts of law principles.

10. DESCRIPTIVE HEADINGS. The section headings contained herein are for reference purposes only and shall not in any way affect the meaning or interpretation of this Agreement.

11. COUNTERPARTS. This Agreement may be executed in counterparts, each of which shall be deemed an original for all purposes but which, together, shall constitute one and the same instrument.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date written below.

PACIFIC ETHANOL, INC.	CONSULTANT
By: /S/ BARRY SIEGEL	By: /S/ PHILIP KART
Name: Barry Siegel	Name: Philip Kart
Title: Chairman and Ceo	

Date: March 23, 2005

Date: March 23, 2005

EXHIBIT 10.3

CONFIDENTIALITY, NON-COMPETITION AND NON-SOLICITATION AGREEMENT

CONFIDENTIALITY, NON-COMPETITION AND NON-SOLICITATION AGREEMENT dated March 23, 2005 (the "AGREEMENT") by and between, Pacific Ethanol, Inc., a Delaware corporation (the "COMPANY") and _____, an individual (the "EXECUTIVE").

RECITALS

WHEREAS, Accessity Corp., a New York corporation ("ACCESSITY") has entered into a Share Exchange Agreement (the "SHARE EXCHANGE AGREEMENT") by and among Accessity; Pacific Ethanol, Inc., a California corporation ("PEI"); Kinergy Marketing, LLC, an Oregon limited liability company ("KINERGY"); ReEnergy, LLC, a California limited liability company ("REENERGY," and together with PEI and Kinergy, the "ACQUIRED COMPANIES"); each of the shareholders of PEI (collectively, the "PEI SHAREHOLDERS"); each of the holders of options or warrants to acquire shares of common stock of PEI (collectively, the "PEI WARRANTHOLDERS"); each of the limited liability company members of Kinergy identified on the signature pages hereof (collectively, the "KINERGY Members"); each of the limited liability company members of ReEnergy identified on the signature pages hereof (collectively, the "REENERGY MEMBERS"); and

WHEREAS, immediately prior to the closing of the Share Exchange Agreement, Accessity will merge with and into the Company; and

WHEREAS, the Executives, pursuant to the Share Exchange Agreement, are transferring their respective interests in one or more of the Acquired Companies in exchange for common stock shares of the Company; and

WHEREAS, the Company wishes to protect the confidential information of the Company and to protect against the Executive's skills, knowledge, experience, ideas and influence for the benefit of a competitor of the Company. Executive is willing to enter into an agreement to provide such protection to the Company upon the terms and conditions set forth in this Agreement.

NOW, THEREFORE, in consideration of the foregoing and the mutual agreements herein contained, the parties agree as follows.

1. CONFIDENTIALITY, NON-COMPETITION AND NON-SOLICITATION.

(a) Executive acknowledges that: the business manufacturing, distributing, reselling and brokering Ethanol and/or other alternative fuels (the "BUSINESS") is intensely competitive and Executive's former interest in one or more of the Acquired Companies and/or the Executive's former and current position with the Company has exposed, and will continue to expose the Executive to knowledge of confidential information of the Company; the direct and indirect disclosure of any such confidential information to existing or potential

competitors of the Company would place the Company at a competitive disadvantage and would do damage, monetary or otherwise, to the Company's Business; and the engaging by Executive in any of the activities prohibited by this Agreement may constitute improper appropriation and/or use of such information and trade secrets. Executive expressly acknowledges the trade secret status of the confidential information and that the confidential information constitutes a protectable business interest of the Company. Confidential information and trade secrets include, but are not limited to, customer and client lists, price lists, marketing and sales strategies and procedures, operational and equipment techniques, business plans and systems, quality control procedures and systems, special projects and technological research, including projects, research and reports for any entity or client or any project, research, report or the like concerning sales or manufacturing or new technology, employee compensation plans and any other information relating thereto, and any other records, files, drawings, inventions, discoveries, applications or processes which are not in the public domain (all the foregoing shall be referred to herein as the

"CONFIDENTIAL INFORMATION").

(b) For purposes of this Agreement, the term "COMPANY" shall be construed to include the Company and its current and future subsidiaries and affiliates engaged in the Business.

(c) From and after the Closing Date of the Share Exchange Agreement (the "EFFECTIVE TIME"), Executive shall not, directly or indirectly, whether individually, as a director, stockholder, owner, partner, employee, principal or agent of any business, or in any other capacity, make known, disclose, furnish, make available or utilize any of the confidential information of the Company other than in the proper performance of the duties contemplated thereafter, or as required by a court of competent jurisdiction or other administrative or legislative body; PROVIDED THAT, prior to disclosing any of the confidential information to a court or other administrative or legislative body, Executive shall promptly notify the Company so that it may seek a protective order or other appropriate remedy. Executive agrees to return all confidential information, including all photocopies, extracts and summaries thereof, and any such information stored electronically on tapes, computer disks or in any other manner to the Company at any time upon request by the Company and upon the termination of his engagement for any reason.

(d) From the Effective Time until the fifth anniversary of the Effective Time (the "NON-COMPETITION Period"), Executive shall not engage in Competition (as defined below) with the Company. For purposes of this Agreement, "COMPETITION" by Executive shall mean Executive's engaging in, or otherwise directly or indirectly being employed by or acting as a consultant or lender to, or being a director, officer, employee, principal, licensor, trustee, broker, agent, stockholder, member, owner, joint venturer or partner of, or permitting his name to be used in connection with the activities of any other business or organization which is engaged in the same business as the Business of the Company as the same shall be constituted at any time on the date hereof; PROVIDED THAT, it shall not be a violation of this Agreement for Executive to

(i) become the registered or beneficial owner of less than five percent (5%) of any class of the capital stock of a competing corporation registered under the Securities Exchange Act of 1934, as amended or (ii) be employed by an entity that engages in the same business as the Business of the Company, so long as Executive does not directly perform services for or work within a division or business unit of such entity that engages in such business.

(e) Without limiting the generality of the foregoing, during the Non-Competition Period, Executive agrees that he will not, directly or indirectly, for his benefit or for the benefit of any other person, firm or entity, do any of the following:

(i) solicit from any customer doing business with the Company business of the same or of a similar nature to the Business conducted between the Company and such customer;

(ii) solicit the employment or services of any person who during the Non-competition Period is employed by or a consultant to the Company; or

(iii) make any statements or comments of a defamatory or disparaging nature to third parties regarding the Company or its officers, directors, personnel, products or services.

(f) Executive acknowledges that this Agreement is being entered into in connection with the consummation of the transactions contemplated by the Share Exchange Agreement, that Executive's agreement to the terms set forth herein are a critical inducement to the entering into the Share Exchange Agreement by the parties thereto, that the disclosure of the Confidential Information by the Executive and/or breach of the non-solicitation restrictions listed above are of a special and unique character, which gives this Agreement a particular value to the Company, the loss of which may not be reasonably or adequately compensated for by damages in an action at law, and that a material breach by the Executive of any of the provisions contained herein will cause the Company irreparable injury. Executive therefore agrees that the Company shall be entitled, in addition to any other right or remedy, to

a temporary, preliminary and permanent injunction, without the necessity of proving the inadequacy of monetary damages or the posting of any bond or security, enjoining or restraining Executive from any such violation.

(g) Executive further acknowledges and agrees that due to the uniqueness of the Confidential Information the Executive will possess, the covenants set forth herein are reasonable and necessary for the protection of the business and goodwill of the Company; and it is the intent of the parties hereto that if in the opinion of any court of competent jurisdiction any provision set forth in this Agreement is not reasonable in any respect, such court shall have the right, power and authority to modify any and all such provisions as to such court shall appear not unreasonable and to enforce the remainder of this Agreement as so modified.

2. ENTIRE AGREEMENT. This Agreement sets forth the entire agreement between the parties with respect to its subject matter and merges and supersedes all prior discussions, agreements and understandings of every kind and nature between any of them and neither party shall be bound by any term or condition other than as expressly set forth or provided for in this Agreement. This Agreement may not be changed or modified nor may any of its provisions be waived, except by an agreement in writing, signed by the parties hereto.

3. WAIVER. The failure of any party to this Agreement to enforce any of its terms, provisions or covenants shall not be construed as a waiver of the same or of the right of such party to enforce the same. Waiver by any party hereto of any breach or default by any other party of any term or provision of this Agreement shall not operate as a waiver of any other breach or default.

4. SEVERABILITY. In the event that any one or more of the provisions of this Agreement shall be held to be invalid, illegal or unenforceable, the validity, legality and enforceability of the remainder of the Agreement shall not in any way be affected or impaired thereby. Moreover, if any one or more of the provisions contained in this Agreement shall be held to be excessively broad as to duration, activity or subject, such provisions shall be construed by limiting and reducing them so as to be enforceable to the maximum extent allowed by applicable law.

5. NOTICES. Any notice given hereunder shall be in writing and shall be deemed to have been given when delivered by messenger or courier service (against appropriate receipt), or mailed by registered or certified mail (return receipt requested), addressed as follows.

If to the Company:	Pacific Ethanol, Inc. 5711 N. West Avenue Fresno, CA 93711
with a copy to:	Rutan & Tucker, LLP 611 Anton Boulevard, 14th Floor Costa Mesa, CA 92626 Attn: Larry A. Cerutti, Esq.
If to Executive:	_____ _____ _____

or at such other address as shall be indicated to either party in writing. Notice of change of address shall be effective only upon receipt.

6. GOVERNING LAW. This Agreement shall be governed by and construed in accordance with the laws of the State of New York without regard to conflicts of law principles.

7. DESCRIPTIVE HEADINGS. The section headings contained herein are for reference purposes only and shall not in any way affect the meaning or interpretation of this Agreement.

8. COUNTERPARTS. This Agreement may be executed in counterparts, each of which shall be deemed an original for all purposes but which, together, shall constitute one and the same instrument.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date written below.

PACIFIC ETHANOL, INC.	EXECUTIVE
By:_____	By:_____
Name:_____	Name:_____
Title:_____	
Date:_____	Date: _____

EXHIBIT 10.4

CONFIDENTIALITY, NON-COMPETITION AND NON-SOLICITATION AGREEMENT

CONFIDENTIALITY, NON-COMPETITION AND NON-SOLICITATION AGREEMENT dated March 23, 2005 (the "AGREEMENT") by and between, Pacific Ethanol, Inc., a Delaware corporation (the "COMPANY") and Neil Koehler, an individual (the "EXECUTIVE").

RECITALS

WHEREAS, Accessity Corp., a New York corporation ("ACCESSITY") has entered into a Share Exchange Agreement (the "SHARE EXCHANGE AGREEMENT") by and among Accessity; Pacific Ethanol, Inc., a California corporation ("PEI"); Kinergy Marketing, LLC, an Oregon limited liability company ("KINERGY"); ReEnergy, LLC, a California limited liability company ("REENERGY," and together with PEI and Kinergy, the "ACQUIRED COMPANIES"); each of the shareholders of PEI (collectively, the "PEI SHAREHOLDERS"); each of the holders of options or warrants to acquire shares of common stock of PEI (collectively, the "PEI WARRANTHOLDERS"); each of the limited liability company members of Kinergy identified on the signature pages hereof (collectively, the "KINERGY Members"); each of the limited liability company members of ReEnergy identified on the signature pages hereof (collectively, the "REENERGY MEMBERS"); and

WHEREAS, immediately prior to the closing of the Share Exchange Agreement, Accessity will merge with and into the Company; and

WHEREAS, the Executives, pursuant to the Share Exchange Agreement, are transferring their respective interests in one or more of the Acquired Companies in exchange for common stock shares of the Company; and

WHEREAS, the Company wishes to protect the confidential information of the Company and to protect against the Executive's skills, knowledge, experience, ideas and influence for the benefit of a competitor of the Company. Executive is willing to enter into an agreement to provide such protection to the Company upon the terms and conditions set forth in this Agreement.

NOW, THEREFORE, in consideration of the foregoing and the mutual agreements herein contained, the parties agree as follows.

1. CONFIDENTIALITY, NON-COMPETITION AND NON-SOLICITATION.

(a) Executive acknowledges that: the business manufacturing, distributing, reselling and brokering Ethanol and/or other alternative fuels (the "BUSINESS") is intensely competitive and Executive's former interest in one or more of the Acquired Companies and/or the Executive's former and current position with the Company has exposed, and will continue to expose the Executive to knowledge of confidential information of the Company; the direct and indirect disclosure of any such confidential information to existing or potential competitors of the Company would place the Company at a competitive disadvantage

and would do damage, monetary or otherwise, to the Company's Business; and the engaging by Executive in any of the activities prohibited by this Agreement may constitute improper appropriation and/or use of such information and trade secrets. Executive expressly acknowledges the trade secret status of the confidential information and that the confidential information constitutes a protectable business interest of the Company. Confidential information and trade secrets include, but are not limited to, customer and client lists, price lists, marketing and sales strategies and procedures, operational and equipment techniques, business plans and systems, quality control procedures and systems, special projects and technological research, including projects, research and reports for any entity or client or any project, research, report or the like concerning sales or manufacturing or new technology, employee compensation plans and any other information relating thereto, and any other records, files, drawings, inventions, discoveries, applications or processes which are not in the public domain (all the foregoing shall be referred to herein as the "CONFIDENTIAL INFORMATION").

(b) For purposes of this Agreement, the term "COMPANY" shall be construed to include the Company and its current and future subsidiaries and affiliates engaged in the Business.

(c) From and after the Closing Date of the Share Exchange Agreement (the "EFFECTIVE TIME"), Executive shall not, directly or indirectly, whether individually, as a director, stockholder, owner, partner, employee, principal or agent of any business, or in any other capacity, make known, disclose, furnish, make available or utilize any of the confidential information of the Company other than in the proper performance of the duties contemplated thereafter, or as required by a court of competent jurisdiction or other administrative or legislative body; PROVIDED THAT, prior to disclosing any of the confidential information to a court or other administrative or legislative body, Executive shall promptly notify the Company so that it may seek a protective order or other appropriate remedy. Executive agrees to return all confidential information, including all photocopies, extracts and summaries thereof, and any such information stored electronically on tapes, computer disks or in any other manner to the Company at any time upon request by the Company and upon the termination of his engagement for any reason.

(d) From the Effective Time until the third anniversary of the Effective Time (the "NON-COMPETITION Period"), Executive shall not engage in Competition (as defined below) with the Company. For purposes of this Agreement, "COMPETITION" by Executive shall mean Executive's engaging in, or otherwise directly or indirectly being employed by or acting as a consultant or lender to, or being a director, officer, employee, principal, licensor, trustee, broker, agent, stockholder, member, owner, joint venturer or partner of, or permitting

his name to be used in connection with the activities of any other business or organization which is engaged in the same business as the Business of the Company as the same shall be constituted at any time on the date hereof; PROVIDED THAT, it shall not be a violation of this Agreement for Executive to (i) become the registered or beneficial owner of less than five percent (5%) of any class of the capital stock of a competing corporation registered under the Securities Exchange Act of 1934, as amended or (ii) be employed by an entity that engages in the same business as the Business of the Company, so long as Executive does not directly perform services for or work within a division or business unit of such entity that engages in such business.

(e) Without limiting the generality of the foregoing, during the Non-Competition Period, Executive agrees that he will not, directly or indirectly, for his benefit or for the benefit of any other person, firm or entity, do any of the following:

(i) solicit from any customer doing business with the Company business of the same or of a similar nature to the Business conducted between the Company and such customer;

(ii) solicit the employment or services of any person who during the Non-competition Period is employed by or a consultant to the Company; or

(iii) make any statements or comments of a defamatory or disparaging nature to third parties regarding the Company or its officers, directors, personnel, products or services.

(f) Executive acknowledges that this Agreement is being entered into in connection with the consummation of the transactions contemplated by the Share Exchange Agreement, that Executive's agreement to the terms set forth herein are a critical inducement to the entering into the Share Exchange Agreement by the parties thereto, that the disclosure of the Confidential Information by the Executive and/or breach of the non-solicitation restrictions listed above are of a special and unique character, which gives this Agreement a particular value to the Company, the loss of which may not be reasonably or adequately compensated for by damages in an action at law, and that a material breach by the Executive of any of the provisions contained herein will cause the Company irreparable injury. Executive therefore agrees that the Company shall be entitled, in addition to any other right or remedy, to a temporary, preliminary and permanent injunction, without the necessity of

proving the inadequacy of monetary damages or the posting of any bond or security, enjoining or restraining Executive from any such violation.

(g) Executive further acknowledges and agrees that due to the uniqueness of the Confidential Information the Executive will possess, the covenants set forth herein are reasonable and necessary for the protection of the business and goodwill of the Company; and it is the intent of the parties hereto that if in the opinion of any court of competent jurisdiction any provision set forth in this Agreement is not reasonable in any respect, such court shall have the right, power and authority to modify any and all such provisions as to such court shall appear not unreasonable and to enforce the remainder of this Agreement as so modified.

2. ENTIRE AGREEMENT. This Agreement sets forth the entire agreement between the parties with respect to its subject matter and merges and supersedes all prior discussions, agreements and understandings of every kind and nature between any of them and neither party shall be bound by any term or condition other than as expressly set forth or provided for in this Agreement. This Agreement may not be changed or modified nor may any of its provisions be waived, except by an agreement in writing, signed by the parties hereto.

3. WAIVER. The failure of any party to this Agreement to enforce any of its terms, provisions or covenants shall not be construed as a waiver of the same or of the right of such party to enforce the same. Waiver by any party hereto of any breach or default by any other party of any term or provision of this Agreement shall not operate as a waiver of any other breach or default.

4. SEVERABILITY. In the event that any one or more of the provisions of this Agreement shall be held to be invalid, illegal or unenforceable, the validity, legality and enforceability of the remainder of the Agreement shall not in any way be affected or impaired thereby. Moreover, if any one or more of the provisions contained in this Agreement shall be held to be excessively broad as to duration, activity or subject, such provisions shall be construed by limiting and reducing them so as to be enforceable to the maximum extent allowed by applicable law.

5. NOTICES. Any notice given hereunder shall be in writing and shall be deemed to have been given when delivered by messenger or courier service (against appropriate receipt), or mailed by registered or certified mail (return receipt requested), addressed as follows.

If to the Company:	Pacific Ethanol, Inc. 5711 N. West Avenue Fresno, CA 93711
with a copy to:	Rutan & Tucker, LLP 611 Anton Boulevard, 14th Floor Costa Mesa, CA 92626 Attn: Larry A. Cerutti, Esq.
If to Executive:	Neil Koehler _____ _____

or at such other address as shall be indicated to either party in writing. Notice of change of address shall be effective only upon receipt.

6. GOVERNING LAW. This Agreement shall be governed by and construed in accordance with the laws of the State of New York without regard to conflicts of law principles.

7. DESCRIPTIVE HEADINGS. The section headings contained herein are for reference purposes only and shall not in any way affect the meaning or interpretation of this Agreement.

8. COUNTERPARTS. This Agreement may be executed in counterparts, each of which shall be deemed an original for all purposes but which, together, shall constitute one and the same instrument.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date written below.

PACIFIC ETHANOL, INC.	EXECUTIVE
By: /S/ RYAN TURNER	By: /S/ NEIL KOEHLER
Name: RYAN TURNER	Name: NEIL KOEHLER
Title: COO	
Date: MARCH 22, 2005	Date: MARCH 22, 2005

EXHIBIT 10.5

INDEMNIFICATION AGREEMENT

THIS INDEMNIFICATION AGREEMENT ("AGREEMENT") is made as of the date set forth on the signature page to this Agreement, by and between Pacific Ethanol, Inc., a Delaware corporation ("COMPANY"), and the individual named on the signature page to this Agreement ("INDEMNITEE"), an officer and/or a director of the Company.

R E C I T A L S

A. The Indemnitee is currently serving as an officer and/or director of the Company and in such capacity renders valuable services to the Company.

B. The Company has investigated whether additional protective measures are warranted to adequately protect its directors and officers against various legal risks and potential liabilities to which such individuals are subject due to their position with the Company and has concluded that additional protective measures are warranted.

C. In order to induce and encourage highly experienced and capable persons such as the Indemnitee to continue to serve as an officer and/or director, the Board of Directors of the Company has determined, after due consideration, that this Agreement is not only reasonable and prudent, but necessary to promote and ensure the best interests of the Company and its stockholders.

D. The Company's execution of this Agreement has been approved by the Board of Directors of the Company.

E. Indemnitee has indicated to the Company that but for the Company's agreement to enter into this Agreement, Indemnitee would decline to continue to serve as an officer and/or a director of the Company.

A G R E E M E N T

NOW, THEREFORE, in consideration of the recital set forth above and the continued services of the Indemnitee, and as an inducement to the Indemnitee to continue to serve as an officer and/or a director of the Company, the Company and the Indemnitee do hereby agree as follows:

1. DEFINITIONS. As used in this Agreement, the following terms shall have the meanings set forth below:

(a) "PROCEEDING" shall mean any threatened, pending or completed action, suit or proceeding, whether brought in the name of the Company or otherwise and whether of a civil, criminal, administrative or investigative nature, by reason of the fact that the Indemnitee is or was an officer and/or a director of the Company, or is or was serving at the request of the Company as a director, officer, employee or agent of another enterprise, whether or not he is serving in such capacity at the time any liability or Expense is incurred for which indemnification or advancement of Expenses (as defined in subparagraph (b) below) is to be provided under this Agreement.

(b) "EXPENSES" means, all costs, charges and expenses incurred in connection with a Proceeding, including, without limitation, attorneys' fees, disbursements and retainers, accounting and witness fees, travel and deposition costs, expenses of investigations, judicial or administrative proceedings or appeals, and any expenses of establishing a right to indemnification pursuant to this Agreement or otherwise, including reasonable compensation for time spent by the Indemnitee in connection with the investigation, defense or appeal of a Proceeding or action for indemnification for which he is not otherwise compensated by the Company or any third party; PROVIDED, HOWEVER, that the term Expenses includes only those costs, charges and expenses incurred with the Company's prior consent, which consent shall not be unreasonably withheld; and

PROVIDED, FURTHER, that the term "EXPENSES" does not include (i) the amount of damages, judgments, amounts paid in settlement, fines or penalties relating to any Proceeding or (ii) excise taxes under the Employee Retirement Income Security Act of 1974, as amended ("ERISA"), relating to any Proceeding, either of which are actually levied against the Indemnitee or paid by or on behalf of the Indemnitee.

2. AGREEMENT TO SERVE. The Indemnitee agrees to continue to serve as an officer and/or a director of the Company at the will of the Company for so long as Indemnitee is duly elected or appointed or until such time as Indemnitee tenders a resignation in writing or is terminated as an officer and/or removed as a director by the Company. Nothing in this Agreement shall be construed to create any right in Indemnitee to continued employment with the Company or any subsidiary or affiliate of the Company. Nothing in this Agreement shall affect or alter any of the terms of any otherwise valid employment agreement or other agreement between Indemnitee and the Company relating to Indemnitee's conditions and/or terms of employment or service.

3. INDEMNIFICATION IN THIRD PARTY ACTIONS. The Company shall indemnify the Indemnitee in accordance with the provisions of this Section 3 if the Indemnitee is a party to or threatened to be made a party to or is otherwise involved in any Proceeding (other than a Proceeding by or in the right of the Company to procure a judgment in its favor), by reason of the fact that the Indemnitee is or was an officer and/or a director of the Company, or is or was serving at the request of the Company as a director, officer, employee or agent of another enterprise, against all Expenses, damages, judgments, amounts paid in settlement, fines, penalties and ERISA excise taxes actually and reasonably incurred by the Indemnitee in connection with the defense or settlement of such Proceeding, to the fullest extent permitted by the Delaware General Corporation Law ("DGCL"), whether or not the Indemnitee was the successful party in any such Proceeding; PROVIDED, HOWEVER, that any settlement shall be approved in writing by the Company.

4. INDEMNIFICATION IN PROCEEDINGS BY OR IN THE RIGHT OF THE COMPANY. The Company shall indemnify the Indemnitee in accordance with the provisions of this Section 4 if the Indemnitee is a party to or threatened to be made a party to or is otherwise involved in any Proceeding by or in the right of the Company to procure a judgment in its favor by reason of the fact that the Indemnitee is or was an officer and/or a director of the Company, or is or was serving at the request of the Company as a director, officer, employee or agent of another enterprise, against all Expenses actually and reasonably incurred by Indemnitee in connection with the defense or settlement of such Proceeding, to the fullest

extent permitted by the DGCL, whether or not the Indemnitee is the successful party in any such Proceeding. The Company shall further indemnify the Indemnitee for any damages, judgments, amounts paid in settlement, fines, penalties and ERISA excise taxes actually and reasonably incurred by the Indemnitee in any such Proceeding described in the immediately preceding sentence, provided that either (i) the Proceeding is settled with the approval of a court of competent jurisdiction, or (ii) indemnification of such amounts is otherwise ordered by a court of competent jurisdiction in connection with such Proceeding.

5. CONCLUSIVE PRESUMPTION REGARDING STANDARD OF CONDUCT. The Indemnitee shall be conclusively presumed to have met the relevant standards of conduct required by the DGCL for indemnification pursuant to this Agreement, unless a determination is made that the Indemnitee has not met such standards (i) by the Board of Directors of the Company by a majority vote of a quorum thereof consisting of directors who were not parties to such Proceeding, (ii) by the stockholders of the Company by majority vote, or (iii) in a written opinion of the Company's independent legal counsel. Further, the termination of any Proceeding by judgment, order, settlement, conviction or upon a plea of nolo contendere or its equivalent, shall not, of itself, rebut such presumption that the Indemnitee met the relevant standards of conduct required for indemnification pursuant to this Agreement.

6. INDEMNIFICATION OF EXPENSES OF SUCCESSFUL PARTY. Notwithstanding any other provision of this Agreement, to the extent that the Indemnitee has been successful on the merits or otherwise in defense of any Proceeding or in defense of any claim, issue or matter therein, the Indemnitee shall be indemnified against all Expenses incurred in connection therewith to the fullest extent

permitted by the DGCL. For purposes of this paragraph, the Indemnitee will be deemed to have been successful on the merits if the Proceeding is terminated by settlement or is dismissed with prejudice.

7. ADVANCES OF EXPENSES. The Expenses incurred by the Indemnitee in connection with any Proceeding shall be paid promptly by the Company in advance of the final disposition of the Proceeding at the written request of the Indemnitee to the fullest extent permitted by the DGCL; provided that the Indemnitee shall undertake in writing to repay such amount to the extent that it is ultimately determined that the Indemnitee is not entitled to indemnification by the Company.

8. PARTIAL INDEMNIFICATION. If the Indemnitee is entitled under any provision of this Agreement to indemnification by the Company for some or a portion of the Expenses, damages, judgments, amounts paid in settlement, fines, penalties or ERISA excise taxes actually and reasonably incurred by Indemnitee in the investigation, defense, appeal or settlement of any Proceeding but not, however, for the total amount thereof, the Company shall nevertheless indemnify the Indemnitee for the portion of such Expenses, damages, judgments, amounts paid in settlement, fines, penalties or ERISA excise taxes to which the Indemnitee is entitled.

9. INDEMNIFICATION PROCEDURE; DETERMINATION OF RIGHT TO INDEMNIFICATION.

(a) Promptly after receipt by the Indemnitee of notice of the commencement of any Proceeding with respect to which the Indemnitee intends to claim indemnification or advancement of Expenses pursuant to this Agreement, the Indemnitee will notify the Company of the commencement thereof. The omission to so notify the Company will not relieve the Company from any liability which it may have to the Indemnitee under this Agreement or otherwise.

(b) If a claim for indemnification or advancement of Expenses under this Agreement is not paid by or on behalf of the Company within thirty (30) days of receipt of written notice thereof, Indemnitee may at any time thereafter bring suit in any court of competent jurisdiction against the Company to enforce the right to indemnification or advancement of Expenses provided by this Agreement. It shall be a defense to any such action (other than an action brought to enforce a claim for Expenses incurred in defending any Proceeding in advance of its final disposition where the required undertaking, if any is required, has been tendered to the Company) that the Indemnitee has failed to meet the standard of conduct that makes it permissible under the DGCL for the Company to indemnify the Indemnitee for the amount claimed. The burden of proving by clear and convincing evidence that indemnification or advancement of Expenses is not appropriate shall be on the Company. The failure of the directors or stockholders of the Company or independent legal counsel to have made a determination prior to the commencement of such Proceeding that indemnification or advancement of Expenses are proper in the circumstances because the Indemnitee has met the applicable standard of conduct shall not be a defense to the action or create a presumption that the Indemnitee has not met the applicable standard of conduct.

(c) The Indemnitee's Expenses incurred in connection with any action concerning Indemnitee's right to indemnification or advancement of Expenses in whole or in part pursuant to this Agreement shall also be indemnified in accordance with the terms of this Agreement by the Company regardless of the outcome of such action, unless a court of competent jurisdiction determines that each of the material claims made by the Indemnitee in such action was not made in good faith or was frivolous.

(d) With respect to any Proceeding for which indemnification is requested, the Company will be entitled to participate therein at its own expense and, except as otherwise provided below, to the extent that it may wish, the Company may assume the defense thereof, with counsel satisfactory to the Indemnitee. After notice from the Company to the Indemnitee of its election to assume the defense of a Proceeding, the Company will not be liable to the Indemnitee under this Agreement for any Expenses subsequently incurred by the Indemnitee in connection with the defense thereof, other than reasonable costs of investigation or as otherwise provided below. The Company shall not settle any Proceeding in any manner that would impose any penalty or limitation on the Indemnitee without the Indemnitee's prior written consent. The Indemnitee shall

have the right to employ counsel in any such Proceeding, but the Expenses of such counsel incurred after notice from the Company of its assumption of the defense thereof and the Indemnitee's approval of the Company's counsel shall be at the expense of the Indemnitee, unless (i) the employment of counsel by the Indemnitee has been authorized by the Company, (ii) the Indemnitee shall have reasonably concluded that there may be a conflict of interest between the

Company and the Indemnitee in the conduct of the defense of a Proceeding, or (iii) the Company shall not in fact have employed counsel to assume the defense of a Proceeding, in each of which cases the Expenses of the Indemnitee's counsel shall be at the expense of the Company. Notwithstanding the foregoing, the Company shall not be entitled to assume the defense of any Proceeding brought by or on behalf of the Company or as to which the Indemnitee has concluded that there may be a conflict of interest between the Company and the Indemnitee.

10. RETROACTIVE EFFECT. Notwithstanding anything to the contrary contained in this Agreement, the Company's obligation to indemnify the Indemnitee and advance Expenses to the Indemnitee shall be deemed to be in effect since the date that the Indemnitee first commenced serving in any of the capacities covered by this Agreement.

11. LIMITATIONS ON INDEMNIFICATION. No payments pursuant to this Agreement shall be made by the Company:

(a) to indemnify or advance Expenses to the Indemnitee with respect to actions initiated or brought voluntarily by the Indemnitee and not by way of defense, except with respect to actions brought to establish or enforce a right to indemnification or advancement of Expenses under this Agreement or any other statute or law or otherwise as required under the DGCL, but such indemnification or advancement of Expenses may be provided by the Company in specific cases if approved by the Board of Directors by a majority vote of a quorum thereof consisting of directors who are not parties to such action;

(b) to indemnify the Indemnitee for any Expenses, damages, judgments, amounts paid in settlement, fines, penalties or ERISA excise taxes for which payment is actually made to the Indemnitee under a valid and collectible insurance policy, except in respect of any excess beyond the amount paid under such insurance;

(c) to indemnify the Indemnitee for any Expenses, damages, judgments, amounts paid in settlement, fines, penalties or ERISA excise taxes for which the Indemnitee has been or is indemnified by the Company or any other party otherwise than pursuant to this Agreement; or

(d) to indemnify the Indemnitee for any Expenses, damages, judgments, fines or penalties sustained in any Proceeding for an accounting of profits made from the purchase or sale by Indemnitee of securities of the Company pursuant to the provisions of Section 16(b) of the Securities Exchange Act of 1934 and the rules and regulations promulgated thereunder or similar provisions of any federal, state or local statutory law;

12. MAINTENANCE OF DIRECTORS' AND OFFICERS' INSURANCE.

(a) Upon the Indemnitee's request, the Company hereby agrees to maintain in full force and effect, at its sole cost and expense, directors' and officers' liability insurance ("D&O INSURANCE") by an insurer, in an amount and with a deductible reasonably acceptable to the Indemnitee, covering the period during which the Indemnitee is serving in any one or more of the capacities covered by this Agreement and for so long thereafter as the Indemnitee shall be subject to any possible claim or threatened, pending or completed Proceeding by reason of the fact that the Indemnitee is serving in any of the capacities covered by this Agreement.

(b) In all policies of D&O Insurance to be maintained pursuant to Paragraph 12(a) above, the Indemnitee shall be named as an insured in such a manner as to provide Indemnitee with the greatest rights and benefits available under such policy.

(c) Notwithstanding the foregoing, the Company shall have no obligation to maintain D&O Insurance if the Company determines, in good faith, that (i) such insurance cannot be obtained on terms which are commercially reasonable, (ii) the premium costs for such insurance is significantly disproportionate to the amount of coverage provided, (iii) the coverage provided by such insurance is limited by exclusions so as to provide an insufficient benefit, or (iv) the Company, after using best efforts, is otherwise unable to obtain such insurance.

13. INDEMNIFICATION HEREUNDER NOT EXCLUSIVE. The indemnification and advancement of Expenses provided by this Agreement shall not be deemed to limit or preclude any other rights to which the Indemnitee may be entitled under the Company's certificate of incorporation or bylaws, any agreement, any vote of stockholders or disinterested directors of the Company, the DGCL, or otherwise.

14. SUCCESSORS AND ASSIGNS. This Agreement shall be binding upon, and shall inure to the benefit of (i) the Indemnitee and Indemnitee's heirs, devisees, legatees, personal representatives, executors, administrators and assigns and (ii) the Company and its successors and assigns, including any transferee of all or substantially all of the Company's assets and any successor or assign of the Company by merger or by operation of law.

15. SEVERABILITY. Each provision of this Agreement is a separate and distinct agreement and independent of the other, so that if any provision hereof shall be held to be invalid or unenforceable for any reason, such invalidity or unenforceability shall not affect the validity or enforceability of the other provisions hereof. To the extent required, any provision of this Agreement may be modified by a court of competent jurisdiction to preserve its validity and to provide the Indemnitee with the broadest possible indemnification and advancement of Expenses permitted under the DGCL. If this Agreement or any portion thereof is invalidated on any ground by any court of competent jurisdiction, then the Company shall nevertheless indemnify Indemnitee as to Expenses, damages, judgments, amounts paid in settlement, fines, penalties and ERISA excise taxes with respect to any Proceeding to the fullest extent permitted by any applicable portion of this Agreement that shall not have been invalidated or by any applicable provision of the DGCL or any other applicable law.

16. HEADINGS. The headings used herein are for convenience only and shall not be used in construing or interpreting any provision of the Agreement.

17. GOVERNING LAW. The DGCL shall govern all issues concerning the relative rights of the Company and the Indemnitee under this Agreement. All other questions and obligations under this Agreement shall be construed and enforced in accordance with the internal laws of the State of California, without giving effect to any choice of law or conflict of law provision or rule

(whether of the State of California or any other jurisdiction) that would cause the application of the laws of any jurisdiction other than the State of California. In any action, dispute, litigation or other proceeding concerning this Agreement (including arbitration), exclusive jurisdiction shall be with the courts of California, with the County of Orange being the sole venue for the bringing of the action or proceeding.

18. AMENDMENTS AND WAIVERS. No amendment, waiver, modification, termination or cancellation of this Agreement shall be effective unless in writing and signed by the party against whom enforcement is sought. The indemnification rights afforded to the Indemnitee hereby are contract rights and may not be diminished, eliminated or otherwise affected by amendments to the Company's certificate of incorporation, bylaws or agreements, including any D&O Insurance policies, whether the alleged actions or conduct giving rise to indemnification hereunder arose before or after any such amendment. No waiver of any provision of this Agreement shall be deemed or shall constitute a waiver of any other provision hereof, whether or not similar, nor shall any waiver constitute a continuing waiver.

19. COUNTERPARTS. This Agreement may be executed in one or more counterparts, all of which shall be considered one and the same agreement and shall become effective when one or more counterparts have been signed by each party and delivered to the other.

20. NOTICES. All notices and communications shall be in writing and shall be deemed duly given on the date of delivery or on the date of receipt of refusal indicated on the return receipt if sent by first class mail, postage prepaid, registered or certified, return receipt requested, to the following addresses, unless notice of a change of address is duly given by one party to the other, in which case notices shall be sent to such changed address:

If to the Company:

Pacific Ethanol, Inc.
5711 N. West Avenue
Fresno, CA 93711
Attn: Neil Koehler, Chief Executive Officer

with a copy, which shall not constitute notice to the Company, to:

Rutan & Tucker, LLP
611 Anton Boulevard, Suite 1400
Costa Mesa, CA 92626
Attn: Larry A. Cerutti, Esq.

If to the Indemnitee, to the address set forth on the signature page to this Agreement.

21. SUBROGATION. In the event of any payment under this Agreement to or on behalf of the Indemnitee, the Company shall be subrogated to the extent of such payment to all of the rights of recovery of the Indemnitee against any person, firm, corporation or other entity (other than the Company) and the Indemnitee shall execute all papers requested by the Company and shall do any and all things that may be necessary or desirable to secure such rights for the Company, including the execution of such documents necessary or desirable to enable the Company to effectively bring suit to enforce such rights.

22. SUBJECT MATTER AND PARTIES. The intended purpose of this Agreement is to provide for indemnification and advancement of Expenses, and this Agreement is not intended to affect any other aspect of any relationship between the Indemnitee and the Company and is not intended to and shall not create any rights in any person as a third party beneficiary hereunder.

IN WITNESS WHEREOF, the parties have executed this Agreement as of _____, 2005.

"Indemnitee" Signature:_____

Print Name:_____

Address For Notices:_____

_____

_____

"Company" PACIFIC ETHANOL, INC.,
a Delaware corporation

By:_____

Name: _____

Its: _____

EXHIBIT 10.6

EXECUTIVE EMPLOYMENT AGREEMENT

PACIFIC ETHANOL, INC.

AND

NEIL KOEHLER

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EXECUTIVE EMPLOYMENT AGREEMENT

THIS EXECUTIVE EMPLOYMENT AGREEMENT (this "AGREEMENT"), is made and entered into as of March 23, 2005 (the "EFFECTIVE DATE") by and between PACIFIC

ETHANOL, INC., a Delaware corporation ("EMPLOYER") and NEIL KOEHLER ("EXECUTIVE").

RECITALS

Employer desires that the Executive enter into an employment relationship with Employer in order to provide the necessary leadership and senior management skills that are important to the success of Employer. Employer believes that obtaining the Executive's services as an employee of Employer and the benefits of his business experience are of material importance to Employer and Employer's stockholders.

AGREEMENT

NOW, THEREFORE, in consideration of Executive's employment by Employer and the mutual promises and covenants contained herein, the receipt and sufficiency of which is hereby acknowledged, Employer and Executive intend by this Agreement to specify the terms and conditions of Executive's employment relationship with Employer.

1. GENERAL DUTIES OF EMPLOYER AND EXECUTIVE.

1.1 Employer agrees to employ Executive and Executive agrees to accept employment by Employer and to serve Employer in an executive capacity upon the terms and conditions set forth herein. Employer hereby employs Executive as the President and Chief Executive Officer of Employer as of the Effective Date, reporting to the Board of Directors of Employer (the "BOARD"). Executive's duties and responsibilities shall be those normally assumed by the President and Chief Executive Officer of a publicly-owned company similarly situated to Employer, as well as such other or additional duties, as may from time-to-time be assigned to Executive by the Board. Such other or additional duties shall be consistent with the senior executive functions referenced above. Executive shall be provided with an office and the administrative support reasonably necessary to fulfill the responsibilities assumed by Executive under this Agreement.

1.2 While employed hereunder, Executive shall use his best efforts to obey the lawful directions of the Board. Executive shall also use his best efforts to promote the interests of Employer and to maintain and to promote the reputation of Employer. While employed hereunder, Executive shall devote his full business time, efforts, skills and attention to the affairs of Employer and faithfully perform his duties and responsibilities hereunder.

