

UNITED STATES  
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): **December 16, 2019**

**PACIFIC ETHANOL, INC.**

(Exact Name of Registrant as Specified in Charter)

**Delaware**

(State or Other Jurisdiction  
of Incorporation)

**000-21467**

(Commission File Number)

**41-2170618**

(IRS Employer  
Identification No.)

**400 Capitol Mall, Suite 2060  
Sacramento, California**

(Address of Principal Executive Offices)

**95814**

(Zip Code)

Registrant's Telephone Number, Including Area Code: **(916) 403-2123**

(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 communication 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 communication pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock, \$0.001 par value	PEIX	The Nasdaq Stock Market LLC (Nasdaq Capital Market)

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (17 CFR §230.405) or Rule 12b-2 of the Securities Exchange Act of 1934 (17 CFR §240.12b-2). Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

**Item 1.01. Entry into a Material Definitive Agreement.**

***First Amendment to Amendment No. 6 to Credit Agreement and Other Loan Documents***

On December 16, 2019, Pacific Ethanol Pekin, LLC (“PE Pekin”), an indirect wholly-owned subsidiary of Pacific Ethanol, Inc. (the “Company”), Compeer Financial, PCA (the “Lender”) (as successor by merger to 1st Farm Credit Services, PCA) and CoBank, ACB (together with Lender, the “Lender Parties”) entered into a First Amendment to Amendment No. 6 to Credit Agreement and Other Loan Documents (the “Amendment”) dated as of December 15, 2019, amending that certain Amendment No. 6 to Credit Agreement and Other Loan Documents dated November 15, 2019 by and among PE Pekin and the Lender Parties (“Amendment No. 6”), and further amending that certain Credit Agreement dated December 15, 2016 by and among PE Pekin, 1st Farm Credit Services, PCA, as lender, and CoBank, ACB, as cash management provider and agent (the “Credit Agreement”).

Under the Amendment, the Lender Parties agreed to extend the deferral of all scheduled principal payments payable on February 20, 2019, May 20, 2019 and November 20, 2019 to December 20, 2019.

The Amendment also contains customary representations, warranties and covenants, and other terms and conditions.

A description of Amendment No. 6 is set forth in the Company’s Current Report on Form 8-K for November 15, 2019 filed with the Securities and Exchange Commission on November 19, 2019 and is incorporated herein by this reference. Descriptions of the Credit Agreement are set forth in the Company’s Current Reports on Forms 8-K for December 15, 2016, August 7, 2017, March 30, 2018, March 21, 2019 and July 15, 2019 filed with the Securities and Exchange Commission on December 20, 2016, August 11, 2017, April 5, 2018, March 27, 2019 and July 19, 2019, respectively, and are incorporated herein by this reference.

The description of the Amendment does not purport to be complete and is qualified in its entirety by reference to the Amendment, which is filed as Exhibit 10.1 to this report and is incorporated herein by this reference.

***Senior Secured Note Amendment Agreement No. 1***

On December 16, 2019, the Company entered into a Senior Secured Note Amendment Agreement No. 1 (the “Note Amendment”) dated as of December 16, 2019 with the noteholders named therein, amending those certain Senior Secured Notes (the “Notes”) originally issued by the Company pursuant to either (i) that certain Note Purchase Agreement dated December 12, 2016 by and among the Company and the noteholders named therein (the “Initial Purchase Agreement”, and the Notes issued pursuant to the Initial Purchase Agreement, the “2016 Notes”) or (ii) that certain Note Purchase Agreement dated June 26, 2017 by and among the Company and the noteholders named therein (the “Additional Purchase Agreement”, and the Notes issued pursuant to the Additional Purchase Agreement, the “2017 Notes”).

The Note Amendment extended the maturity date of the Notes from December 15, 2019 to December 23, 2019 and amended the interest rate from the greater of 1% and the three-month London Interbank Offered Rate plus 11% between December 15, 2018 through December 14, 2019 to 15% commencing on September 15, 2019. Under the Note Amendment, the Company also agreed to pay the December 15, 2019 interest payment 50% in cash and 50% in-kind through the issuance of an additional note in the principal amount equal thereto.