1.3 While this Agreement is in effect, Executive may from time to time engage in any activities that do not compete directly with Employer, provided that such activities do not interfere with his performance of his duties. Executive shall be permitted to (i) invest his personal assets as a passive investor in such form or manner as Executive may choose in his discretion, (ii) participate in various charitable efforts, and (iii) serve as a member of the Board of Directors of other corporations which are not competitors of Employer.

2. COMPENSATION AND BENEFITS.

2.1 As compensation for his services to Employer, Employer shall pay to Executive an annual base salary of Two Hundred Thousand Dollars ($200,000) during the first 12-month period that this Agreement is in effect, payable in equal semimonthly payments or in accordance with the Employer's regular payroll policy for salaried employees (the "SALARY"). Thereafter, or earlier from time to time in the discretion of the Compensation Committee of the Board, but not less frequently than annually, the Compensation Committee shall perform a review of the Executive's Salary based on Executive's performance of his duties and the Employer's other compensation policies. The Compensation Committee may, in its sole discretion, increase (but not decrease) the Salary following such review.

2.2 In addition, Executive shall be entitled to receive a cash bonus not to exceed fifty percent (50%) of his base salary to be paid based upon performance criteria to be established by the Board of Directors of Employer on an annual basis ("INCENTIVE BONUS") and an additional cash bonus not to exceed 50% of the net free cash flow (defined as revenues of Kinergy Marketing, LLC, less Executive's salary and Incentive Bonus, less capital expenditures and all expenses incurred specific to Kinergy Marketing, LLC), subject to a maximum of

$300,000 in any given year; provided, however, that such percentage will be reduced by ten percentage points each year, such that 2009 will be the final year of such bonus at 10% of net free cash flow.

2.3 Upon Executive's furnishing to Employer customary and reasonable documentary support (such as receipts or paid bills) evidencing costs and expenses incurred by him in the performance of his services and duties hereunder (including, without limitation, for gifts, travel and entertainment and cellular telephone expenses) and containing sufficient information to establish the amount, date, place and essential character of the expenditure, Executive shall be reimbursed for such costs and expenses in accordance with Employer's normal expense reimbursement policy.

2.4 As long as this Agreement is in effect, Executive shall be entitled to participate in the medical (including hospitalization), dental, life and disability insurance plans, to the extent offered by Employer, and in amounts consistent with the Employer's policy, for other senior executive officers of Employer, with premiums for all such insurance for Executive and his dependents to be paid by Employer (or, if unable due to Executive's location of permanent residence, Employer shall reimburse Executive up to $1,000 per month for obtaining health insurance coverage on his own).

2.5 Executive shall have the right to participate in any additional compensation, benefit, pension, stock option, stock purchase, 401(k) or other plan or arrangement of Employer now or hereafter existing for the benefit of other senior executive officers of Employer. Executive's participation in Employer's stock option plan shall be developed in relative proportion to Executive's position with Employer.

2.6 Executive shall be entitled to vacation (but in no event less than three (3) weeks per year), holiday and other paid or unpaid leaves of absence consistent with Employer's normal policies for other senior executive officers of Employer or as otherwise approved by the Board. Executive shall be entitled to accrue vacation time for one year. If he does not take the accrued vacation during the next year, he shall be paid for the unused vacation at his Salary rate then in effect.

3. PRESERVATION OF BUSINESS; FIDUCIARY RESPONSIBILITY.

Executive shall use his best efforts to preserve the business and organization of Employer and to preserve the business relations of Employer. So long as the Executive is employed by Employer, Executive shall observe and fulfill proper standards of fiduciary responsibility attendant upon his service and office.

4. TERM.

The term of this Agreement shall commence on the Effective Date and shall end on the third (3rd) anniversary of the Effective Date; provided, however, that this Agreement shall automatically renew for successive one (1) year periods unless, at least 90 days prior to the expiration of the initial term or any renewal term, either party gives written notice to the other of his or its intention not to renew.

5. TERMINATION OTHER THAN BY EXPIRATION OF THE TERM.

Employer or Executive may terminate Executive's employment under this Agreement at any time, but only on the following terms:

5.1 Either Executive or Employer may terminate this Agreement in accordance with SECTION 4.

5.2 Employer may terminate Executive's employment under this Agreement at any time for "Due Cause" (as defined in APPENDIX I attached hereto and incorporated herein by this reference) upon the good faith determination by the Board that Due Cause exists for the termination of the employment relationship.

5.3 If Executive is incapacitated by accident, sickness or otherwise so

as to render Executive mentally or physically incapable of performing the services required under SECTION 1 of this Agreement for a period of 180 consecutive days, and the incapacity is confirmed by the written opinion of two practicing medical doctors licensed by and in good standing in the State of California (one selected by Employer and one by Executive), upon the expiration of that period or at any time reasonably thereafter, Employer may terminate Executive's employment under this Agreement upon giving Executive or his legal representative written notice at least 30 days prior to the termination date, subject to the provisions of SECTION 6.2. Executive agrees, after written notice by the Board, to submit to examinations by the practicing medical doctors. If the medical doctors do not agree as to whether Executive is disabled, they shall promptly select a mutually acceptable third practicing medical doctor to further evaluate Executive, whose conclusion shall be rendered, in writing, within ten days of his or her selection. The conclusion of the third practicing medical doctor shall be final and binding on Employer and Executive.

5.4 This Agreement shall terminate immediately upon Executive's death, subject to the provisions of SECTION 6.2.

5.5 Subject to the provisions of SECTION 6.3, Employer may terminate Executive's employment under this Agreement at any time for any reason whatsoever, even without Due Cause, by giving a written notice of termination to Executive, in which case the employment relationship shall terminate immediately upon the giving of the notice. If Employer terminates the employment of Executive other than (i) pursuant to SECTION 5.2 for Due Cause, (ii) due to incapacity pursuant to SECTION 5.3 or due to Executive's death pursuant to SECTION 5.4, or (iii) Executive's retirement, then the action by Employer, unless consented to in writing by Executive, shall be deemed to be a constructive termination by Employer of Executive's employment (a "CONSTRUCTIVE TERMINATION"), and, in that event, Executive shall be entitled to receive the compensation set forth in SECTION 6.3.

5.6 Executive may terminate this Agreement at any time for "Good Reason" (as defined in APPENDIX I attached hereto and incorporated herein by this reference) within 30 days after Executive learns of the event or condition constituting "Good Reason" and, in that event, shall be entitled to receive the compensation set forth in SECTION 6.3.

6. EFFECT OF TERMINATION.

6.1 If the employment relationship is terminated (a) by Executive upon 90 days' written notice pursuant to SECTION 4, (b) by Employer for Due Cause pursuant to SECTION 5.2, or (c) by Executive breaching this Agreement by refusing to continue his employment and failing to give the requisite 90 days' written notice, all compensation and benefits shall cease as of the date of termination, other than: (i) those benefits that are provided by retirement and benefit plans and programs specifically adopted and approved by Employer for Executive that are earned and vested by the date of termination; (ii) Executive's pro rata annual Salary (as in effect as of the date of termination, payable in the manner as prescribed in the second sentence of SECTION 2.1) through the date of termination; (iii) any stock options which have vested as of the date of termination pursuant to the terms of the Agreement granting the options; and (iv) accrued vacation as required by California law.

6.2 If Executive's employment relationship is terminated due to Executive's incapacity pursuant to SECTION 5.3 or due to Executive's death pursuant to SECTION 5.4, Executive or Executive's estate or legal representative, will be entitled to (i) those benefits that are provided by retirement and benefits plans and programs specifically adopted and approved by Employer for Executive that are earned and vested at the date of termination, a prorated Incentive Bonus for the fiscal year in which incapacity or death occurs, and, even though no longer employed by Employer, Executive shall continue to receive the annual Salary compensation (as in effect as of the date of termination, payable in the manner as prescribed in the second sentence of SECTION 2.1) for six months following the date of termination, offset, however, by any payments received by Executive as a result of any disability insurance maintained by Employer for Executive's benefit.

6.3 In the event of a termination of this Agreement by Executive for Good Reason, then Employer shall:

(a) pay to Executive on the date of termination his Salary in effect as of the date of termination through the end of the month during which the termination occurs plus credit for any vacation earned but not taken;

(b) pay to Executive, as severance pay, three months of Executive's Salary in effect as of the date of termination during the first year after termination, and six months of Executive's Salary in effect as of the date of termination during the second year after termination, with such amounts payable in equal semimonthly payments in accordance with the Employer's regular payroll policy for salaried employees; provided, however, that Employer may, in lieu of such payments, pay to Executive a lump sum severance payment equal to the amount of Executive's Salary in effect as of the date of termination;

(c) pay to Executive the prorated Incentive Bonus for the fiscal year during which termination occurs; and

(d) maintain, at Employer's expense, in full force and effect, for Executive's continued benefit, all medical and life insurance to which Executive was entitled immediately prior to the date of termination (or at the election of Executive in the event of a Change in Control, immediately prior to the date of the Change in Control) until the earliest of (i) 12 months or (ii) the date or dates that Executive's continued participation in Employer's medical and/or life insurance plans, as applicable, is not possible under the terms of the plans (the earliest of (i) and (ii) is referred to herein as the "BENEFITS DATE"). If Employer's medical and/or life insurance plans do not allow Executive's continued participation in the plan or plans, then Employer will pay to Executive, in monthly installments, from the date on which Executive's participation in the medical and/or life insurance, as applicable, is prohibited until the Benefits Date, the monthly premium or premiums which had been payable by Employer with respect to Executive for the discontinued medical and/or life insurance, as applicable.

6.4 Anything in this Agreement to the contrary notwithstanding, if the Auditors (as defined in APPENDIX I attached hereto and incorporated herein by this reference) determine that any payment or distribution by Employer to or for the benefit of Executive, whether paid or payable (or distributed or distributable) pursuant to the terms of this Agreement or otherwise (a "PAYMENT"), would be nondeductible by Employer for federal income tax purposes because of the application of Section 280G of the Code (as defined in APPENDIX I attached hereto and incorporated herein by this reference), or because of the application of any federal or state income tax law enacted after the date hereof which restricts or limits the deductibility of compensation paid to an Executive (a "SUBSEQUENT LAW"), then the aggregate present value of the amounts payable or distributable to or for the benefit of Executive pursuant to this Agreement (the "PAYMENTS") shall be reduced (but not below zero) to the Reduced Amount. For purposes of this SECTION 6.4, the "REDUCED AMOUNT" shall be an amount which maximizes the aggregate amount of Payments without causing any Payment to be nondeductible by Employer because of the application of Subsequent Law, or which maximizes the aggregate present value of Payments without causing any Payment to be nondeductible by Employer because of the application of Section 280G of the Code. For purposes of this Section 6.4, present value shall be determined in accordance with Section 280G(d)(4) of the Code and Income Tax Regulations promulgated thereunder.

6.5 If the Auditors determine that any Payment would be nondeductible by Employer because of the application of Section 280G of the Code, or because of the application of Subsequent Law, then Employer shall promptly give notice to that effect and a copy of the detailed calculation thereof and of the Reduced Amount, and Executive may then elect, in his sole discretion, which and how much of the Payments shall be eliminated or reduced (as long as after the election the aggregate present value of the Payments equals the Reduced Amount) and shall advise Employer in writing of his election within 20 days of his receipt of notice. If no election is made by Executive within such 20 day period, then Employer may elect which and how much of the Payments shall be eliminated or

reduced (as long as after the election the aggregate present value of Executive Payments equals the Reduced Amount) and shall notify Executive promptly of the election. All determinations made by the Auditors under this SECTION 6.5 and SECTION 6.4 shall be binding upon Employer and Executive and shall be made within 60 days of Executive's termination of employment. As promptly as practicable following the determination and the elections hereunder, Employer shall pay to or distribute to or for the benefit of Executive the amounts then due to him under this Agreement, as modified by SECTION 6.4 and this SECTION 6.5, and shall promptly pay to or distribute for the benefit of Executive in the future the amounts that become due to him under this Agreement.

6.6 If the Auditors determine that Payments have been made by Employer which should not have been made ("OVERPAYMENTS") or that additional Payments which will not have been made by Employer could be due ("Underpayments"), consistent in each case with the calculation of the Reduced Amount pursuant to SECTION 6.4, then the following actions are to be taken: If the Auditors, based upon the assertion of a deficiency by the Internal Revenue Service against Employer or Executive which the Auditors believe has a high probability of success, determine that an Overpayment has been made, the Overpayment shall be treated for all purposes as a loan to Executive which he shall repay to Employer, together with interest at the applicable federal rate provided for in Section 7872(f)(2)(A) of the Code. If the Auditors, based upon controlling precedent, determine that an Underpayment has occurred, the Underpayment shall promptly be paid by Employer to or for the benefit of Executive, together with interest at the applicable federal rate provided for in Section 7872(f)(2)(A) of the Code.

6.7 Executive shall not be required to mitigate damages or the amount of any payment provided for under this Agreement by seeking other employment or otherwise, nor shall the amount of any payment provided for under this Agreement be reduced by any compensation earned by Executive as the result of employment by another Employer after the date of termination, or otherwise.

6.8 Except as expressly provided herein, the provisions of this Agreement, and any payment or benefit provided for hereunder, shall not reduce any amounts otherwise payable, or in any way diminish Executive's existing rights, or rights which would accrue solely as a result of the passage of time, under any Employer benefit plan, employment agreement or other contract, plan or arrangement.

6.9 Except as may be required pursuant to SECTION 6.4, the amount of any payment provided under this Agreement shall not be reduced by reason of any present value calculation.

6.10 Upon termination of this Agreement, compensation and benefits shall be paid to the Executive as set forth in the applicable subsection of this SECTION 6 and stock options granted to Executive, if any, shall be governed by the provisions of all stock option agreements between Employer and Executive. In the event of a termination of this Agreement by Executive for Good Reason, all other rights and benefits Executive may have under the employee and/or executive benefit plans and arrangements of Employer generally shall be determined in accordance with the terms and conditions of those plans and arrangements.

7. COVENANTS OF CONFIDENTIALITY, NONDISCLOSURE AND NONCOMPETITION.

7.1 During the term of this Agreement, Employer will provide to Executive certain confidential and proprietary information owned by Employer as more fully described below. Executive acknowledges that he occupies or will occupy a position of trust and confidence with Employer, and that Employer would be irreparably damaged if Executive were to breach the covenants set forth in this SECTION 7.1. Accordingly, Executive agrees that he will not, without the prior written consent of Employer, at any time during the term of this Agreement or any time thereafter, except as may be required by competent legal authority or as required by Employer to be disclosed in the course of performing Executive's duties under this Agreement for Employer, use or disclose to any person, firm or other legal entity, any confidential records, secrets or information obtained by Executive during his employment hereunder related to Employer or any parent, subsidiary or affiliated person or entity (collectively, "CONFIDENTIAL INFORMATION"). Confidential Information shall include, without limitation, information about Employer's Inventions (as defined in SECTION 8.1),

customer lists and product pricing, data, know-how, formulae, processes, ideas, past, current and planned product development, market studies, computer software and programs, database and network technologies, strategic planning and risk management. Executive acknowledges and agrees that all Confidential Information of Employer and/or its affiliates will be received in confidence and as a fiduciary of Employer. Executive will exercise utmost diligence to protect and guard the Confidential Information.

7.2 Executive agrees that he will not, without the express written consent of the Board, take with him upon the termination of this Agreement, any document or paper, or any photocopy or reproduction or duplication thereof, relating to any Confidential Information.

7.3 Executive agrees that, while Executive is employed with Employer and for a period of 24 months after the date of termination of this Agreement (the "RESTRICTED PERIOD"), provided that Executive continues to be paid his Salary (as in effect at the date of termination) during the Restricted Period, he will not, either directly or indirectly, have an interest in any business (whether as manager, operator, licensor, licensee, partner, 5% or greater equity holder, employee, consultant, director, advisor or otherwise) competitive with Employer or any of its business activities or solicit individuals or other entities that are customers or competitors of Employer during the six-month period immediately prior to the date of termination of this Agreement. Executive also agrees that, for the Restricted Period, he will not, either directly or indirectly, solicit any employee of Employer to terminate his employment with Employer.

7.4 For purposes of this SECTION 7, "EMPLOYER" shall include any of its subsidiaries or any other entity in which it holds a 50% or greater equity interest.

8. INVENTIONS.

8.1 Any and all inventions, product, discoveries, improvements, processes, formulae, manufacturing methods or techniques, designs or styles, software applications or programs (collectively, "INVENTIONS") made, developed or created by Executive, alone or in conjunction with others, during regular hours of work or otherwise, during the term of Executive's employment with Employer and for a period of two years thereafter that may be directly or indirectly related to the business of, or tests being carried out by, Employer, or any of its subsidiaries, shall be promptly disclosed by Executive to Employer and shall be Employer's exclusive property. The following provisions of the California Labor Code shall supplement this SECTION 8.1:

SECTION 2870 OF THE CALIFORNIA LABOR CODE

APPLICATION OF PROVISIONS PROVIDING THAT EMPLOYEE SHALL ASSIGN OR OFFER TO ASSIGN RIGHTS IN INVENTION TO EMPLOYER.

(a) Any provision in an employment agreement which provides that an employee shall assign, or offer to assign, any of his or her rights in an invention to his or her employer shall not apply to an invention that the employee developed entirely on his or her own time without using employer's equipment, supplies, facilities, or trade secret information except for those inventions that either:

(1) Relate at the time of conception or reduction to practice of the invention to employer's business, or actual or demonstrably anticipated research or development of employer, or

(2) Result from any work performed by the employee for employer.

(b) To the extent a provision in an employment agreement purports to require an employee to assign an invention otherwise excluded from being required to be

assigned under subdivision (a), the provision is against the public policy of this state and is unenforceable.

8.2 Executive will, upon Employer's request and without additional compensation, execute any documents necessary or advisable in the opinion of Employer's legal counsel to direct the issuance of patents to Employer with respect to Inventions that are to be Employer's exclusive property under this SECTION 8 or to vest in Employer title to the Inventions; the expense of securing any patent, however, shall be borne by Employer.

8.3 Executive will hold for Employer's sole benefit any Invention that is to be Employer's exclusive property under this SECTION 8 for which no patent is issued.

9. NO VIOLATION.

Executive represents that he is not bound by any Agreement with any former employer or other party that would be violated by Executive's employment by Employer.

10. RETURN OF EMPLOYER'S PROPERTY.

Upon the termination of this Agreement or whenever requested by Employer, Executive shall immediately deliver to Employer all property in his possession or under his control belonging to Employer, in good condition, ordinary wear and tear excepted.

11. INJUNCTIVE RELIEF.

Executive acknowledges that the breach, or threatened breach, by Executive of the provisions of this Agreement shall cause irreparable harm to Employer, which harm cannot be fully redressed by the payment of damages to Employer. Accordingly, Employer shall be entitled, in addition to any other right or remedy it may have at law or in equity, to seek an injunction or restraining Executive from any violation or threatened violation of this Agreement.

12. DISPUTE RESOLUTION.

Subject to SECTION 11, all claims, disputes and other matters in controversy ("DISPUTE") arising, directly or indirectly out of or related to this Agreement, or the breach thereof, whether contractual or noncontractual, and whether during the term or after the termination of this Agreement, shall be resolved exclusively according to the procedures set forth in this SECTION 12, and not through resort to any judicial proceedings.

12.1 Neither party shall commence an arbitration proceeding pursuant to the provisions of SECTION 12.2 unless that party first gives a written notice (a "DISPUTE NOTICE") to the other party setting forth the nature of the dispute. The parties shall attempt in good faith to resolve the dispute by mediation under the American Arbitration Association Commercial Mediation Rules in effect on the date of the Dispute Notice. If the parties cannot agree on the selection of a mediator within 20 days after delivery of the Dispute Notice, the mediator will be selected by the American Arbitration Association. If the dispute has not been resolved by mediation within 60 days after delivery of the Dispute Notice, then the dispute shall be determined by arbitration in accordance with the provisions below.

12.2 Any dispute that is not settled by mediation as provided in SECTION 12.1 shall be resolved by arbitration before a single arbitrator appointed by the American Arbitration Association or its successor in Fresno, California. The determination of the arbitrator shall be final and absolute. The arbitrator shall be governed by the duly promulgated rules and regulations of

the American Arbitration Association or its successor then in effect, and the pertinent provisions of the laws of the State of California relating to arbitration. The decision of the arbitrator may be entered as a final judgment in any court of the State of California or elsewhere. The prevailing party in any such arbitration shall also be entitled to recover reasonable attorneys', accountants' and experts' fees and costs of suit in addition to any other relief awarded the prevailing party.

13. MISCELLANEOUS.

13.1 If any provisions contained in this Agreement is for any reason held to be totally invalid or unenforceable, such provision will be fully severable, and in lieu of such invalid or unenforceable provision there will be added automatically as part of this Agreement a provision as similar in terms as may be valid and enforceable.

13.2 All notices and other communications required or permitted hereunder or necessary or convenience in connection herewith shall be in writing and shall be deemed to have been given when mailed by registered mail or certified mail, return receipt requested or hand delivered, as follows (provided that notice of change of address shall be deemed given only when received):

If to Employer: Pacific Ethanol, Inc.
5711 N. West Avenue
Fresno, California 93711
Attention: Compensation Committee

If to Executive: 1260 Lake Blvd., Suite 225
Davis, California 95616

or to such other names or addresses as Employer or Executive, as the case may be, shall designate by notice to the other party hereto in the manner specified in this SECTION 13.2.

13.3 This Agreement shall be binding upon and inure to the benefit of Employer, its successors, legal representatives and assigns, and Executive, his heirs, executors, administrators, representatives, legatees and permitted assigns. Executive agrees that his rights and obligations hereunder are personal to him and may not be assigned without the express written consent of Employer. If Executive should die while any amounts are due to him pursuant to this Agreement, all such amounts shall be paid to Executive's devisee, legatee or other designee, or if there be no such designee, to Executive's estate. Employer will require any successor or assign (whether direct or indirect, by purchase, merger, consolidation or otherwise) to all or substantially all of the business and/or assets of Employer, by Agreement in form and substance satisfactory to Executive and his legal counsel, expressly, absolutely and unconditionally to assume and agree to perform this Agreement in the same manner and to the same extent that Employer would be required to perform each of them if no such succession or assignment had taken place. Any failure of Employer to obtain such Agreement prior to the effectiveness of any such succession or assignment shall be a material breach of this Agreement and shall entitle Executive to terminate Executive's employment for Good Reason. As used in this Agreement, "EMPLOYER" means SSP Solutions. Inc. and any successor or assign to its business and/or

assets which executes and delivers the Agreement provided for in this Section or which otherwise becomes bound by all the terms and provisions of this Agreement by operation of law. If at any time during the term of this Agreement Executive is employed by any company a majority of the voting securities of which is then owned by Employer, "EMPLOYER" as used in this Agreement shall in addition include that subsidiary company. In that event, Employer agrees that it shall pay or shall cause the subsidiary company to pay any amounts owed to Executive pursuant to this Agreement.

13.4 This Agreement replaces and merges all previous agreements and discussions relating to the same or similar subject matters between Executive and Employer with respect to the subject matter of this Agreement. This Agreement may not be modified in any respect by any verbal statement, representation or agreement made by any employee, officer, or representative of Employer or by any written agreement unless signed by an officer of Employer who

is expressly authorized by Employer to execute that document.

13.5 The laws of the State of California will govern the interpretation, validity and effect of this Agreement without regard to principles of conflicts of law, the place of execution or the place for performance thereof. Employer and Executive agree that the state and federal courts situated in Fresno County, California shall have personal jurisdiction over Employer and Executive to hear all disputes arising under this Agreement. This Agreement is to be at least partially performed in Fresno County, California and, as such, Employer and Executive agree that venue shall be proper with the state or federal courts in Fresno County, California to hear such disputes.

13.6 Executive and Employer shall execute and deliver any and all additional instruments and agreements that may be necessary or proper to carry out the purposes of this Agreement.

13.7 The descriptive headings of the several sections of this Agreement are inserted for convenience only and do not constitute a party of this Agreement.

13.8 This Agreement may be executed in one or more counterparts, all of which shall be considered one and the same Agreement.

13.9 Executive acknowledges that Executive has had the opportunity to read this Agreement and discuss it with advisors and legal counsel, if Executive has so chosen. Executive also acknowledges the importance of this Agreement and that Employer is relying on this Agreement in entering into an employment relationship with Executive.

(Signature page follows.)

The undersigned, intending to be legally bound, have executed this Agreement on the date first written above.

EMPLOYER: PACIFIC ETHANOL, INC.

By: /S/ RYAN TURNER

Ryan Turner, Chief Operating Officer

EXECUTIVE: /S/ NEIL KOEHLER

Neil Koehler

APPENDIX I

ADDITIONAL DEFINITIONS

For purposes of this Agreement, the following additional capitalized terms shall have the respective definitions set forth below:

AUDITORS. The term "AUDITORS" means Employer's independent auditors.

BENEFIT PLAN. The term "BENEFIT PLAN" means any benefit plan or arrangement (including, without limitation, Employer's profit sharing or stock option plans, if any, and medical, disability and life insurance plans) in which Executive is participating (or any other plans providing Executive with substantially similar benefits).

CHANGE IN CONTROL. A "CHANGE IN CONTROL" of Employer shall be deemed to

have occurred if, in a single transaction or series of related transactions: (i) any person (as such term is used in Section 13(d) and 14(d) of the Securities Exchange Act of 1934 ("Exchange Act")), other than a trustee or fiduciary holding securities under an employment benefit program is or becomes a "beneficial owner" (as defined in Rule 13-3 under the Exchange Act), directly or indirectly of securities of Employer representing 51% or more of the combined voting power of Employer, (ii) there is a merger (other than a reincorporation merger) or consolidation in which Employer does not survive as an independent company, or (iii) the business of Employer is disposed of pursuant to a sale of assets.

CODE. The term "CODE" means the Internal Revenue Code of 1986, as amended.

DUE CAUSE. The term "DUE CAUSE" means any of the following events:

(a) any intentional misapplication by Executive of Employer's funds or other material assets, or any other act of dishonesty injurious to Employer committed by Executive; or

(b) Executive's conviction of (i) a felony or (ii) a crime involving moral turpitude; or

(c) Executive's use or possession of any controlled substance or chronic abuse of alcoholic beverages, which use or possession the Board reasonably determines renders Executive unfit to serve in his capacity as a senior executive of Employer; or

(d) Executive's breach, nonperformance or nonobservance of any of the terms of this Agreement, including but not limited to Executive's failure to adequately perform his duties or comply with the reasonable directions of the Board. Notwithstanding anything in the foregoing subsections (c) or (d) to the contrary, Employer shall not terminate Executive unless the Board first provides Executive with a written memorandum describing in detail how his performance hereunder is not satisfactory and Executive is given a reasonable period of time (not less than 30 days) to remedy the unsatisfactory performance related by the Board to Executive in that memorandum. A determination of whether Executive has satisfactorily remedied the unsatisfactory

performance shall be promptly made by a majority of the disinterested directors of the Board (or the entire Board, but not including Executive, if there are no disinterested directors) at the end of the period provided to Executive for remedy, and their determination shall be final.

GOOD REASON. The term "GOOD REASON" as used in this Agreement shall mean any of the following which occur without Executive's express written consent:

(e) a general assignment by Employer for the benefit of creditors or filing by Employer of a voluntary bankruptcy petition or the filing against Employer of any involuntary bankruptcy which remains undismissed for thirty days or more or if a trustee, receiver or liquidator is appointed;

(f) any material changes in Executive's titles, duties or responsibilities; or

(g) Executive is not paid the compensation and benefits required under this Agreement;

PROVIDED, HOWEVER, that any of the foregoing actions shall not be considered to be Good Reason if the action is undertaken by Employer as a termination for Due Cause.

EXHIBIT 10.7

EXECUTIVE EMPLOYMENT AGREEMENT

PACIFIC ETHANOL, INC.

AND

RYAN TURNER

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EXECUTIVE EMPLOYMENT AGREEMENT

THIS EXECUTIVE EMPLOYMENT AGREEMENT (this "AGREEMENT"), is made and entered into as of March 23, 2005 (the "EFFECTIVE DATE") by and between PACIFIC ETHANOL, INC., a Delaware corporation ("EMPLOYER") and RYAN TURNER ("EXECUTIVE").

RECITALS

Employer desires that the Executive enter into an employment

relationship with Employer in order to provide the necessary leadership and senior management skills that are important to the success of Employer. Employer believes that obtaining the Executive's services as an employee of Employer and the benefits of his business experience are of material importance to Employer and Employer's stockholders.

AGREEMENT

NOW, THEREFORE, in consideration of Executive's employment by Employer and the mutual promises and covenants contained herein, the receipt and sufficiency of which is hereby acknowledged, Employer and Executive intend by this Agreement to specify the terms and conditions of Executive's employment relationship with Employer.

1. GENERAL DUTIES OF EMPLOYER AND EXECUTIVE.

1.1 Employer agrees to employ Executive and Executive agrees to accept employment by Employer and to serve Employer in an executive capacity upon the terms and conditions set forth herein. Employer hereby employs Executive as the President and Chief Executive Officer of Employer as of the Effective Date, reporting to the Board of Directors of Employer (the "BOARD"). Executive's duties and responsibilities shall be those normally assumed by the Chief Operating Officer and Secretary of a publicly-owned company similarly situated to Employer, as well as such other or additional duties, as may from time-to-time be assigned to Executive by the Board. Such other or additional duties shall be consistent with the senior executive functions referenced above. Executive shall be provided with an office and the administrative support reasonably necessary to fulfill the responsibilities assumed by Executive under this Agreement.

1.2 While employed hereunder, Executive shall use his best efforts to obey the lawful directions of the Board. Executive shall also use his best efforts to promote the interests of Employer and to maintain and to promote the reputation of Employer. While employed hereunder, Executive shall devote his full business time, efforts, skills and attention to the affairs of Employer and faithfully perform his duties and responsibilities hereunder.

1.3 While this Agreement is in effect, Executive may from time to time engage in any activities that do not compete directly with Employer, provided that such activities do not interfere with his performance of his duties. Executive shall be permitted to (i) invest his personal assets as a passive investor in such form or manner as Executive may choose in his discretion, (ii) participate in various charitable efforts, and (iii) serve as a member of the Board of Directors of other corporations which are not competitors of Employer.

2. COMPENSATION AND BENEFITS.

2.1 As compensation for his services to Employer, Employer shall pay to Executive an annual base salary of One Hundred Twenty-Five Thousand Dollars ($125,000) during the first 12-month period that this Agreement is in effect, payable in equal semimonthly payments or in accordance with the Employer's regular payroll policy for salaried employees (the "SALARY"). Thereafter, or earlier from time to time in the discretion of the Compensation Committee of the Board, but not less frequently than annually, the Compensation Committee shall perform a review of the Executive's Salary based on Executive's performance of his duties and the Employer's other compensation policies. The Compensation Committee may, in its sole discretion, increase (but not decrease) the Salary following such review.

2.2 In addition, Executive shall be entitled to receive a cash bonus not to exceed fifty percent (50%) of his base salary to be paid based upon performance criteria to be established by the Board of Directors of Employer on an annual basis ("INCENTIVE BONUS").

2.3 Upon Executive's furnishing to Employer customary and reasonable documentary support (such as receipts or paid bills) evidencing costs and expenses incurred by him in the performance of his services and duties hereunder (including, without limitation, for gifts, travel and entertainment and cellular telephone expenses) and containing sufficient information to establish the amount, date, place and essential character of the expenditure, Executive shall

be reimbursed for such costs and expenses in accordance with Employer's normal expense reimbursement policy.

2.4 As long as this Agreement is in effect, Executive shall be entitled to participate in the medical (including hospitalization), dental, life and disability insurance plans, to the extent offered by Employer, and in amounts consistent with the Employer's policy, for other senior executive officers of Employer, with premiums for all such insurance for Executive and his dependents to be paid by Employer (or, if unable due to Executive's location of permanent residence, Employer shall reimburse Executive up to $1,000 per month for obtaining health insurance coverage on his own).

2.5 Executive shall have the right to participate in any additional compensation, benefit, pension, stock option, stock purchase, 401(k) or other plan or arrangement of Employer now or hereafter existing for the benefit of other senior executive officers of Employer. Executive's participation in Employer's stock option plan shall be developed in relative proportion to Executive's position with Employer.

2.6 Executive shall be entitled to vacation (but in no event less than three (3) weeks per year), holiday and other paid or unpaid leaves of absence consistent with Employer's normal policies for other senior executive officers of Employer or as otherwise approved by the Board. Executive shall be entitled to accrue vacation time for one year. If he does not take the accrued vacation during the next year, he shall be paid for the unused vacation at his Salary rate then in effect.

3. PRESERVATION OF BUSINESS; FIDUCIARY RESPONSIBILITY.

Executive shall use his best efforts to preserve the business and organization of Employer and to preserve the business relations of Employer. So long as the Executive is employed by Employer, Executive shall observe and fulfill proper standards of fiduciary responsibility attendant upon his service and office.

4. TERM.

The term of this Agreement shall commence on the Effective Date and shall end on the first (1st) anniversary of the Effective Date; provided, however, that this Agreement shall automatically renew for successive one (1) year periods unless, at least 90 days prior to the expiration of the initial term or any renewal term, either party gives written notice to the other of his or its intention not to renew.

5. TERMINATION OTHER THAN BY EXPIRATION OF THE TERM.

Employer or Executive may terminate Executive's employment under this Agreement at any time, but only on the following terms:

5.1 Either Executive or Employer may terminate this Agreement in accordance with SECTION 4.

5.2 Employer may terminate Executive's employment under this Agreement at any time for "Due Cause" (as defined in APPENDIX I attached hereto and incorporated herein by this reference) upon the good faith determination by the Board that Due Cause exists for the termination of the employment relationship.

5.3 If Executive is incapacitated by accident, sickness or otherwise so as to render Executive mentally or physically incapable of performing the services required under SECTION 1 of this Agreement for a period of 180 consecutive days, and the incapacity is confirmed by the written opinion of two practicing medical doctors licensed by and in good standing in the State of California (one selected by Employer and one by Executive), upon the expiration of that period or at any time reasonably thereafter, Employer may terminate Executive's employment under this Agreement upon giving Executive or his legal representative written notice at least 30 days prior to the termination date, subject to the provisions of SECTION 6.2. Executive agrees, after written notice by the Board, to submit to examinations by the practicing medical doctors. If

the medical doctors do not agree as to whether Executive is disabled, they shall promptly select a mutually acceptable third practicing medical doctor to further evaluate Executive, whose conclusion shall be rendered, in writing, within ten days of his or her selection. The conclusion of the third practicing medical doctor shall be final and binding on Employer and Executive.

5.4 This Agreement shall terminate immediately upon Executive's death, subject to the provisions of SECTION 6.2.

5.5 Subject to the provisions of SECTION 6.3, Employer may terminate Executive's employment under this Agreement at any time for any reason whatsoever, even without Due Cause, by giving a written notice of termination to Executive, in which case the employment relationship shall terminate immediately upon the giving of the notice. If Employer terminates the employment of Executive other than (i) pursuant to SECTION 5.2 for Due Cause, (ii) due to incapacity pursuant to SECTION 5.3 or due to Executive's death pursuant to SECTION 5.4, or (iii) Executive's retirement, then the action by Employer, unless consented to in writing by Executive, shall be deemed to be a constructive termination by Employer of Executive's employment (a "CONSTRUCTIVE TERMINATION"), and, in that event, Executive shall be entitled to receive the compensation set forth in SECTION 6.3.

5.6 Executive may terminate this Agreement at any time for "Good Reason" (as defined in APPENDIX I attached hereto and incorporated herein by this reference) within 30 days after Executive learns of the event or condition constituting "Good Reason" and, in that event, shall be entitled to receive the compensation set forth in SECTION 6.3.

6. EFFECT OF TERMINATION.

6.1 If the employment relationship is terminated (a) by Executive upon 90 days' written notice pursuant to SECTION 4, (b) by Employer for Due Cause pursuant to SECTION 5.2, or (c) by Executive breaching this Agreement by refusing to continue his employment and failing to give the requisite 90 days' written notice, all compensation and benefits shall cease as of the date of termination, other than: (i) those benefits that are provided by retirement and benefit plans and programs specifically adopted and approved by Employer for Executive that are earned and vested by the date of termination; (ii) Executive's pro rata annual Salary (as in effect as of the date of termination, payable in the manner as prescribed in the second sentence of SECTION 2.1) through the date of termination; (iii) any stock options which have vested as of the date of termination pursuant to the terms of the Agreement granting the options; and (iv) accrued vacation as required by California law.

6.2 If Executive's employment relationship is terminated due to Executive's incapacity pursuant to SECTION 5.3 or due to Executive's death pursuant to SECTION 5.4, Executive or Executive's estate or legal representative, will be entitled to (i) those benefits that are provided by retirement and benefits plans and programs specifically adopted and approved by Employer for Executive that are earned and vested at the date of termination, a prorated Incentive Bonus for the fiscal year in which incapacity or death occurs, and, even though no longer employed by Employer, Executive shall continue to receive the annual Salary compensation (as in effect as of the date of termination, payable in the manner as prescribed in the second sentence of SECTION 2.1) for six months following the date of termination, offset, however, by any payments received by Executive as a result of any disability insurance maintained by Employer for Executive's benefit.

6.3 In the event of a termination of this Agreement by Executive for Good Reason, then Employer shall:

(a) pay to Executive on the date of termination his Salary in effect as of the date of termination through the end of the month during which the termination occurs plus credit for any vacation earned but not taken;

(b) pay to Executive, as severance pay, three months of Executive's Salary in effect as of the date of termination during the first year after termination, and six months of Executive's Salary in

effect as of the date of termination during the second year after termination, with such amounts payable in equal semimonthly payments in accordance with the Employer's regular payroll policy for salaried employees; provided, however, that Employer may, in lieu of such payments, pay to Executive a lump sum severance payment equal to the amount of Executive's Salary in effect as of the date of termination;

(c) pay to Executive the prorated Incentive Bonus for the fiscal year during which termination occurs; and

(d) maintain, at Employer's expense, in full force and effect, for Executive's continued benefit, all medical and life insurance to which Executive was entitled immediately prior to the date of termination (or at the election of Executive in the event of a Change in Control, immediately prior to the date of the Change in Control) until the earliest of (i) 12 months or (ii) the date or dates that Executive's continued participation in Employer's medical and/or life insurance plans, as applicable, is not possible under the terms of the plans (the earliest of (i) and (ii) is referred to herein as the "BENEFITS DATE"). If Employer's medical and/or life insurance plans do not allow Executive's continued participation in the plan or plans, then Employer will pay to Executive, in monthly installments, from the date on which Executive's participation in the medical and/or life insurance, as applicable, is prohibited until the Benefits Date, the monthly premium or premiums which had been payable by Employer with respect to Executive for the discontinued medical and/or life insurance, as applicable.

6.4 Anything in this Agreement to the contrary notwithstanding, if the Auditors (as defined in APPENDIX I attached hereto and incorporated herein by this reference) determine that any payment or distribution by Employer to or for the benefit of Executive, whether paid or payable (or distributed or distributable) pursuant to the terms of this Agreement or otherwise (a "PAYMENT"), would be nondeductible by Employer for federal income tax purposes because of the application of Section 280G of the Code (as defined in APPENDIX I attached hereto and incorporated herein by this reference), or because of the application of any federal or state income tax law enacted after the date hereof which restricts or limits the deductibility of compensation paid to an Executive (a "SUBSEQUENT LAW"), then the aggregate present value of the amounts payable or distributable to or for the benefit of Executive pursuant to this Agreement (the "PAYMENTS") shall be reduced (but not below zero) to the Reduced Amount. For purposes of this SECTION 6.4, the "REDUCED AMOUNT" shall be an amount which maximizes the aggregate amount of Payments without causing any Payment to be nondeductible by Employer because of the application of Subsequent Law, or which maximizes the aggregate present value of Payments without causing any Payment to be nondeductible by Employer because of the application of Section 280G of the Code. For purposes of this Section 6.4, present value shall be determined in accordance with Section 280G(d)(4) of the Code and Income Tax Regulations promulgated thereunder.