The Note Amendment also contains customary representations, warranties and covenants, and other terms and conditions.

Descriptions of the Initial Purchase Agreement and 2016 Notes are set forth in the Company's Current Reports on Forms 8-K for December 12, 2016 and December 15, 2016 filed with the Securities and Exchange Commission on December 12, 2016 and December 20, 2016, respectively, and are incorporated herein by this reference. Descriptions of the Additional Note Purchase Agreement and 2017 Notes are set forth in the Company's Current Reports on Forms 8-K for June 26, 2017 and June 30, 2017 filed with the Securities and Exchange Commission on June 27, 2017 and July 5, 2017, respectively, and are incorporated herein by this reference.

The description of the Note Amendment does not purport to be complete and is qualified in its entirety by reference to the Note Amendment, which is filed as Exhibit 10.2 to this report and is incorporated herein by this reference.

**Item 9.01. Financial Statements and Exhibits.**

(d) Exhibits.

<u>Number</u>	<u>Description</u>
10.1	<a href="#"><u>First Amendment to Amendment No. 6 to Credit Agreement and Other Loan Documents dated as of December 15, 2019 by and among Pacific Ethanol Pekin, LLC, Compeer Financial, PCA and CoBank, ACB (*)</u></a>
10.2	<a href="#"><u>Senior Secured Note Amendment Agreement No. 1 to the Notes dated as of December 16, 2019 by and among Pacific Ethanol, Inc. and the noteholders named therein (*)</u></a>

(\*) Filed herewith. The agreement filed as an exhibit to this report contains representations and warranties made by the parties thereto. The assertions embodied in such representations and warranties are not necessarily assertions of fact, but a mechanism for the parties to allocate risk. Accordingly, investors should not rely on the representations and warranties as characterizations of the actual state of facts or for any other purpose at the time they were made or otherwise.

**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: December 20, 2019

**PACIFIC ETHANOL, INC.**

By: /S/ CHRISTOPHER W. WRIGHT  
Christopher W. Wright,  
Vice President, General Counsel & Secretary

FIRST AMENDMENT TO AMENDMENT NO. 6

TO

CREDIT AGREEMENT AND OTHER LOAN DOCUMENTS

THIS FIRST AMENDMENT TO AMENDMENT NO. 6 TO CREDIT AGREEMENT AND OTHER LOAN DOCUMENTS, dated as of December 15, 2019 (this "Amendment"), is entered into by and between PACIFIC ETHANOL PEKIN, LLC, a limited liability company organized and existing under the laws of Delaware ("Company"), COMPEER FINANCIAL, PCA, a federally-chartered instrumentality of the United States, successor by merger to F<sup>st</sup> Farm Credit Services, PCA ("Lender"), and COBANK, ACB, a federally-chartered instrumentality of the United States ("Agent" and together with Lender, the "Lending Parties"). Capitalized terms not defined herein shall have the meanings set forth in the Credit Agreement.

BACKGROUND:

WHEREAS, the Company, Lender and Agent have entered into that certain Credit Agreement dated as of December 15, 2016 (as amended, restated, modified or otherwise supplemented from time to time, collectively the "Credit Agreement") and the other Loan Documents;

WHEREAS, the Company, Lender and Agent entered into that certain Amendment No. 6 to Credit Agreement dated as of November 15, 2019 (as amended, restated, modified or otherwise supplemented from time to time, collectively the "Amendment No. 6") and the other Loan Documents;

WHEREAS, the Company has requested that, as of the Effective Date, Amendment No. 6, the Credit Agreement and certain other Loan Documents be amended solely to extend the Deferral Period Termination Date to December 20, 2019; and

WHEREAS, Agent and Lender are willing, subject to the terms and conditions hereinafter set forth, to make such amendments;

NOW, THEREFORE, in consideration of the agreements herein contained, the parties hereby agree as follows:

ARTICLE 1 Amendment to Amendment No. 6.

1.1 Extension of Deferral Period Termination Date. Amendment No. 6 is hereby amended by amending the following definitions in their entireties to read as follows:

"Deferral Period Termination Date" means that date which is the earliest of (a) 5:00 p.m. (Mountain time) on December 20, 2019, (b) the occurrence of a Deferral Period Termination Event, or (c) the occurrence of an Event of Default under the Loan Documents (excluding therefrom, however, the Excluded Events, the occurrence of which, whether prior to or during the Deferral Period, shall not constitute an Event of Default during the Deferral Period)."



“**Deferral Period Termination Event**” means the occurrence of any of the following: (a) the breach of any covenant, representation and warranty contained in Article 3 of this Agreement, or (b) the termination or expiration of any forbearance arrangement, payment date extension or maturity date extension, in each case without further extension, now or hereafter provided under or in connection with the Wells Fargo Loan Documents or the Senior Notes Documents.

1.2 Other Terms and Definitions. Unless otherwise defined herein or the context otherwise requires, terms used herein (including in the preamble and recitals hereto) have the meanings provided for in Amendment No. 6. This Amendment is not intended by the parties to be a novation of Amendment No. 6 and, except as expressly waived, deferred or otherwise modified herein, all terms, conditions, rights, and obligations as set out in Amendment No. 6 are hereby reaffirmed and shall otherwise remain in full force and effect as originally written and agreed.

**ARTICLE 2 Amendment to Credit Agreement.**

Effective on (and subject to the occurrence of) the Effective Date (defined below), Annex A to the Credit Agreement is hereby amended by amending the following definitions in their entirety to read as follows:

“**Loan Documents**” means this Agreement, each Note, the Environmental Indemnity and Reimbursement Agreement, each Interest Rate Hedge, the PEC Guaranty, the PEC Pledge Agreement, the PEC Security Agreement, the Fourth Amendment, the Fifth Amendment, the Sixth Amendment (as the Sixth Amendment may be modified and amended from time to time) and each other agreement, guaranty, security agreement, pledge, mortgage, deed of trust, instrument, agreement, certificate, application, invoice and document executed or delivered in connection herewith or therewith, each as amended or as amended and restated from time to time.

**ARTICLE 3 Representations and Warranties; Acknowledgments.**

3.1 In order to induce Agent and Lender to make the amendments provided for in Articles 1 and 2, the Company hereby represents and warrants to Agent and the Lending Parties as of the Effective Date that:

(a) The recitals set forth in Amendment No. 6 are true, complete, accurate, and correct in all material respects (unless qualified by materiality, in which case they shall be true and correct in all respects);

(b) All representations and warranties made and given by the Loan Parties in the Loan Documents are true, complete, accurate, and correct in all material respects (unless qualified by materiality, in which case they shall be true and correct in all respects), as if given on the Effective Date (or, as to representations and warranties that specifically refer to an earlier date, as of such earlier date) after giving effect to this Amendment;

(c) The Loan Parties have no claims, offsets, rights of recoupment, counterclaims, or defenses (other than payment) with respect to: (a) the payment of any amount due under the Loans and the Loan Documents; (b) the performance of the Loan Parties' obligations under the Loan Documents; or (c) the liability of the Loan Parties under the Loan Documents;

(d) Agent and the Lending Parties: (i) have not breached any duty to the Loan Parties in connection with the Loans or the Loan Documents; and (ii) have fully performed all obligations they may have had or now have to the Loan Parties;

(e) The Loan Parties have had the assistance of independent counsel of their own choice, or have had the opportunity to retain such independent counsel, in reviewing, discussing, and considering all the terms of this Amendment. Before execution of this Amendment, the Loan Parties have had adequate opportunity to make whatever investigation or inquiry it may deem necessary or desirable in connection with the subject matter of this Amendment;

(f) The Loan Parties are not acting in reliance on any representation, understanding, or agreement from or with Agent or the Lending Parties not expressly set forth herein. The Loan Parties acknowledge that none of Agent or the Lending Parties has made any representation with respect to the subject of this Amendment except as expressly set forth herein. The Company has executed this Amendment as its free and voluntary act, without any duress, coercion, or undue influence exerted by or on behalf of any Person;

(g) All interest or other fees or charges which have been imposed, accrued or collected by Agent under the Loan Documents or in connection with the Loans through the date of this Amendment, and the method of computing the same, were and are proper and agreed to by the Loan Parties, and were properly computed and collected;