6.5 If the Auditors determine that any Payment would be nondeductible by Employer because of the application of Section 280G of the Code, or because of the application of Subsequent Law, then Employer shall promptly give notice to that effect and a copy of the detailed calculation thereof and of the Reduced Amount, and Executive may then elect, in his sole discretion, which and how much of the Payments shall be eliminated or reduced (as long as after the election the aggregate present value of the Payments equals the Reduced Amount) and shall advise Employer in writing of his election within 20 days of his receipt of notice. If no election is made by Executive within such 20 day period, then Employer may elect which and how much of the Payments shall be eliminated or reduced (as long as after the election the aggregate present value of Executive Payments equals the Reduced Amount) and shall notify Executive promptly of the election. All determinations made by the Auditors under this SECTION 6.5 and SECTION 6.4 shall be binding upon Employer and Executive and shall be made within 60 days of Executive's termination of employment. As promptly as practicable following the determination and the elections hereunder, Employer shall pay to or distribute to or for the benefit of Executive the amounts then due to him under this Agreement, as modified by SECTION 6.4 and this SECTION 6.5, and shall promptly pay to or distribute for the benefit of Executive in the future the amounts that become due to him under this Agreement.

6.6 If the Auditors determine that Payments have been made by Employer which should not have been made ("OVERPAYMENTS") or that additional Payments which will not have been made by Employer could be due ("Underpayments"), consistent in each case with the calculation of the Reduced Amount pursuant to SECTION 6.4, then the following actions are to be taken: If the Auditors, based upon the assertion of a deficiency by the Internal Revenue Service against Employer or Executive which the Auditors believe has a high probability of success, determine that an Overpayment has been made, the Overpayment shall be treated for all purposes as a loan to Executive which he shall repay to Employer, together with interest at the applicable federal rate provided for in Section 7872(f)(2)(A) of the Code. If the Auditors, based upon controlling precedent, determine that an Underpayment has occurred, the Underpayment shall promptly be paid by Employer to or for the benefit of Executive, together with interest at the applicable federal rate provided for in Section 7872(f)(2)(A) of the Code.

6.7 Executive shall not be required to mitigate damages or the amount of any payment provided for under this Agreement by seeking other employment or otherwise, nor shall the amount of any payment provided for under this Agreement be reduced by any compensation earned by Executive as the result of employment by another Employer after the date of termination, or otherwise.

6.8 Except as expressly provided herein, the provisions of this Agreement, and any payment or benefit provided for hereunder, shall not reduce any amounts otherwise payable, or in any way diminish Executive's existing rights, or rights which would accrue solely as a result of the passage of time, under any Employer benefit plan, employment agreement or other contract, plan or arrangement.

6.9 Except as may be required pursuant to SECTION 6.4, the amount of any payment provided under this Agreement shall not be reduced by reason of any present value calculation.

6.10 Upon termination of this Agreement, compensation and benefits shall be paid to the Executive as set forth in the applicable subsection of this SECTION 6 and stock options granted to Executive, if any, shall be governed by the provisions of all stock option agreements between Employer and Executive. In the event of a termination of this Agreement by Executive for Good Reason, all other rights and benefits Executive may have under the employee and/or executive benefit plans and arrangements of Employer generally shall be determined in accordance with the terms and conditions of those plans and arrangements.

7. COVENANTS OF CONFIDENTIALITY, NONDISCLOSURE AND NONCOMPETITION.

7.1 During the term of this Agreement, Employer will provide to Executive certain confidential and proprietary information owned by Employer as more fully described below. Executive acknowledges that he occupies or will occupy a position of trust and confidence with Employer, and that Employer would be irreparably damaged if Executive were to breach the covenants set forth in this SECTION 7.1. Accordingly, Executive agrees that he will not, without the prior written consent of Employer, at any time during the term of this Agreement or any time thereafter, except as may be required by competent legal authority or as required by Employer to be disclosed in the course of performing Executive's duties under this Agreement for Employer, use or disclose to any person, firm or other legal entity, any confidential records, secrets or information obtained by Executive during his employment hereunder related to Employer or any parent, subsidiary or affiliated person or entity (collectively, "CONFIDENTIAL INFORMATION"). Confidential Information shall include, without limitation, information about Employer's Inventions (as defined in SECTION 8.1), customer lists and product pricing, data, know-how, formulae, processes, ideas, past, current and planned product development, market studies, computer software and programs, database and network technologies, strategic planning and risk management. Executive acknowledges and agrees that all Confidential Information of Employer and/or its affiliates will be received in confidence and as a fiduciary of Employer. Executive will exercise utmost diligence to protect and guard the Confidential Information.

7.2 Executive agrees that he will not, without the express written consent of the Board, take with him upon the termination of this Agreement, any document or paper, or any photocopy or reproduction or duplication thereof,

relating to any Confidential Information.

7.3 Executive agrees that, while Executive is employed with Employer and for a period of 24 months after the date of termination of this Agreement (the "RESTRICTED PERIOD"), provided that Executive continues to be paid his Salary (as in effect at the date of termination) during the Restricted Period, he will not, either directly or indirectly, have an interest in any business (whether as manager, operator, licensor, licensee, partner, 5% or greater equity holder, employee, consultant, director, advisor or otherwise) competitive with Employer or any of its business activities or solicit individuals or other entities that are customers or competitors of Employer during the six-month period immediately prior to the date of termination of this Agreement. Executive also agrees that, for the Restricted Period, he will not, either directly or indirectly, solicit any employee of Employer to terminate his employment with Employer.

7.4 For purposes of this SECTION 7, "EMPLOYER" shall include any of its subsidiaries or any other entity in which it holds a 50% or greater equity interest.

8. INVENTIONS.

8.1 Any and all inventions, product, discoveries, improvements, processes, formulae, manufacturing methods or techniques, designs or styles, software applications or programs (collectively, "INVENTIONS") made, developed or created by Executive, alone or in conjunction with others, during regular hours of work or otherwise, during the term of Executive's employment with Employer and for a period of two years thereafter that may be directly or indirectly related to the business of, or tests being carried out by, Employer, or any of its subsidiaries, shall be promptly disclosed by Executive to Employer and shall be Employer's exclusive property. The following provisions of the California Labor Code shall supplement this SECTION 8.1:

SECTION 2870 OF THE CALIFORNIA LABOR CODE

APPLICATION OF PROVISIONS PROVIDING THAT EMPLOYEE SHALL ASSIGN OR OFFER TO ASSIGN RIGHTS IN INVENTION TO EMPLOYER.

(a) Any provision in an employment agreement which provides that an employee shall assign, or offer to assign, any of his or her rights in an invention to his or her employer shall not apply to an invention that the employee developed entirely on his or her own time without using employer's equipment, supplies, facilities, or trade secret information except for those inventions that either:

(1) Relate at the time of conception or reduction to practice of the invention to employer's business, or actual or demonstrably anticipated research or development of employer, or

(2) Result from any work performed by the employee for employer.

(b) To the extent a provision in an employment agreement purports to require an employee to assign an invention otherwise excluded from being required to be assigned under subdivision (a), the provision is against the public policy of this state and is unenforceable.

8.2 Executive will, upon Employer's request and without additional compensation, execute any documents necessary or advisable in the opinion of Employer's legal counsel to direct the issuance of patents to Employer with respect to Inventions that are to be Employer's exclusive property under this SECTION 8 or to vest in Employer title to the Inventions; the expense of securing any patent, however, shall be borne by Employer.

8.3 Executive will hold for Employer's sole benefit any Invention that is to be Employer's exclusive property under this SECTION 8 for which no patent

is issued.

9. NO VIOLATION.

Executive represents that he is not bound by any Agreement with any former employer or other party that would be violated by Executive's employment by Employer.

10. RETURN OF EMPLOYER'S PROPERTY.

Upon the termination of this Agreement or whenever requested by Employer, Executive shall immediately deliver to Employer all property in his possession or under his control belonging to Employer, in good condition, ordinary wear and tear excepted.

11. INJUNCTIVE RELIEF.

Executive acknowledges that the breach, or threatened breach, by Executive of the provisions of this Agreement shall cause irreparable harm to Employer, which harm cannot be fully redressed by the payment of damages to Employer. Accordingly, Employer shall be entitled, in addition to any other right or remedy it may have at law or in equity, to seek an injunction or restraining Executive from any violation or threatened violation of this Agreement.

12. DISPUTE RESOLUTION.

Subject to SECTION 11, all claims, disputes and other matters in controversy ("DISPUTE") arising, directly or indirectly out of or related to this Agreement, or the breach thereof, whether contractual or noncontractual, and whether during the term or after the termination of this Agreement, shall be resolved exclusively according to the procedures set forth in this SECTION 12, and not through resort to any judicial proceedings.

12.1 Neither party shall commence an arbitration proceeding pursuant to the provisions of SECTION 12.2 unless that party first gives a written notice (a "DISPUTE NOTICE") to the other party setting forth the nature of the dispute. The parties shall attempt in good faith to resolve the dispute by mediation under the American Arbitration Association Commercial Mediation Rules in effect on the date of the Dispute Notice. If the parties cannot agree on the selection of a mediator within 20 days after delivery of the Dispute Notice, the mediator will be selected by the American Arbitration Association. If the dispute has not been resolved by mediation within 60 days after delivery of the Dispute Notice, then the dispute shall be determined by arbitration in accordance with the provisions below.

12.2 Any dispute that is not settled by mediation as provided in SECTION 12.1 shall be resolved by arbitration before a single arbitrator appointed by the American Arbitration Association or its successor in Fresno, California. The determination of the arbitrator shall be final and absolute. The arbitrator shall be governed by the duly promulgated rules and regulations of the American Arbitration Association or its successor then in effect, and the pertinent provisions of the laws of the State of California relating to arbitration. The decision of the arbitrator may be entered as a final judgment in any court of the State of California or elsewhere. The prevailing party in any such arbitration shall also be entitled to recover reasonable attorneys', accountants' and experts' fees and costs of suit in addition to any other relief awarded the prevailing party.

13. MISCELLANEOUS.

13.1 If any provisions contained in this Agreement is for any reason held to be totally invalid or unenforceable, such provision will be fully severable, and in lieu of such invalid or unenforceable provision there will be

added automatically as part of this Agreement a provision as similar in terms as may be valid and enforceable.

13.2 All notices and other communications required or permitted hereunder or necessary or convenience in connection herewith shall be in writing and shall be deemed to have been given when mailed by registered mail or certified mail, return receipt requested or hand delivered, as follows (provided that notice of change of address shall be deemed given only when received):

If to Employer: Pacific Ethanol, Inc.
5711 N. West Avenue
Fresno, California 93711
Attention: Compensation Committee

If to Executive: 5211 N. Bryn Mawr Drive
Fresno, California 93711

or to such other names or addresses as Employer or Executive, as the case may be, shall designate by notice to the other party hereto in the manner specified in this SECTION 13.2.

13.3 This Agreement shall be binding upon and inure to the benefit of Employer, its successors, legal representatives and assigns, and Executive, his heirs, executors, administrators, representatives, legatees and permitted assigns. Executive agrees that his rights and obligations hereunder are personal to him and may not be assigned without the express written consent of Employer. If Executive should die while any amounts are due to him pursuant to this Agreement, all such amounts shall be paid to Executive's devisee, legatee or other designee, or if there be no such designee, to Executive's estate. Employer will require any successor or assign (whether direct or indirect, by purchase, merger, consolidation or otherwise) to all or substantially all of the business and/or assets of Employer, by Agreement in form and substance satisfactory to Executive and his legal counsel, expressly, absolutely and unconditionally to assume and agree to perform this Agreement in the same manner and to the same extent that Employer would be required to perform each of them if no such succession or assignment had taken place. Any failure of Employer to obtain such Agreement prior to the effectiveness of any such succession or assignment shall be a material breach of this Agreement and shall entitle Executive to terminate Executive's employment for Good Reason. As used in this Agreement, "EMPLOYER" means SSP Solutions. Inc. and any successor or assign to its business and/or assets which executes and delivers the Agreement provided for in this Section or which otherwise becomes bound by all the terms and provisions of this Agreement by operation of law. If at any time during the term of this Agreement Executive is employed by any company a majority of the voting securities of which is then owned by Employer, "EMPLOYER" as used in this Agreement shall in addition include that subsidiary company. In that event, Employer agrees that it shall pay or shall cause the subsidiary company to pay any amounts owed to Executive pursuant to this Agreement.

13.4 This Agreement replaces and merges all previous agreements and discussions relating to the same or similar subject matters between Executive and Employer with respect to the subject matter of this Agreement. This Agreement may not be modified in any respect by any verbal statement, representation or agreement made by any employee, officer, or representative of Employer or by any written agreement unless signed by an officer of Employer who is expressly authorized by Employer to execute that document.

13.5 The laws of the State of California will govern the interpretation, validity and effect of this Agreement without regard to principles of conflicts of law, the place of execution or the place for performance thereof. Employer and Executive agree that the state and federal courts situated in Fresno County, California shall have personal jurisdiction over Employer and Executive to hear all disputes arising under this Agreement. This Agreement is to be at least partially performed in Fresno County, California and, as such, Employer and Executive agree that venue shall be proper with the state or federal courts in Fresno County, California to hear such disputes.

13.6 Executive and Employer shall execute and deliver any and all additional instruments and agreements that may be necessary or proper to carry out the purposes of this Agreement.

13.7 The descriptive headings of the several sections of this Agreement are inserted for convenience only and do not constitute a party of this Agreement.

13.8 This Agreement may be executed in one or more counterparts, all of which shall be considered one and the same Agreement.

13.9 Executive acknowledges that Executive has had the opportunity to read this Agreement and discuss it with advisors and legal counsel, if Executive has so chosen. Executive also acknowledges the importance of this Agreement and that Employer is relying on this Agreement in entering into an employment relationship with Executive.

(Signature page follows.)

The undersigned, intending to be legally bound, have executed this Agreement on the date first written above.

EMPLOYER: PACIFIC ETHANOL, INC.

By:/S/ NEIL KOEHLER

Neil Koehler, Chief Executive Officer and President

EXECUTIVE: /S/ RYAN TURNER

Ryan Turner

APPENDIX I

ADDITIONAL DEFINITIONS

For purposes of this Agreement, the following additional capitalized terms shall have the respective definitions set forth below:

AUDITORS. The term "AUDITORS" means Employer's independent auditors.

BENEFIT PLAN. The term "BENEFIT PLAN" means any benefit plan or arrangement (including, without limitation, Employer's profit sharing or stock option plans, if any, and medical, disability and life insurance plans) in which Executive is participating (or any other plans providing Executive with substantially similar benefits).

CHANGE IN CONTROL. A "CHANGE IN CONTROL" of Employer shall be deemed to have occurred if, in a single transaction or series of related transactions: (i) any person (as such term is used in Section 13(d) and 14(d) of the Securities Exchange Act of 1934 ("Exchange Act")), other than a trustee or fiduciary holding securities under an employment benefit program is or becomes a "beneficial owner" (as defined in Rule 13-3 under the Exchange Act), directly or indirectly of securities of Employer representing 51% or more of the combined voting power of Employer, (ii) there is a merger (other than a reincorporation merger) or consolidation in which Employer does not survive as an independent company, or (iii) the business of Employer is disposed of pursuant to a sale of assets.

CODE. The term "CODE" means the Internal Revenue Code of 1986, as amended.

DUE CAUSE. The term "DUE CAUSE" means any of the following events:

(a) any intentional misapplication by Executive of Employer's funds or other material assets, or any other act of dishonesty injurious to Employer committed by Executive; or

(b) Executive's conviction of (i) a felony or (ii) a crime involving moral turpitude; or

(c) Executive's use or possession of any controlled substance or chronic abuse of alcoholic beverages, which use or possession the Board reasonably determines renders Executive unfit to serve in his capacity as a senior executive of Employer; or

(d) Executive's breach, nonperformance or nonobservance of any of the terms of this Agreement, including but not limited to Executive's failure to adequately perform his duties or comply with the reasonable directions of the Board. Notwithstanding anything in the foregoing subsections (c) or (d) to the contrary, Employer shall not terminate Executive unless the Board first provides Executive with a written memorandum describing in detail how his performance hereunder is not satisfactory and Executive is given a reasonable period of time (not less than 30 days) to remedy the unsatisfactory performance related by the Board to Executive in that memorandum. A determination of whether Executive has satisfactorily remedied the unsatisfactory

performance shall be promptly made by a majority of the disinterested directors of the Board (or the entire Board, but not including Executive, if there are no disinterested directors) at the end of the period provided to Executive for remedy, and their determination shall be final.

GOOD REASON. The term "GOOD REASON" as used in this Agreement shall mean any of the following which occur without Executive's express written consent:

(e) a general assignment by Employer for the benefit of creditors or filing by Employer of a voluntary bankruptcy petition or the filing against Employer of any involuntary bankruptcy which remains undismissed for thirty days or more or if a trustee, receiver or liquidator is appointed;

(f) any material changes in Executive's titles, duties or responsibilities; or

(g) Executive is not paid the compensation and benefits required under this Agreement;

PROVIDED, HOWEVER, that any of the foregoing actions shall not be considered to be Good Reason if the action is undertaken by Employer as a termination for Due Cause.

EXHIBIT 10.8

EXECUTIVE EMPLOYMENT AGREEMENT

PACIFIC ETHANOL, INC.

AND

TOM KOEHLER

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EXECUTIVE EMPLOYMENT AGREEMENT

THIS EXECUTIVE EMPLOYMENT AGREEMENT (this "AGREEMENT"), is made and entered into as of March 23, 2005 (the "EFFECTIVE DATE") by and between PACIFIC ETHANOL, INC., a Delaware corporation ("EMPLOYER") and TOM KOEHLER ("EXECUTIVE").

RECITALS

Employer desires that the Executive enter into an employment relationship with Employer in order to provide the necessary leadership and

senior management skills that are important to the success of Employer. Employer believes that obtaining the Executive's services as an employee of Employer and the benefits of his business experience are of material importance to Employer and Employer's stockholders.

AGREEMENT

NOW, THEREFORE, in consideration of Executive's employment by Employer and the mutual promises and covenants contained herein, the receipt and sufficiency of which is hereby acknowledged, Employer and Executive intend by this Agreement to specify the terms and conditions of Executive's employment relationship with Employer.

1. GENERAL DUTIES OF EMPLOYER AND EXECUTIVE.

1.1 Employer agrees to employ Executive and Executive agrees to accept employment by Employer and to serve Employer in an executive capacity upon the terms and conditions set forth herein. Employer hereby employs Executive as the President and Chief Executive Officer of Employer as of the Effective Date, reporting to the Board of Directors of Employer (the "BOARD"). Executive's duties and responsibilities shall be those normally assumed by the Vice President, Public Policy and Markets of a publicly-owned company similarly situated to Employer, as well as such other or additional duties, as may from time-to-time be assigned to Executive by the Board. Such other or additional duties shall be consistent with the senior executive functions referenced above. Executive shall be provided with an office and the administrative support reasonably necessary to fulfill the responsibilities assumed by Executive under this Agreement.

1.2 While employed hereunder, Executive shall use his best efforts to obey the lawful directions of the Board. Executive shall also use his best efforts to promote the interests of Employer and to maintain and to promote the reputation of Employer. While employed hereunder, Executive shall devote his full business time, efforts, skills and attention to the affairs of Employer and faithfully perform his duties and responsibilities hereunder.

1.3 While this Agreement is in effect, Executive may from time to time engage in any activities that do not compete directly with Employer, provided that such activities do not interfere with his performance of his duties. Executive shall be permitted to (i) invest his personal assets as a passive investor in such form or manner as Executive may choose in his discretion, (ii) participate in various charitable efforts, and (iii) serve as a member of the Board of Directors of other corporations which are not competitors of Employer.

2. COMPENSATION AND BENEFITS.

2.1 As compensation for his services to Employer, Employer shall pay to Executive an annual base salary of One Hundred Twenty-Five Thousand Dollars ($125,000) during the first 12-month period that this Agreement is in effect, payable in equal semimonthly payments or in accordance with the Employer's regular payroll policy for salaried employees (the "SALARY"). Thereafter, or earlier from time to time in the discretion of the Compensation Committee of the Board, but not less frequently than annually, the Compensation Committee shall perform a review of the Executive's Salary based on Executive's performance of his duties and the Employer's other compensation policies. The Compensation Committee may, in its sole discretion, increase (but not decrease) the Salary following such review.

2.2 In addition, Executive shall be entitled to receive a cash bonus not to exceed fifty percent (50%) of his base salary to be paid based upon performance criteria to be established by the Board of Directors of Employer on an annual basis ("INCENTIVE BONUS").

2.3 Upon Executive's furnishing to Employer customary and reasonable documentary support (such as receipts or paid bills) evidencing costs and expenses incurred by him in the performance of his services and duties hereunder (including, without limitation, for gifts, travel and entertainment and cellular telephone expenses) and containing sufficient information to establish the amount, date, place and essential character of the expenditure, Executive shall be reimbursed for such costs and expenses in accordance with Employer's normal

expense reimbursement policy.

2.4 As long as this Agreement is in effect, Executive shall be entitled to participate in the medical (including hospitalization), dental, life and disability insurance plans, to the extent offered by Employer, and in amounts consistent with the Employer's policy, for other senior executive officers of Employer, with premiums for all such insurance for Executive and his dependents to be paid by Employer (or, if unable due to Executive's location of permanent residence, Employer shall reimburse Executive up to $1,000 per month for obtaining health insurance coverage on his own).

2.5 Executive shall have the right to participate in any additional compensation, benefit, pension, stock option, stock purchase, 401(k) or other plan or arrangement of Employer now or hereafter existing for the benefit of other senior executive officers of Employer. Executive's participation in Employer's stock option plan shall be developed in relative proportion to Executive's position with Employer.

2.6 Executive shall be entitled to vacation (but in no event less than three (3) weeks per year), holiday and other paid or unpaid leaves of absence consistent with Employer's normal policies for other senior executive officers of Employer or as otherwise approved by the Board. Executive shall be entitled to accrue vacation time for one year. If he does not take the accrued vacation during the next year, he shall be paid for the unused vacation at his Salary rate then in effect.

3. PRESERVATION OF BUSINESS; FIDUCIARY RESPONSIBILITY.

Executive shall use his best efforts to preserve the business and organization of Employer and to preserve the business relations of Employer. So long as the Executive is employed by Employer, Executive shall observe and fulfill proper standards of fiduciary responsibility attendant upon his service and office.

4. TERM.

The term of this Agreement shall commence on the Effective Date and shall end on the first (1st) anniversary of the Effective Date; provided, however, that this Agreement shall automatically renew for successive one (1) year periods unless, at least 90 days prior to the expiration of the initial term or any renewal term, either party gives written notice to the other of his or its intention not to renew.

5. TERMINATION OTHER THAN BY EXPIRATION OF THE TERM.

Employer or Executive may terminate Executive's employment under this Agreement at any time, but only on the following terms:

5.1 Either Executive or Employer may terminate this Agreement in accordance with SECTION 4.

5.2 Employer may terminate Executive's employment under this Agreement at any time for "Due Cause" (as defined in APPENDIX I attached hereto and incorporated herein by this reference) upon the good faith determination by the Board that Due Cause exists for the termination of the employment relationship.

5.3 If Executive is incapacitated by accident, sickness or otherwise so as to render Executive mentally or physically incapable of performing the services required under SECTION 1 of this Agreement for a period of 180 consecutive days, and the incapacity is confirmed by the written opinion of two practicing medical doctors licensed by and in good standing in the State of California (one selected by Employer and one by Executive), upon the expiration of that period or at any time reasonably thereafter, Employer may terminate Executive's employment under this Agreement upon giving Executive or his legal representative written notice at least 30 days prior to the termination date, subject to the provisions of SECTION 6.2. Executive agrees, after written notice by the Board, to submit to examinations by the practicing medical doctors. If the medical doctors do not agree as to whether Executive is disabled, they shall

promptly select a mutually acceptable third practicing medical doctor to further evaluate Executive, whose conclusion shall be rendered, in writing, within ten days of his or her selection. The conclusion of the third practicing medical doctor shall be final and binding on Employer and Executive.

5.4 This Agreement shall terminate immediately upon Executive's death, subject to the provisions of SECTION 6.2.

5.5 Subject to the provisions of SECTION 6.3, Employer may terminate Executive's employment under this Agreement at any time for any reason whatsoever, even without Due Cause, by giving a written notice of termination to Executive, in which case the employment relationship shall terminate immediately upon the giving of the notice. If Employer terminates the employment of Executive other than (i) pursuant to SECTION 5.2 for Due Cause, (ii) due to incapacity pursuant to SECTION 5.3 or due to Executive's death pursuant to SECTION 5.4, or (iii) Executive's retirement, then the action by Employer, unless consented to in writing by Executive, shall be deemed to be a constructive termination by Employer of Executive's employment (a "CONSTRUCTIVE TERMINATION"), and, in that event, Executive shall be entitled to receive the compensation set forth in SECTION 6.3.

5.6 Executive may terminate this Agreement at any time for "Good Reason" (as defined in APPENDIX I attached hereto and incorporated herein by this reference) within 30 days after Executive learns of the event or condition constituting "Good Reason" and, in that event, shall be entitled to receive the compensation set forth in SECTION 6.3.

6. EFFECT OF TERMINATION.

6.1 If the employment relationship is terminated (a) by Executive upon 90 days' written notice pursuant to SECTION 4, (b) by Employer for Due Cause pursuant to SECTION 5.2, or (c) by Executive breaching this Agreement by refusing to continue his employment and failing to give the requisite 90 days' written notice, all compensation and benefits shall cease as of the date of termination, other than: (i) those benefits that are provided by retirement and benefit plans and programs specifically adopted and approved by Employer for Executive that are earned and vested by the date of termination; (ii) Executive's pro rata annual Salary (as in effect as of the date of termination, payable in the manner as prescribed in the second sentence of SECTION 2.1) through the date of termination; (iii) any stock options which have vested as of the date of termination pursuant to the terms of the Agreement granting the options; and (iv) accrued vacation as required by California law.

6.2 If Executive's employment relationship is terminated due to Executive's incapacity pursuant to SECTION 5.3 or due to Executive's death pursuant to SECTION 5.4, Executive or Executive's estate or legal representative, will be entitled to (i) those benefits that are provided by retirement and benefits plans and programs specifically adopted and approved by Employer for Executive that are earned and vested at the date of termination, a prorated Incentive Bonus for the fiscal year in which incapacity or death occurs, and, even though no longer employed by Employer, Executive shall continue to receive the annual Salary compensation (as in effect as of the date of termination, payable in the manner as prescribed in the second sentence of SECTION 2.1) for six months following the date of termination, offset, however, by any payments received by Executive as a result of any disability insurance maintained by Employer for Executive's benefit.

6.3 In the event of a termination of this Agreement by Executive for Good Reason, then Employer shall:

(a) pay to Executive on the date of termination his Salary in effect as of the date of termination through the end of the month during which the termination occurs plus credit for any vacation earned but not taken;

(b) pay to Executive, as severance pay, three months of Executive's Salary in effect as of the date of termination during the first year after termination, and six months of Executive's Salary in

effect as of the date of termination during the second year after termination, with such amounts payable in equal semimonthly payments in accordance with the Employer's regular payroll policy for salaried employees; provided, however, that Employer may, in lieu of such payments, pay to Executive a lump sum severance payment equal to the amount of Executive's Salary in effect as of the date of termination;

(c) pay to Executive the prorated Incentive Bonus for the fiscal year during which termination occurs; and

(d) maintain, at Employer's expense, in full force and effect, for Executive's continued benefit, all medical and life insurance to which Executive was entitled immediately prior to the date of termination (or at the election of Executive in the event of a Change in Control, immediately prior to the date of the Change in Control) until the earliest of (i) 12 months or (ii) the date or dates that Executive's continued participation in Employer's medical and/or life insurance plans, as applicable, is not possible under the terms of the plans (the earliest of (i) and (ii) is referred to herein as the "BENEFITS DATE"). If Employer's medical and/or life insurance plans do not allow Executive's continued participation in the plan or plans, then Employer will pay to Executive, in monthly installments, from the date on which Executive's participation in the medical and/or life insurance, as applicable, is prohibited until the Benefits Date, the monthly premium or premiums which had been payable by Employer with respect to Executive for the discontinued medical and/or life insurance, as applicable.

6.4 Anything in this Agreement to the contrary notwithstanding, if the Auditors (as defined in APPENDIX I attached hereto and incorporated herein by this reference) determine that any payment or distribution by Employer to or for the benefit of Executive, whether paid or payable (or distributed or distributable) pursuant to the terms of this Agreement or otherwise (a "PAYMENT"), would be nondeductible by Employer for federal income tax purposes because of the application of Section 280G of the Code (as defined in APPENDIX I attached hereto and incorporated herein by this reference), or because of the application of any federal or state income tax law enacted after the date hereof which restricts or limits the deductibility of compensation paid to an Executive (a "SUBSEQUENT LAW"), then the aggregate present value of the amounts payable or distributable to or for the benefit of Executive pursuant to this Agreement (the "PAYMENTS") shall be reduced (but not below zero) to the Reduced Amount. For purposes of this SECTION 6.4, the "REDUCED AMOUNT" shall be an amount which maximizes the aggregate amount of Payments without causing any Payment to be nondeductible by Employer because of the application of Subsequent Law, or which maximizes the aggregate present value of Payments without causing any Payment to be nondeductible by Employer because of the application of Section 280G of the Code. For purposes of this Section 6.4, present value shall be determined in accordance with Section 280G(d)(4) of the Code and Income Tax Regulations promulgated thereunder.

6.5 If the Auditors determine that any Payment would be nondeductible by Employer because of the application of Section 280G of the Code, or because of the application of Subsequent Law, then Employer shall promptly give notice to that effect and a copy of the detailed calculation thereof and of the Reduced Amount, and Executive may then elect, in his sole discretion, which and how much of the Payments shall be eliminated or reduced (as long as after the election the aggregate present value of the Payments equals the Reduced Amount) and shall advise Employer in writing of his election within 20 days of his receipt of notice. If no election is made by Executive within such 20 day period, then Employer may elect which and how much of the Payments shall be eliminated or reduced (as long as after the election the aggregate present value of Executive Payments equals the Reduced Amount) and shall notify Executive promptly of the election. All determinations made by the Auditors under this SECTION 6.5 and SECTION 6.4 shall be binding upon Employer and Executive and shall be made within 60 days of Executive's termination of employment. As promptly as practicable following the determination and the elections hereunder, Employer shall pay to or distribute to or for the benefit of Executive the amounts then due to him under this Agreement, as modified by SECTION 6.4 and this SECTION 6.5, and shall promptly pay to or distribute for the benefit of Executive in the future the amounts that become due to him under this Agreement.

6.6 If the Auditors determine that Payments have been made by Employer which should not have been made ("OVERPAYMENTS") or that additional Payments which will not have been made by Employer could be due ("Underpayments"), consistent in each case with the calculation of the Reduced Amount pursuant to SECTION 6.4, then the following actions are to be taken: If the Auditors, based upon the assertion of a deficiency by the Internal Revenue Service against Employer or Executive which the Auditors believe has a high probability of success, determine that an Overpayment has been made, the Overpayment shall be treated for all purposes as a loan to Executive which he shall repay to Employer, together with interest at the applicable federal rate provided for in Section 7872(f)(2)(A) of the Code. If the Auditors, based upon controlling precedent, determine that an Underpayment has occurred, the Underpayment shall promptly be paid by Employer to or for the benefit of Executive, together with interest at the applicable federal rate provided for in Section 7872(f)(2)(A) of the Code.

6.7 Executive shall not be required to mitigate damages or the amount of any payment provided for under this Agreement by seeking other employment or otherwise, nor shall the amount of any payment provided for under this Agreement be reduced by any compensation earned by Executive as the result of employment by another Employer after the date of termination, or otherwise.

6.8 Except as expressly provided herein, the provisions of this Agreement, and any payment or benefit provided for hereunder, shall not reduce any amounts otherwise payable, or in any way diminish Executive's existing rights, or rights which would accrue solely as a result of the passage of time, under any Employer benefit plan, employment agreement or other contract, plan or arrangement.

6.9 Except as may be required pursuant to SECTION 6.4, the amount of any payment provided under this Agreement shall not be reduced by reason of any present value calculation.

6.10 Upon termination of this Agreement, compensation and benefits shall be paid to the Executive as set forth in the applicable subsection of this SECTION 6 and stock options granted to Executive, if any, shall be governed by the provisions of all stock option agreements between Employer and Executive. In the event of a termination of this Agreement by Executive for Good Reason, all other rights and benefits Executive may have under the employee and/or executive benefit plans and arrangements of Employer generally shall be determined in accordance with the terms and conditions of those plans and arrangements.

7. COVENANTS OF CONFIDENTIALITY, NONDISCLOSURE AND NONCOMPETITION.

7.1 During the term of this Agreement, Employer will provide to Executive certain confidential and proprietary information owned by Employer as more fully described below. Executive acknowledges that he occupies or will occupy a position of trust and confidence with Employer, and that Employer would be irreparably damaged if Executive were to breach the covenants set forth in this SECTION 7.1. Accordingly, Executive agrees that he will not, without the prior written consent of Employer, at any time during the term of this Agreement or any time thereafter, except as may be required by competent legal authority or as required by Employer to be disclosed in the course of performing Executive's duties under this Agreement for Employer, use or disclose to any person, firm or other legal entity, any confidential records, secrets or information obtained by Executive during his employment hereunder related to Employer or any parent, subsidiary or affiliated person or entity (collectively, "CONFIDENTIAL INFORMATION"). Confidential Information shall include, without limitation, information about Employer's Inventions (as defined in SECTION 8.1), customer lists and product pricing, data, know-how, formulae, processes, ideas, past, current and planned product development, market studies, computer software and programs, database and network technologies, strategic planning and risk management. Executive acknowledges and agrees that all Confidential Information of Employer and/or its affiliates will be received in confidence and as a fiduciary of Employer. Executive will exercise utmost diligence to protect and guard the Confidential Information.

7.2 Executive agrees that he will not, without the express written consent of the Board, take with him upon the termination of this Agreement, any document or paper, or any photocopy or reproduction or duplication thereof,

relating to any Confidential Information.

7.3 Executive agrees that, while Executive is employed with Employer and for a period of 24 months after the date of termination of this Agreement (the "RESTRICTED PERIOD"), provided that Executive continues to be paid his Salary (as in effect at the date of termination) during the Restricted Period, he will not, either directly or indirectly, have an interest in any business (whether as manager, operator, licensor, licensee, partner, 5% or greater equity holder, employee, consultant, director, advisor or otherwise) competitive with Employer or any of its business activities or solicit individuals or other entities that are customers or competitors of Employer during the six-month period immediately prior to the date of termination of this Agreement. Executive also agrees that, for the Restricted Period, he will not, either directly or indirectly, solicit any employee of Employer to terminate his employment with Employer.

7.4 For purposes of this SECTION 7, "EMPLOYER" shall include any of its subsidiaries or any other entity in which it holds a 50% or greater equity interest.

8. INVENTIONS.

8.1 Any and all inventions, product, discoveries, improvements, processes, formulae, manufacturing methods or techniques, designs or styles, software applications or programs (collectively, "INVENTIONS") made, developed or created by Executive, alone or in conjunction with others, during regular hours of work or otherwise, during the term of Executive's employment with Employer and for a period of two years thereafter that may be directly or indirectly related to the business of, or tests being carried out by, Employer, or any of its subsidiaries, shall be promptly disclosed by Executive to Employer and shall be Employer's exclusive property. The following provisions of the California Labor Code shall supplement this SECTION 8.1:

> SECTION 2870 OF THE CALIFORNIA LABOR CODE
>
> APPLICATION OF PROVISIONS PROVIDING THAT EMPLOYEE SHALL ASSIGN OR OFFER TO ASSIGN RIGHTS IN INVENTION TO EMPLOYER.
>
> (a) Any provision in an employment agreement which provides that an employee shall assign, or offer to assign, any of his or her rights in an invention to his or her employer shall not apply to an invention that the employee developed entirely on his or her own time without using employer's equipment, supplies, facilities, or trade secret information except for those inventions that either:
>
> (1) Relate at the time of conception or reduction to practice of the invention to employer's business, or actual or demonstrably anticipated research or development of employer, or
>
> (2) Result from any work performed by the employee for employer.
>
> (b) To the extent a provision in an employment agreement purports to require an employee to assign an invention otherwise excluded from being required to be assigned under subdivision (a), the provision is against the public policy of this state and is unenforceable.

8.2 Executive will, upon Employer's request and without additional compensation, execute any documents necessary or advisable in the opinion of Employer's legal counsel to direct the issuance of patents to Employer with respect to Inventions that are to be Employer's exclusive property under this SECTION 8 or to vest in Employer title to the Inventions; the expense of securing any patent, however, shall be borne by Employer.

8.3 Executive will hold for Employer's sole benefit any Invention that is to be Employer's exclusive property under this SECTION 8 for which no patent is issued.

9. NO VIOLATION.

Executive represents that he is not bound by any Agreement with any former employer or other party that would be violated by Executive's employment by Employer.

10. RETURN OF EMPLOYER'S PROPERTY.

Upon the termination of this Agreement or whenever requested by Employer, Executive shall immediately deliver to Employer all property in his possession or under his control belonging to Employer, in good condition, ordinary wear and tear excepted.

11. INJUNCTIVE RELIEF.

Executive acknowledges that the breach, or threatened breach, by Executive of the provisions of this Agreement shall cause irreparable harm to Employer, which harm cannot be fully redressed by the payment of damages to Employer. Accordingly, Employer shall be entitled, in addition to any other right or remedy it may have at law or in equity, to seek an injunction or restraining Executive from any violation or threatened violation of this Agreement.

12. DISPUTE RESOLUTION.

Subject to SECTION 11, all claims, disputes and other matters in controversy ("DISPUTE") arising, directly or indirectly out of or related to this Agreement, or the breach thereof, whether contractual or noncontractual, and whether during the term or after the termination of this Agreement, shall be resolved exclusively according to the procedures set forth in this SECTION 12, and not through resort to any judicial proceedings.

12.1 Neither party shall commence an arbitration proceeding pursuant to the provisions of SECTION 12.2 unless that party first gives a written notice (a "DISPUTE NOTICE") to the other party setting forth the nature of the dispute. The parties shall attempt in good faith to resolve the dispute by mediation under the American Arbitration Association Commercial Mediation Rules in effect on the date of the Dispute Notice. If the parties cannot agree on the selection of a mediator within 20 days after delivery of the Dispute Notice, the mediator will be selected by the American Arbitration Association. If the dispute has not been resolved by mediation within 60 days after delivery of the Dispute Notice, then the dispute shall be determined by arbitration in accordance with the provisions below.

12.2 Any dispute that is not settled by mediation as provided in SECTION 12.1 shall be resolved by arbitration before a single arbitrator appointed by the American Arbitration Association or its successor in Fresno, California. The determination of the arbitrator shall be final and absolute. The arbitrator shall be governed by the duly promulgated rules and regulations of the American Arbitration Association or its successor then in effect, and the pertinent provisions of the laws of the State of California relating to arbitration. The decision of the arbitrator may be entered as a final judgment in any court of the State of California or elsewhere. The prevailing party in any such arbitration shall also be entitled to recover reasonable attorneys', accountants' and experts' fees and costs of suit in addition to any other relief awarded the prevailing party.

13. MISCELLANEOUS.

13.1 If any provisions contained in this Agreement is for any reason held to be totally invalid or unenforceable, such provision will be fully severable, and in lieu of such invalid or unenforceable provision there will be added automatically as part of this Agreement a provision as similar in terms as

may be valid and enforceable.

13.2 All notices and other communications required or permitted hereunder or necessary or convenience in connection herewith shall be in writing and shall be deemed to have been given when mailed by registered mail or certified mail, return receipt requested or hand delivered, as follows (provided that notice of change of address shall be deemed given only when received):

If to Employer: Pacific Ethanol, Inc.
5711 N. West Avenue
Fresno, California 93711
Attention: Compensation Committee

If to Executive: 225 Southeast 59th
Portland, Oregon 97215

or to such other names or addresses as Employer or Executive, as the case may be, shall designate by notice to the other party hereto in the manner specified in this SECTION 13.2.

13.3 This Agreement shall be binding upon and inure to the benefit of Employer, its successors, legal representatives and assigns, and Executive, his heirs, executors, administrators, representatives, legatees and permitted assigns. Executive agrees that his rights and obligations hereunder are personal to him and may not be assigned without the express written consent of Employer. If Executive should die while any amounts are due to him pursuant to this Agreement, all such amounts shall be paid to Executive's devisee, legatee or other designee, or if there be no such designee, to Executive's estate. Employer will require any successor or assign (whether direct or indirect, by purchase, merger, consolidation or otherwise) to all or substantially all of the business and/or assets of Employer, by Agreement in form and substance satisfactory to Executive and his legal counsel, expressly, absolutely and unconditionally to assume and agree to perform this Agreement in the same manner and to the same extent that Employer would be required to perform each of them if no such succession or assignment had taken place. Any failure of Employer to obtain such Agreement prior to the effectiveness of any such succession or assignment shall be a material breach of this Agreement and shall entitle Executive to terminate Executive's employment for Good Reason. As used in this Agreement, "EMPLOYER" means SSP Solutions. Inc. and any successor or assign to its business and/or assets which executes and delivers the Agreement provided for in this Section or which otherwise becomes bound by all the terms and provisions of this Agreement by operation of law. If at any time during the term of this Agreement Executive is employed by any company a majority of the voting securities of which is then owned by Employer, "EMPLOYER" as used in this Agreement shall in addition include that subsidiary company. In that event, Employer agrees that it shall pay or shall cause the subsidiary company to pay any amounts owed to Executive pursuant to this Agreement.

13.4 This Agreement replaces and merges all previous agreements and discussions relating to the same or similar subject matters between Executive and Employer with respect to the subject matter of this Agreement. This Agreement may not be modified in any respect by any verbal statement, representation or agreement made by any employee, officer, or representative of Employer or by any written agreement unless signed by an officer of Employer who is expressly authorized by Employer to execute that document.

13.5 The laws of the State of California will govern the interpretation, validity and effect of this Agreement without regard to principles of conflicts of law, the place of execution or the place for performance thereof. Employer and Executive agree that the state and federal courts situated in Fresno County, California shall have personal jurisdiction over Employer and Executive to hear all disputes arising under this Agreement. This Agreement is to be at least partially performed in Fresno County, California and, as such, Employer and Executive agree that venue shall be proper with the state or federal courts in Fresno County, California to hear such disputes.

13.6 Executive and Employer shall execute and deliver any and all additional instruments and agreements that may be necessary or proper to carry out the purposes of this Agreement.

13.7 The descriptive headings of the several sections of this Agreement are inserted for convenience only and do not constitute a party of this Agreement.

13.8 This Agreement may be executed in one or more counterparts, all of which shall be considered one and the same Agreement.

13.9 Executive acknowledges that Executive has had the opportunity to read this Agreement and discuss it with advisors and legal counsel, if Executive has so chosen. Executive also acknowledges the importance of this Agreement and that Employer is relying on this Agreement in entering into an employment relationship with Executive.

(Signature page follows.)

The undersigned, intending to be legally bound, have executed this Agreement on the date first written above.

EMPLOYER: PACIFIC ETHANOL, INC.

By: /S/ RYAN TURNER

Ryan Turner, Chief Operating Officer

EXECUTIVE: /S/ TOM KOEHLER

Tom Koehler

APPENDIX I

ADDITIONAL DEFINITIONS

For purposes of this Agreement, the following additional capitalized terms shall have the respective definitions set forth below:

AUDITORS. The term "AUDITORS" means Employer's independent auditors.

BENEFIT PLAN. The term "BENEFIT PLAN" means any benefit plan or arrangement (including, without limitation, Employer's profit sharing or stock option plans, if any, and medical, disability and life insurance plans) in which Executive is participating (or any other plans providing Executive with substantially similar benefits).

CHANGE IN CONTROL. A "CHANGE IN CONTROL" of Employer shall be deemed to have occurred if, in a single transaction or series of related transactions: (i) any person (as such term is used in Section 13(d) and 14(d) of the Securities Exchange Act of 1934 ("Exchange Act")), other than a trustee or fiduciary holding securities under an employment benefit program is or becomes a "beneficial owner" (as defined in Rule 13-3 under the Exchange Act), directly or indirectly of securities of Employer representing 51% or more of the combined voting power of Employer, (ii) there is a merger (other than a reincorporation merger) or consolidation in which Employer does not survive as an independent company, or (iii) the business of Employer is disposed of pursuant to a sale of assets.

CODE. The term "CODE" means the Internal Revenue Code of 1986, as amended.

DUE CAUSE. The term "DUE CAUSE" means any of the following events:

(a) any intentional misapplication by Executive of Employer's funds or other material assets, or any other act of dishonesty injurious to Employer committed by Executive; or

(b) Executive's conviction of (i) a felony or (ii) a crime involving moral turpitude; or

(c) Executive's use or possession of any controlled substance or chronic abuse of alcoholic beverages, which use or possession the Board reasonably determines renders Executive unfit to serve in his capacity as a senior executive of Employer; or

(d) Executive's breach, nonperformance or nonobservance of any of the terms of this Agreement, including but not limited to Executive's failure to adequately perform his duties or comply with the reasonable directions of the Board. Notwithstanding anything in the foregoing subsections (c) or (d) to the contrary, Employer shall not terminate Executive unless the Board first provides Executive with a written memorandum describing in detail how his performance hereunder is not satisfactory and Executive is given a reasonable period of time (not less than 30 days) to remedy the unsatisfactory performance

related by the Board to Executive in that memorandum. A determination of whether Executive has satisfactorily remedied the unsatisfactory performance shall be promptly made by a majority of the disinterested directors of the Board (or the entire Board, but not including Executive, if there are no disinterested directors) at the end of the period provided to Executive for remedy, and their determination shall be final.

GOOD REASON. The term "GOOD REASON" as used in this Agreement shall mean any of the following which occur without Executive's express written consent:

(e) a general assignment by Employer for the benefit of creditors or filing by Employer of a voluntary bankruptcy petition or the filing against Employer of any involuntary bankruptcy which remains undismissed for thirty days or more or if a trustee, receiver or liquidator is appointed;

(f) any material changes in Executive's titles, duties or responsibilities; or

(g) Executive is not paid the compensation and benefits required under this Agreement;

PROVIDED, HOWEVER, that any of the foregoing actions shall not be considered to be Good Reason if the action is undertaken by Employer as a termination for Due Cause.

EXHIBIT 10.9

STOCK PURCHASE AGREEMENT

THIS STOCK PURCHASE AGREEMENT (this "AGREEMENT") is made and entered into as of March 23, 2005, by and between Pacific Ethanol, Inc., a Delaware corporation (the "SELLER,") and Barry Siegel, an individual ("Purchaser").

RECITALS

A. Seller is the record and beneficial owner of one hundred (100) shares of the common stock, no par value per share ("COMMON STOCK") of Sentaur Corp., a Florida corporation (the "COMPANY").

B. Seller desires to sell, transfer and assign to Purchaser one hundred (100) shares of the Company's Common Stock and Purchaser desires to purchase and receive such shares from Seller on the terms and subject to the conditions set forth herein.

AGREEMENT

NOW, THEREFORE, in consideration of the foregoing recitals, and of the mutual covenants and subject to the conditions hereinafter set forth, the parties agree as follows:

1. PURCHASE AND SALE OF THE SHARES.

1.1 PURCHASE AND SALE OF THE SHARES. Seller does hereby sell, transfer, assign and deliver to Purchaser, and Purchaser does hereby purchase and acquire from Seller on the terms and for the consideration specified herein, one hundred (100) shares of the Company's Common Stock (the "SHARES").

1.2 PURCHASE PRICE AND PAYMENT FOR THE SHARES. The aggregate purchase price for the Shares shall be Five Thousand Dollars ($5,000). Concurrently with the delivery by Seller to the Company of stock certificates representing, at least in part, the Shares (the "SELLER'S CERTIFICATE"), Purchaser shall deliver to Seller Five Thousand Dollars ($5,000) (the "PURCHASE PRICE") in cash, certified check or by wire transfer to an account designated by Seller.

1.3 DELIVERY OF STOCK CERTIFICATES. Concurrently with the delivery of the Purchase Price to Seller, Seller shall deliver to the Company Seller's Certificate representing shares of Common Stock of the Company held in Seller's name, accompanied by a duly endorsed share assignment separate from certificate and irrevocable instructions to cancel Seller's Certificate and issue and deliver to (a) Seller a stock certificate in Seller's name for a number of shares of the Company's Common Stock equal to the total amount of shares of the Company's Common Stock represented by Seller's Certificate less the Shares transferred pursuant to this Agreement, and (b) a stock certificate in Purchaser's name representing the Shares.

2. REPRESENTATIONS AND WARRANTIES OF SELLER.

Seller represents and warrants as follows:

2.1 CAPACITY AND AUTHORITY. Seller has full legal power, capacity and authority to sell the Shares and to make, execute, deliver and perform this Agreement.

3. REPRESENTATIONS AND WARRANTIES OF PURCHASER.

Purchaser represents and warrants as follows:

3.1 CAPACITY AND AUTHORITY. Purchaser has full legal power, capacity and authority to purchase the Shares and to make, execute, deliver and perform this Agreement.

3.2 INVESTMENT INTENT. The Shares to be received by Purchaser are being

acquired for investment for Purchaser's own account, and not with a view to the resale or distribution of any part thereof, and Purchaser has no present intention of selling, granting any right of participation in, or otherwise distributing or disposing of the Shares.

3.3 NO REGISTRATION. Purchaser understands that the Shares have not been registered or qualified under the Securities Act of 1933 (the "SECURITIES ACT") or any state securities laws.

3.4 TRANSFERABILITY RESTRICTIONS. Purchaser understands that the transferability of the Shares will be restricted by federal and state securities laws. Purchaser further understands that he will make no disposition of the Shares unless a registration statement under the Securities Act is in effect with respect to such Shares or, in the alternative, an exemption from registration under the Securities Act is found to be available to the reasonable satisfaction of the Company. Purchaser further understands and agrees that the following legend will be placed on the certificates and instruments representing the Shares:

> THE SECURITIES REPRESENTED BY THIS CERTIFICATE HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "ACT"). THEY HAVE BEEN ACQUIRED BY THE HOLDER FOR INVESTMENT AND MAY NOT BE PLEDGED, HYPOTHECATED, SOLD, TRANSFERRED OR OTHERWISE DISPOSED OF EXCEPT AS MAY BE AUTHORIZED UNDER THE ACT AND THE RULES AND REGULATIONS PROMULGATED THEREUNDER.

The certificate representing the Shares will also bear any legend required by the laws of any state that has jurisdiction over the offering represented by the terms of this Agreement.

4. MISCELLANEOUS.

4.1 ENTIRE AGREEMENT. This Agreement constitutes the entire agreement between the parties pertaining to its subject matter, and supersedes all prior or contemporaneous written or oral agreements and understandings of the parties, either expressed or implied. The parties hereto may, by mutual agreement in writing executed by all parties, amend this Agreement in any respect.

4.2 GOVERNING LAW. This Agreement shall in all respects be governed by the laws of the State of California, as such laws are applied to agreements between California residents entered into and to be performed entirely within California.

4.3 COUNTERPARTS. This Agreement may be executed in two or more facsimile counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

4.4 ATTORNEYS' FEES. If any party shall bring an action at law or equity against the other to enforce or interpret any of the covenants and provisions of this Agreement, the prevailing party in such action shall be entitled to reasonable attorneys' fees.

4.5 INUREMENT. This Agreement shall be binding upon and inure to the benefit of the successors, assigns, personal representatives, heirs and legatees of the respective parties.

4.6 SURVIVAL OF REPRESENTATIONS AND WARRANTIES. The representations and warranties of the parties made herein shall survive the consummation of the transactions contemplated hereby.

4.7 REPRESENTATION BY COUNSEL. Purchaser and Seller have each been advised to seek his own counsel and has done so to the extent he deems appropriate.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date first set forth above.

PACIFIC ETHANOL, INC.	BARRY SIEGEL
By: /S/ NEIL KOEHLER	By: /S/ BARRY SIEGEL

ASSIGNMENT AND
ASSUMPTION OF CONTRACTS

This Assignment and Assumption of Contracts (the "Agreement") is made and entered into effective as of March 23, 2005 (the "Effective Date") by and between Accessity, a New York corporation (the "Assignor"), and Sentaur Corp., a Florida corporation (the "Assignee").

WITNESSETH:

WHEREAS, Assignor and Assignee are parties to that certain Stock Purchase Agreement, dated March 23, 2005, 2005 (the "Purchase Agreement");

WHEREAS, Assignor is a party to, or has obligations with respect to, certain contracts, as set forth on Exhibit A hereto (the "Assumed Contracts"); and

WHEREAS, Assignor has agreed to assign the Assumed Contracts to Assignee and Assignee has agreed to assume the obligations of Assignor under the Assumed Contracts, on the terms and conditions set forth herein.

NOW, THEREFORE, in consideration of the foregoing, and for other good and valuable consideration, the receipt and sufficiency of which hereby are acknowledged, the parties agree as follows:

1. On the Effective Date, Assignor hereby assigns and delivers to Assignee, its successors and permitted assigns: (a) all of Assignor's right, title and interest in, to and under the Assumed Contracts; (b) any and all rights of Assignor to extend or renew the Assumed Contracts; and (c) any and all other rights, options and privileges granted to Assignor, as the contracting party thereunder, from and after the Effective Date, subject to the covenants, terms and conditions contained in each of the respective Assumed Contracts.

2. Assignee hereby accepts the assignment of the Assumed Contracts from Assignor and hereby assumes the obligation to observe and perform all of the terms, covenants and conditions thereof to be observed or performed by Assignor thereunder after the Effective Date, with the same force and effect as if Assignee had executed the Assumed Contracts originally as the contracting party named therein.

3. This Agreement shall be construed in accordance with the laws of the State of Delaware.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date first above written.

ACCESSITY CORP.

By: /S/ BARRY SIEGEL

Name: Barry Siegel

Title: Chairman and Ceo

SENTAUR CORP.

By: /S/ BARRY SIEGEL

Name: Barry Siegel

Title: Chairman and Ceo

EXHIBIT 10.10

PACIFIC ETHANOL, INC.
5711 N. West Avenue
Fresno, California 93711

March 23, 2005

Mr. Neil M. Koehler
5711 N. West Avenue
Fresno, CA 93711

Dear Mr. Koehler:

This Letter Agreement memorializes the terms of an agreement between you and Pacific Ethanol, Inc., a Delaware corporation (the "COMPANY"), regarding the indemnification obligations of the Company with respect to that certain Guaranty made by you in favor of Comerica Bank under which you guarantee the payment by Kinergy Marketing, LLC, an Oregon limited liability company ("KINERGY") of any existing or future indebtedness to Comerica Bank. This Guaranty was made in connection with Kinergy's execution of the (i) Master Revolving Note in favor of Comerica Bank, dated September 24, 2004 ("NOTE"); (ii) Security Agreement in favor of Comerica Bank dated September 24, 2004 ("SECURITY AGREEMENT"); (iii) letter agreement with Comerica Bank dated September 24, 2004 ("LETTER AGREEMENT"); (iv) Irrevocable Standby Letter of Credit No. 595744-41 issued by Comerica Bank dated as of October 1, 2004, as amended on March 3, 2005 ("LETTER OF CREDIT NO. 1"); and (v) Irrevocable Standby Letter of Credit No. 595743-41 issued by Comerica Bank dated as of October 1, 2004, as amended on March 3, 2005 ("LETTER OF CREDIT NO. 2"). The Note, Security Agreement, Letter Agreement, Letter of Credit No. 1 and Letter of Credit No. 2 are collectively referred to herein as the "LOAN AGREEMENTS." The effective date of this Letter Agreement shall be as of the date first set forth above.

Kinergy is a party to that certain Share Exchange Agreement (the "SHARE EXCHANGE AGREEMENT") dated as of May 14, 2004, as amended on July 29, 2004, October 1, 2004, January 7, 2005, February 16, 2005 and March 3, 2005, by and among Accessity Corp., a New York Corporation ("ACCESSITY"), Pacific Ethanol, Inc., a California corporation ("PEI"), Kinergy, ReEnergy, LLC, a California limited liability company ("REENERGY"), each of the shareholders and holders of options or warrants to acquire shares of common stock of the Corporation, and each of the limited liability company members of each of ReEnergy and Kinergy. Pursuant to such Share Exchange Agreement, each of PEI, Kinergy and ReEnergy will become a wholly-owned subsidiary of the Company following a reincorporation merger of Accessity with and into the Company. The transactions contemplated by the Share Exchange Agreement shall be referred to herein as the "SHARE EXCHANGE TRANSACTION."

Kinergy has obtained the written consent of Comerica Bank to the Share Exchange Transaction and the resulting change in control of Kinergy. Because you will no longer be the member or manager of Kinergy after the close of the Share Exchange Transaction, the Company has agreed to replace you as guarantor under the Guaranty. Such replacement is to occur as soon as reasonably practicable after the closing of the Share Exchange Transaction.

Prior to the date that you are effectively replaced as guarantor under the Guaranty, the Company shall indemnify, defend and hold harmless you, your agents and representatives for all losses, claims, liabilities and damages caused or arising from out of (a) the Company's failure to pay its indebtedness under the Loan Agreements such that you are required to pay such amounts to Comerica Bank pursuant to the Guaranty, or (b) a breach of the Company's duties to indemnify and defend as set forth in this paragraph.

If the foregoing terms are consistent with our understanding and agreement, please sign the additional copy of this Letter Agreement. By executing this Letter Agreement, the undersigned person represents and warrants that he has been duly authorized to execute this Letter Agreement on his

company's behalf.

Sincerely,

PACIFIC ETHANOL, INC.,
a Delaware corporation

By: /S/ RYAN TURNER

Ryan Turner
Chief Operating Officer

ACCEPTED AND AGREED TO:

/S/ NEIL M. KOEHLER
- ---
NEIL M. KOEHLER

EXHIBIT 10.11

ASSIGNMENT OF TERM LOAN AGREEMENT
AND DEED OF TRUST

THIS ASSIGNMENT OF TERM LOAN AGREEMENT AND DEED OF TRUST is made and entered into effective as of March 23, 2005 by and between PACIFIC ETHANOL, INC., a California corporation ("ASSIGNOR"), PACIFIC ETHANOL, INC., a Delaware corporation ("ASSIGNEE"), WILLIAM L. JONES, an individual ("JONES"), and LYLES DIVERSIFIED, INC., a California corporation ("LDI").

R E C I T A L S:

A. Assignor executed that certain Term Loan Agreement by and among LDI, as Lender, and Assignor, as Borrower, dated as of June 16, 2003, and amended on July 29, 2004 and on March 10, 2005 (as amended, the "AGREEMENT"), which provides for a term loan from LDI to Assignor in the amount of $5,100,000 (the "LOAN"). The Agreement also provides that LDI has the right to purchase shares of common stock or to convert up to $1,500,000 of the principal owing under the Agreement to shares of common stock of Assignor.

B. Repayment of the Loan under the Agreement was and is secured by that certain Deed of Trust (Non-Construction) Security Agreement and Fixture Filing with Assignment of Rents dated June 20, 2003, executed by Assignor, as Trustor, and LDI, as Beneficiary, naming Chicago Title Company as Trustee (the "DEED OF TRUST"), recorded May 14, 2004 as Instrument No. 2004020570, in the Official Records of Madera County, California. The Deed of Trust encumbers certain real property located in the County of Madera, State of California, more particularly described in EXHIBIT "A" attached hereto and incorporated herein (the "PROPERTY"), and all tangible personal property now owned or hereafter located on the Property.

C. Repayment of the Loan under the Agreement was and is guaranteed under that certain Continuing Guaranty dated as of June 20, 2003 by and among William L. Jones, as Guarantor, and LDI, as Lender (the "GUARANTY").

D. Assignor desires to assign the Agreement and Deed of Trust, and its rights and obligations thereunder, to Assignee, and Assignee desires to accept such assignment (the "ASSIGNMENT"), in connection with the share exchange transaction (the "SHARE EXCHANGE TRANSACTION") pursuant to that certain Share Exchange Agreement by and among Assignor, Accessity Corp., a New York corporation ("ACCESSITY"); Kinergy Marketing, LLC, an Oregon limited liability company ("KINERGY"); ReEnergy, LLC, a California limited liability company ("REENERGY"); the shareholders and warrantholders of Assignor, and the limited liability company members of Kinergy and ReEnergy, dated as of May 14, 2004 and subsequently amended by Amendment No. 1 to Share Exchange Agreement dated as of July 29, 2004, Amendment No. 2 to Share Exchange Agreement dated as of October 1, 2004, Amendment No. 3 to Share Exchange Agreement dated as of January 7, 2005, Amendment No. 4 to Share Exchange Agreement dated as of February 16, 2005, and Amendment No. 5 to Share Exchange Agreement dated as of March 3, 2005. Pursuant to such Share Exchange Transaction, the shareholders of Assignor will exchange all of their shares of common stock of Assignor for shares of common stock of Accessity and thereby become a wholly-owned subsidiary of Accessity.

E. Assignor desires to sell, pursuant to the Securities Purchase Agreements by and between the Assignor and various investors, up to 700 units ("UNITS") at a purchase price of $30,000 per Unit, with each Unit consisting of 10,000 shares of Assignor's common stock, a two-year warrant to purchase 2,000 shares of common stock at an exercise price of $3.00 per share, and a two-year warrant to purchase 1,000 shares of common stock at an exercise price of $5.00 per share (the "SECURITIES PURCHASE TRANSACTION").

F. LDI desires to consent to the Assignment and Share Exchange Transaction as described herein.

NOW, THEREFORE, in consideration of the foregoing recitals and the mutual covenants and agreements of the parties herein, Assignor and Assignee hereby agree as follows:

1. ASSIGNMENT. Assignor hereby transfers, releases, assigns and delivers unto Assignee and its successors and assigns, the Agreement and Deed of Trust, together with all liens, security interests, guaranties, assignments, covenants, rights and obligations of Assignor in any way related to the Agreement and Deed of Trust. Assignment of the Deed of Trust shall be additionally evidenced by Assignor's execution of an Assignment of Interest in Deed of Trust in the form attached hereto as EXHIBIT "B" ("ASSIGNMENT OF DEED OF TRUST").

2. ACKNOWLEDGMENT AND ACCEPTANCE BY ASSIGNEE. Assignee hereby acknowledges and accepts the foregoing Assignment and assumes all of the rights and obligations hereby assigned.

3. CONSENT TO ASSIGNMENT, SHARE EXCHANGE TRANSACTION AND SECURITIES PURCHASE TRANSACTION. LDI hereby consents to the foregoing Assignment, Share Exchange Transaction and Securities Purchase Transaction, and acknowledges that Assignee will hereafter be solely responsible for all obligations under the Agreement and Deed of Trust.

4. CONTINUATION OF GUARANTY. Jones hereby agrees that the Guaranty shall continue in full force and effect with respect to Assignee's repayment of the Loan under the terms of the Agreement.

5. FURTHER COOPERATION. Each of the parties hereto agree to execute and deliver such further documents, instruments and agreements, and to take any and all such other actions and undertakings as may be reasonably necessary or incidental to effectuate and carry out the provisions of this Assignment.

4. ATTORNEY'S FEES. In the event of any dispute between the parties hereto involving the covenants, representations and/or warranties herein contained or arising out of the subject matter of this Assignment, the prevailing party shall be entitled to recover reasonable expenses, attorney's fees and costs.

5. BINDING EFFECT. This Assignment shall be binding upon and shall inure to the benefit of each of the parties hereto, and their respective successors and assigns.

6. COUNTERPARTS. This Assignment may be executed in one or more counterparts, and all so executed shall constitute one agreement binding on all parties hereto, notwithstanding that all parties are not signatories to the original or the same counterpart.

7. GOVERNING LAW. This Assignment shall be governed by and construed in accordance with the laws of the State of California.

8. AMENDMENT. This Assignment shall not be amended or modified in any way except by a written instrument executed by the parties hereto.

IN WITNESS WHEREOF, the parties have executed this Assignment as of the date first above written.

ASSIGNOR: PACIFIC ETHANOL, INC.,
a California corporation

By: /S/ NEIL KOEHLER

Neil Koehler, Chief Executive Officer

ASSIGNEE: PACIFIC ETHANOL, INC.,
a Delaware corporation

By: /S/ NEIL KOEHLER

Neil Koehler, Chief Executive Officer

JONES:

/S/ WILLIAM L. JONES

WILLIAM L. JONES

LDI:

LYLES DIVERSIFIED, INC., a California corporation

By:/S/ WILLIAM LYLES

William Lyles, Vice President

EXHIBIT "A" TO ASSIGNMENT OF
TERM LOAN AGREEMENT AND DEED OF TRUST

LEGAL DESCRIPTION OF PROPERTY

Property description is attached hereto.

EXHIBIT "B"

ASSIGNMENT OF DEED OF TRUST

RECORDING REQUESTED BY AND
WHEN RECORDED MAIL TO:

Rutan & Tucker, LLP
P.O. Box 1950
Costa Mesa, CA 92626
Attn: Kimberly Riker, Esq.

==========

(Space above line for Recorder's use only.)

ASSIGNMENT OF INTEREST IN DEED OF TRUST

FOR VALUE RECEIVED, the undersigned, PACIFIC ETHANOL, INC., a California corporation ("ASSIGNOR"), grants, assigns, and transfers to PACIFIC ETHANOL, INC., a Delaware corporation ("ASSIGNEE"), all of its right, title, and interest in and to that certain Deed of Trust (Non-Construction) Security Agreement and Fixture Filing with Assignment of Rents dated June 20, 2003, executed by PACIFIC ETHANOL, INC., a California corporation, as Trustor, in favor of LYLES DIVERSIFIED, INC., a California corporation ("LDI"), as Beneficiary, naming Chicago Title Company as Trustee, recorded May 14, 2004 as Instrument No. 2004020570, in the Official Records of Madera County, California (the "DEED OF TRUST").

The Deed of Trust encumbers that certain real property located in the County of Madera, State of California, as more particularly described in EXHIBIT "A" attached hereto and incorporated herein by reference.

Assignor further grants, assigns and transfers to Assignee, Assignor's rights and obligations under that certain Term Loan Agreement dated June 16, 2003, and amended on July 29, 2004 and on March 10, 2005, which was executed by Assignor, as borrower, in favor of LDI, as lender, and which provides for a term loan in the original principal amount of FIVE MILLION ONE HUNDRED DOLLARS ($5,100,000), (the "LOAN AGREEMENT"), together with all money due and to become

due under the Loan Agreement with interest, and all rights and obligations of Assignor under the Deed of Trust.

[End of Document - Signature on Next Page]

IN WITNESS WHEREOF, Assignor has executed this Assignment of Interest in Deed of Trust as of March 23, 2005.

PACIFIC ETHANOL, INC.,
a California corporation

By:/S/ NEIL KOEHLER

Neil Koehler, Chief Executive Officer

STATE OF CALIFORNIA)
) ss.
COUNTY OF ORANGE)

On March 23, 2005 before me, Collene Houston, personally appeared Neil Koehler_____ _____ personally known to me (or proved to me on the basis of satisfactory evidence) to be the person whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his authorized capacity, and that by his signature on the instrument the person or the entity upon behalf of which the person acted, executed the instrument.

Witness my hand and official seal.

/S/ COLLENE HOUSTON

Notary Public

[SEAL]

EXHIBIT "A" TO ASSIGNMENT OF DEED OF TRUST

LEGAL DESCRIPTION OF PROPERTY

Property description is attached hereto.

EXHIBIT 10.12

TERM LOAN AGREEMENT
(LYLES DIVERSIFIED, INC. -PACIFIC ETHANOL, INC.)

THIS TERM LOAN AGREEMENT (the "LOAN AGREEMENT") is made effective as of June 16,2003, by and between LYLES DIVERSIFIED, INC., a California corporation (the "LENDER") and PACIFIC ETHANOL, INC., a California corporation (the "BORROWER").

A. Borrower has agreed to purchase certain real property consisting of approximately 137 acres located in Madera County, California, on Avenue 12 about four miles east of Highway 99 (the "REAL PROPERTY"). The Real Property is being offered for sale by the trustee for the bankruptcy estate of Coast Grain Company. The Real Property includes certain improvements and fixtures, including, but not limited to, a grain storage and processing facility, an office building, and two railroad sidings (the "EXISTING FACILITIES").

B. Borrower intends to expand the Existing Facilities by constructing an ethanol production facility on the Real Property (the "MADERA FACILITY"). Borrower also intends, at some future date, to construct a second ethanol production facility in California (the "SECOND FACILITY"). Borrower has selected W.M. Lyles Co. (the "BUILDER") as the general contractor for the Madera Facility and the Second Facility. The Lender is the parent company of Builder. Borrower and Builder intend to enter into a design-build construction contract for the construction of the Madera Facility and, at a later date enter into a second design-build construction contract for the Second Facility (the "DESIGN-BUILD CONTRACT").

C. Borrower requires financing to complete its acquisition of the Real Property and Lender has agreed to loan monies and/or extend other financial accommodations to Borrower against the security of the Real Property, subject to the terms and conditions of this Loan Agreement.

NOW THEREFORE, in consideration of the mutual terms and conditions contained herein, the parties agree as follows:

1. FACILITIES

1.1 THE TERM LOAN. Lender agrees to make a term loan to Borrower in the amount of $5,100,000.00. The credit facility described in this Section shall be referred to below as the "TERM LOAN". The Borrower will pay interest on all amounts owing under the Term loan until payment in full of any principal outstanding thereunder.

1.2 INITIAL ADVANCE; DEPOSIT. On March 24,2003 Lender made an initial advance to Borrower under the Term Loan in the principal amount of $510,000.00, which Borrower used as a good-faith deposit for the purchase of the Real Property (the "DEPOSIT"). Interest will accrue from March 24,2003 on the principal amount of the Deposit, at the rates indicated in Paragraph 1.3 of this Loan Agreement.

1.3 REPAYMENT TERMS.

(a) INTEREST RATE. Interest under the Term Loan will accrue at the following rates:

(i) A rate of five percent (5.00%) per annum through June 19, 2004.

(ii) A rate per annum equal to the "WALL STREET JOURNAL PRIME RATE" (as defined in Section 1.2(b)) plus two percentage points (2.00%) from June 20,2004 until the Maturity Date (as defined in Section 1.3(d)).

(b) DEFINITION OF WALL STREET JOURNAL PRIME RATE. The "WALL STREET JOURNAL PRIME RATE" for any day is a fluctuating rate of interest equal

to the highest rate published from time to time in the "MONEY RATES" section of The Wall Street Journal as the Prime Rate for such day (or, if such source is not available, such alternate source as determined by the Lender).

(c) COMPUTATION AND PAYMENT OF INTEREST. Interest shall be based on a 365 day year and compounded monthly. Interest shall be paid monthly commencing on June 20,3004, and continuing on the twentieth (20th) day of each month thereafter. If interest is not paid as it becomes due, it may be added to, become and be treated as a part of the principal, and shall thereafter bear like interest.

(d) PRINCIPAL PAYMENTS/MATURITY DATE. One third of the principal outstanding on June 20,2006 shall be paid on that date. Half of the principal outstanding on June 20, 2007 shall be paid on that date. All remaining outstanding principal, together with any accrued interest thereon, shall be due and payable on June 20,2008, (the "MATURITY DATE").

(e) ADDITIONAL PRINCIPAL PAYMENTS. Borrower shall be rewired to prepay the principal owing under the Term Loan in the following circumstances:

(i) should the construction cost for the Madera Facility to be constructed on the Real Property be less than $42.6 million then Borrower shall promptly pay lender the difference between the actual construction cost and $42.6 million: and

(ii) should Borrower obtain construction funding for the Second Facility Borrower shall promptly pay Lender all principal and accrued interest then outstanding.

1.4 PREPAYMENT. Borrower may prepay any amount owing under the Term Loan, in whole or in part, at any time and without penalty, provided, however, that any partial prepayment shall first be applied, at Lender's option, to accrued and unpaid interest and next to the outstanding principal balance.

1.5 RIGHT TO CONVERT DEBT TO COMMON STOCK. Lender shall have the right to convert up to $1,500,000 of the principal owing to common shares of Borrower. Any principal converted shall be considered paid on the date of conversion and shall cease to accrue interest as of that date. The conversion of debt to stock shall occur by Lender purchasing up to a total of $1,500,000 worth of common shares at the fixed price of One 501100 Dollars ($1.50) per share. Lender may purchase shares under this conversion right up to and including March 31, 2005. Lender shall have no right pursuant to this Agreement to convert debt to stock ownership following that date. The expiration date for the right to convert debt to stock ownership cannot be extended irrespective of any performance, or lack of performance, of Borrower under the Loan Documents. If Borrower intends to prepay the principal prior to March 31,2005, Lender shall have the option to exercise its right to convert debt to common stock (as of the date of the proposed prepayment) in lieu of accepting the prepayment.

1.6 PAYMENT. If any payment required to be made by Borrower hereunder becomes due and payable on a day other than a Business Day (as defined below), the due date thereof shall be extended to the next succeeding Business Day and interest thereon shall be payable at the then applicable rate during such extension. Both principal and interest are payable in lawful money of the United States of America in same day funds at any place that Lender may, from time to time, in writing designate. "BUSINESS DAY" shall mean a day, other than a Saturday or Sunday, on which commercial Lenders are open for business in California.

1.7 DEFAULT RATE. If any amount owing under the Term Loan is not paid when due, whether at stated maturity, by acceleration, or otherwise, will bear interest from the date on which that amount is due until the amount is paid in full, payable on demand, at a rate which is two percent (2.00%) in excess of the rate or rates then in effect (the "DEFAULT RATE").

1.8 LATE PAYMENT. In addition to any other rights Lender may have hereunder, if any payment of principal or interest, or any portion thereof, under this Loan Agreement is not paid in accordance with the terms herein, a late payment charge equal to five percent (5%) of such past due payment may be

assessed and shall be immediately payable.

2. COLLATERAL, SUBORDINATION AND GUARANTY

2.1 REAL PROPERTY SECURITY. Borrower agrees to execute and deliver to Lender a deed of trust dated concurrently with this Loan Agreement (the "DEED OF TRUST") granting to Lender a first lien security interest on Real Property (the "COLLATERAL"), to secure the payment and performance of the obligations hereunder.

2.2 SUBORDINATION TO FINANCING. Lender agrees to execute and deliver to Borrower a subordination of Lender's security interest in the Collateral to the subsequent deed(s) of trust executed by Borrower to secure the financing necessary for the construction of the Madera Facility. The form and terms of the subordination shall be reasonably acceptable to the lender(s) that finance the Madera Facility construction.

2.3 GUARANTY. The obligations of Borrower under this Loan Agreement ("OBLIGATIONS") shall be secured by the continuing guaranty (the "GUARANTY") of William L. Jones, Chairman of the Board of Borrower. The Guaranty shall be limited to an amount equal to fifty percent of principal and interest outstanding under the Term Loan, and shall be further limited to a total amount not to exceed $1,000,000.00.

2.4 ADDITIONAL CONSIDERATION. As additional consideration, Borrower agrees that Lender will be engaged at the appropriate time, on mutually acceptable terms substantially similar to the Design-Build Contract for the Madera Facility, on a Design-Build Contract for the Second Facility irrespective of whether the Loan is repaid at the time Borrower is prepared to contract for the design and construction of that facility.

3. CONDITIONS OF LENDING

3.1 CONDITIONS PRECEDENT TO EXTENSION OF CREDIT. Lender's obligation to make the Term Loan is subject to the conditions precedent that Lender shall have received, before making such Term Loan, all of the following, in form and substance satisfactory to Lender:

(a) Evidence that the execution, delivery and performance by Borrower of the "LOAN DOCUMENTS" (as defined below) has been duly authorized. The term "LOAN DOCUMENTS" shall mean this Loan Agreement, the Deed of Trust, the Guaranty, and all other documents or instruments entered into between either Borrower and Lender, or by Borrower in favor of, or for the benefit of Lender, that recite that they are to secure the Obligations.

(b) The executed Deed of Trust.

(c) The executed Guaranty.

(d) Lender holds a duly authorized, created and perfected first priority security interest in the Collateral.

(e) The representations contained in Section 4 and in any other document, instrument or certificate delivered to Lender hereunder are true, correct and complete.

3.2 CONSENT OF OBLIGEES. As long as any principal amount of the Term Loan remains due and owing to Lender, consent of at least a majority of the obligees thereunder shall be required for any action that:

(a) alters or changes the rights, preferences or privileges of such obligees;

(b) creates any new debt that is senior to the Obligations hereunder;

(c) creates any new obligees with rights, preferences or privileges senior to the obligees hereunder;

(d) amends or waives any provision contained in any document evidencing Borrower's corporate existence, including, but not limited to, articles of incorporation and by-laws, related to the Obligations hereunder; or

(e) results in the payment or declaration of any dividend by Borrower.

4. REPRESENTATIONS AND WARRANTIES

Borrower hereby makes the representations and warranties to Lender set forth in this Section. Borrower agrees that each representation and warranty is continuing.

4.1 STATUS. Borrower is a corporation, duly formed and validly existing under the laws of the State of California.

4.2 AUTHORITY. The execution, delivery and performance by Borrower of the Loan Documents have been duly authorized and do not and will not: (i) violate any provision of any law, rule, regulation, order, writ, judgment, injunction, decree, determination or award presently in effect having application to Borrower; or (ii) result in a breach of or constitute a default under any material indenture or loan or credit agreement or other material agreement, lease or instrument to which Borrower is a party or by which it or its properties may be bound or affected.

4.3 LEGAL EFFECT. The Loan Documents, and any instrument, document or agreement required thereunder, when delivered to Lender, will constitute, legal, valid and binding obligations of Borrower and are enforceable against Borrower in accordance with their respective terms.

4.4 FINANCIAL STATEMENTS. All financial statements, information and other data which may have been or which may hereafter be submitted by Borrower to Lender are true, accurate and correct and have been or will be prepared in accordance with generally accepted accounting principles consistently applied and accurately represent the financial condition or, as applicable, the other information disclosed therein. Since the most recent submission of such financial information or data to Lender, Borrower represents and warrants that no material adverse change in Borrower's financial condition or operations has occurred which has not been fully disclosed to Lender in writing.

4.5 LITIGATION. Except as have been disclosed to Lender in writing, there are no actions, suits or proceedings pending or, to the knowledge of Borrower, threatened against or affecting Borrower or its properties before any court or administrative agency which, if determined adversely to Borrower, would have a material adverse effect on Borrower's financial condition or operations or on the Collateral.

4.6 TITLE TO ASSETS; PERMITTED LIENS. The Borrower has good and marketable title to all of its assets and the same are not subject to any security interest, encumbrance, lien or claim of any third person other than: (i) liens and security interests securing indebtedness owed by the Borrower to the Lender; (ii) liens for taxes, assessments or similar charges either not yet due or being duly contested in good faith; (iii) liens of mechanics, materialmen, warehousemen or other like liens arising in the ordinary course of business and securing obligations which are not yet delinquent; (iv) liens and security interests which, as of the date of this Agreement, have been disclosed to and approved by the Lender in writing; (v) purchase money liens or purchase money security interests upon or in any property acquired or held by the Borrower in the ordinary course of business to secure indebtedness outstanding on the date hereof or permitted to be incurred hereunder; (vi) liens in favor of any lender providing annual crop financing to Borrower; and (vii) those liens and security interests which in the aggregate constitute an immaterial and insignificant monetary amount with respect to the net value of the Borrower's assets (collectively "PERMITTED LIENS").

5. COVENANTS

Borrower covenants and agrees that, during the term of this Loan Agreement, and so long thereafter as Borrower is indebted to Lender under this Loan Agreement, Borrower will, unless Lender shall otherwise consent in writing:

5.1 USE OF PROCEEDS. Use the proceeds of the Term Loan only as purchase-money for the acquisition of the Real Property from the trustee of the bankruptcy estate of Coast Grain Company.

5.2 REPORTING AND CERTIFICATION REQUIREMENTS. Borrower shall deliver or cause to be delivered to Lender, so long as five percent of the total amount of the Term Loan (principal and accrued interest) remains outstanding, the following financial and other information:

(a) Not later than 120 days after the end of each of Borrower's fiscal years, a copy of Borrower's annual financial report for such year.

(b) Not later than 60 days after the end of each of Borrower's fiscal quarters, a copy of Borrower's financial report for that quarter.

(c) Not later than February 15 of any year, provide monthly cash flow and budget projections for such calendar year beginning.