(h) This Amendment is not intended by the parties to be a novation of the Loan Documents and, except as expressly waived, deferred or otherwise modified herein, all terms, conditions, rights, and obligations as set out in the Loan Documents are hereby reaffirmed and shall otherwise remain in full force and effect as originally written and agreed;

(i) Notwithstanding anything to the contrary in this Amendment, except as waived, deferred or modified herein, the Loan Documents are in full force and effect in accordance with their respective terms, remain legal, valid and binding obligations of the Loan Parties that are enforceable in accordance with their respective terms, have not been modified or amended (except in written amendments executed by the parties), and are hereby reaffirmed and ratified by the Loan Parties;

(j) All information provided by the Loan Parties (or any of its agents or representatives) to Agent or the Lending Parties prior to the Effective Date is true, correct and complete in all material respects as of the date provided and does not contain any untrue statements of fact or omit to state a fact necessary to make the statements made not misleading in any material respect;

(k) All financial statements delivered by the Loan Parties (or any of its agents or representatives) to Agent or the Lending Parties prior to the Effective Date are true and correct in all material respects and fairly present the financial condition of the Loan Parties;

(l) As of the Effective Date, the Company has delivered to Agent all statements, notices, certificates, projections, updates, and other information required under Article 6 of the Credit Agreement;

(m) The execution and delivery of this Agreement and the performance by the Company of its obligations hereunder are within the corporate or company powers and authority of the Company, have been duly authorized by all necessary corporate action, and do not and will not contravene or conflict with the charter or by-laws of the Company;

(n) This Amendment has been duly executed and delivered by the Company and constitutes the legal, valid and binding obligation of the Company, enforceable against the Company in accordance with its terms, covenants, and conditions; and

(o) After giving effect to this Amendment, no Default or Event of Default (other than related to any Excluded Event) has occurred and is continuing.

**ARTICLE 4 Conditions to Effectiveness.**

This Agreement shall become effective on such date (the "**Effective Date**") when each of the following conditions has been satisfied:

4.1 **Representations and Warranties.** All covenants, representations and warranties made by the Company pursuant to Article 3 shall be true and correct.

4.2 **Guarantor Acknowledgment.** Agent shall have received an Acknowledgment and Agreement of Guarantor, duly executed by PEC.

4.3 **Other Requests.** Agent shall have received such other certificates, instruments, documents, agreements, information and reports as may be requested by Agent, in form and substance acceptable to Agent.

4.4 **Reimbursement of Fees/Expenses.** The Company shall have paid all out-of-pocket fees and expenses of Agent and the Lending Parties (including legal, advisory, and audit fees) that accrued in relation to the Loan Documents, including, without limitation, all out-of-pocket fees and expenses incurred in connection with the preparation, drafting, negotiation, implementation of this Agreement.



4.5 **Required Consents, etc.** The Company shall have delivered to Agent all consents, authorizations and amendments determined by Agent to be necessary to ensure the enforceability of the Loan Documents, including a certificate of the secretary or other appropriate officer of each Loan Party certifying (i) that the execution, delivery and performance of this Amendment, the Credit Agreement as amended hereby and the other Loan Documents have been duly approved by all necessary action of the governing board of such Loan Party, and attaching true and correct copies of the applicable resolutions granting such approval; (ii) that the organizational document of such Loan Party, which were certified and delivered to the Agent pursuant to the most recent certificate of secretary or other appropriate officer of such Loan Party, continue in full force and effect and have not been amended or otherwise modified except as set forth in the certificate to be delivered as of the date hereof; and (iii) that the officers and agents of such Loan Party who have been certified to the Agent, pursuant to the most recent certificate of secretary or other appropriate officer given by such Loan Party, as being authorized to sign and to act on behalf of such Loan Party continue to be so authorized or setting forth the sample signatures of each of the officers and agents of such Loan Party authorized as of the date hereof to execute and deliver this Agreement, the other Loan Documents and all other documents, agreements and certificates on behalf of such Loan Party.

Upon the delivery by Agent of a fully executed copy of this Agreement to the Company, the conditions set forth above shall be deemed satisfied and the Effective Date shall be deemed to have occurred as of the date so delivered.