5.3 PRESERVATION OF EXISTENCE; COMPLIANCE WITH APPLICABLE LAWS. Maintain and preserve the existence of its business and all rights and privileges now enjoyed; and conduct its business and operations in accordance with all applicable laws, rules and regulations.

5.4 MAINTENANCE OF INSURANCE. Maintain insurance in such amounts and covering such risks as is usually carried by companies engaged in similar businesses and owning similar properties in the same general areas in which Borrower owns property. With respect to insurance covering properties in which Lender maintains a security interest or lien, such insurance shall name Lender as loss payee pursuant to a loss payable endorsement satisfactory to Lender and shall not be altered or canceled except upon 30 days' prior written notice to Lender.

5.5 INSPECTION RIGHTS. Lender may, at any reasonable time and from time to time, conduct inspections and audits of the Collateral.

5.6 TRANSFER ASSETS. Not, after the date hereof, sell, contract for sale, convey, transfer, assign, lease or sublet, any of its assets (including, but not limited to, the Collateral) except in the ordinary course of business (and then only for full, fair and reasonable consideration) without Lender's prior written consent, which consent shall not be unreasonably withheld.

5.7 CHANGE IN NATURE OF BUSINESS. Not make any material change in its financial structure or the nature of its business as existing or conducted as of the date hereof.

5.8 NOTICE. Give Lender prompt written notice of any and all (i) Events of Default; (ii) litigation, arbitration or administrative proceedings to which Borrower is a party or which affects the Collateral, and in which the claim or liability exceeds $500,000.00; (iii) other matters which have resulted in, or might result in a material adverse change in the Collateral or the financial condition or business operations of Borrower.

6. EVENTS OF DEFAULT

Any one or more of the following described events shall constitute an event of default (an "EVENT OF DEFAULT") under this Loan Agreement:

6.1 NON-PAYMENT. Borrower shall fail to pay any Obligations when due.

6.2 NON-PERFORMANCE. Borrower shall fail in any material respect to perform or observe any term, covenant or agreement contained in the Loan Documents and any such failure shall continue unremedied for more than 60 days after the occurrence thereof.

6.3 REPRESENTATIONS AND WARRANTIES; FINANCIAL STATEMENTS. Any representation or warranty made by Borrower under or in connection with the Loan Documents or any financial statement given by Borrower, or any representation made by Borrower in any other document, instrument or certificate provided to Lender, shall prove to have been incorrect in any material respect when made or given or when deemed to have been made or given.

6.4 INSOLVENCY. Borrower shall: (i) become insolvent or be unable to pay its debts as they mature; (ii) make an assignment for the benefit of creditors or to an agent authorized to liquidate any substantial amount of its properties and assets; (iii) file a voluntary petition in Lenderruptcy or seeking reorganization or to effect a plan or other arrangement with creditors; (iv) file an answer admitting the material allegations of an involuntary petition relating to Lenderruptcy or reorganization or join in any such petition; (v) become or be adjudicated a Lendermpt; (vi) apply for or consent to the appointment of, or consent that an order be made, appointing any receiver, custodian or trustee, for itself or any of its properties, assets or businesses; or (vii) any receiver, custodian or trustee shall have been appointed for all or substantial part of its properties, assets or businesses and shall not be discharged within 60 days after the date of such appointment.

6.5 EXECUTION. Any writ of execution or attachment or any judgment lien shall be issued against any property of either Obligor and shall not be discharged or bonded against or released within 60 days after the issuance or attachment of such writ or lien.

6.6 SUSPENSION. Borrower shall voluntarily suspend the transaction of business or allow to be suspended, terminated, revoked or expired any permit, license or approval of any governmental body necessary to conduct Borrower's business as now conducted.

7. REMEDIES ON DEFAULT

Upon the occurrence of any Event of Default, Lender may, at its sole and absolute election, without demand and only upon such notice as may be required by law:

7.1 ACCELERATION. Declare any or all of Borrower's indebtedness owing to Lender, whether under this Loan Agreement or any other document, instrument or agreement, immediately due and payable, whether or not otherwise due and payable.

7.2 PROTECTION OF SECURITY INTEREST. Make such payments and do such acts as Lender, in its sole judgment, considers necessary and reasonable to protect its security interest or lien in the Collateral. Borrower hereby irrevocably authorizes Lender to pay, purchase, contest or compromise any encumbrance, lien or claim which Lender, in its sole judgment, deems to be prior or superior to its security interest.

7.3 FORECLOSURE. Enforce any security interest or lien given or provided for under this Loan Agreement or under any security agreement, mortgage, deed of trust or other document, in such manner and such order, as to all or any part of the properties subject to such security interest or lien, as Lender, in its sole judgment, deems to be necessary or appropriate and Borrower hereby waives any and all rights, obligations or defenses now or hereafter established by law relating to the foregoing.

8. MISCELLANEOUS

8.1 FURTHER ASSURANCES. From and after the date of this Agreement, Lender and Borrower agree to do such things, perform such acts, and make, execute, acknowledge and deliver such documents as may be reasonably necessary or proper and usual to carry out the purpose of the Loan Documents in accordance with their terms.

8.2 SURVIVAL OF REPRESENTATIONS. All representations, warranties, covenants, agreements, terms and conditions made herein shall survive the execution, delivery and closing of this Agreement and all transactions contemplated hereunder.

8.3 NOTICES. Any notice herein required or permitted to be given shall be in writing and may be (i) personally served, (ii) sent by United States mail and shall be deemed to have been given when deposited in the United States mail, registered or certified, with return receipt requested, with postage prepaid and properly addressed or (iii) sent by an established commercial courier service with written acknowledgment of receipt requested. For the purposes hereof, the addresses of the parties hereto (until notice of a change thereof is served as provided in this section) shall be as follows:

To Borrower:	To Lender:
PACIFIC ETHANOL, INC.	LYLES DIVERSIFIED, INC.
5711 North West Avenue	Post Office Box 4376
Fresno, California 93711	Fresno, California 93744
Fax: (559) 435-1478	Fax: (559) 487-7948

8.4 DESCRIPTIVE HEADINGS. The descriptive headings of the several sections of this Agreement are inserted for convenience and shall not be deemed to affect the meaning or construction of any of the provisions hereof.

8.5 COSTS AND EXPENSES. Lender and Borrower shall each pay their own respective costs and expenses incurred, or to be incurred, by said party in negotiating and preparing this Agreement, and all exhibits hereto, and in closing and carrying out the transactions contemplated by this Loan Agreement (including, without limitation, attorneys', paralegals', and other professionals' fees and costs).

8.6 SEVERABILITY. In case any provision in this Agreement shall be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions shall not in any way be affected or impaired thereby.

8.7 AMENDMENT PROVISION. The term "AGREEMENT" or "THIS AGREEMENT" and all reference thereto as used throughout this instrument shall mean this instrument as originally executed or, if later amended or supplemented, then as so amended or supplemented. Any amendment to this Agreement must be in writing signed by the party to be charged.

8.8 COUNTERPARTS. This Agreement may be executed in counterparts, each of which shall be an original, but all of which shall constitute one and the same Agreement.

8.9 APPLICABLE LAW. The Loan Documents and the rights and obligations of the parties thereto shall be governed by the laws of the State of California except to the extent that Lender has greater rights or remedies under federal law, in which case such choice of California law shall not be deemed to deprive Lender of such rights and remedies as may be available under federal law.

8.10 ASSIGNABILITY. The Loan Documents shall be binding upon the parties hereto and their respective successors and assigns, and shall inure to the benefit of the parties hereto and the successors and assigns of Lender. Lender may transfer or assign all or part of its interest hereunder to one or more of Lender's affiliated partnerships or funds managed by it or any of their respective directors, officers or partners.

8.11 INTEGRATED AGREEMENT. The Loan Documents constitute the entire and integrated agreement between Lender and Borrower relating to the Term Loan and all matters addressed herein and supersede all prior negotiations, communications, understandings and commitments relating thereto, whether written or oral. Should Borrower fail to complete a merger or a share exchange agreement with a public company by December 31,2004, the parties agree that the terms of the loan shall revert to the terms set out in the Letter of Intent dated March 10,2003, however, if such a merger does occur the Summary of Terms with Secured Debt with Equity shall be of no force or effect.

8.12 JURY TRIAL WAIVER; REFERENCE. In any judicial action or proceeding arising from or relating to this Agreement or the other Loan Documents, including any action or proceeding involving a claim based on or arising from an alleged tort, (i) Lender and Borrower hereby waive any right it or they may have to request or demand a trial by jury and (ii) if the action is before a court of

any judicial district of the State of California, either Lender or Borrower may

elect to have all decisions of fact and law determined by a reference in accordance with California Code of Civil Procedure section 638 m. If such an election is made, the parties shall designate to the court referee or referees selected under the auspices of the American Arbitration Association in the same manner as arbitrators are selected in Association-sponsored proceedings. The presiding referee of the panel, or the referee if there is a single referee, shall be an active attorney or retired judge. Judgment upon the award rendered by such referee or referees shall be entered in the court in which such proceeding was commenced in accordance with California Code of Civil Procedure sections 644 and 645.

8.13 VENUE. Venue for any action hereunder shall be in an appropriate court in Fresno, California, selected by Lender to which Borrower hereby.

IN WITNESS WHEREOF, the parties hereto have caused this Loan Agreement to be executed as of the date first above written.

LENDER:	BORROWER:
LYLES DIVERSIFIED, INC., a California corporation	PACIFIC ETHANOL, INC., a California corporation
By: /S/ WILLIAM M. LYLES William M. Lyles, President	By: /S/ NEIL KOEHLER Neil Koehler, CEO
By: /S/ WILL LYLES Will Lyles, Vice-President	By: /S/ RYAN TURNER Ryan Turner, Secretary/COO

RECORDING REQUESTED BY
AND WHEN RECORDED MAIL TO:

LYLES DIVERSIFIED, INC.
Post Office Box 4376
Fresno, California 93744
Attn: William M. Lyles, President

- ---

SPACE ABOVE THIS LINE FOR RECORDER'S USE ONLY

DEED OF TRUST (NON-CONSTRUCTION) SECURITY AGREEMENT
AND FIXTURE FILING WITH ASSIGNMENT OF RENTS

THIS DEED OF TRUST is made effective as of June 20, 2003, by and among PACIFIC ETHANOL, INC., a California corporation ("TRUSTOR"), CHICAGO TITLE COMPANY, a California corporation ("TRUSTEE"), and LYLES DIVERSIFIED, INC., a California corporation ("BENEFICIARY").

TRUSTOR HEREBY IRREVOCABLY GRANTS, TRANSFERS AND ASSIGNS to TRUSTEE, its successors and assigns, IN TRUST, WITH POWER OF SALE:

All that property now or hereafter acquired in the County of Madera, State of California, described in the attached EXHIBIT "A" (herein referred to as the "PROPERTY");

TOGETHER WITH, and including, without limitation: all of the buildings and improvements now or hereafter erected on the property; all of the easements, rights, rights-of-way, privileges, franchises, appurtenances, permits and licenses, including, but not limited to, permits to operate, emission reduction certificates, conditional use permits, and waste discharge requirements, now or hereafter belonging to, or in any way appertaining, or in any way arising out of

ownership, development, or operation of the Property, or in any way necessary, convenient, or required for TRUSTOR's use of the Property, or in any way being a means of access, to said property; all water and water rights, and pumps, pumping plants, and all shares of stock evidencing the foregoing, and all machinery, appliances and fixtures for generating or distributing water, all rents, issues, profits, royalties, revenue, income and other benefits of or arising from the use or enjoyment of all or any portion of the property or the buildings and improvements now or hereafter erected thereon (subject however to the right, reserved to TRUSTOR, to collect, receive and retain such rents, issues, profits, royalties, revenue, income and other benefits prior to any default hereunder or under the Loan Documents referenced below or other evidence of debt secured hereby); all gas, oil, water and mineral rights, profits and stock now or hereafter derived from, appurtenant to, or pertaining to the property (and any and all shares of stock evidencing the same); all vines, trees, trellises, irrigation equipment, and crops now or hereafter grown on the property; and all machinery, appliances and fixtures (including replacements and additions thereto) now or hereafter erected thereon.

EXHIBIT 10.13

REGISTRATION RIGHTS AGREEMENT

THIS REGISTRATION RIGHTS AGREEMENT (this "AGREEMENT") is made by and between PACIFIC ETHANOL, INC., a California corporation (the "COMPANY"), and the undersigned (the "INVESTOR") effective as of the date this Agreement is accepted by the Company.

This Agreement is being entered into pursuant to the Securities Purchase Agreement, dated as of the date hereof between the Company and the Investor (the "PURCHASE AGREEMENT").

The Company and the Investor hereby agree as follows:

1. DEFINITIONS. Capitalized terms used and not otherwise defined herein shall have the meanings given such terms in the Purchase Agreement or the Memorandum, as the case may be. As used in this Agreement, the following terms shall have the following meanings:

"ACCESSITY" has the meaning set forth in the Memorandum.

"ADVICE" shall have meaning set forth in SECTION 3(M).

"AFFILIATE" means, with respect to any Person, any other Person that directly or indirectly controls or is controlled by or under common control with such Person. For the purposes of this definition, "CONTROL," when used with respect to any Person, means the possession, direct or indirect, of the power to direct or cause the direction of the management and policies of such Person, whether through the ownership of voting securities, by contract or otherwise; and the terms of "AFFILIATED," "CONTROLLING" and "CONTROLLED" have meanings correlative to the foregoing.

"BOARD" shall have meaning set forth in SECTION 3(N).

"BUSINESS DAY" means any day except Saturday, Sunday and any day which shall be a legal holiday or a day on which banking institutions in the State of California generally are authorized or required by law or other government actions to close.

"CLOSING DATE" means the date of the closing of the Share Exchange Agreement.

"COMMISSION" means the Securities and Exchange Commission.

"COMMON STOCK" means the Company's common stock, no par value per share.

"EFFECTIVENESS DATE" means, with respect to the Registration Statement required to be filed hereunder, the earlier of (a) the 225th calendar day following the date of the Purchase Agreement, and (b) the fifth Trading Day following the date on which the Company is notified by the Commission that the Registration Statement will not be reviewed or is no longer subject to further review and comments.

"EFFECTIVENESS PERIOD" shall have the meaning set forth in SECTION 2.

"EXCHANGE ACT" means the Securities Exchange Act of 1934, as amended.

"FILING DATE" means the 151st day following the Closing Date.

"HOLDER" or "HOLDERS" means the holder or holders, as the case may be, from time to time of Registrable Securities pursuant to this Agreement or any other similar agreement between the Company and such holder.

"INDEMNIFIED PARTY" shall have the meaning set forth in

SECTION 5(c).

"INDEMNIFYING PARTY" shall have the meaning set forth in SECTION 5(c).

"LOSSES" shall have the meaning set forth in SECTION 5(a).

"MEMORANDUM" means the Company's Confidential Private Placement Memorandum dated February 2, 2005, as supplemented by that certain Supplement No. 1 to Confidential Private Placement Memorandum dated February 24, 2005, with respect to the offer and sale of up to 700 Units.

"PERSON" means an individual or a corporation, partnership, trust, incorporated or unincorporated association, joint venture, limited liability company, joint stock company, government (or an agency or political subdivision thereof) or other entity of any kind.

"PROCEEDING" means an action, claim, suit, investigation or proceeding (including, without limitation, an investigation or partial proceeding, such as a deposition), whether commenced or threatened.

"PROSPECTUS" means the prospectus included in the Registration Statement (including, without limitation, a prospectus that includes any information previously omitted from a prospectus filed as part of an effective registration statement in reliance upon Rule 430A promulgated under the Securities Act), as amended or supplemented by any prospectus supplement, with respect to the terms of the offering of any portion of the Registrable Securities covered by the Registration Statement, and all other amendments and supplements to the Prospectus, including post-effective amendments, and all material incorporated by reference in such Prospectus.

"REGISTRABLE SECURITIES" means (i) the Shares, (ii) the Warrant Shares, (iii) any shares of Common Stock issuable upon the exercise of Warrants issued to any broker-dealer or finder as compensation in connection with the financing that is the subject of the Purchase Agreement, and (iv) any securities issued or issuable with respect to such Shares by way of a stock dividend or stock split or in connection with a combination of shares, recapitalization, merger, consolidation or other reorganization including, without limitation, securities issued in connection with the Share Exchange Agreement, with respect to any of the securities referenced above.

"REGISTRATION STATEMENT" means the registration statements and any additional registration statements contemplated by SECTION 2 and SECTION 7(c), including (in each case) the Prospectus, amendments and supplements to such registration statement or Prospectus, including pre- and post-effective amendments, all exhibits thereto, and all material incorporated by reference in such registration statement.

"RULE 144" means Rule 144 promulgated by the Commission pursuant to the Securities Act, as such Rule may be amended from time to time, or any similar rule or regulation hereafter adopted by the Commission having substantially the same effect as such Rule.

"RULE 158" means Rule 158 promulgated by the Commission pursuant to the Securities Act, as such Rule may be amended from time to time, or any similar rule or regulation hereafter adopted by the Commission having substantially the same effect as such Rule.

"RULE 415" means Rule 415 promulgated by the Commission pursuant to the Securities Act, as such Rule may be amended from time to time, or any similar rule or regulation hereafter adopted by the Commission having substantially the same effect as such Rule.

"SECURITIES ACT" means the Securities Act of 1933, as amended.

"SHARE EXCHANGE AGREEMENT" has the meaning set forth in the Memorandum.

"SHARES" means the shares of Common Stock issued to the Investor pursuant to the terms of the Purchase Agreement (as exchanged for shares of Accessity in accordance with the terms of the Share Exchange

Agreement) and all other shares of Common Stock issued to all other investors pursuant to the terms of the Memorandum.

"WARRANTS" means the Common Stock purchase warrants issued or issuable to the Investor, and all other Common Stock purchase warrants issued to all other Investors pursuant to the Memorandum and the Common Stock purchase warrants issued or issuable to all broker-dealers or finders pursuant to the Memorandum (as each are exchanged for purchase warrants for shares of Accessity in accordance with the Share Exchange Agreement).

"WARRANT SHARES" means the shares of Common Stock issued or issuable upon exercise of the Warrants (as exchanged for shares of Accessity in accordance with the terms of the Share Exchange Agreement).

2. MANDATORY REGISTRATION. On the Filing Date, the Company shall prepare and file with the Commission a Registration Statement covering all Registrable Securities for an offering to be made on a continuous basis pursuant to Rule 415. The Registration Statement shall be on Form S-3 (except if the Company is not then eligible to register for resale the Registrable Securities on Form S-3, in which case such registration shall be on another appropriate form). The Company shall use its best efforts to cause the Registration Statement to be declared effective under the Securities Act as promptly as possible after the filing thereof and to keep such Registration Statement continuously effective under the Securities Act until such date as is the earlier of (x) the date when all Registrable Securities covered by such Registration Statement have been sold or (y) the date on which the Registrable Securities may be sold without any restriction pursuant to Rule 144 as determined by the counsel to the Company pursuant to a written opinion letter, addressed to the Company's transfer agent to such effect (the "EFFECTIVENESS PERIOD").

3. REGISTRATION PROCEDURES. In connection with the Company's registration obligations hereunder, the Company shall:

(a) (i) Prepare and file with the Commission on or prior to the Filing Date, a Registration Statement on Form S-3 (or if the Company is not then eligible to register for resale the Registrable Securities on Form S-3 such registration shall be on another appropriate form) in accordance with the method or methods of distribution thereof as specified by the Holders, and use its best efforts to cause the Registration Statement to become effective, but in any event not later than the Effectiveness Date, and remain effective as provided herein; PROVIDED, HOWEVER, that not less than three (3) Business Days prior to the filing of the Registration Statement or any related Prospectus or any amendment or supplement thereto (including any document that would be incorporated therein by reference), the Company shall (i) furnish to the Holders copies of all such documents proposed to be filed, which documents (other than those incorporated by reference) will be subject to the review of such Holders, and (ii) cause its officers and directors, counsel and independent certified public accountants to respond to such inquiries as shall be necessary, in the reasonable opinion of counsel to such Holders, to conduct a reasonable investigation within the meaning of the Securities Act. The Company shall not file the Registration Statement or any such Prospectus or any amendments or supplements thereto to which the Holders of a majority of the Registrable Securities shall reasonably object in writing within two (2) Business Days of their receipt thereof. The Company shall promptly notify the Holders via facsimile of the effectiveness of the Registration Statement on the second Trading Day after the Company receives notification of the effectiveness from the Commission. Failure to so notify the Holder within 1 Trading Day of such notification shall be deemed an Event under Section 2(a)(ii). The Company shall, within two Trading Days after the day that the Company receives notification of the effectiveness from the Commission, file a Form 424(b)(5) with the Commission.

(ii) If: (i) a Registration Statement is not filed on or prior to the Filing Date (if the Company files a Registration Statement without affording the Holder the opportunity to review and comment on the same as required by Section 3(a), the Company shall not be deemed to have satisfied this clause (i)), or (ii) the Company fails to file with the Commission a request for acceleration in accordance with Rule 461 promulgated under the Securities Act, within five Trading Days of the date that the Company is notified (orally or in writing, whichever is earlier) by the Commission that a Registration Statement

will not be "reviewed," or is not subject to further review, or (iii) a Registration Statement filed or required to be filed hereunder is not declared effective by the Commission on or before the Effectiveness Date, or (iv) after a Registration Statement is first declared effective by the Commission, it ceases for any reason to remain continuously effective as to all Registrable Securities for which it is required to be effective, or the Holders are not permitted to utilize the Prospectus therein to resell such Registrable Securities, for more than an aggregate of 45 Trading Days during any 12-month period (which need not be consecutive Trading Days) (any such failure or breach being referred to as an "EVENT," and for purposes of clause (i) or (iii) the date on which such Event occurs, or for purposes of clause (ii) the date on which such five Trading Day period is exceeded, or for purposes of clause (iv) the date on which such 45 Trading Day-period is exceeded being referred to as "EVENT DATE"), then in addition to any other rights the Holders may have hereunder or under applicable law, then, on each such Event Date and on each monthly anniversary of each such Event Date (if the applicable Event shall not have been cured by such date) until the applicable Event is cured, the Company shall pay to each Holder an

amount in cash, as partial liquidated damages and not as a penalty, equal to 2.0% of the aggregate purchase price paid by such Holder pursuant to the Securities Purchase Agreement for any Registrable Securities then held by such Holder. If the Company fails to pay any partial liquidated damages pursuant to this Section in full within seven days after the date payable, the Company will pay interest thereon at a rate of 18% per annum (or such lesser maximum amount that is permitted to be paid by applicable law) to the Holder, accruing daily from the date such partial liquidated damages are due until such amounts, plus all such interest thereon, are paid in full. The partial liquidated damages pursuant to the terms hereof shall apply on a daily pro-rata basis for any portion of a month prior to the cure of an Event.

(b) (i) Prepare and file with the Commission such amendments, including post-effective amendments, to the Registration Statement as may be necessary to keep the Registration Statement continuously effective as to the applicable Registrable Securities for the Effectiveness Period and prepare and file with the Commission such additional Registration Statements in order to register for resale under the Securities Act all of the Registrable Securities; (ii) cause the related Prospectus to be amended or supplemented by any required Prospectus supplement, and as so supplemented or amended to be filed pursuant to Rule 424 (or any similar provisions then in force) promulgated under the Securities Act; (iii) respond as promptly as possible to any comments received from the Commission with respect to the Registration Statement or any amendment thereto and as promptly as possible provide the Holders true and complete copies of all correspondence from and to the Commission relating to the Registration Statement; and (iv) comply in all material respects with the provisions of the Securities Act and the Exchange Act with respect to the disposition of all Registrable Securities covered by the Registration Statement during the applicable period in accordance with the intended methods of disposition by the Holders thereof set forth in the Registration Statement as so amended or in such Prospectus as so supplemented.

(c) Notify the Holders of Registrable Securities to be sold as promptly as possible (and, in the case of (i)(A) below, not less than three (3) days prior to such filing) and (if requested by any such Person) confirm such notice in writing no later than one (1) Business Day following the day (i)(A) when a Prospectus or any Prospectus supplement or post-effective amendment to the Registration Statement is proposed to be filed; (B) when the Commission notifies the Company whether there will be a "review" of such Registration Statement and whenever the Commission comments in writing on such Registration Statement and (C) with respect to the Registration Statement or any post-effective amendment, when the same has become effective; (ii) of any request by the Commission or any other federal or state governmental authority for amendments or supplements to the Registration Statement or Prospectus or for additional information; (iii) of the issuance by the Commission of any stop order suspending the effectiveness of the Registration Statement covering any or all of the Registrable Securities or the initiation of any Proceedings for that purpose; (iv) if at any time any of the representations and warranties of the Company contained in any agreement contemplated hereby ceases to be true and correct in all material respects; (v) of the receipt by the Company of any notification with respect to the suspension of the qualification or exemption from qualification of any of the Registrable Securities for sale in any

jurisdiction, or the initiation or threatening of any Proceeding for such purpose; and (vi) of the occurrence of any event that makes any statement made in the Registration Statement or Prospectus or any document incorporated or

deemed to be incorporated therein by reference untrue in any material respect or that requires any revisions to the Registration Statement, Prospectus or other documents so that, in the case of the Registration Statement or the Prospectus, as the case may be, it will not contain any untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading.

(d) Use its best efforts to avoid the issuance of, or, if issued, obtain the withdrawal of, (i) any order suspending the effectiveness of the Registration Statement or (ii) any suspension of the qualification (or exemption from qualification) of any of the Registrable Securities for sale in any jurisdiction, at the earliest practicable moment.

(e) If requested by the Holders of a majority in interest of the Registrable Securities, (i) promptly incorporate in a Prospectus supplement or post-effective amendment to the Registration Statement such information as the Company reasonably agrees should be included therein and (ii) make all required filings of such Prospectus supplement or such post-effective amendment as soon as practicable after the Company has received notification of the matters to be incorporated in such Prospectus supplement or post-effective amendment.

(f) Furnish to each Holder, without charge, at least one conformed copy of each Registration Statement and each amendment thereto, including financial statements and schedules, all documents incorporated or deemed to be incorporated therein by reference, and all exhibits to the extent requested by such Person (including those previously furnished or incorporated by reference) promptly after the filing of such documents with the Commission.

(g) Promptly deliver to each Holder, without charge, as many copies of the Prospectus or Prospectuses (including each form of prospectus) and each amendment or supplement thereto as such Persons may reasonably request; and the Company hereby consents to the use of such Prospectus and each amendment or supplement thereto, during periods in which such Prospectus and each amendment or supplement thereto are effective, by each of the selling Holders in connection with the offering and sale of the Registrable Securities covered by such Prospectus and any amendment or supplement thereto.

(h) Prior to any public offering of Registrable Securities, use its best efforts to register or qualify or cooperate with the selling Holders in connection with the registration or qualification (or exemption from such registration or qualification) of such Registrable Securities for offer and sale under the securities or Blue Sky laws of such jurisdictions within the United States as any Holder requests in writing, to keep each such registration or qualification (or exemption therefrom) effective during the Effectiveness Period and to do any and all other acts or things necessary or advisable to enable the disposition in such jurisdictions of the Registrable Securities covered by a Registration Statement; provided, however, that the Company shall not be required to qualify generally to do business in any jurisdiction where it is not then so qualified or to take any action that would subject it to general service of process in any such jurisdiction where it is not then so subject or subject the Company to any material tax in any such jurisdiction where it is not then so subject.

(i) Cooperate with the Holders to facilitate the timely preparation and delivery of certificates representing Registrable Securities to be sold pursuant to a Registration Statement, which certificates shall, if required under the terms of this Agreement, be free of all restrictive legends, and to enable such Registrable Securities to be in such denominations and registered in such names as any Holder may request within the applicable time periods prescribed for the issuance of shares upon exercise of Warrants.

(j) Upon the occurrence of any event contemplated by SECTION

3(C)(VI), as promptly as possible, prepare a supplement or amendment, including a post-effective amendment, to the Registration Statement or a supplement to the related Prospectus or any document incorporated or deemed to be incorporated therein by reference, and file any other required document so that, as thereafter delivered, neither the Registration Statement nor such Prospectus will contain an untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading.

(k) Use its best efforts to cause all Registrable Securities relating to such Registration Statement to be listed on the OTC Bulletin Board, Nasdaq SmallCap Market, Nasdaq National Market, American Stock Exchange and any other securities exchange, quotation system or market, if any, on which similar securities issued by the Company are then listed as and when required pursuant to the Purchase Agreement.

(l) Comply in all material respects with all applicable rules and regulations of the Commission and make generally available to its security holders earning statements satisfying the provisions of Section 11(a) of the Securities Act and Rule 158 not later than 45 days after the end of any 12-month period (or 90 days after the end of any 12-month period if such period is a fiscal year) commencing on the first day of the first fiscal quarter of the Company after the effective date of the Registration Statement, which statement shall conform to the requirements of Rule 158.

(m) If the Registration Statement refers to any Holder by name or otherwise as the holder of any securities of the Company, then such Holder shall have the right to require (if such reference to such Holder by name or otherwise is not required by the Securities Act or any similar federal statute then in force) the deletion of the reference to such Holder in any amendment or supplement to the Registration Statement filed or prepared subsequent to the time that such reference ceases to be required.

Each Holder covenants and agrees that (i) it will not sell any Registrable Securities under the Registration Statement until it has received copies of the Prospectus as then amended or supplemented as contemplated in SECTION 3(g) and notice from the Company that such Registration Statement and any post-effective amendments thereto have become effective as contemplated by SECTION 3(c), (ii) it and its officers, directors or Affiliates, if any, will comply with the prospectus delivery requirements of the Securities Act as applicable to them in connection with sales of Registrable Securities pursuant to the Registration Statement and (iii) it will furnish to the Company information regarding such Holder and the distribution of such Registrable Securities as is required by law to be disclosed in the Registration Statement, and the Company may exclude from such registration the Registrable Securities of any such Holder who unreasonably fails to furnish such information within a reasonable time after receiving such request.

Each Holder agrees by its acquisition of such Registrable Securities that, upon receipt of a notice from the Company of the occurrence of any event of the kind described in SECTION 3(c)(ii), 3(c)(iii), 3(c)(iv), 3(c)(v) or 3(c)(vi), such Holder will forthwith discontinue disposition of such Registrable Securities under the Registration Statement until such Holder's receipt of the copies of the supplemented Prospectus and/or amended Registration Statement contemplated by SECTION 3(j), or until it is advised in writing (the "ADVICE") by the Company that the use of the applicable Prospectus may be resumed, and, in either case, has received copies of any additional or supplemental filings that are incorporated or deemed to be incorporated by reference in such Prospectus or Registration Statement.

(n) If (i) there is material non-public information regarding the Company which the Company's Board of Directors (the "BOARD") reasonably determines not to be in the Company's best interest to disclose and which the Company is not otherwise required to disclose, or (ii) there is a significant business opportunity (including, but not limited to, the acquisition or disposition of assets (other than in the ordinary course of business) or any merger, consolidation, tender offer or other similar transaction) available to the Company which the Board reasonably determines not to be in the Company's best interest to disclose, then the Company may postpone or suspend filing or effectiveness of a registration statement for a period not to exceed 20 consecutive days, provided that the Company may not postpone or suspend its

obligation under this SECTION 3(N) for more than 45 days in the aggregate during any 12 month period; provided, however, that no such postponement or suspension shall be permitted for consecutive 20 day periods, arising out of the same set of facts, circumstances or transactions.

(o) If NASDR Rule 2710 requires any broker-dealer to make a filing prior to executing a sale by a Holder, make an Issuer Filing with the NASDR, Inc. Corporate Financing Department pursuant to NASDR Rule 2710(b)(10)(A)(i) and respond within five Trading Days to any comments received from NASDR in connection therewith, and pay the filing fee required in connection therewith.

4. REGISTRATION EXPENSES. All fees and expenses incident to the performance of or compliance with this Agreement by the Company, except as and to the extent specified in this SECTION 4, shall be borne by the Company whether or not the Registration Statement is filed or becomes effective and whether or not any Registrable Securities are sold pursuant to the Registration Statement. The fees and expenses referred to in the foregoing sentence shall include, without limitation, (i) all registration and filing fees (including, without limitation, fees and expenses (A) with respect to filings required to be made with the OTC Bulletin Board, Nasdaq SmallCap Market, Nasdaq National Market, American Stock Exchange and each other securities exchange or market on which Registrable Securities are required hereunder to be listed, (B) with respect to filings required to be made with the National Association of Securities Dealers, Inc. and the NASD Regulation, Inc. and (C) in compliance with state securities or Blue Sky laws), (ii) printing expenses (including, without limitation, expenses of printing certificates for Registrable Securities and of printing prospectuses if the printing of prospectuses is requested by the holders of a majority of the Registrable Securities included in the Registration Statement),

(iii) messenger, telephone and delivery expenses, (iv) fees and disbursements of counsel for the Company, (v) Securities Act liability insurance, if the Company so desires such insurance, and (vi) fees and expenses of all other Persons retained by the Company in connection with the consummation of the transactions contemplated by this Agreement, including, without limitation, the Company's independent public accountants (including the expenses of any comfort letters or costs associated with the delivery by independent public accountants of a comfort letter or comfort letters). In addition, the Company shall be responsible for all of its internal expenses incurred in connection with the consummation of the transactions contemplated by this Agreement (including, without limitation, all salaries and expenses of its officers and employees performing legal or accounting duties), the expense of any annual audit, the fees and expenses incurred in connection with the listing of the Registrable Securities on any securities exchange as required hereunder.

5. INDEMNIFICATION.

(a) INDEMNIFICATION BY THE COMPANY. The Company shall, notwithstanding any termination of this Agreement, indemnify and hold harmless the Holder, the officers, directors, agents, brokers (including brokers who offer and sell Registrable Securities as principal as a result of a pledge or any failure to perform under a margin call of Common Stock), investment advisors and employees of each of them, each Person who controls the Holder (within the meaning of Section 15 of the Securities Act or Section 20 of the Exchange Act) and the officers, directors, agents and employees of each such controlling Person, to the fullest extent permitted by applicable law, from and against any and all losses, claims, damages, liabilities, costs (including, without limitation, costs of preparation and attorneys' fees) and expenses (collectively, "LOSSES") (as determined by a court of competent jurisdiction in a final judgment not subject to appeal or review), as incurred, arising solely out of based solely upon any untrue or alleged untrue statement of a material fact contained in the Registration Statement, any Prospectus or any form of prospectus or in any amendment or supplement thereto or in any preliminary prospectus, or arising solely out of or based solely upon any omission or alleged omission of a material fact required to be stated therein or necessary to make the statements therein (in the case of any Prospectus or form of prospectus or supplement thereto, in the light of the circumstances under which they were made) not misleading, except to the extent, but only to the extent, that such untrue statements or omissions are based solely upon information regarding the Holder or such other Indemnified Party furnished in writing to the

Company by the Holder expressly for use therein, which information was reasonably relied on by the Company for use therein or to the extent that such information relates to such Holder or the Holder's proposed method of distribution of Registrable Securities and was reviewed and expressly approved in writing by the Holder expressly for use in the Registration Statement, such Prospectus or such form of Prospectus or in any amendment or supplement thereto. The Company shall notify the Holder promptly of the institution, threat or assertion of any Proceeding of which the Company is aware in connection with the transactions contemplated by this Agreement.

(b) INDEMNIFICATION BY HOLDER. The Holder shall indemnify and hold harmless the Company, the directors, officers, agents and employees, each Person who controls the Company (within the meaning of Section 15 of the Securities Act and Section 20 of the Exchange Act), and the directors, officers, agents or employees of such controlling Persons, to the fullest extent permitted by applicable law, from and against all Losses (as determined by a court of competent jurisdiction in a final judgment not subject to appeal or review), as incurred, arising solely out of or based solely upon any untrue statement or

alleged untrue statement of a material fact contained in the Registration Statement, any Prospectus, or any form of prospectus or form of prospectus or in any amendment or supplement thereto or in any preliminary prospectus, or arising solely out of or based solely upon any omission of a material fact required to be stated therein or necessary to make the statements therein (in the case of any Prospectus or supplement thereto, in the light of the circumstances under which they were made) not misleading, to the extent, but only to the extent, that such untrue statement or omission or alleged untrue statement or omission is contained in any information so furnished in writing by the Holder or other Indemnified Party to the Company specifically for inclusion in the Registration Statement or such Prospectus and that such information was reasonably relied upon by the Company for use in the Registration Statement, such Prospectus or such form of prospectus or to the extent that such information relates to the Holder or the Holder's proposed method of distribution of Registrable Securities and was reviewed and expressly approved in writing by the Holder expressly for use in the Registration Statement, such Prospectus or such form of Prospectus. In no event shall the liability of any selling Holder hereunder be greater in amount than the dollar amount of the net proceeds received by such Holder upon the sale of the Registrable Securities giving rise to such indemnification obligation.

(c) CONDUCT OF INDEMNIFICATION PROCEEDINGS. If any Proceeding shall be brought or asserted against any Person entitled to indemnity hereunder (an "INDEMNIFIED PARTY"), such Indemnified Party promptly shall notify the Person from whom indemnity is sought (the "INDEMNIFYING PARTY") in writing, and the Indemnifying Party shall assume the defense thereof, including the employment of counsel reasonably satisfactory to the Indemnified Party and the payment of all fees and expenses incurred in connection with defense thereof; PROVIDED, HOWEVER, that the failure of any Indemnified Party to give such notice shall not relieve the Indemnifying Party of its obligations or liabilities pursuant to this Agreement, except (and only) to the extent that it shall be finally determined by a court of competent jurisdiction (which determination is not subject to appeal or further review) that such failure shall have proximately and materially adversely prejudiced the Indemnifying Party.

An Indemnified Party shall have the right to employ separate counsel in any such Proceeding and to participate in the defense thereof, but the fees and expenses of such counsel shall be at the expense of such Indemnified Party or Parties unless: (1) the Indemnifying Party has agreed in writing to pay such fees and expenses; or (2) the Indemnifying Party shall have failed promptly to assume the defense of such Proceeding and to employ counsel reasonably satisfactory to such Indemnified Party in any such Proceeding; or (3) the named parties to any such Proceeding (including any impleaded parties) include both such Indemnified Party and the Indemnifying Party, and such Indemnified Party shall have been advised by counsel (which shall be reasonably acceptable to the Indemnifying Party) that a conflict of interest is likely to exist if the same counsel were to represent such Indemnified Party and the Indemnifying Party (in which case, if such Indemnified Party notifies the Indemnifying Party in writing that it elects to employ separate counsel at the expense of the Indemnifying Party, the Indemnifying Party shall not have the right to assume the defense thereof and such counsel shall be at the expense of the Indemnifying Party). The Indemnifying Party shall not be liable for any

settlement of any such Proceeding effected without its written consent, which consent shall not be unreasonably withheld or delayed. No Indemnifying Party shall, without the prior written consent of the Indemnified Party, effect any settlement of any pending Proceeding in respect of which any Indemnified Party is a party, unless such settlement includes an unconditional release of such Indemnified Party from all liability on claims that are the subject matter of such Proceeding.

All fees and expenses of the Indemnified Party (including reasonable fees and expenses to the extent incurred in connection with investigating or preparing to defend such Proceeding in a manner not inconsistent with this SECTION 5) shall be paid to the Indemnified Party, as incurred, within ten (10) Business Days of written notice thereof to the Indemnifying Party (regardless of whether it is ultimately determined that an Indemnified Party is not entitled to indemnification hereunder; PROVIDED, HOWEVER, that the Indemnifying Party may require such Indemnified Party to undertake to reimburse all such fees and expenses to the extent it is finally judicially determined that such Indemnified Party is not entitled to indemnification hereunder).

(d) CONTRIBUTION. If a claim for indemnification under SECTION 5(a) or SECTION 5(b) is unavailable to an Indemnified Party because of a failure or refusal of a governmental authority to enforce such indemnification in accordance with its terms (by reason of public policy or otherwise), then each Indemnifying Party, in lieu of indemnifying such Indemnified Party, shall contribute to the amount paid or payable by such Indemnified Party as a result of such Losses, in such proportion as is appropriate to reflect the relative fault of the Indemnifying Party and Indemnified Party in connection with the actions, statements or omissions that resulted in such Losses as well as any other relevant equitable considerations. The relative fault of such Indemnifying Party and Indemnified Party shall be determined by reference to, among other things, whether any action in question, including any untrue or alleged untrue statement of a material fact or omission or alleged omission of a material fact, has been taken or made by, or relates to information supplied by, such Indemnifying, Party or Indemnified Party, and the parties' relative intent, knowledge, access to information and opportunity to correct or prevent such action, statement or omission. The amount paid or payable by a party as a result of any Losses shall be deemed to include, subject to the limitations set forth in SECTION 5(c), any reasonable attorneys' or other reasonable fees or expenses incurred by such party in connection with any Proceeding to the extent such party would have been indemnified for such fees or expenses if the indemnification provided for in this Section was available to such party in accordance with its terms.

The parties hereto agree that it would not be just and equitable if contribution pursuant to this SECTION 5(d) were determined by pro rata allocation or by any other method of allocation that does not take into account the equitable considerations referred to in the immediately preceding paragraph. No Person guilty of fraudulent misrepresentation (within the meaning of Section 11(f) of the Securities Act) shall be entitled to contribution from any Person who was not guilty of such fraudulent misrepresentation.

The indemnity and contribution agreements contained in this Section are in addition to any liability that the Indemnifying Parties may have to the Indemnified Parties. Notwithstanding the foregoing, the obligations of the Holders herein shall be the several, and not joint, obligation of each Holder as to itself and not as to any other Holder.

6. RULE 144. Provided the Company is subject to the reporting requirements of the Exchange Act, as long as the Holder owns Shares, the Company covenants to timely file (or obtain extensions in respect thereof and file within the applicable grace period) all reports required to be filed by the Company after the date hereof pursuant to Section 13(a) or 15(d) of the Exchange

Act and to promptly furnish the Holders with true and complete copies of all such filings. As long as the Holder owns Shares, if the Company is not required to file reports pursuant to Section 13(a) or 15(d) of the Exchange Act, it will prepare and furnish to the Holder and make publicly available in accordance with

Rule 144(c) promulgated under the Securities Act annual and quarterly financial statements, together with a discussion and analysis of such financial statements in form and substance substantially similar to those that would otherwise be required to be included in reports required by Section 13(a) or 15(d) of the Exchange Act, as well as any other information required thereby, in the time period that such filings would have been required to have been made under the Exchange Act. The Company further covenants that it will take such further action as the Holder may reasonably request, all to the extent required from time to time to enable such Person to sell Shares without registration under the Securities Act within the limitation of the exemptions provided by Rule 144 promulgated under the Securities Act, including providing any legal opinions relating to such sale pursuant to Rule 144. Upon the request of the Holder, the Company shall deliver to the Holder a written certification of a duly authorized officer as to whether it has complied with such requirements.

7. Miscellaneous.

(a) REMEDIES. In the event of a breach by the Company or by the Holder, of any of their obligations under this Agreement, the Holder or the Company, as the case may be, in addition to being entitled to exercise all rights granted by law and under this Agreement, including recovery of damages, will be entitled to specific performance of its rights under this Agreement. The Company and the Holder agree that monetary damages would not provide adequate compensation for any losses incurred by reason of a breach by it of any of the provisions of this Agreement and hereby further agrees that, in the event of any action for specific performance in respect of such breach, it shall waive the defense that a remedy at law would be adequate.

(b) NO INCONSISTENT AGREEMENTS. Neither the Company nor any of its subsidiaries has, as of the date hereof entered into and currently in effect, nor shall the Company or any of its subsidiaries, on or after the date of this Agreement, enter into any agreement with respect to its securities that is inconsistent with the rights granted to the Holder in this Agreement or otherwise conflicts with the provisions hereof.

(c) PIGGY-BACK REGISTRATIONS. If at any time when there is not an effective Registration Statement covering the Registrable Securities, the Company shall determine to prepare and file with the Commission a registration statement relating to an offering for its own account or the account of others under the Securities Act of any of its equity securities, other than on Form S-4 or Form S-8 (each as promulgated under the Securities Act) or their then equivalents relating to equity securities to be issued solely in connection with any acquisition of any entity or business or equity securities issuable in connection with stock option or other employee benefit plans, the Company shall send to each holder of Registrable Securities written notice of such determination and, if within fifteen (15) days after receipt of such notice, any such holder shall so request in writing, (which request shall specify the Registrable Securities intended to be disposed of by the Investors), the Company

will cause the registration under the Securities Act of all Registrable Securities which the Company has been so requested to register by the Holder, to the extent requisite to permit the disposition of the Registrable Securities so to be registered, provided that if at any time after giving written notice of its intention to register any securities and prior to the effective date of the registration statement filed in connection with such registration, the Company shall determine for any reason not to register or to delay registration of such securities, the Company may, at its election, give written notice of such determination to the Holder and, thereupon, (i) in the case of a determination not to register, shall be relieved of its obligation to register any Registrable Securities in connection with such registration (but not from its obligation to pay expenses in accordance with SECTION 4 hereof), and (ii) in the case of a determination to delay registering, shall be permitted to delay registering any Registrable Securities being registered pursuant to this SECTION 7(c) for the same period as the delay in registering such other securities. The Company shall include in such registration statement all or any part of such Registrable Securities the Holder requests to be registered; PROVIDED, HOWEVER, that the Company shall not be required to register any Registrable Securities pursuant to this SECTION 7(c) that are eligible for sale pursuant to Rule 144(k) of the Securities Act. In the case of an underwritten public offering, if the managing underwriter(s) or underwriter(s) should reasonably object to the inclusion of

the Registrable Securities in such registration statement, then if the Company after consultation with the managing underwriter should reasonably determine that the inclusion of such Registrable Securities, would materially adversely affect the offering contemplated in such registration statement, and based on such determination recommends inclusion in such registration statement of fewer or none of the Registrable Securities of the Holders, then (x) the number of Registrable Securities of the Holders included in such registration statement shall be reduced pro-rata among such Holders (based upon the number of Registrable Securities requested to be included in the registration), if the Company after consultation with the underwriter(s) recommends the inclusion of fewer Registrable Securities, or (y) none of the Registrable Securities of the Holders shall be included in such registration statement, if the Company after consultation with the underwriter(s) recommends the inclusion of none of such Registrable Securities; PROVIDED, HOWEVER, that if Securities are being offered for the account of other persons or entities as well as the Company, such reduction shall not represent a greater fraction of the number of Registrable Securities intended to be offered by the Holders than the fraction of similar reductions imposed on such other persons or entities (other than the Company).

(d) AMENDMENTS AND WAIVERS. The provisions of this Agreement, including the provisions of this sentence, may not be amended, modified or supplemented, and waivers or consents to departures from the provisions hereof may not be given, unless the same shall be in writing and signed by the Company and each of the Holders.

(e) NOTICES. Any and all notices or other communications or deliveries required or permitted to be provided hereunder shall be in writing and shall be deemed given and effective on the earlier of (i) the date of transmission, if such notice or communication is delivered via facsimile at the facsimile telephone number specified for notice prior to 5:00 p.m., California time, on a Business Day, (ii) the Business Day after the date of transmission, if such notice or communication is delivered via facsimile at the facsimile telephone number specified for notice later than 5:00 p.m., California time, on any date and earlier than 11:59 p.m., California time, on such date, (iii) the Business Day following the date of mailing, if sent by nationally recognized overnight courier service or (iv) actual receipt by the party to whom such notice is required to be given. The addresses for such communications shall be with respect to the Holder at its address set forth under its name on the signature page hereto, or with respect to the Company, addressed to:

Pacific Ethanol, Inc.
5711 N. West Avenue
Fresno, California 93711
Attention: Chief Operating Officer
Telecopier: (559) 435-1478
Telephone: (559) 435-1771

or to such other address or addresses or facsimile number or numbers as any such party may most recently have designated in writing to the other parties hereto by such notice. Copies of notices to the Company shall be sent to Rutan & Tucker, LLP, 611 Anton Boulevard, Suite 1400, Costa Mesa, California 92626, Attention: Larry A. Cerutti, Esq., Facsimile No.: (714) 546-9035.

(f) SUCCESSORS AND ASSIGNS. This Agreement shall be binding upon and inure to the benefit of the parties and their successors and permitted assigns and shall inure to the benefit of the Holder and its successors and permitted assigns. The Company may not assign this Agreement or any of its rights or obligations hereunder without the prior written consent of the Holder; PROVIDED, HOWEVER, that the Company may assign this Agreement to Accessity Corp. in the event of the consummation of the Share Exchange Agreement. Each Investor may assign its rights hereunder in the manner and to the Persons as permitted under this Agreement and the Purchase Agreement.

(g) ASSIGNMENT OF REGISTRATION RIGHTS. The rights of the Holder hereunder, including the right to have the Company register for resale Registrable Securities in accordance with the terms of this Agreement, shall be automatically assignable by the Holder to any Affiliate of the Holder or any other Holder or Affiliate of any other Holder of all or a portion of the Registrable Securities if: (i) the Holder agrees in writing with the transferee or assignee to assign such rights, and a copy of such agreement is furnished to the Company within a reasonable time after such assignment, (ii) the Company is,

within a reasonable time after such transfer or assignment, furnished with written notice of (a) the name and address of such transferee or assignee, and (b) the securities with respect to which such registration rights are being transferred or assigned, (iii) following such transfer or assignment the further disposition of such securities by the transferee or assignees is restricted under the Securities Act and applicable state securities laws, (iv) at or before the time the Company receives the written notice contemplated by clause (ii) of this Section, the transferee or assignee agrees in writing with the Company to be bound by all of the provisions of this Agreement, and (v) such transfer shall have been made in accordance with the applicable requirements of the Purchase Agreement. In addition, each Holder shall have the right to assign its rights hereunder to any other Person with the prior written consent of the Company, which consent shall not be unreasonably withheld. The rights to assignment shall apply to the Holders (and to subsequent) successors and assigns.

(h) COUNTERPARTS. This Agreement may be executed in any number of counterparts, each of which when so executed shall be deemed to be an original and, all of which taken together shall constitute one and the same Agreement. In the event that any signature is delivered by facsimile transmission, such signature shall create a valid binding obligation of the party executing (or on whose behalf such signature is executed) the same with the same force and effect as if such facsimile signature were the original thereof.

(i) GOVERNING LAW. This Agreement shall be governed by and construed in accordance with the laws of the State of California, without regard to principles of conflicts of law thereof.

(j) CUMULATIVE REMEDIES. The remedies provided herein are cumulative and not exclusive of any remedies provided by law.

(k) SEVERABILITY. If any term, provision, covenant or restriction of this Agreement is held to be invalid, illegal, void or unenforceable in any respect, the remainder of the terms, provisions, covenants and restrictions set forth herein shall remain in full force and effect and shall in no way be affected, impaired or invalidated, and the parties hereto shall use their reasonable efforts to find and employ an alternative means to achieve the same or substantially the same result as that contemplated by such term, provision, covenant or restriction. It is hereby stipulated and declared to be the intention of the parties that they would have executed the remaining terms, provisions, covenants and restrictions without including any of such that may be hereafter declared invalid, illegal, void or unenforceable.

(l) HEADINGS. The headings herein are for convenience only, do not constitute a part of this Agreement and shall not be deemed to limit or affect any of the provisions hereof.

(m) INDEPENDENT NATURE OF HOLDERS' OBLIGATIONS AND RIGHTS. The obligations of each Holder hereunder are several and not joint with the obligations of any other Holder hereunder, and no Holder shall be responsible in any way for the performance of the obligations of any other Holder hereunder. Nothing contained herein or in any other agreement or document delivered at any closing, and no action taken by any Holder pursuant hereto or thereto, shall be deemed to constitute the Holders as a partnership, an association, a joint venture or any other kind of entity, or create a presumption that the Holders are in any way acting in concert with respect to such obligations or the transactions contemplated by this Agreement. Each Holder shall be entitled to protect and enforce its rights, including without limitation the rights arising out of this Agreement, and it shall not be necessary for any other Holder to be joined as an additional party in any proceeding for such purpose.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, the parties hereto have executed this Registration Rights Agreement effective as of the date indicated below as the date the Agreement is accepted by the Company.

COMPANY: PACIFIC ETHANOL, INC.

Date: _____, 2005 By: _____
Ryan Turner, Chief Operating Officer

INVESTOR: _____
Print Name of Investor

Date: _____, 2005 _____
Signature of Individual Investor

- OR -

Signature of Investor Other than an Individual

_____
Signature

_____
Print Name

_____
Title

Address of Investor:

_____
Street Address

_____
City, State and Zip Code

EXHIBIT 10.14

NEITHER THESE SECURITIES NOR THE SECURITIES ISSUABLE UPON EXERCISE OF THESE SECURITIES HAVE BEEN REGISTERED WITH THE SECURITIES AND EXCHANGE COMMISSION OR THE SECURITIES COMMISSION OF ANY STATE IN RELIANCE UPON AN EXEMPTION FROM REGISTRATION UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), AND, ACCORDINGLY, MAY NOT BE OFFERED OR SOLD EXCEPT PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER THE SECURITIES ACT OR PURSUANT TO AN AVAILABLE EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND IN ACCORDANCE WITH APPLICABLE STATE SECURITIES LAWS AS EVIDENCED BY A LEGAL OPINION OF COUNSEL TO THE TRANSFEROR TO SUCH EFFECT, THE SUBSTANCE OF WHICH SHALL BE REASONABLY ACCEPTABLE TO THE COMPANY. THESE SECURITIES AND THE SECURITIES ISSUABLE UPON EXERCISE OF THESE SECURITIES MAY BE PLEDGED IN CONNECTION WITH A BONA FIDE MARGIN ACCOUNT SECURED BY SUCH SECURITIES.

THIS WARRANT IS ISSUED IN CONNECTION WITH THE ACCESSITY SHARE EXCHANGE (AS DEFINED BELOW) IN LIEU OF A WARRANT TO BE ISSUED, OR AS A REPLACEMENT WARRANT OF A WARRANT ALREADY ISSUED, IN CONNECTION WITH THE PURCHASE AGREEMENT (AS DEFINED BELOW). NOTWITHSTANDING ANYTHING TO THE CONTRARY CONTAINED HEREIN, NOTHING IN THIS WARRANT SHALL CONFER UPON THE HOLDER HEREOF ANY RIGHTS MORE FAVORABLE THAN THOSE CONTEMPLATED BY THE FORM OF WARRANT ATTACHED AS EXHIBIT B TO THE MEMORANDUM (AS DEFINED BELOW).

PACIFIC ETHANOL, INC.

WARRANT

Warrant No. W__-____ Original Issue Date: March 23, 2005

Pacific Ethanol, Inc., a Delaware corporation (the "Company"), hereby certifies that, for value received, _____ or its registered assigns (the "Holder"), is entitled to purchase from the Company up to a total of _____ shares of Common Stock (each such share, a "Warrant Share" and all such shares, the "Warrant Shares"), at any time and from time to time from and after the Original Issue Date and through and including March 25, 2007 (the "Expiration Date"), and subject to the following terms and conditions:

1. DEFINITIONS. As used in this Warrant, the following terms shall have the respective definitions set forth in this Section 1. Capitalized terms that are used and not defined in this Warrant that are defined in the Purchase Agreement (as defined below) shall have the respective definitions set forth in the Purchase Agreement.

"ACCESSITY SHARE EXCHANGE" means the share exchange transaction among Accessity Corp., Pacific Ethanol, Inc., a California corporation ("PEI CALIFORNIA"), Kinergy Marketing, LLC and ReEnergy, LLC as described in that certain Share Exchange Agreement dated as of May 14, 2004, as amended on July 30, 2004, October 1, 2004, January 7, 2005, February 16, 2005 and March 3, 2005, and pursuant to which Accessity Corp. was merged with and into the Company.

"BUSINESS DAY" means any day except Saturday, Sunday and any day that is a federal legal holiday in the United States or a day on which banking institutions in the State of California are authorized or required by law or other government action to close.

"CALIFORNIA COURTS" means the state and federal courts sitting in the County of Orange, State of California.

"COMMON STOCK" means the common stock of the Company, $.001 par value per share, and any securities into which such common stock may hereafter be reclassified.

"EXERCISE PRICE" means ___ Dollars ($_.__), subject to adjustment in accordance with Section 9.

"FUNDAMENTAL TRANSACTION" means any of the following: (1) the Company effects any merger or consolidation of the Company with or into another Person pursuant to which the Company is not the surviving entity (other than a migratory merger conducted for the purpose of changing the Company's state of incorporation), (2) the Company effects any sale of all or substantially all of its assets in one or a series of related transactions, (3) any tender offer or exchange offer (whether by the Company or another Person, but not including the Accessity Share Exchange) is completed pursuant to which holders of Common Stock are permitted to tender or exchange their shares for other securities, cash or property, or (4) the Company effects any reclassification of the Common Stock or any compulsory share exchange pursuant to which the Common Stock is effectively converted into or exchanged for other securities, cash or property.

"MEMORANDUM" means the Confidential Private Placement Memorandum dated February 2, 2005, as supplemented by that certain Supplement No. 1 to Confidential Private Placement Memorandum dated February 24, 2005 of PEI California.

"ORIGINAL ISSUE DATE" means the Original Issue Date first set forth on the first page of this Warrant.

"PURCHASE AGREEMENT" means the Securities Purchase Agreement, dated March 23, 2005, to which PEI California and the original Holder are parties.

"TRADING DAY" means (i) a day on which the Common Stock is traded on a Trading Market (other than the OTC Bulletin Board), or (ii) if the Common Stock is not listed on a Trading Market (other than the OTC Bulletin Board), a day on which the Common Stock is traded in the over-the-counter market, as reported by the OTC Bulletin Board, or (iii) if the Common Stock is not quoted on any Trading Market, a day on which the Common Stock is quoted in the over-the-counter market as reported by the Pink Sheets, LLC (or any similar organization or agency succeeding to its functions of reporting prices); provided, that in the event that the Common Stock is not listed or quoted as set forth in (i), (ii) and (iii) hereof, then Trading Day shall mean a Business Day.

2. REGISTRATION OF WARRANT. The Company shall register this Warrant upon records to be maintained by the Company for that purpose (the "Warrant Register"), in the name of the record Holder hereof from time to time. The Company may deem and treat the registered Holder of this Warrant as the absolute owner hereof for the purpose of any exercise hereof or any distribution to the Holder, and for all other purposes, absent actual notice to the contrary.

3. REGISTRATION OF TRANSFERS. The Company shall register the transfer of any portion of this Warrant in the Warrant Register, upon surrender of this Warrant, with the Form of Assignment attached hereto duly completed and signed, to the Company at its address specified herein. Upon any such registration or transfer, a new Warrant to purchase Common Stock, in substantially the form of

this Warrant (any such new Warrant, a "New Warrant"), evidencing the portion of this Warrant so transferred shall be issued to the transferee and a New Warrant evidencing the remaining portion of this Warrant not so transferred, if any, shall be issued to the transferring Holder. The acceptance of the New Warrant by the transferee thereof shall be deemed the acceptance by such transferee of all of the rights and obligations of a holder of a Warrant.

4. EXERCISE AND DURATION OF WARRANTS.

(a) This Warrant shall be exercisable by the registered Holder at any time and from time to time on or after the Original Issue Date through and including the Expiration Date. At 5:00 p.m., Pacific Standard Time on the Expiration Date, the portion of this Warrant not exercised prior thereto shall be and become void and of no value. The Company may not call or redeem any portion of this Warrant without the prior written consent of the affected Holder.

(b) CASHLESS EXERCISE. If at any time after one year from the date of issuance of this Warrant there is no effective Registration Statement registering, or no current prospectus available for, the resale of the Warrant Shares by the Holder, then this Warrant may also be exercised at such time by means of a "cashless exercise" in which the Holder shall be entitled to receive a certificate for the number of Warrant Shares equal to the quotient obtained by dividing [(A-B) (X)] by (A), where:

(A) = the closing bid price on the Trading Day immediately preceding the date of such election;

(B) = the Exercise Price of this Warrant, as adjusted; and

(X) = the number of Warrant Shares issuable upon exercise of this Warrant in accordance with the terms of this Warrant by means of a cash exercise rather than a cashless exercise.

(c) EXERCISE LIMITATION; HOLDER'S RESTRICTIONS. The Holder shall not have the right to exercise any portion of this Warrant, pursuant to Section 4(b) or otherwise, to the extent that after giving effect to such issuance after exercise, the Holder (together with the Holder's affiliates), as set forth on the applicable Exercise Notice, would beneficially own in excess of 4.99% of the number of shares of the Common Stock outstanding immediately after giving effect to such issuance. For purposes of the foregoing sentence, the number of shares of Common Stock beneficially owned by the Holder and its affiliates shall include the number of shares of Common Stock issuable upon exercise of this Warrant with respect to which the determination of such sentence is being made, but shall exclude the number of shares of Common Stock which would be issuable upon (A) exercise of the remaining, nonexercised portion of this Warrant beneficially owned by the Holder or any of its affiliates and (B) exercise or conversion of the unexercised or nonconverted portion of any other securities of the Company (including, without limitation, any other Shares or Warrants) subject to a limitation on conversion or exercise analogous to the limitation contained herein beneficially owned by the Holder or any of its affiliates. Except as set forth in the preceding sentence, for purposes of this

Section 4(c), beneficial ownership shall be calculated in accordance with Section 13(d) of the Exchange Act, it being acknowledged by Holder that the Company is not representing to Holder that such calculation is in compliance with Section 13(d) of the Exchange Act and Holder is solely responsible for any schedules required to be filed in accordance therewith. To the extent that the limitation contained in this Section 4(c) applies, the determination of whether this Warrant is exercisable (in relation to other securities owned by the Holder) and of which a portion of this Warrant is exercisable shall be in the sole discretion of such Holder, and the submission of a Exercise Notice shall be deemed to be such Holder's determination of whether this Warrant is exercisable (in relation to other securities owned by such Holder) and of which portion of this Warrant is exercisable, in each case subject to such aggregate percentage

limitation, and the Company shall have no obligation to verify or confirm the accuracy of such determination. For purposes of this Section 4(c), in determining the number of outstanding shares of Common Stock, the Holder may rely on the number of outstanding shares of Common Stock as reflected in (x) the Company's most recent Form 10-Q or Form 10-K, as the case may be, (y) a more recent public announcement by the Company or (z) any other notice by the Company or the Company's Transfer Agent setting forth the number of shares of Common Stock outstanding. Upon the written or oral request of the Holder, the Company shall within two Trading Days confirm orally and in writing to the Holder the number of shares of Common Stock then outstanding. In any case, the number of outstanding shares of Common Stock shall be determined after giving effect to the conversion or exercise of securities of the Company, including this Warrant, by the Holder or its affiliates since the date as of which such number of outstanding shares of Common Stock was reported. The provisions of this Section 4(c) may be waived by the Holder, at the election of the Holder, upon not less than 61 days' prior notice to the Company, and the provisions of this Section 4(c) shall continue to apply until such 61st day (or such later date, as determined by the Holder, as may be specified in such notice of waiver).

5. DELIVERY OF WARRANT SHARES.

(a) To effect exercises hereunder, the Holder shall not be required to physically surrender this Warrant unless the aggregate Warrant Shares represented by this Warrant is being exercised. Upon delivery of the Exercise Notice (in the form attached hereto) to the Company (with the attached Warrant Shares Exercise Log) at its address for notice set forth herein and upon payment of the Exercise Price multiplied by the number of Warrant Shares that the Holder intends to purchase hereunder, the Company shall promptly (but in no event later than three Trading Days after the Date of Exercise (as defined herein)) issue and deliver to the Holder, a certificate for the Warrant Shares issuable upon such exercise, which, unless otherwise required by the Purchase Agreement, shall be free of restrictive legends. The Company shall, upon request of the Holder and subsequent to the date on which a registration statement covering the resale of the Warrant Shares has been declared effective by the Securities and Exchange Commission, use its reasonable best efforts to deliver Warrant Shares hereunder electronically through the Depository Trust Corporation or another established clearing corporation performing similar functions, if available, provided, that, the Company may, but will not be required to change its transfer agent if its current transfer agent cannot deliver Warrant Shares electronically through the Depository Trust Corporation. A "Date of Exercise" means the date on which the Holder shall have delivered to the Company: (i) the Exercise Notice (with the Warrant Exercise Log attached to it), appropriately completed and duly signed and (ii) payment of the Exercise Price for the number of Warrant Shares so indicated by the Holder to be purchased.

(b) If by the third Trading Day after a Date of Exercise the Company fails to deliver the required number of Warrant Shares in the manner required pursuant to Section 5(a), then the Holder will have the right to rescind such exercise.

(c) If by the third Trading Day after a Date of Exercise the Company fails to deliver the required number of Warrant Shares in the manner required pursuant to Section 5(a), and if after such third Trading Day and prior to the receipt of such Warrant Shares, the Holder purchases (in an open market transaction or otherwise) shares of Common Stock to deliver in satisfaction of a sale by the Holder of the Warrant Shares which the Holder anticipated receiving upon such exercise (a "Buy-In"), then the Company shall (1) pay in cash to the Holder the amount by which (x) the Holder's total purchase price (including brokerage commissions, if any) for the shares of Common Stock so purchased exceeds (y) the amount obtained by multiplying (A) the number of Warrant Shares

that the Company was required to deliver to the Holder in connection with the exercise at issue by (B) the closing sale price of the Common Stock at the time of the obligation giving rise to such purchase obligation and (2) at the option of the Holder, either reinstate the portion of the Warrant and equivalent number of Warrant Shares for which such exercise was not honored or deliver to the Holder the number of shares of Common Stock that would have been issued had the

Company timely complied with its exercise and delivery obligations hereunder. The Holder shall provide the Company written notice and supporting documentation indicating the amounts payable to the Holder in respect of the Buy-In.

(d) The Company's obligations to issue and deliver Warrant Shares in accordance with the terms hereof are absolute and unconditional, irrespective of any action or inaction by the Holder to enforce the same, any waiver or consent with respect to any provision hereof, the recovery of any judgment against any Person or any action to enforce the same, or any setoff, counterclaim, recoupment, limitation or termination, or any breach or alleged breach by the Holder or any other Person of any obligation to the Company or any violation or alleged violation of law by the Holder or any other Person, and irrespective of any other circumstance which might otherwise limit such obligation of the Company to the Holder in connection with the issuance of Warrant Shares. Nothing herein shall limit a Holder's right to pursue any other remedies available to it hereunder, at law or in equity including, without limitation, a decree of specific performance and/or injunctive relief with respect to the Company's failure to timely deliver certificates representing Warrant Shares upon exercise of the Warrant as required pursuant to the terms hereof.

6. CHARGES, TAXES AND EXPENSES. Issuance and delivery of Warrant Shares upon exercise of this Warrant shall be made without charge to the Holder for any issue or transfer tax, withholding tax, transfer agent fee or other incidental tax or expense in respect of the issuance of such certificates, all of which taxes and expenses shall be paid by the Company; provided, however, that the Company shall not be required to pay any tax which may be payable in respect of any transfer involved in the registration of any certificates for Warrant Shares or Warrants in a name other than that of the Holder. The Holder shall be responsible for all other tax liability that may arise as a result of holding or transferring this Warrant or receiving Warrant Shares upon exercise hereof.

7. REPLACEMENT OF WARRANT. If this Warrant is mutilated, lost, stolen or destroyed, the Company shall issue or cause to be issued in exchange and substitution for and upon cancellation hereof, or in lieu of and substitution for this Warrant, a New Warrant, but only upon receipt of evidence reasonably satisfactory to the Company of such loss, theft or destruction and customary and reasonable indemnity (which shall not include a surety bond), if requested. Applicants for a New Warrant under such circumstances shall also comply with such other reasonable regulations and procedures and pay such other reasonable third-party costs as the Company may prescribe. If a New Warrant is requested as a result of a mutilation of this Warrant, then the Holder shall deliver such mutilated Warrant to the Company as a condition precedent to the Company's obligation to issue the New Warrant.

8. RESERVATION OF WARRANT SHARES. The Company covenants that it will at all times reserve and keep available out of the aggregate of its authorized but unissued and otherwise unreserved Common Stock, solely for the purpose of enabling it to issue Warrant Shares upon exercise of this Warrant as herein provided, the number of Warrant Shares which are then issuable and deliverable upon the exercise of this entire Warrant, free from preemptive rights or any other contingent purchase rights of Persons other than the Holder (taking into account the adjustments and restrictions of Section 9). The Company covenants that all Warrant Shares so issuable and deliverable shall, upon issuance and the payment of the applicable Exercise Price in accordance with the terms hereof, be duly and validly authorized, issued and fully paid and nonassessable.

9. CERTAIN ADJUSTMENTS. The Exercise Price and number of Warrant Shares issuable upon exercise of this Warrant are subject to adjustment from time to time as set forth in this Section 9.

(a) STOCK DIVIDENDS AND SPLITS. If the Company, at any time while this Warrant is outstanding, (i) pays a stock dividend on its Common Stock or otherwise makes a distribution on any class of capital stock that is payable in shares of Common Stock, (ii) subdivides outstanding shares of Common Stock into a larger number of shares, or (iii) combines outstanding shares of Common Stock into a smaller number of shares, then in each such case the Exercise Price shall be multiplied by a fraction of which the numerator shall be the number of shares of Common Stock outstanding immediately before such event and of which the denominator shall be the number of shares of Common Stock outstanding immediately after such event. Any adjustment made pursuant to clause (i) of this paragraph shall become effective immediately after the payment of the dividend or the making of the distribution, and any adjustment pursuant to clause (ii) or (iii) of this paragraph shall become effective immediately after the effective date of such subdivision or combination.

(b) FUNDAMENTAL TRANSACTIONS. If, at any time while this Warrant is outstanding there is a Fundamental Transaction, then the Holder shall have the right thereafter to receive, upon exercise of this Warrant, the same amount and kind of securities, cash or property as it would have been entitled to receive upon the occurrence of such Fundamental Transaction if it had been, immediately prior to such Fundamental Transaction, the holder of the number of Warrant Shares then issuable upon exercise in full of this Warrant (the "Alternate Consideration"). For purposes of any such exercise, the determination of the Exercise Price shall be appropriately adjusted to apply to such Alternate

Consideration based on the amount of Alternate Consideration issuable in respect of one share of Common Stock in such Fundamental Transaction, and the Company shall apportion the Exercise Price among the Alternate Consideration in a reasonable manner reflecting the relative value of any different components of the Alternate Consideration. If holders of Common Stock are given any choice as to the securities, cash or property to be received in a Fundamental Transaction, then the Holder shall be given the same choice as to the Alternate Consideration it receives upon any exercise of this Warrant following such Fundamental Transaction. At the Holder's option and request, any successor to the Company or surviving entity in such Fundamental Transaction shall issue to the Holder a new warrant substantially in the form of this Warrant and consistent with the foregoing provisions and evidencing the Holder's right to purchase the Alternate Consideration for the aggregate Exercise Price upon exercise thereof. The terms of any agreement pursuant to which a Fundamental Transaction is effected shall include terms requiring any such successor or surviving entity to comply with the provisions of this paragraph (b) and insuring that the Warrant (or any such replacement security) will be similarly adjusted upon any subsequent transaction analogous to a Fundamental Transaction.

(c) NUMBER OF WARRANT SHARES. Simultaneously with any adjustment to the Exercise Price pursuant to this Section 9, the number of Warrant Shares that may be purchased upon exercise of this Warrant shall be increased or decreased proportionately, so that after such adjustment the aggregate Exercise Price payable hereunder for the adjusted number of Warrant Shares shall be the same as the aggregate Exercise Price in effect immediately prior to such adjustment.

(d) CALCULATIONS. All calculations under this Section 9 shall be made to the nearest cent or the nearest 1/100th of a share, as applicable. The number of shares of Common Stock outstanding at any given time shall not include shares owned or held by or for the account of the Company, and the disposition of any such shares shall be considered an issue or sale of Common Stock.

(e) NOTICE OF ADJUSTMENTS. Upon the occurrence of each adjustment pursuant to this Section 9, the Company at its expense will promptly compute such adjustment in accordance with the terms of this Warrant and prepare a certificate setting forth such adjustment, including a statement of the adjusted Exercise Price and adjusted number or type of Warrant Shares or other securities issuable upon exercise of this Warrant (as applicable), describing the transactions giving rise to such adjustments and showing in detail the facts upon which such adjustment is based. Upon written request, the Company will promptly deliver a copy of each such certificate to the Holder and to the Company's Transfer Agent.

(f) NOTICE OF CORPORATE EVENTS. If the Company (i) declares a dividend or any other distribution of cash, securities or other property in respect of its Common Stock, including without limitation any granting of rights or warrants to subscribe for or purchase any capital stock of the Company or any Subsidiary, (ii) authorizes or approves, enters into any agreement contemplating or solicits stockholder approval for any Fundamental Transaction or (iii) authorizes the voluntary dissolution, liquidation or winding up of the affairs of the Company, then the Company shall deliver to the Holder a notice describing the material terms and conditions of such transaction (but only to the extent such disclosure would not result in the dissemination of material, non-public information to the Holder) at least ten (10) calendar days prior to the applicable record or effective date on which a Person would need to hold Common Stock in order to participate in or vote with respect to such transaction, and the Company will take all steps reasonably necessary in order to insure that the Holder is given the practical opportunity to exercise this Warrant prior to such time so as to participate in or vote with respect to such transaction; provided, however, that the failure to deliver such notice or any defect therein shall not affect the validity of the corporate action required to be described in such notice.

(g) SUBSEQUENT EQUITY SALES. If the Company or the Subsidiary thereof, as applicable, at any time while this Warrant is outstanding, shall offer, sell, grant any option to purchase or offer, sell or grant any right to reprice its securities, or otherwise dispose of or issue (or announce any offer, sale, grant or any option to purchase or other disposition) any Common Stock or Common Stock Equivalents entitling any Person to acquire shares of Common Stock, at an effective price per share less than the then Exercise Price (such lower price, the "Base Share Price" and such issuances collectively, a "Dilutive Issuance"), as adjusted hereunder (if the holder of the Common Stock or Common Stock Equivalents so issued shall at any time, whether by operation of purchase price adjustments, reset provisions, floating conversion, exercise or exchange prices or otherwise, or due to warrants, options or rights per share which is issued in connection with such issuance, be entitled to receive shares of Common Stock at an effective price per share which is less than the Exercise Price, such issuance shall be deemed to have occurred for less than the Exercise Price), then, the Exercise Price shall be reduced to equal the Base Share Price and the number of Warrant Shares issuable hereunder shall be increased such that the aggregate Exercise Price payable hereunder, after taking into account the decrease in the Exercise Price, shall be equal to the aggregate Exercise Price

prior to such adjustment. Such adjustment shall be made whenever such Common Stock or Common Stock Equivalents are issued. The Company shall notify the Holder in writing, no later than the Trading Day following the issuance of any Common Stock or Common Stock Equivalents subject to this section, indicating therein the applicable issuance price, or of applicable reset price, exchange price, conversion price and other pricing terms (such notice the "Dilutive Issuance Notice"). For purposes of clarification, whether or not the Company provides a Dilutive Issuance Notice pursuant to this Section 9(g), upon the occurrence of any Dilutive Issuance, after the date of such Dilutive Issuance the Holder is entitled to receive a number of Warrant Shares based upon the Base Share Price regardless of whether the Holder accurately refers to the Base Share Price in the Exercise Notice.

10. PAYMENT OF EXERCISE PRICE. Except in connection with a cashless exercise as set forth in Section 4(b) above, the Holder shall pay the Exercise Price by delivering to the Company immediately available funds.

11. NO FRACTIONAL SHARES. No fractional shares of Warrant Shares will be issued in connection with any exercise of this Warrant. In lieu of any fractional shares which would, otherwise be issuable, the Company shall pay cash equal to the product of such fraction multiplied by the closing sale price of one Warrant Share as reported by the applicable Trading Market on the date of exercise.

12. NOTICES. Any and all notices or other communications or deliveries hereunder (including, without limitation, any Exercise Notice) shall be in writing and shall be deemed given and effective on the earliest of (i) the date of transmission, if such notice or communication is delivered via facsimile at the facsimile number specified in this Section prior to 5:00 p.m. (California time) on a Trading Day, (ii) the next Trading Day after the date of transmission, if such notice or communication is delivered via facsimile at the facsimile number specified in this Section on a day that is not a Trading Day or later than 5:00 p.m. (California time) on any Trading Day, (iii) the Trading Day following the date of mailing, if sent by nationally recognized overnight courier service, or (iv) upon actual receipt by the party to whom such notice is required to be given. The addresses for such communications shall be: (i) if to the Company, to Pacific Ethanol, Inc., Attn: President, or to Facsimile No.: (559) 435-1478 (or such other address as the Company shall indicate in writing in accordance with this Section), or (ii) if to the Holder, to the address or facsimile number appearing on the Warrant Register or such other address or facsimile number as the Holder may provide to the Company in accordance with this Section.

13. WARRANT AGENT. The Company shall serve as warrant agent under this Warrant. Upon ten (10) days' notice to the Holder, the Company may appoint a new warrant agent. Any corporation into which the Company or any new warrant agent may be merged or any corporation resulting from any consolidation to which the Company or any new warrant agent shall be a party or any corporation to which the Company or any new warrant agent transfers substantially all of its corporate trust or shareholders services business shall be a successor warrant agent under this Warrant without any further act. Any such successor warrant agent shall promptly cause notice of its succession as warrant agent to be mailed (by first class mail, postage prepaid) to the Holder at the Holder's last address as shown on the Warrant Register.

14. VOLUNTARY ADJUSTMENT BY COMPANY. The Company may at any time during the term of this Warrant reduce the then current Exercise Price to any amount and for any period of time deemed appropriate by the Board of Directors of the Company.

15. MISCELLANEOUS.

(a) This Warrant shall be binding on and inure to the benefit of the parties hereto and their respective successors and assigns. Subject to the preceding sentence, nothing in this Warrant shall be construed to give to any Person other than the Company and the Holder any legal or equitable right, remedy or cause of action under this Warrant. This Warrant may be amended only in writing signed by the Company and the Holder and their successors and assigns.

(b) All questions concerning the construction, validity, enforcement and interpretation of this Warrant shall be governed by and construed and enforced in accordance with the internal laws of the State of California, without regard to the principles of conflicts of law thereof. Each party agrees that all legal proceedings concerning the interpretations, enforcement and defense of this Warrant and the transactions herein contemplated ("Proceedings") (whether brought against a party hereto or its respective Affiliates, employees or agents) shall be commenced exclusively in the California Courts. Each party hereto hereby irrevocably submits to the exclusive jurisdiction of the California Courts for the adjudication of any dispute hereunder or in connection herewith or with any transaction contemplated hereby or discussed herein, and hereby irrevocably waives, and agrees not to assert in any Proceeding, any claim that it is not personally subject to the jurisdiction of any California Court, or that such Proceeding has been commenced in an improper or inconvenient forum. Each party hereto hereby irrevocably waives

personal service of process and consents to process being served in any such Proceeding by mailing a copy thereof via registered or certified mail or overnight delivery (with evidence of delivery) to such party at the address in effect for notices to it under this Warrant and agrees that such service shall constitute good and sufficient service of process and notice thereof. Nothing contained herein shall be deemed to limit in any way any right to serve process in any manner permitted by law. Each party hereto hereby irrevocably waives, to the fullest extent permitted by applicable law, any and all right to trial by jury in any legal proceeding arising out of or relating to this Warrant or the transactions contemplated hereby. If either party shall commence a Proceeding to enforce any provisions of this Warrant, then the prevailing party in such Proceeding shall be reimbursed by the other party for its attorney's fees and other costs and expenses incurred with the investigation, preparation and prosecution of such Proceeding.

(c) The headings herein are for convenience only, do not constitute a part of this Warrant and shall not be deemed to limit or affect any of the provisions hereof.

(d) In case any one or more of the provisions of this Warrant shall be invalid or unenforceable in any respect, the validity and enforceability of the remaining terms and provisions of this Warrant shall not in any way be affected or impaired thereby and the parties will attempt in good faith to agree upon a valid and enforceable provision which shall be a commercially reasonable substitute therefor, and upon so agreeing, shall incorporate such substitute provision in this Warrant.

(e) Prior to exercise of this Warrant, the Holder hereof shall not, by reason of by being a Holder, be entitled to any rights of a shareholder with respect to the Warrant Shares.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, the Company has caused this Warrant to be duly executed by its authorized officer as of the date first indicated above.