#### **ARTICLE 5 Release.**

As a material part of the consideration for Agent and Lender entering into this Agreement, the Company agrees as follows (the "**Release Provision**")

5.1 The Company hereby releases and forever discharges Agent and the Lending Parties and each such parties' respective predecessors, successors, assigns, participants, officers, managers, directors, shareholders, employees, agents, advisors, attorneys, representatives, parent corporations, subsidiaries, and affiliates (hereinafter all of the above collectively referred to as "**Released Group**"), jointly and severally, from any and all claims, counterclaims, demands, damages, debts, agreements, covenants, suits, contracts, obligations, liabilities, accounts, offsets, rights, actions, and causes of action of any nature whatsoever, including, without limitation, all claims, demands, and causes of action for contribution and indemnity, whether arising at law or in equity, whether presently possessed or possessed in the future, whether known or unknown, whether liability be direct or indirect, liquidated or unliquidated, whether presently accrued or to accrue hereafter, whether absolute or contingent, foreseen or unforeseen, and whether or not heretofore asserted, and including whether arising from the negligence (but not the gross negligence or willful misconduct) of any of the Released Group, which the Company may have or claim to have against any of the Released Group, in each case only to the extent arising or accruing prior to and including the Effective Date.

5.2 The Company agrees not to sue any of the Released Group or in any way assist any other person or entity in suing any of the Released Group with respect to any claim released herein. This Release Provision may be pleaded as a full and complete defense to, and may be used as the basis for an injunction against, any action, suit, or other proceeding which may be instituted, prosecuted, or attempted in breach of the release contained herein.

5.3 The Company is the sole owner of the claims released by the Release Provision, and the Company has not heretofore conveyed or assigned any interest in any such claims to any other person or entity. The Company understands that the Release Provision was a material consideration in the agreement of Agent and Lender to enter into this Agreement.

5.4 It is the express intent of the Company that the release and discharge set forth in the Release Provision be construed as broadly as possible in favor of the Released Group so as to foreclose forever the assertion by the Company of any claims released hereby against any of the Released Group. If any term, provision, covenant, or condition of the Release Provision is held by a court of competent jurisdiction to be invalid, illegal, or unenforceable, the remainder of the provisions shall remain in full force and effect.

**ARTICLE 6 Miscellaneous.**

**6.1 Loan Document Pursuant to Credit Agreement.** This Amendment is a Loan Document executed pursuant to the Credit Agreement. Except as expressly amended hereby, all of the representations, warranties, terms, covenants and conditions contained in the Credit Agreement and each other Loan Document shall remain unamended and otherwise unmodified and in full force and effect.

**6.2 Limitation of Amendments.** The amendments provided in Articles 1 and 2 shall be limited precisely as provided for therein and shall not be deemed to be a waiver of, amendment of, consent to or modification of any other term or provision of the Credit Agreement or any term or provision of any other Loan Document or of any transaction or further or future action on the part of the Loan Parties which would require the consent of Agent or the Lending Parties under the Credit Agreement or any other Loan Document.

**6.3 Collateral.** To the extent any Collateral is personal property, the Loan Parties hereby renounce and waive all rights that are waivable under Article 9 of the Uniform Commercial Code (the "UCC") of any jurisdiction in which any Collateral may now or hereafter be located. The Loan Parties also hereby acknowledge and agree that a public sale shall constitute a commercially reasonable manner for the disposition of the Collateral.

**6.4 Counterparts; Effectiveness.** This Agreement may be executed in counterparts (and by different parties hereto in different counterparts), each of which shall constitute an original, but all of which when taken together shall constitute a single contract. This Agreement shall become effective when it shall have been executed by Agent and when Agent shall have received counterparts hereof that, when taken together, bear the signatures of each of the other parties hereto. Delivery of an executed counterpart of a signature page of this Agreement by telecopy or email shall be as effective as delivery of a manually executed counterpart of this Agreement.

**6.5 Incorporation of Credit Agreement Provisions.** The provisions of Article 11 of the Credit Agreement shall apply to this Agreement, mutatis mutandis.