PACIFIC ETHANOL, INC.

By: _____
Ryan Turner, Chief Operating Officer

EXERCISE NOTICE
PACIFIC ETHANOL, INC.
WARRANT DATED MARCH 23, 2005

The undersigned Holder hereby irrevocably elects to purchase _____ shares of Common Stock pursuant to the above referenced Warrant. Capitalized terms used herein and not otherwise defined have the respective meanings set forth in the Warrant.

(1) The undersigned Holder hereby exercises its right to purchase _____ Warrant Shares pursuant to the Warrant.

(2) The Holder shall pay the sum of $_____ to the Company in accordance with the terms of the Warrant. Payment shall take the form of (check applicable box):

[ ] in lawful money of the United States; or

[ ] the cancellation of such number of Warrant Shares as is necessary, in accordance with the formula set forth in subsection 4(c), to exercise this Warrant with respect to the maximum number of Warrant Shares purchasable pursuant to the cashless exercise procedure set forth in subsection 4(c).

(3) Pursuant to this Exercise Notice, the Company shall deliver to the holder _____ Warrant Shares in accordance with the terms of the Warrant.

(4) The undersigned represents that it has and will comply with the prospectus delivery requirements of the Securities Act.

Dated: _____,____

Name of Holder:

(Print)_____

By:_____
Name:_____
Title:_____

(Signature must conform in all respects to name of holder as specified on the face of the Warrant)

<TABLE>

WARRANT SHARES EXERCISE LOG

Date	Number of Warrant Shares Available to be Exercised	Number of Warrant Shares Exercised	Number of Warrant Shares Remaining to be Exercised
<S>	<C>	<C>	<C>

</TABLE>

PACIFIC ETHANOL, INC.
WARRANT ORIGINALLY ISSUED MARCH 23, 2005
WARRANT NO. _____

FORM OF ASSIGNMENT

[To be completed and signed only upon transfer of Warrant]

FOR VALUE RECEIVED, the undersigned hereby sells, assigns and transfers unto _____ the right represented by the above-captioned Warrant to purchase _____ shares of Common Stock to which such Warrant relates and appoints _____ attorney to transfer said right on the books of the Company with full power of substitution in the premises.

Dated: _____, ____

_____
(Signature must conform in all respects to name of holder as specified on the face of the Warrant)

_____
Address of Transferee

_____

_____

In the presence of:

_____

_____

EXHIBIT 10.15

NEITHER THESE SECURITIES NOR THE SECURITIES ISSUABLE UPON EXERCISE OF THESE SECURITIES HAVE BEEN REGISTERED WITH THE SECURITIES AND EXCHANGE COMMISSION OR THE SECURITIES COMMISSION OF ANY STATE IN RELIANCE UPON AN EXEMPTION FROM REGISTRATION UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), AND, ACCORDINGLY, MAY NOT BE OFFERED OR SOLD EXCEPT PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER THE SECURITIES ACT OR PURSUANT TO AN AVAILABLE EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND IN ACCORDANCE WITH APPLICABLE STATE SECURITIES LAWS AS EVIDENCED BY A LEGAL OPINION OF COUNSEL TO THE TRANSFEROR TO SUCH EFFECT, THE SUBSTANCE OF WHICH SHALL BE REASONABLY ACCEPTABLE TO THE COMPANY. THESE SECURITIES AND THE SECURITIES ISSUABLE UPON EXERCISE OF THESE SECURITIES MAY BE PLEDGED IN CONNECTION WITH A BONA FIDE MARGIN ACCOUNT SECURED BY SUCH SECURITIES.

PACIFIC ETHANOL, INC.

PLACEMENT WARRANT

Placement Warrant No. PW-____ Original Issue Date: as of _____ 2005

Pacific Ethanol, Inc., a California corporation (the "Company"), hereby certifies that, for value received, [_____] or its registered assigns (the "Holder"), is entitled to purchase from the Company up to a total of [_____] shares of Common Stock (each such share, a "Warrant Share" and all such shares, the "Warrant Shares"), at any time and from time to time from and after the Original Issue Date and through and including March 25, 2007 (the "Expiration Date"), and subject to the following terms and conditions:

1. DEFINITIONS. As used in this Warrant, the following terms shall have the respective definitions set forth in this Section 1. Capitalized terms that are used and not defined in this Warrant that are defined in the Purchase Agreement (as defined below) shall have the respective definitions set forth in the Purchase Agreement.

"ACCESSITY SHARE EXCHANGE" means the proposed share exchange transaction among Accessity Corp., the Company, Kinergy Marketing, LLC and ReEnergy, LLC as described in that certain Share Exchange Agreement dated as of May 14, 2004, as amended on July 30, 2004, October 1, 2004, January 7, 2005, February 16, 2005 and March 3, 2005 and as may be amended from time to time thereafter.

"BUSINESS DAY" means any day except Saturday, Sunday and any day that is a federal legal holiday in the United States or a day on which banking institutions in the State of California are authorized or required by law or other government action to close.

"CALIFORNIA COURTS" means the state and federal courts sitting in the County of Orange, State of California.

"COMMON STOCK" means the common stock of the Company, no par value per share, and any securities into which such common stock may hereafter be reclassified.

"EXERCISE PRICE" means [$__.__], subject to adjustment in accordance with Section 9.

"FUNDAMENTAL TRANSACTION" means any of the following: (1) the Company effects any merger or consolidation of the Company with or into another person pursuant to which the Company is not the surviving entity (other than a migratory merger conducted for the purpose of changing the Company's state of incorporation), (2) the Company effects any sale of all or substantially all of its assets in one or a series of related transactions, (3) any tender offer or exchange offer (whether by the Company or another person, including the Accessity Share Exchange) is completed pursuant to which holders of Common Stock are permitted to tender or exchange their shares for other securities, cash or property, or (4) the Company effects any reclassification of the Common Stock or any compulsory share exchange pursuant to which the Common Stock is effectively converted into or exchanged for other securities, cash or property.

"ORIGINAL ISSUE DATE" means the Original Issue Date first set forth on the first page of this Warrant.

"PURCHASE AGREEMENT" means the Securities Purchase Agreement, dated effective as of March 23, 2005, to which the Company and various investors are parties.

"TRADING DAY" means (i) a day on which the Common Stock is traded on a Trading Market (other than the OTC Bulletin Board), or (ii) if the Common Stock is not listed on a Trading Market (other than the OTC Bulletin Board), a day on which the Common Stock is traded in the over-the-counter market, as reported by the OTC Bulletin Board, or (iii) if the Common Stock is not quoted on any Trading Market, a day on which the Common Stock is quoted in the

over-the-counter market as reported by the National Quotation Bureau Incorporated (or any similar organization or agency succeeding to its functions of reporting prices); provided, that in the event that the Common Stock is not listed or quoted as set forth in (i), (ii) and (iii) hereof, then Trading Day shall mean a Business Day.

2. REGISTRATION OF WARRANT. The Company shall register this Warrant upon records to be maintained by the Company for that purpose (the "Warrant Register"), in the name of the record Holder hereof from time to time. The Company may deem and treat the registered Holder of this Warrant as the absolute owner hereof for the purpose of any exercise hereof or any distribution to the Holder, and for all other purposes, absent actual notice to the contrary.

3. REGISTRATION OF TRANSFERS. The Company shall register the transfer of any portion of this Warrant in the Warrant Register, upon surrender of this Warrant, with the Form of Assignment attached hereto duly completed and signed, to the Company at its address specified herein. Upon any such registration or transfer, a new Warrant to purchase Common Stock, in substantially the form of this Warrant (any such new Warrant, a "New Warrant"), evidencing the portion of this Warrant so transferred shall be issued to the transferee and a New Warrant evidencing the remaining portion of this Warrant not so transferred, if any, shall be issued to the transferring Holder. The acceptance of the New Warrant by the transferee thereof shall be deemed the acceptance by such transferee of all of the rights and obligations of a holder of a Warrant.

4. EXERCISE AND DURATION OF WARRANTS. This Warrant shall be exercisable by the registered Holder at any time and from time to time on or after the Original Issue Date through and including the Expiration Date. At 5:00 p.m., Pacific Standard Time on the Expiration Date, the portion of this Warrant not exercised prior thereto shall be and become void and of no value. The Company may not call or redeem any portion of this Warrant without the prior written consent of the affected Holder.

5. DELIVERY OF WARRANT SHARES.

(a) To effect exercises hereunder, the Holder shall not be required to physically surrender this Warrant unless the aggregate Warrant Shares represented by this Warrant is being exercised. Upon delivery of the Exercise Notice (in the form attached hereto) to the Company (with the attached Warrant Shares Exercise Log) at its address for notice set forth herein and upon payment of the Exercise Price multiplied by the number of Warrant Shares that the Holder intends to purchase hereunder, the Company shall promptly (but in no event later than three Trading Days after the Date of Exercise (as defined herein)) issue and deliver to the Holder, a certificate for the Warrant Shares issuable upon such exercise, which, unless otherwise required by the Purchase Agreement, shall be free of restrictive legends. The Company shall, upon request of the Holder and subsequent to the date on which a registration statement covering the resale of the Warrant Shares has been declared effective by the Securities and Exchange Commission (the "Commission"), use its reasonable best efforts to deliver Warrant Shares hereunder electronically through the Depository Trust Corporation or another established clearing corporation performing similar functions, if available, provided, that, the Company may, but will not be required to change its transfer agent if its current transfer agent cannot deliver Warrant Shares electronically through the Depository Trust Corporation. A "Date of Exercise" means the date on which the Holder shall have delivered to the Company: (i) the Exercise Notice (with the Warrant Exercise Log attached to it), appropriately completed and duly signed and (ii) if the holder is not utilizing the cashless exercise provisions set forth in Section 10(b) of this Warrant, payment of the Exercise Price for the number of Warrant Shares so indicated by the Holder to be purchased.

(b) If by the third Trading Day after a Date of Exercise the Company fails to deliver the required number of Warrant Shares in the manner required pursuant to Section 5(a), then the Holder will have the right to rescind such exercise.

(c) If by the third Trading Day after a Date of Exercise the Company fails to deliver the required number of Warrant Shares in the manner required pursuant to Section 5(a), and if after such third Trading Day and prior to the receipt of such Warrant Shares, the Holder purchases (in an open market transaction or otherwise) shares of Common Stock to deliver in satisfaction of a sale by the Holder of the Warrant Shares which the Holder anticipated receiving upon such exercise (a "Buy-In"), then the Company shall (1) pay in cash to the Holder the amount by which (x) the Holder's total purchase price (including brokerage commissions, if any) for the shares of Common Stock so purchased exceeds (y) the amount obtained by multiplying (A) the number of Warrant Shares that the Company was required to deliver to the Holder in connection with the

exercise at issue by (B) the closing sale price of the Common Stock at the time of the obligation giving rise to such purchase obligation and (2) at the option of the Holder, either reinstate the portion of the Warrant and equivalent number of Warrant Shares for which such exercise was not honored or deliver to the

Holder the number of shares of Common Stock that would have been issued had the Company timely complied with its exercise and delivery obligations hereunder. The Holder shall provide the Company written notice and supporting documentation indicating the amounts payable to the Holder in respect of the Buy-In.

(d) The Company's obligations to issue and deliver Warrant Shares in accordance with the terms hereof are absolute and unconditional, irrespective of any action or inaction by the Holder to enforce the same, any waiver or consent with respect to any provision hereof, the recovery of any judgment against any person or any action to enforce the same, or any setoff, counterclaim, recoupment, limitation or termination, or any breach or alleged breach by the Holder or any other person of any obligation to the Company or any violation or alleged violation of law by the Holder or any other person, and irrespective of any other circumstance which might otherwise limit such obligation of the Company to the Holder in connection with the issuance of Warrant Shares. Nothing herein shall limit a Holder's right to pursue any other remedies available to it hereunder, at law or in equity including, without limitation, a decree of specific performance and/or injunctive relief with respect to the Company's failure to timely deliver certificates representing Warrant Shares upon exercise of the Warrant as required pursuant to the terms hereof.

6. CHARGES, TAXES AND EXPENSES. Issuance and delivery of Warrant Shares upon exercise of this Warrant shall be made without charge to the Holder for any issue or transfer tax, withholding tax, transfer agent fee or other incidental tax or expense in respect of the issuance of such certificates, all of which taxes and expenses shall be paid by the Company; provided, however, that the Company shall not be required to pay any tax which may be payable in respect of any transfer involved in the registration of any certificates for Warrant Shares or Warrants in a name other than that of the Holder. The Holder shall be responsible for all other tax liability that may arise as a result of holding or transferring this Warrant or receiving Warrant Shares upon exercise hereof.

7. REPLACEMENT OF WARRANT. If this Warrant is mutilated, lost, stolen or destroyed, the Company shall issue or cause to be issued in exchange and substitution for and upon cancellation hereof, or in lieu of and substitution for this Warrant, a New Warrant, but only upon receipt of evidence reasonably satisfactory to the Company of such loss, theft or destruction and customary and reasonable indemnity (which shall not include a surety bond), if requested. Applicants for a New Warrant under such circumstances shall also comply with such other reasonable regulations and procedures and pay such other reasonable third-party costs as the Company may prescribe. If a New Warrant is requested as a result of a mutilation of this Warrant, then the Holder shall deliver such mutilated Warrant to the Company as a condition precedent to the Company's obligation to issue the New Warrant.

8. RESERVATION OF WARRANT SHARES. The Company covenants that it will at all times reserve and keep available out of the aggregate of its authorized but unissued and otherwise unreserved Common Stock, solely for the purpose of enabling it to issue Warrant Shares upon exercise of this Warrant as herein provided, the number of Warrant Shares which are then issuable and deliverable upon the exercise of this entire Warrant, free from preemptive rights or any

other contingent purchase rights of persons other than the Holder (taking into account the adjustments and restrictions of Section 9). The Company covenants that all Warrant Shares so issuable and deliverable shall, upon issuance and the payment of the applicable Exercise Price in accordance with the terms hereof, be duly and validly authorized, issued and fully paid and nonassessable.

9. CERTAIN ADJUSTMENTS. The Exercise Price and number of Warrant Shares issuable upon exercise of this Warrant are subject to adjustment from time to time as set forth in this Section 9.

(a) STOCK DIVIDENDS AND SPLITS. If the Company, at any time while this Warrant is outstanding, (i) pays a stock dividend on its Common Stock or otherwise makes a distribution on any class of capital stock that is payable in shares of Common Stock, (ii) subdivides outstanding shares of Common Stock into a larger number of shares, or (iii) combines outstanding shares of Common Stock into a smaller number of shares, then in each such case the Exercise Price shall be multiplied by a fraction of which the numerator shall be the number of shares of Common Stock outstanding immediately before such event and of which the denominator shall be the number of shares of Common Stock outstanding immediately after such event. Any adjustment made pursuant to clause (i) of this paragraph shall become effective immediately after the payment of the dividend or the making of the distribution, and any adjustment pursuant to clause (ii) or (iii) of this paragraph shall become effective immediately after the effective date of such subdivision or combination.

(b) FUNDAMENTAL TRANSACTIONS. If, at any time while this Warrant is outstanding there is a Fundamental Transaction, then the Holder shall have the right thereafter to receive, upon exercise of this Warrant, the same amount and kind of securities, cash or property as it would have been entitled to receive upon the occurrence of such Fundamental Transaction if it had been,

immediately prior to such Fundamental Transaction, the holder of the number of Warrant Shares then issuable upon exercise in full of this Warrant (the "Alternate Consideration"). For purposes of any such exercise, the determination of the Exercise Price shall be appropriately adjusted to apply to such Alternate Consideration based on the amount of Alternate Consideration issuable in respect of one share of Common Stock in such Fundamental Transaction, and the Company shall apportion the Exercise Price among the Alternate Consideration in a reasonable manner reflecting the relative value of any different components of the Alternate Consideration. If holders of Common Stock are given any choice as to the securities, cash or property to be received in a Fundamental Transaction, then the Holder shall be given the same choice as to the Alternate Consideration it receives upon any exercise of this Warrant following such Fundamental Transaction. At the Holder's option and request, any successor to the Company or surviving entity in such Fundamental Transaction shall issue to the Holder a new warrant substantially in the form of this Warrant and consistent with the foregoing provisions and evidencing the Holder's right to purchase the Alternate Consideration for the aggregate Exercise Price upon exercise thereof. The terms of any agreement pursuant to which a Fundamental Transaction is effected shall include terms requiring any such successor or surviving entity to comply with the provisions of this paragraph (b) and insuring that the Warrant (or any such replacement security) will be similarly adjusted upon any subsequent transaction analogous to a Fundamental Transaction.

(c) NUMBER OF WARRANT SHARES. Simultaneously with any adjustment to the Exercise Price pursuant to this Section 9, the number of Warrant Shares that may be purchased upon exercise of this Warrant shall be increased or decreased proportionately, so that after such adjustment the aggregate Exercise Price payable hereunder for the adjusted number of Warrant Shares shall be the same as the aggregate Exercise Price in effect immediately prior to such adjustment.

(d) CALCULATIONS. All calculations under this Section 9 shall be made to the nearest cent or the nearest 1/100th of a share, as applicable. The number of shares of Common Stock outstanding at any given time shall not include shares owned or held by or for the account of the Company, and the disposition of any such shares shall be considered an issue or sale of Common Stock.

(e) NOTICE OF ADJUSTMENTS. Upon the occurrence of each adjustment pursuant to this Section 9, the Company at its expense will promptly compute such adjustment in accordance with the terms of this Warrant and prepare a certificate setting forth such adjustment, including a statement of the adjusted Exercise Price and adjusted number or type of Warrant Shares or other securities issuable upon exercise of this Warrant (as applicable), describing the transactions giving rise to such adjustments and showing in detail the facts upon which such adjustment is based. Upon written request, the Company will promptly deliver a copy of each such certificate to the Holder and to the Company's Transfer Agent.

(f) NOTICE OF CORPORATE EVENTS. If the Company (i) declares a dividend or any other distribution of cash, securities or other property in respect of its Common Stock, including without limitation any granting of rights or warrants to subscribe for or purchase any capital stock of the Company or any Subsidiary, (ii) authorizes or approves, enters into any agreement contemplating or solicits stockholder approval for any Fundamental Transaction or (iii) authorizes the voluntary dissolution, liquidation or winding up of the affairs of the Company, then the Company shall deliver to the Holder a notice describing the material terms and conditions of such transaction (but only to the extent such disclosure would not result in the dissemination of material, non-public information to the Holder) at least ten (10) calendar days prior to the applicable record or effective date on which a person would need to hold Common Stock in order to participate in or vote with respect to such transaction, and the Company will take all steps reasonably necessary in order to insure that the Holder is given the practical opportunity to exercise this Warrant prior to such time so as to participate in or vote with respect to such transaction; provided, however, that the failure to deliver such notice or any defect therein shall not affect the validity of the corporate action required to be described in such notice.

10. PAYMENT OF EXERCISE PRICE. The Holder may pay the Exercise Price in one of the following manners:

(a) CASH EXERCISE. The Holder may deliver immediately available funds; or

(b) CASHLESS EXERCISE. If the Company's Common Stock is traded on a Trading Market or quoted in the over-the-counter market, the Holder may notify the Company in an Exercise Notice of its election to utilize cashless exercise, in which event the Company shall issue to the Holder the number of Warrant Shares determined as follows:

$$X = Y\ [(A-B)/A]$$

where:

X = the number of Warrant Shares to be issued to the Holder.

Y = the number of Warrant Shares with respect to which this Warrant is being exercised.

A = the average of the closing sale prices for the five Trading Days immediately prior to (but not including) the Exercise Date.

B = the Exercise Price.

For purposes of Rule 144 promulgated under the Securities Act, it is intended, understood and acknowledged that the Warrant Shares issued in a cashless exercise transaction shall be deemed to have been acquired by the Holder, and the holding period for the Warrant Shares shall be deemed to have commenced, on the date this Warrant was originally issued.

11. NO FRACTIONAL SHARES. No fractional shares of Warrant Shares will be issued in connection with any exercise of this Warrant. In lieu of any fractional shares which would, otherwise be issuable, the Company shall pay cash equal to the product of such fraction multiplied by the closing sale price of one Warrant Share as reported by the applicable Trading Market on the date of exercise.

12. REGISTRATION RIGHTS.

(a) PIGGY-BACK REGISTRATION RIGHTS. If at any time when there is not an effective registration statement covering the Warrant Shares, the Company shall determine to prepare and file with the Commission a registration statement relating to an offering for its own account or the account of others under the Securities Act of any of its equity securities, other than on Form S-4 or Form S-8 (each as promulgated under the Securities Act) or their then equivalents relating to equity securities to be issued solely in connection with any acquisition of any entity or business or equity securities issuable in connection with stock option or other employee benefit plans, the Company shall send to the Holder of this Warrant written notice of such determination and, if within fifteen (15) days after receipt of such notice, any such holder shall so request in writing, (which request shall specify the Warrant Shares intended to be registered on behalf of the Holder), the Company will cause the registration under the Securities Act of all Warrant Shares which the Company has been so requested to register by the Holder, to the extent requisite to permit the disposition of the Warrant Shares so to be registered, provided that if at any time after giving written notice of its intention to register any securities and prior to the effective date of the registration statement filed in connection with such registration, the Company shall determine for any reason not to register or to delay registration of such securities, the Company may, at its election, give written notice of such determination to the Holder and, thereupon, (i) in the case of a determination not to register, shall be relieved of its obligation to register any Warrant Shares in connection with such registration, and (ii) in the case of a determination to delay registering, shall be permitted to delay registering any Warrant Shares being registered pursuant to this Section for the same period as the delay in registering such

other securities. The Company shall include in such registration statement all or any part of such Warrant Shares the Holder requests to be registered; provided, however, that the Company shall not be required to register any Warrant Shares pursuant to this Section that are eligible for sale pursuant to Rule 144(k) of the Securities Act. In the case of an underwritten public offering, if the managing underwriter(s) or underwriter(s) should reasonably object to the inclusion of the Warrant Shares in such registration statement, then if the Company after consultation with the managing underwriter should reasonably determine that the inclusion of such Warrant Shares, would materially adversely affect the offering contemplated in such registration statement, and based on such determination recommends inclusion in such registration statement of fewer or none of the Warrant Shares of the Holders, then the number of Warrant Shares of the Holder included in such registration statement may be reduced if the Company after consultation with the underwriter(s) recommends the inclusion of fewer Warrant Shares, or none of the Warrant Shares shall be included in such registration statement, if the Company after consultation with the underwriter(s) recommends the inclusion of none of such Warrant Shares.

(b) NOTIFICATION. The Company shall notify the Holder as promptly as possible (and, in the case of (i)(A) below, not less than three (3) days prior to such filing) and (if requested by any such person) confirm such notice in writing no later than one (1) business day following the day (i)(A) when a prospectus or any prospectus supplement or post-effective amendment to the registration statement is proposed to be filed; (B) when the Commission notifies the Company whether there will be a "review" of such registration statement and whenever the Commission comments in writing on such registration

statement and (C) with respect to the registration statement or any post-effective amendment, when the same has become effective; (ii) of any request by the Commission or any other federal or state governmental authority for amendments or supplements to the registration statement or prospectus or for additional information; (iii) of the issuance by the Commission of any stop order suspending the effectiveness of the registration statement covering any or all of the Warrant Shares or the initiation of any proceedings for that purpose; (iv) of the receipt by the Company of any notification with respect to the suspension of the qualification or exemption from qualification of any of the Warrant Shares for sale in any jurisdiction, or the initiation or threatening of any proceeding for such purpose; and (v) of the occurrence of any event that makes any statement made in the registration statement or prospectus or any document incorporated or deemed to be incorporated therein by reference untrue in any material respect or that requires any revisions to the registration statement, prospectus or other documents so that, in the case of the registration statement or the prospectus, as the case may be, it will not contain any untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading.

(c) CERTAIN COVENANTS OF HOLDER.

i) Holder covenants and agrees that (i) it will not sell any Warrant Shares under the registration statement until it has received copies of the prospectus as then amended or supplemented and notice from the Company that such registration statement and any post-effective amendments thereto have become effective, (ii) it and its officers, directors or affiliates, if any, will comply with the prospectus delivery requirements of the

Securities Act as applicable to them in connection with sales of Warrant Shares pursuant to the registration statement and (iii) it will furnish to the Company information regarding such Holder and the distribution of such Warrant Shares as is required by law to be disclosed in the registration statement, and the Company may exclude from such registration the Warrant Shares of any such Holder who unreasonably fails to furnish such information within a reasonable time.

ii) Holder agrees by its acquisition of Warrant Shares that, upon receipt of a notice from the Company of the occurrence of any event of the kind described in Section 12(b) above, such Holder will forthwith discontinue disposition of Warrant Shares under the registration statement until such Holder's receipt of the copies of the supplemented prospectus and/or amended registration statement, or until it is advised in writing by the Company that the use of the applicable prospectus may be resumed, and, in either case, has received copies of any additional or supplemental filings that are incorporated or deemed to be incorporated by reference in such prospectus or registration statement.

(d) INDEMNIFICATION. The Holder shall indemnify and hold harmless the Company, the directors, officers, agents and employees, each person who controls the Company (within the meaning of Section 15 of the Securities Act and Section 20 of the Exchange Act), and the directors, officers, agents or employees of such controlling persons, to the fullest extent permitted by applicable law, from and against all losses, claims, damages, liabilities, costs (including, without limitation, costs of preparation and attorneys' fees) and expenses (as determined by a court of competent jurisdiction in a final judgment not subject to appeal or review), as incurred, arising solely out of or based solely upon any untrue statement or alleged untrue statement of a material fact contained in the registration statement, any prospectus, or any form of prospectus or form of prospectus or in any amendment or supplement thereto or in any preliminary prospectus, or arising solely out of or based solely upon any omission of a material fact required to be stated therein or necessary to make the statements therein (in the case of any prospectus or supplement thereto, in the light of the circumstances under which they were made) not misleading, to the extent, but only to the extent, that such untrue statement or omission or alleged untrue statement or omission is contained in any information so furnished in writing by the Holder to the Company specifically for inclusion in the registration statement or such prospectus and that such information was reasonably relied upon by the Company for use in the registration statement, such prospectus or such form of prospectus or to the extent that such information relates to the Holder or the Holder's proposed method of distribution of Warrant Shares and was reviewed and expressly approved in writing by the Holder expressly for use in the registration statement, such prospectus or such form of prospectus. In no event shall the liability of any selling Holder hereunder be greater in amount than the dollar amount of the net proceeds received by such Holder upon the sale of the Warrant Shares giving rise to such indemnification obligation.

(e) ASSIGNMENT. The rights of the Holder hereunder, including the right to have the Company register for resale the Warrant Shares in accordance with the terms of this Agreement, shall be automatically assignable by the Holder to any affiliate of the Holder or any other Holder or affiliate of any other Holder of all or a portion of the Warrant Shares if: (i) the Holder agrees in writing with the transferee or assignee to assign such rights, and a copy of such agreement is furnished to the Company within a reasonable time

after such assignment, (ii) the Company is, within a reasonable time after such transfer or assignment, furnished with written notice of (a) the name and address of such transferee or assignee, and (b) the securities with respect to which such registration rights are being transferred or assigned, (iii)

following such transfer or assignment the further disposition of such securities by the transferee or assignees is restricted under the Securities Act and applicable state securities laws, and (iv) at or before the time the Company receives the written notice contemplated by clause (ii) of this Section, the transferee or assignee agrees in writing with the Company to be bound by all of the provisions of this Warrant. In addition, each Holder shall have the right to assign its rights hereunder to any other person with the prior written consent of the Company, which consent shall not be unreasonably withheld. The rights to assignment shall apply to the Holders (and to subsequent) successors and assigns.

13. NOTICES. Any and all notices or other communications or deliveries hereunder (including, without limitation, any Exercise Notice) shall be in writing and shall be deemed given and effective on the earliest of (i) the date of transmission, if such notice or communication is delivered via facsimile at the facsimile number specified in this Section prior to 5:00 p.m. (California time) on a Trading Day, (ii) the next Trading Day after the date of transmission, if such notice or communication is delivered via facsimile at the facsimile number specified in this Section on a day that is not a Trading Day or later than 5:00 p.m. (California time) on any Trading Day, (iii) the Trading Day following the date of mailing, if sent by nationally recognized overnight courier service, or (iv) upon actual receipt by the party to whom such notice is required to be given. The addresses for such communications shall be: (i) if to the Company, to Pacific Ethanol, Inc., Attn: President, or to Facsimile No.: (559) 435-1478 (or such other address as the Company shall indicate in writing in accordance with this Section), or (ii) if to the Holder, to the address or facsimile number appearing on the Warrant Register or such other address or facsimile number as the Holder may provide to the Company in accordance with this Section.

14. WARRANT AGENT. The Company shall serve as warrant agent under this Warrant. Upon ten (10) days' notice to the Holder, the Company may appoint a new warrant agent. Any corporation into which the Company or any new warrant agent may be merged or any corporation resulting from any consolidation to which the Company or any new warrant agent shall be a party or any corporation to which the Company or any new warrant agent transfers substantially all of its corporate trust or shareholders services business shall be a successor warrant agent under this Warrant without any further act. Any such successor warrant agent shall promptly cause notice of its succession as warrant agent to be mailed (by first class mail, postage prepaid) to the Holder at the Holder's last address as shown on the Warrant Register.

15. MISCELLANEOUS.

(a) This Warrant shall be binding on and inure to the benefit of the parties hereto and their respective successors and assigns. Subject to the preceding sentence, nothing in this Warrant shall be construed to give to any person other than the Company and the Holder any legal or equitable right, remedy or cause of action under this Warrant. This Warrant may be amended only in writing signed by the Company and the Holder and their successors and assigns.

(b) All questions concerning the construction, validity, enforcement and interpretation of this Warrant shall be governed by and construed and enforced in accordance with the internal laws of the State of California, without regard to the principles of conflicts of law thereof. Each party agrees that all legal proceedings concerning the interpretations, enforcement and defense of this Warrant and the transactions herein contemplated ("Proceedings") (whether brought against a party hereto or its respective affiliates, employees or agents) shall be commenced exclusively in the California Courts. Each party hereto hereby irrevocably submits to the exclusive jurisdiction of the California Courts for the adjudication of any dispute hereunder or in connection herewith or with any transaction contemplated hereby or discussed herein, and hereby irrevocably waives, and agrees not to assert in any Proceeding, any claim that it is not personally subject to the jurisdiction of any California Court, or that such Proceeding has been commenced in an improper or inconvenient forum. Each party hereto hereby irrevocably waives personal service of process and consents to process being served in any such Proceeding by mailing a copy thereof via registered or certified mail or overnight delivery (with evidence of delivery) to such party at the address in effect for notices to it under this Warrant and agrees that such service shall constitute good and sufficient service of process and notice thereof. Nothing contained herein shall be deemed to limit in any way any right to serve process in any manner permitted by law. Each party hereto hereby irrevocably waives, to the fullest extent permitted by applicable law, any and all right to trial by jury in any legal proceeding arising out of or relating to this Warrant or the

transactions contemplated hereby. If either party shall commence a Proceeding to enforce any provisions of this Warrant, then the prevailing party in such Proceeding shall be reimbursed by the other party for its attorney's fees and other costs and expenses incurred with the investigation, preparation and prosecution of such Proceeding.

(c) The headings herein are for convenience only, do not constitute a part of this Warrant and shall not be deemed to limit or affect any of the provisions hereof.

(d) In case any one or more of the provisions of this Warrant shall be invalid or unenforceable in any respect, the validity and enforceability of the remaining terms and provisions of this Warrant shall not in any way be affected or impaired thereby and the parties will attempt in good faith to agree upon a valid and enforceable provision which shall be a commercially reasonable substitute therefor, and upon so agreeing, shall incorporate such substitute provision in this Warrant.

(e) Prior to exercise of this Warrant, the Holder hereof shall not, by reason of by being a Holder, be entitled to any rights of a shareholder with respect to the Warrant Shares.

IN WITNESS WHEREOF, the Company has caused this Warrant to be duly executed by its authorized officer as of the date first indicated above.

PACIFIC ETHANOL, INC.

By: _____
Ryan Turner, Chief Operating Officer

EXERCISE NOTICE
PACIFIC ETHANOL, INC.
PLACEMENT WARRANT DATED [_____], 2005

The undersigned Holder hereby irrevocably elects to purchase _____ shares of Common Stock pursuant to the above referenced Warrant. Capitalized terms used herein and not otherwise defined have the respective meanings set forth in the Warrant.

(1) The undersigned Holder hereby exercises its right to purchase _____ Warrant Shares pursuant to the Warrant.

(2) The Holder intends that payment of the Exercise Price shall be made as (check one):

____ "Cash Exercise under Section 10(a)

____ "Cashless Exercise" under Section 10(b)

(3) If the Holder has elected a Cash Exercise, the Holder shall pay the sum of $_____ to the Company in accordance with the terms of the Warrant.

(4) Pursuant to this Exercise Notice, the Company shall deliver to the holder _____ Warrant Shares in accordance with the terms of the Warrant.

(5) The undersigned represents that it has and will comply with the prospectus delivery requirements of the Securities Act.

Dated: _____, _____

Name of Holder:

(Print)_____

By:_____
Name:_____
Title:_____

(Signature must conform in all respects to name of holder as specified on the face of the Warrant)

<TABLE>

PLACEMENT WARRANT SHARES EXERCISE LOG

-				
	Number of Warrant Shares	Number of Warrant Shares	Number of Warrant Shares Remaining to

Date	Available to be Exercised	Exercised	be Exercised
<S>	<C>	<C>	<C>

</TABLE>

PACIFIC ETHANOL, INC.
PLACEMENT WARRANT ORIGINALLY ISSUED [_____], 2005
WARRANT NO. [___]

FORM OF ASSIGNMENT

[To be completed and signed only upon transfer of Warrant]

FOR VALUE RECEIVED, the undersigned hereby sells, assigns and transfers unto _____ the right represented by the above-captioned Warrant to purchase _____ shares of Common Stock to which such Warrant relates and appoints _____ attorney to transfer said right on the books of the Company with full power of substitution in the premises.

Dated: _____, ____

_____
(Signature must conform in all respects to name of holder as specified on the face of the Warrant)

_____
Address of Transferee

_____

_____

In the presence of:

_____

_____

EXHIBIT 10.16

NEITHER THESE SECURITIES NOR THE SECURITIES ISSUABLE UPON EXERCISE OF THESE SECURITIES HAVE BEEN REGISTERED WITH THE SECURITIES AND EXCHANGE COMMISSION OR THE SECURITIES COMMISSION OF ANY STATE IN RELIANCE UPON AN EXEMPTION FROM REGISTRATION UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), AND, ACCORDINGLY, MAY NOT BE OFFERED OR SOLD EXCEPT PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER THE SECURITIES ACT OR PURSUANT TO AN AVAILABLE EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND IN ACCORDANCE WITH APPLICABLE STATE SECURITIES LAWS AS EVIDENCED BY A LEGAL OPINION OF COUNSEL TO THE TRANSFEROR TO SUCH EFFECT, THE SUBSTANCE OF WHICH SHALL BE REASONABLY ACCEPTABLE TO THE COMPANY. THESE SECURITIES AND THE SECURITIES ISSUABLE UPON EXERCISE OF THESE SECURITIES MAY BE PLEDGED IN CONNECTION WITH A BONA FIDE MARGIN ACCOUNT SECURED BY SUCH SECURITIES.

THIS WARRANT IS ISSUED IN CONNECTION WITH THE ACCESSITY SHARE EXCHANGE (AS DEFINED BELOW) IN LIEU OF A WARRANT TO BE ISSUED IN CONNECTION WITH A CERTAIN CONSULTING AGREEMENT DATED AS OF FEBRUARY 12, 2004 BETWEEN PEI CALIFORNIA AND HOLDER (AS SUCH TERMS ARE DEFINED BELOW). NOTWITHSTANDING ANYTHING TO THE CONTRARY CONTAINED HEREIN, NOTHING IN THIS WARRANT SHALL CONFER UPON THE HOLDER HEREOF ANY RIGHTS MORE FAVORABLE THAN THOSE CONTEMPLATED TO BE ISSUED TO HOLDER PURSUANT TO SUCH CONSULTING AGREEMENT.

PACIFIC ETHANOL, INC.

WARRANT

Warrant No. Liviakis-2 Original Issue Date: March 23, 2005

Pacific Ethanol, Inc., a Delaware corporation (the "Company"), hereby certifies that, for value received, LIVIAKIS FINANCIAL COMMUNICATIONS, INC., a California corporation, or its registered assigns (the "Holder"), is entitled to purchase from the Company up to a total of 230,000 shares of Common Stock (each such share, a "Warrant Share" and all such shares, the "Warrant Shares"), to the extent Warrant Shares are vested as provided in Section 4 below, from and after the Original Issue Date and through and including March 23, 2009 (the "Expiration Date"), and subject to the following terms and conditions:

1. DEFINITIONS. As used in this Warrant, the following terms shall have the respective definitions set forth in this Section 1.

"ACCESSITY SHARE EXCHANGE" means the share exchange transaction among Accessity Corp., Pacific Ethanol, Inc., a California corporation ("PEI CALIFORNIA"), Kinergy Marketing, LLC and ReEnergy, LLC as described in that certain Share Exchange Agreement dated as of May 14, 2004, as amended on July 30, 2004, October 1, 2004, January 7, 2005, February 16, 2005 and March 3, 2005, and pursuant to which Accessity Corp. was merged with and into the Company.

"BUSINESS DAY" means any day except Saturday, Sunday and any day that is a federal legal holiday in the United States or a day on which banking institutions in the State of California are authorized or required by law or other government action to close.

"CALIFORNIA COURTS" means the state and federal courts sitting in the County of Orange, State of California.

"COMMON STOCK" means the common stock of the Company, $.001 par value per share, and any securities into which such common stock may hereafter be reclassified.

"EXERCISE PRICE" means $0.0001, subject to adjustment in accordance with Section 9.

"FUNDAMENTAL TRANSACTION" means any of the following: (1) the Company effects any merger or consolidation of the Company with or into another person pursuant to which the Company is not the surviving entity (other than a migratory merger conducted for the purpose of changing the Company's state of incorporation), (2) the Company effects any sale of all or substantially all of its assets in one or a series of related transactions, (3) any tender offer or exchange offer (whether by the Company or another person, but not including the Accessity Share Exchange) is completed pursuant to which holders of Common Stock are permitted to tender or exchange their shares for other securities, cash or property, or (4) the Company effects any reclassification of the Common Stock or any compulsory share exchange pursuant to which the Common Stock is effectively converted into or exchanged for other securities, cash or property.

"ORIGINAL ISSUE DATE" means the Original Issue Date first set forth on the first page of this Warrant.

"TRADING DAY" means (i) a day on which the Common Stock is traded on a Trading Market (other than the OTC Bulletin Board), or (ii) if the Common Stock is not listed on a Trading Market (other than the OTC Bulletin Board), a day on which the Common Stock is traded in the over-the-counter market, as reported by

the OTC Bulletin Board, or (iii) if the Common Stock is not quoted on any Trading Market, a day on which the Common Stock is quoted in the over-the-counter market as reported by the Pink Sheets, LLC (or any similar organization or agency succeeding to its functions of reporting prices); provided, that in the event that the Common Stock is not listed or quoted as set forth in (i), (ii) and (iii) hereof, then Trading Day shall mean a Business Day.

2. REGISTRATION OF WARRANT. The Company shall register this Warrant upon records to be maintained by the Company for that purpose (the "Warrant Register"), in the name of the record Holder hereof from time to time. The Company may deem and treat the registered Holder of this Warrant as the absolute owner hereof for the purpose of any exercise hereof or any distribution to the Holder, and for all other purposes, absent actual notice to the contrary.

3. REGISTRATION OF TRANSFERS. The Company shall register the transfer of any portion of this Warrant in the Warrant Register, upon surrender of this Warrant, with the Form of Assignment attached hereto duly completed and signed, to the Company at its address specified herein. Upon any such registration or transfer, a new Warrant to purchase Common Stock, in substantially the form of this Warrant (any such new Warrant, a "New Warrant"), evidencing the portion of this Warrant so transferred shall be issued to the transferee and a New Warrant evidencing the remaining portion of this Warrant not so transferred, if any, shall be issued to the transferring Holder. The acceptance of the New Warrant by the transferee thereof shall be deemed the acceptance by such transferee of all of the rights and obligations of a holder of a Warrant.

4. EXERCISE AND DURATION OF WARRANTS; VESTING.

(a) This Warrant shall be exercisable by the registered Holder, to the extent Warrant Shares are vested as provided below, from time to time on or after the Original Issue Date through and including the Expiration Date. At 5:00 p.m., Pacific Standard Time on the Expiration Date, the portion of this Warrant not exercised prior thereto shall be and become void and of no value. The Company may not call or redeem any portion of this Warrant without the prior written consent of the affected Holder.

(b) This Warrant shall vest, and shall be exercisable into Warrant Shares, in equal amounts over the twenty-four (24) month period commencing on the Original Issue Date.

5. DELIVERY OF WARRANT SHARES.

(a) To effect exercises hereunder, the Holder shall not be required to physically surrender this Warrant unless the aggregate Warrant Shares represented by this Warrant is being exercised. Upon delivery of the Exercise Notice (in the form attached hereto) to the Company (with the attached Warrant Shares Exercise Log) at its address for notice set forth herein and upon payment of the Exercise Price multiplied by the number of Warrant Shares that the Holder intends to purchase hereunder, the Company shall promptly (but in no event later than three Trading Days after the Date of Exercise (as defined herein)) issue and deliver to the Holder, a certificate for the Warrant Shares issuable upon such exercise. The Company shall, upon request of the Holder and subsequent to the date on which a registration statement covering the resale of the Warrant Shares has been declared effective by the Securities and Exchange Commission ("Commission"), use its reasonable best efforts to deliver Warrant Shares hereunder electronically through the Depository Trust Corporation or another established clearing corporation performing similar functions, if available, provided, that, the Company may, but will not be required to change its transfer agent if its current transfer agent cannot deliver Warrant Shares electronically through the Depository Trust Corporation. A "Date of Exercise" means the date on which the Holder shall have delivered to the Company: (i) the Exercise Notice (with the Warrant Exercise Log attached to it), appropriately completed and duly signed and (ii) payment of the Exercise Price for the number of Warrant Shares so indicated by the Holder to be purchased.

(b) If by the third Trading Day after a Date of Exercise the Company fails to deliver the required number of Warrant Shares in the manner required pursuant to Section 5(a), then the Holder will have the right to rescind such exercise.

(c) If by the third Trading Day after a Date of Exercise the Company fails to deliver the required number of Warrant Shares in the manner required pursuant to Section 5(a), and if after such third Trading Day and prior to the receipt of such Warrant Shares, the Holder purchases (in an open market transaction or otherwise) shares of Common Stock to deliver in satisfaction of a sale by the Holder of the Warrant Shares which the Holder anticipated receiving upon such exercise (a "Buy-In"), then the Company shall (1) pay in cash to the Holder the amount by which (x) the Holder's total purchase price (including brokerage commissions, if any) for the shares of Common Stock so purchased exceeds (y) the amount obtained by multiplying (A) the number of Warrant Shares that the Company was required to deliver to the Holder in connection with the exercise at issue by (B) the closing sale price of the Common Stock at the time of the obligation giving rise to such purchase obligation and (2) at the option of the Holder, either reinstate the portion of the Warrant and equivalent number of Warrant Shares for which such exercise was not honored or deliver to the

Holder the number of shares of Common Stock that would have been issued had the Company timely complied with its exercise and delivery obligations hereunder. The Holder shall provide the Company written notice and supporting documentation indicating the amounts payable to the Holder in respect of the Buy-In.

(d) The Company's obligations to issue and deliver Warrant Shares in accordance with the terms hereof are absolute and unconditional, irrespective of any action or inaction by the Holder to enforce the same, any waiver or consent with respect to any provision hereof, the recovery of any judgment against any person or any action to enforce the same, or any setoff, counterclaim, recoupment, limitation or termination, or any breach or alleged breach by the Holder or any other person of any obligation to the Company or any violation or alleged violation of law by the Holder or any other person, and irrespective of any other circumstance which might otherwise limit such obligation of the Company to the Holder in connection with the issuance of Warrant Shares. Nothing herein shall limit a Holder's right to pursue any other remedies available to it hereunder, at law or in equity including, without limitation, a decree of specific performance and/or injunctive relief with respect to the Company's failure to timely deliver certificates representing Warrant Shares upon exercise of the Warrant as required pursuant to the terms hereof.

6. CHARGES, TAXES AND EXPENSES. Issuance and delivery of Warrant Shares upon exercise of this Warrant shall be made without charge to the Holder for any issue or transfer tax, withholding tax, transfer agent fee or other incidental tax or expense in respect of the issuance of such certificates, all of which taxes and expenses shall be paid by the Company; provided, however, that the Company shall not be required to pay any tax which may be payable in respect of any transfer involved in the registration of any certificates for Warrant Shares or Warrants in a name other than that of the Holder. The Holder shall be responsible for all other tax liability that may arise as a result of holding or transferring this Warrant or receiving Warrant Shares upon exercise hereof.

7. REPLACEMENT OF WARRANT. If this Warrant is mutilated, lost, stolen or destroyed, the Company shall issue or cause to be issued in exchange and substitution for and upon cancellation hereof, or in lieu of and substitution for this Warrant, a New Warrant, but only upon receipt of evidence reasonably satisfactory to the Company of such loss, theft or destruction and customary and reasonable indemnity (which shall not include a surety bond), if requested. Applicants for a New Warrant under such circumstances shall also comply with such other reasonable regulations and procedures and pay such other reasonable third-party costs as the Company may prescribe. If a New Warrant is requested as a result of a mutilation of this Warrant, then the Holder shall deliver such mutilated Warrant to the Company as a condition precedent to the Company's obligation to issue the New Warrant.

8. RESERVATION OF WARRANT SHARES. The Company covenants that it will at all times reserve and keep available out of the aggregate of its authorized but unissued and otherwise unreserved Common Stock, solely for the purpose of enabling it to issue Warrant Shares upon exercise of this Warrant as herein provided, the number of Warrant Shares which are then issuable and deliverable upon the exercise of this entire Warrant, free from preemptive rights or any other contingent purchase rights of persons other than the Holder (taking into account the adjustments and restrictions of Section 9). The Company covenants that all Warrant Shares so issuable and deliverable shall, upon issuance and the payment of the applicable Exercise Price in accordance with the terms hereof, be duly and validly authorized, issued and fully paid and nonassessable.

9. CERTAIN ADJUSTMENTS. The Exercise Price and number of Warrant Shares issuable upon exercise of this Warrant are subject to adjustment from time to time as set forth in this Section 9.

(a) STOCK DIVIDENDS AND SPLITS. If the Company, at any time while this Warrant is outstanding, (i) pays a stock dividend on its Common Stock or otherwise makes a distribution on any class of capital stock that is payable in shares of Common Stock, (ii) subdivides outstanding shares of Common Stock into a larger number of shares, or (iii) combines outstanding shares of Common Stock into a smaller number of shares, then in each such case the Exercise Price shall be multiplied by a fraction of which the numerator shall be the number of

shares of Common Stock outstanding immediately before such event and of which the denominator shall be the number of shares of Common Stock outstanding immediately after such event. Any adjustment made pursuant to clause (i) of this paragraph shall become effective immediately after the payment of the dividend or the making of the distribution, and any adjustment pursuant to clause (ii) or (iii) of this paragraph shall become effective immediately after the effective date of such subdivision or combination.

(b) FUNDAMENTAL TRANSACTIONS. If, at any time while this Warrant is outstanding there is a Fundamental Transaction, then the Holder shall have the right thereafter to receive, upon exercise of this Warrant, the same

amount and kind of securities, cash or property as it would have been entitled to receive upon the occurrence of such Fundamental Transaction if it had been, immediately prior to such Fundamental Transaction, the holder of the number of Warrant Shares then issuable upon exercise in full of this Warrant (the "Alternate Consideration"). For purposes of any such exercise, the determination of the Exercise Price shall be appropriately adjusted to apply to such Alternate Consideration based on the amount of Alternate Consideration issuable in respect of one share of Common Stock in such Fundamental Transaction, and the Company shall apportion the Exercise Price among the Alternate Consideration in a reasonable manner reflecting the relative value of any different components of the Alternate Consideration. If holders of Common Stock are given any choice as to the securities, cash or property to be received in a Fundamental Transaction, then the Holder shall be given the same choice as to the Alternate Consideration it receives upon any exercise of this Warrant following such Fundamental Transaction. At the Holder's option and request, any successor to the Company or surviving entity in such Fundamental Transaction shall issue to the Holder a new warrant substantially in the form of this Warrant and consistent with the foregoing provisions and evidencing the Holder's right to purchase the Alternate Consideration for the aggregate Exercise Price upon exercise thereof. The terms of any agreement pursuant to which a Fundamental Transaction is effected shall include terms requiring any such successor or surviving entity to comply with the provisions of this paragraph (b) and insuring that the Warrant (or any such replacement security) will be similarly adjusted upon any subsequent transaction analogous to a Fundamental Transaction.

(c) NUMBER OF WARRANT SHARES. Simultaneously with any adjustment to the Exercise Price pursuant to this Section 9, the number of Warrant Shares that may be purchased upon exercise of this Warrant shall be increased or decreased proportionately, so that after such adjustment the aggregate Exercise Price payable hereunder for the adjusted number of Warrant Shares shall be the same as the aggregate Exercise Price in effect immediately prior to such adjustment.

(d) CALCULATIONS. All calculations under this Section 9 shall be made to the nearest cent or the nearest 1/100th of a share, as applicable. The number of shares of Common Stock outstanding at any given time shall not include shares owned or held by or for the account of the Company, and the disposition of any such shares shall be considered an issue or sale of Common Stock.

(e) NOTICE OF ADJUSTMENTS. Upon the occurrence of each adjustment pursuant to this Section 9, the Company at its expense will promptly compute such adjustment in accordance with the terms of this Warrant and prepare a certificate setting forth such adjustment, including a statement of the adjusted Exercise Price and adjusted number or type of Warrant Shares or other securities issuable upon exercise of this Warrant (as applicable), describing the transactions giving rise to such adjustments and showing in detail the facts upon which such adjustment is based. Upon written request, the Company will promptly deliver a copy of each such certificate to the Holder and to the Company's Transfer Agent.

(f) NOTICE OF CORPORATE EVENTS. If the Company (i) declares a dividend or any other distribution of cash, securities or other property in respect of its Common Stock, including without limitation any granting of rights or warrants to subscribe for or purchase any capital stock of the Company or any Subsidiary, (ii) authorizes or approves, enters into any agreement contemplating or solicits stockholder approval for any Fundamental Transaction or (iii)

authorizes the voluntary dissolution, liquidation or winding up of the affairs of the Company, then the Company shall deliver to the Holder a notice describing the material terms and conditions of such transaction (but only to the extent such disclosure would not result in the dissemination of material, non-public information to the Holder) at least ten (10) calendar days prior to the applicable record or effective date on which a person would need to hold Common Stock in order to participate in or vote with respect to such transaction, and the Company will take all steps reasonably necessary in order to insure that the Holder is given the practical opportunity to exercise this Warrant prior to such time so as to participate in or vote with respect to such transaction; provided, however, that the failure to deliver such notice or any defect therein shall not affect the validity of the corporate action required to be described in such notice.

10. PAYMENT OF EXERCISE PRICE. The Holder shall pay the Exercise Price by delivering to the Company immediately available funds.

11. NO FRACTIONAL SHARES. No fractional shares of Warrant Shares will be issued in connection with any exercise of this Warrant. In lieu of any fractional shares which would, otherwise be issuable, the Company shall pay cash equal to the product of such fraction multiplied by the closing sale price of one Warrant Share as reported by the applicable Trading Market on the date of exercise.

12. REGISTRATION RIGHTS.

(a) PIGGY-BACK REGISTRATION RIGHTS. If at any time when there is not an effective registration statement covering the Warrant Shares, the Company shall determine to prepare and file with the Commission a registration statement relating to an offering for its own account or the account of others under the Securities Act of any of its equity securities, other than on Form S-4 or Form S-8 (each as promulgated under the Securities Act) or their then equivalents relating to equity securities to be issued solely in connection with any acquisition of any entity or business or equity securities issuable in connection with stock option or other employee benefit plans, the Company shall send to the Holder of this Warrant written notice of such determination and, if within fifteen (15) days after receipt of such notice, any such holder shall so request in writing, (which request shall specify the Warrant Shares intended to be registered on behalf of the Holder), the Company will cause the registration under the Securities Act of all Warrant Shares which the Company has been so requested to register by the Holder, to the extent requisite to permit the disposition of the Warrant Shares so to be registered, provided that if at any time after giving written notice of its intention to register any securities and prior to the effective date of the registration statement filed in connection with such registration, the Company shall determine for any reason not to register or to delay registration of such securities, the Company may, at its election, give written notice of such determination to the Holder and, thereupon, (i) in the case of a determination not to register, shall be relieved of its obligation to register any Warrant Shares in connection with such registration, and (ii) in the case of a determination to delay registering, shall be permitted to delay registering any Warrant Shares being registered pursuant to this Section for the same period as the delay in registering such other securities. The Company shall include in such registration statement all or any part of such Warrant Shares the Holder requests to be registered; provided, however, that the Company shall not be required to register any Warrant Shares pursuant to this Section that are eligible for sale pursuant to Rule 144(k) of the Securities Act. In the case of an underwritten public offering, if the managing underwriter(s) or underwriter(s) should reasonably object to the inclusion of the Warrant Shares in such registration statement, then if the Company after consultation with the managing underwriter should reasonably determine that the inclusion of such Warrant Shares, would materially adversely affect the offering contemplated in such registration statement, and based on such determination recommends inclusion in such registration statement of fewer or none of the Warrant Shares of the Holders, then the number of

Warrant Shares of the Holder included in such registration statement may be reduced if the Company after consultation with the underwriter(s) recommends the inclusion of fewer Warrant Shares, or none of the Warrant Shares shall be included in such registration statement, if the Company after consultation with the underwriter(s) recommends the inclusion of none of such Warrant Shares.

(b) NOTIFICATION. The Company shall notify the Holder as promptly as possible (and, in the case of (i)(A) below, not less than three (3) days prior to such filing) and (if requested by any such person) confirm such notice in writing no later than one (1) business day following the day (i)(A) when a prospectus or any prospectus supplement or post-effective amendment to the registration statement is proposed to be filed; (B) when the Commission notifies the Company whether there will be a "review" of such registration statement and whenever the Commission comments in writing on such registration statement and (C) with respect to the registration statement or any post-effective amendment, when the same has become effective; (ii) of any request by the Commission or any other federal or state governmental authority for amendments or supplements to the registration statement or prospectus or for additional information; (iii) of the issuance by the Commission of any stop order suspending the effectiveness of the registration statement covering any or all of the Warrant Shares or the initiation of any proceedings for that purpose; (iv) of the receipt by the Company of any notification with respect to the suspension of the qualification or exemption from qualification of any of the Warrant Shares for sale in any jurisdiction, or the initiation or threatening of any proceeding for such purpose; and (v) of the occurrence of any event that makes any statement made in the registration statement or prospectus or any document incorporated or deemed to be incorporated therein by reference untrue in any material respect or that requires any revisions to the registration statement, prospectus or other documents so that, in the case of the registration statement or the prospectus, as the case may be, it will not contain any untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading.

(c) CERTAIN COVENANTS OF HOLDER.

(i) Holder covenants and agrees that (i) it will not sell any Warrant Shares under the registration statement until it has received copies of the prospectus as then amended or supplemented and notice from the Company that such registration statement and any post-effective amendments thereto have become effective, (ii) it and its officers, directors or affiliates, if any, will comply with the prospectus delivery requirements of the Securities Act as applicable to them in connection with sales of Warrant Shares pursuant to the

registration statement and (iii) it will furnish to the Company information regarding such Holder and the distribution of such Warrant Shares as is required by law to be disclosed in the registration statement, and the Company may exclude from such registration the Warrant Shares of any such Holder who unreasonably fails to furnish such information within a reasonable time.

(ii) Holder agrees by its acquisition of Warrant Shares that, upon receipt of a notice from the Company of the occurrence of any event of the kind described in Section 12(b) above, such Holder will forthwith discontinue disposition of Warrant Shares under the registration statement until such Holder's receipt of the copies of the supplemented prospectus and/or amended registration statement, or until it is advised in writing by the Company that the use of the applicable prospectus may be resumed, and, in either case, has received copies of any additional or supplemental filings that are incorporated or deemed to be incorporated by reference in such prospectus or registration statement.

(d) INDEMNIFICATION. The Holder shall indemnify and hold harmless the Company, the directors, officers, agents and employees, each person who controls the Company (within the meaning of Section 15 of the Securities Act and Section 20 of the Exchange Act), and the directors, officers, agents or employees of such controlling persons, to the fullest extent permitted by

applicable law, from and against all losses, claims, damages, liabilities, costs (including, without limitation, costs of preparation and attorneys' fees) and expenses (as determined by a court of competent jurisdiction in a final judgment not subject to appeal or review), as incurred, arising solely out of or based solely upon any untrue statement or alleged untrue statement of a material fact contained in the registration statement, any prospectus, or any form of prospectus or form of prospectus or in any amendment or supplement thereto or in any preliminary prospectus, or arising solely out of or based solely upon any omission of a material fact required to be stated therein or necessary to make the statements therein (in the case of any prospectus or supplement thereto, in the light of the circumstances under which they were made) not misleading, to the extent, but only to the extent, that such untrue statement or omission or alleged untrue statement or omission is contained in any information so furnished in writing by the Holder to the Company specifically for inclusion in the registration statement or such prospectus and that such information was reasonably relied upon by the Company for use in the registration statement, such prospectus or such form of prospectus or to the extent that such information relates to the Holder or the Holder's proposed method of distribution of Warrant Shares and was reviewed and expressly approved in writing by the Holder expressly for use in the registration statement, such prospectus or such form of prospectus. In no event shall the liability of any selling Holder hereunder be greater in amount than the dollar amount of the net proceeds received by such Holder upon the sale of the Warrant Shares giving rise to such indemnification obligation.

(e) ASSIGNMENT. The rights of the Holder hereunder, including the right to have the Company register for resale the Warrant Shares in accordance with the terms of this Agreement, shall be automatically assignable by the Holder to any affiliate of the Holder or any other Holder or affiliate of any other Holder of all or a portion of the Warrant Shares if: (i) the Holder agrees in writing with the transferee or assignee to assign such rights, and a copy of such agreement is furnished to the Company within a reasonable time after such assignment, (ii) the Company is, within a reasonable time after such transfer or assignment, furnished with written notice of (a) the name and address of such transferee or assignee, and (b) the securities with respect to which such registration rights are being transferred or assigned, (iii) following such transfer or assignment the further disposition of such securities by the transferee or assignees is restricted under the Securities Act and applicable state securities laws, and (iv) at or before the time the Company receives the written notice contemplated by clause (ii) of this Section, the transferee or assignee agrees in writing with the Company to be bound by all of the provisions of this Warrant. In addition, each Holder shall have the right to assign its rights hereunder to any other person with the prior written consent of the Company, which consent shall not be unreasonably withheld. The rights to assignment shall apply to the Holders (and to subsequent) successors and assigns.

13. NOTICES. Any and all notices or other communications or deliveries hereunder (including, without limitation, any Exercise Notice) shall be in writing and shall be deemed given and effective on the earliest of (i) the date of transmission, if such notice or communication is delivered via facsimile at the facsimile number specified in this Section prior to 5:00 p.m. (California time) on a Trading Day, (ii) the next Trading Day after the date of transmission, if such notice or communication is delivered via facsimile at the facsimile number specified in this Section on a day that is not a Trading Day or later than 5:00 p.m. (California time) on any Trading Day, (iii) the Trading Day following the date of mailing, if sent by nationally recognized overnight courier service, or (iv) upon actual receipt by the party to whom such notice is required to be given. The addresses for such communications shall be: (i) if to

the Company, to Pacific Ethanol, Inc., Attn: President, or to Facsimile No.: (559) 435-1478 (or such other address as the Company shall indicate in writing in accordance with this Section), or (ii) if to the Holder, to the address or facsimile number appearing on the Warrant Register or such other address or facsimile number as the Holder may provide to the Company in accordance with this Section.

14. WARRANT AGENT. The Company shall serve as warrant agent under this Warrant. Upon ten (10) days' notice to the Holder, the Company may appoint a new warrant agent. Any corporation into which the Company or any new warrant agent may be merged or any corporation resulting from any consolidation to which the Company or any new warrant agent shall be a party or any corporation to which the Company or any new warrant agent transfers substantially all of its corporate trust or shareholders services business shall be a successor warrant agent under this Warrant without any further act. Any such successor warrant agent shall promptly cause notice of its succession as warrant agent to be mailed (by first class mail, postage prepaid) to the Holder at the Holder's last address as shown on the Warrant Register.

15. MISCELLANEOUS.

(a) This Warrant shall be binding on and inure to the benefit of the parties hereto and their respective successors and assigns. Subject to the preceding sentence, nothing in this Warrant shall be construed to give to any person other than the Company and the Holder any legal or equitable right, remedy or cause of action under this Warrant. This Warrant may be amended only in writing signed by the Company and the Holder and their successors and assigns.

(b) All questions concerning the construction, validity, enforcement and interpretation of this Warrant shall be governed by and construed and enforced in accordance with the internal laws of the State of California, without regard to the principles of conflicts of law thereof. Each party agrees that all legal proceedings concerning the interpretations, enforcement and defense of this Warrant and the transactions herein contemplated ("Proceedings") (whether brought against a party hereto or its respective affiliates, employees or agents) shall be commenced exclusively in the California Courts. Each party hereto hereby irrevocably submits to the exclusive jurisdiction of the California Courts for the adjudication of any dispute hereunder or in connection herewith or with any transaction contemplated hereby or discussed herein, and hereby irrevocably waives, and agrees not to assert in any Proceeding, any claim that it is not personally subject to the jurisdiction of any California Court, or that such Proceeding has been commenced in an improper or inconvenient forum. Each party hereto hereby irrevocably waives personal service of process and consents to process being served in any such Proceeding by mailing a copy thereof via registered or certified mail or overnight delivery (with evidence of delivery) to such party at the address in effect for notices to it under this Warrant and agrees that such service shall constitute good and sufficient service of process and notice thereof. Nothing contained herein shall be deemed to limit in any way any right to serve process in any manner permitted by law. Each party hereto hereby irrevocably waives, to the fullest extent permitted by applicable law, any and all right to trial by jury in any legal proceeding arising out of or relating to this Warrant or the transactions contemplated hereby. If either party shall commence a Proceeding to enforce any provisions of this Warrant, then the prevailing party in such Proceeding shall be reimbursed by the other party for its attorney's fees and other costs and expenses incurred with the investigation, preparation and prosecution of such Proceeding.

(c) The headings herein are for convenience only, do not constitute a part of this Warrant and shall not be deemed to limit or affect any of the provisions hereof.

(d) In case any one or more of the provisions of this Warrant shall be invalid or unenforceable in any respect, the validity and enforceability of the remaining terms and provisions of this Warrant shall not in any way be affected or impaired thereby and the parties will attempt in good faith to agree upon a valid and enforceable provision which shall be a commercially reasonable substitute therefor, and upon so agreeing, shall incorporate such substitute provision in this Warrant.

(e) Prior to exercise of this Warrant, the Holder hereof shall not, by reason of by being a Holder, be entitled to any rights of a shareholder with respect to the Warrant Shares.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, the Company has caused this Warrant to be duly executed by its authorized officer as of the date first indicated above.

PACIFIC ETHANOL, INC.

By: /S/ RYAN TURNER

Ryan Turner, Chief Operating Officer

EXERCISE NOTICE
PACIFIC ETHANOL, INC.
WARRANT DATED MARCH 23, 2005

The undersigned Holder hereby irrevocably elects to purchase _____ shares of Common Stock pursuant to the above referenced Warrant. Capitalized terms used herein and not otherwise defined have the respective meanings set forth in the Warrant.

(1) The undersigned Holder hereby exercises its right to purchase _____ Warrant Shares pursuant to the Warrant.

(2) The Holder shall pay the sum of $_____ to the Company in accordance with the terms of the Warrant. Payment shall take the form of lawful money of the United States

(3) Pursuant to this Exercise Notice, the Company shall deliver to the holder _____ Warrant Shares in accordance with the terms of the Warrant.

(4) The undersigned represents that it has and will comply with the prospectus delivery requirements of the Securities Act.

Dated:_____,___

Name of Holder:

(Print)_____

By:_____
Name:_____
Title:_____

(Signature must conform in all respects to name of holder as specified on the face of the Warrant)

<TABLE>

WARRANT SHARES EXERCISE LOG

Date	Number of Warrant Shares Available to be Exercised	Number of Warrant Shares Exercised	Number of Warrant Shares Remaining to be Exercised
<S>	<C>	<C>	<C>

</TABLE>

PACIFIC ETHANOL, INC.
WARRANT ORIGINALLY ISSUED MARCH 23, 2005
WARRANT NO. LIVIAKIS-2

FORM OF ASSIGNMENT

[To be completed and signed only upon transfer of Warrant]

FOR VALUE RECEIVED, the undersigned hereby sells, assigns and transfers unto _____ the right represented by the above-captioned Warrant to purchase _____ shares of Common Stock to which such Warrant relates and appoints _____ attorney to transfer said right on the books of the Company with full power of substitution in the premises.

Dated: _____, ____

_____
(Signature must conform in all respects to name of holder as specified on the face of the Warrant)

_____
Address of Transferee

_____

_____

In the presence of:

_____

_____

EXHIBIT 14.1

MARCH 23, 2005

PACIFIC ETHANOL, INC.

CODE OF ETHICS

INTRODUCTION

This Code of Ethics (the "CODE") covers a wide range of business practices and procedures. It does not cover every issue that may arise, but it sets out basic principles to guide all directors, officers and employees of Pacific Ethanol, Inc. (the "COMPANY") and the Company's subsidiaries. All of our directors, officers and employees must conduct themselves accordingly and seek to avoid even the appearance of improper behavior. The Code should also be provided to and followed by the Company's agents and representatives, including consultants.

Directors, officers, employee, agents and representatives of the Company are encouraged to promptly bring to the attention of the Company's Chief Executive Officer and the Company's Audit Committee any evidence of a violation of this Code.

This Code covers a wide range of business practices and procedures. It does not cover every issue that may arise, but it sets out basic principles to guide all directors, officers and employees of the Company. All of our directors, officers and employees must conduct themselves accordingly and seek to avoid even the appearance of improper behavior.

Nothing in this Code, in any Company policies and procedures, or in other related communications (verbal or written) creates or implies an employment contract or term of employment with the Company.

This Code is subject to modification. This Code supersedes all other such codes, policies, procedures, instructions, practices, rules or written or verbal representations to the extent they are inconsistent.

If a law conflicts with a policy in this Code, you must comply with the law. If you have any questions about these conflicts, you should ask your supervisor how to handle the situation.

Those who violate the standards in this Code will be subject to disciplinary action, up to and including termination of employment.

COMPLIANCE WITH LAWS, RULES AND REGULATIONS

Obeying the law, both in letter and in spirit, is the foundation on which this Company's ethical standards are built. All employees must respect and obey the laws of the cities, states and countries in which we operate. Although not all employees are expected to know the details of these laws, it is important to know enough to determine when to seek advice from supervisors, managers or other appropriate personnel.

If requested, the Company will hold information and training sessions to promote compliance with laws, rules and regulations, including insider-trading laws.

CONFLICTS OF INTEREST

A "CONFLICT OF INTEREST" exists when a person's private interest interferes in any way with the interests of the Company. A conflict situation can arise when an employee, officer or director takes actions or has interests that may make it difficult to perform his or her Company work objectively and effectively. Conflicts of interest may also arise when an employee, officer or director, or members of his or her family, receives improper personal benefits as a result of his or her position in the Company. Loans to, or guarantees of obligations of, employees and their family members may create conflicts of interest. In addition, loans to directors and officers of the Company are prohibited.

It is almost always a conflict of interest for a Company employee to work simultaneously for a competitor, customer or supplier. You are not allowed to work for a competitor as a consultant or board member. The best policy is to avoid any direct or indirect business connection with our customers, suppliers or competitors, except on our behalf. Conflicts of interest are prohibited as a matter of Company policy, except under guidelines approved by the Board of Directors. Conflicts of interest may not always be clear-cut, so if you have a question, you should consult with higher levels of management, including the Company's Chief Financial Officer. Any employee, officer or director who becomes aware of a conflict or potential conflict should bring it to the attention of a supervisor, manager or other appropriate personnel or consult the procedures described in the section entitled "COMPLIANCE PROCEDURES" set forth below.

INSIDER TRADING

Employees who have access to confidential information are not permitted to use or share that information for stock trading purposes or for any other purpose except the conduct of our business. All non-public information about the Company should be considered confidential information. To use non-public information for personal financial benefit or to "tip" others who might make an investment decision on the basis of this information is not only unethical but also illegal. In order to assist with compliance with laws against insider trading, the Company has adopted a specific policy governing employees, trading in securities of the Company. This policy has been distributed to every employee. If you have any questions, please consult the Company's Chief Financial Officer.

CORPORATE OPPORTUNITIES

Employees, officers and directors are prohibited from taking for themselves personally opportunities that are discovered through the use of corporate property, information or position without the consent of the Board of Directors. No employee may use corporate property, information, or position for improper personal gain, and no employee may compete with the Company directly or indirectly. Employees, officers and directors owe a duty to the Company to advance its legitimate interests when the opportunity to do so arises.

COMPETITION AND FAIR DEALING

We seek to outperform our competition fairly and honestly. Stealing proprietary information, possessing trade secret information that was obtained without the owner's consent, or inducing such disclosures by past or present employees of other companies is prohibited. Each employee should endeavor to respect the rights of and deal fairly with the Company's customers, suppliers, competitors and employees. No employee should take unfair advantage of anyone through manipulation, concealment, abuse of privileged information, misrepresentation of material facts, or any other intentional unfair-dealing practice.

The purpose of business entertainment and gifts in a commercial setting is to create goodwill and sound working relationships, not to gain unfair advantage with customers. No gift or entertainment should ever be offered, given, provided or accepted by any Company employee, family member of an employee or agent unless it: (1) is not a cash gift, (2) is consistent with customary business practices, (3) is not excessive in value, (4) cannot be construed as a bribe or payoff, and (5) does not violate any laws or regulations. Please discuss with your supervisor any gifts or proposed gifts which you are not certain are appropriate.

DISCRIMINATION AND HARASSMENT

The diversity of the Company's employees is a tremendous asset. We are firmly committed to providing equal opportunity in all aspects of employment and will not tolerate any illegal discrimination or harassment of any kind. Examples include derogatory comments based on racial or ethnic characteristics and unwelcome sexual advances.

HEALTH AND SAFETY

The Company strives to provide each employee with a safe and healthy

work environment. Each employee has responsibility for maintaining a safe and healthy workplace for all employees by following safety and health rules and practices of the Company and as required by the laws of the city, state and country in which an employee resides. In addition, each employee has the responsibility to report accidents, injuries and unsafe equipment, practices or conditions.

Violence and threatening behavior are not permitted. Employees should report to work in condition to perform their duties, free from the influence of illegal drugs or alcohol. The use of illegal drugs in the workplace will not be tolerated.

RECORD-KEEPING

The Company requires honest and accurate recording and reporting of information in order to make responsible business decisions. For example, only the true and actual number of hours worked should be reported.

Many employees regularly use business expense accounts, which must be documented and recorded accurately. If you are not sure whether a certain expense is legitimate, ask your supervisor.

All of the Company's books, records, accounts and financial statements must be maintained in reasonable detail, must appropriately reflect the Company's transactions and must conform both to applicable legal requirements and to the Company's system of internal controls. Unrecorded or off the books funds or assets should not be maintained unless permitted by applicable law or regulation.

Business records and communications often become public, and we should avoid exaggeration, derogatory remarks, guesswork, or inappropriate characterizations of people and companies that can be misunderstood. This applies equally to e-mail, internal memos, and formal reports. Records should always be retained or destroyed according to the Company's record retention policies. In accordance with those policies, in the event of litigation or governmental investigation please consult the Company's Chief Financial Officer.

CONFIDENTIALITY

Employees must maintain the confidentiality of confidential information entrusted to them by the Company or its customers, except when disclosure is authorized by the Chief Financial Officer or required by laws or regulations. Confidential information includes all non-public information that might be of use to competitors, or harmful to the Company or its customers, if disclosed. It also includes information that suppliers and customers have entrusted to us. The obligation to preserve confidential information continues even after employment ends. In connection with this obligation, every employee should have executed a confidentiality agreement when he or she began his or her employment with the Company.

PROTECTION AND PROPER USE OF COMPANY ASSETS

All employees should endeavor to protect the Company's assets and ensure their efficient use. Theft, carelessness, and waste have a direct impact on the Company's profitability. Any suspected incident of fraud or theft should be immediately reported for investigation. Company equipment should not be used for non-Company business, though incidental personal use may be permitted.

The obligation of employees to protect the Company's assets includes its proprietary information. Proprietary information includes intellectual property such as trade secrets, patents, trademarks, and copyrights, as well as business, marketing and service plans, engineering and manufacturing ideas, designs, databases, records, salary information and any unpublished financial data and reports. Unauthorized use or distribution of this information would violate Company policy. It could also be illegal and result in civil or even criminal penalties.

PAYMENTS TO GOVERNMENT PERSONNEL

The U.S. Foreign Corrupt Practices Act prohibits giving anything of value, directly or indirectly, to officials of foreign governments or foreign

political candidates in order to obtain or retain business. It is strictly prohibited to make illegal payments to government officials of any country.

In addition, the U.S. government has a number of laws and regulations regarding business gratuities which may be accepted by U.S. government personnel. The promise, offer or delivery to an official or employee of the U.S. government of a gift, favor or other gratuity in violation of these rules would not only violate Company policy but could also be a criminal offense. State and local governments, as well as foreign governments, may have similar rules. The Company's Chief Financial Officer can provide guidance to you in this area.

WAIVERS OF THIS CODE

Any waiver of this Code for executive officers or directors may be made only by the Board of Directors or a committee of the Board of Directors and will be promptly disclosed as required by law or stock exchange regulation.

REPORTING ANY ILLEGAL OR UNETHICAL BEHAVIOR

Employees are encouraged to talk to supervisors, managers or other appropriate personnel about observed illegal or unethical behavior and when in doubt about the best course of action in a particular situation. It is the policy of the Company not to allow retaliation for reports of misconduct by others made in good faith by employees. Employees are expected to cooperate in internal investigations of misconduct.

Employees must read the Company's "EMPLOYEE COMPLAINT PROCEDURES FOR ACCOUNTING AND AUDITING MATTERS," which describes the Company's procedures for the receipt, retention, and treatment of complaints received by the Company regarding accounting, internal accounting controls, or auditing matters. Any employee may submit a good faith concern regarding questionable accounting or auditing matters without fear of dismissal or retaliation of any kind.

COMPLIANCE PROCEDURES

We must all work to ensure prompt and consistent action against violations of this Code. However, in some situations it is difficult to know if a violation has occurred. Since we cannot anticipate every situation that will arise, it is important that we have a way to approach a new question or problem. These are the steps to keep in mind:

- MAKE SURE YOU HAVE ALL THE FACTS. In order to reach the right solutions, we must be as fully informed as possible.
- ASK YOURSELF: WHAT SPECIFICALLY AM I BEING ASKED TO DO? DOES IT SEEM UNETHICAL OR IMPROPER? This will enable you to focus on the specific question you are faced with, and the alternatives you have. Use your judgment and common sense; if something seems unethical or improper, it probably is.
- CLARIFY YOUR RESPONSIBILITY AND ROLE. In most situations, there is shared responsibility. Are your colleagues informed? It may help to get others involved and discuss the problem.
- DISCUSS THE PROBLEM WITH YOUR SUPERVISOR. This is the basic guidance for all situations. In many cases, your supervisor will be more knowledgeable about the question, and will appreciate being brought into the decision-making process. Remember that it is your supervisor's responsibility to help solve problems.

- SEEK HELP FROM COMPANY RESOURCES. In the rare case where it may not be appropriate to discuss an issue with your supervisor, or where you do not feel comfortable approaching your supervisor with your question, discuss it locally with your office manager or your Human Resources manager.
- YOU MAY REPORT ETHICAL VIOLATIONS IN CONFIDENCE AND WITHOUT FEAR OF RETALIATION. If your situation requires that your

identity be kept secret, your anonymity will be protected. The Company does not permit retaliation of any kind against employees for good faith reports of ethical violations.

- ALWAYS ASK FIRST, ACT LATER: If you are unsure of what to do in any situation, seek guidance BEFORE YOU ACT.

EXHIBIT 14.2

MARCH 23, 2005

PACIFIC ETHANOL, INC.

CODE OF ETHICS FOR CHIEF EXECUTIVE OFFICER AND SENIOR FINANCIAL OFFICERS

Pacific Ethanol, Inc. (the "COMPANY") has a Code of Ethics applicable to all directors, officers and employees of the Company and the Company's subsidiaries. The Chief Executive Officer ("CEO") and all senior financial officers, including the Chief Financial Officer, are bound by the provisions set forth therein relating to ethical conduct, conflicts of interest and compliance with law. In addition to the Code of Ethics, the CEO and senior financial officers are subject to the following additional specific policies:

- The CEO and all senior financial officers are responsible for full, fair, accurate, timely and understandable disclosure in the periodic reports required to be filed by the Company with the Securities and Exchange Commission (the "SEC"). Accordingly, it is the responsibility of the CEO and each senior financial officer promptly to bring to the attention of the Company's Audit Committee any material information of which he or she may become aware that affects the disclosures made by the Company in its public filings or otherwise assist the Audit Committee in fulfilling its responsibilities.

- The CEO and each senior financial officer shall promptly bring to the attention of the Audit Committee any information he or she may have concerning (a) significant deficiencies in the design or operation of internal controls which could adversely affect the Company's ability to record, process, summarize and report financial data or (b) any fraud, whether or not material, that involves management or other employees who have a significant role in the Company's financial reporting, disclosures or internal controls.

- The CEO and each senior financial officer shall promptly bring to the attention of the CEO and to the Audit Committee any information he or she may have concerning any violation of the Company's Code of Business Conduct and Ethics, including any actual or apparent conflicts of interest between personal and professional relationships, involving any management or other employees who have a significant role in the Company's financial reporting, disclosures or internal controls.

- The CEO and each senior financial officer shall promptly bring to the attention of the CEO and to the Audit Committee any information he or she may have concerning evidence of a material violation of the securities or other laws, rules or regulations applicable to the Company and the operation of its business, by the Company or any agent thereof, or of violation of the Code of Ethics or of these additional procedures.

- The Board of Directors shall determine, or designate appropriate persons to determine, appropriate actions to be taken in the event of violations of the Code of Ethics or of these additional procedures by the CEO and the Company's senior financial officers. Such actions shall be reasonably designed to deter wrongdoing and to promote accountability for adherence to the Code Ethics and to these additional procedures, and shall include written notices to the individual involved that the Board has determined that there has been a violation, censure by the Board, demotion or re-assignment of the individual involved, suspension with or without pay or benefits (as determined by the Board) and termination of the individual's employment. In determining

what action is appropriate in a particular case, the Board of Directors or such designee shall take into account all relevant information, including the nature and severity of the violation, whether the violation was a single occurrence or repeated occurrences, whether the violation appears to have been intentional or inadvertent, whether the individual in question had been advised prior to the violation as to the proper course of action and whether or not the individual in question had committed other violations in the past.

EXHIBIT 16.1

[Letterhead of NUSSBAUM YATES & WOLPOW, P.C.]

March 28, 2005

Securities and Exchange Commission
450 Fifth Street, N.W.
Washington, D.C. 20549

Re: Pacific Ethanol, Inc.
Commission File Number 000-21467

Commissioners:

We have read the statements made by Pacific Ethanol, Inc. under item 4.01, Changes in Registrant's Certifying Accountant, which we understand will be filed with the Commission, pursuant to Item 4.01 of Form 8-K, as part of the Company's Form 8-K report dated March 23, 2005. We agree with the statements concerning our Firm in such Form 8-K.

Very truly yours,

/s/ NUSSBAUM YATES & WOLPOW, P.C.

Nussbaum Yates & Wolpow, P.C.