*[Signature Pages Follow]*

**[SIGNATURE PAGE TO AMENDMENT NO. 6]**

IN WITNESS WHEREOF, the parties hereto, by their Authorized Officers, have executed this Agreement as of the date first set forth above.

**COMPANY:**

**PACIFIC ETHANOL PEKIN, LLC**

By: /s/ Bryon T. McGregor

Name: Bryon T. McGregor

Title: Chief Financial Officer

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**[SIGNATURE PAGE TO AMENDMENT NO. 6]**

IN WITNESS WHEREOF, the parties hereto, by their Authorized Officers, have executed this Agreement as of the date first set forth above.

**LENDER:**

**COMPEER FINANCIAL, PCA**

By: /s/ Kevin Buente

Name: Kevin Buente

Title: Principal Credit Officer

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**[SIGNATURE PAGE TO AMENDMENT NO. 6]**

IN WITNESS WHEREOF, the parties hereto, by their Authorized Officers, have executed this Agreement as of the date first set forth above.

**COBANK, ACB**

By: /s/ Janet Downs

Name: Janet Downs

Title: Vice President

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## ACKNOWLEDGMENT AND AGREEMENT OF GUARANTOR

Dated as of December 15, 2019

Pursuant to the Guaranty and Contribution Agreement dated as of March 20, 2019 (the "**Guaranty**"), the undersigned (the "**Guarantor**") is a guarantor of the indebtedness of PACIFIC ETHANOL PEKIN, LLC, a Delaware limited liability company (the "**Borrower**"), to CoBank, ACB, a federally chartered instrumentality of the United States, in its capacity as the Agent (as described in the "**Credit Agreement**" defined in the First Amendment to Amendment No. 6 to Credit Agreement and Other Loan Documents of even date herewith (the "**Amendment**"); capitalized terms used herein and not otherwise defined shall have the meanings given them in the Amendment).

The undersigned hereby (i) acknowledges receipt of the Amendment; (ii) acknowledges that the Borrower has made certain representations, warranties, and acknowledgments with respect to the Guarantor and hereby represents and warrants that, to the best of its knowledge, all such representations, warranties, and acknowledgments with respect to it are true and correct as of the date hereof; (iii) consents to the terms and execution of the Amendment and acknowledges that indebtedness arising under the Loan Documents that constitutes the Guaranteed Amount shall continue to constitute indebtedness guaranteed under the Guaranty; (iv) ratifies and confirms all of the terms, covenants and conditions set forth in the Guaranty and the other Loan Documents to which it is a party (collectively, the "**Guarantor Loan Documents**"), as same may be modified pursuant to the Amendment, and hereby agrees, acknowledges and reaffirms that (a) the Guarantor Loan Documents as modified herein constitute legal, valid and binding obligations of the Guarantor, enforceable against the undersigned in accordance with their respective terms, covenants, and conditions, (b) the Guarantor remains unconditionally liable to Agent and the Lending Parties in accordance with the respective terms, covenants, and conditions set forth in the Guarantor Loan Documents, (c) Agent and the Lending Parties have valid, duly perfected, fully enforceable Liens on the Collateral, (d) all Liens heretofore granted to Agent and the Lending Parties in the Collateral continue in full force and effect and secure the Obligations, (e) the Guarantor shall execute and deliver to Agent and the Lending Parties any and all agreements and other documentation and to take any and all actions reasonably requested by Agent and the Lending Parties at any time to assure the perfection, protection, priority, and enforcement of Agent's and the Lending Parties' rights under the Guarantor Loan Documents with respect to all such Liens (but without any increase to the obligations or liabilities of the Guarantor under the Guarantor Loan Documents); (v) acknowledges that the Agent and the Lending Parties may amend, restate, extend, renew or otherwise modify any Loan Documents (other than Loan Documents to which Guarantor is a party) and any indebtedness or agreement of the Borrower in accordance with their terms, or enter into any agreement with or extend additional or other credit accommodations to the Borrower, without notifying or obtaining the consent of the undersigned and without impairing the liability of the undersigned under the Guaranty; and (vi) releases and forever discharges Agent and the Lending Parties and each such parties' respective predecessors, successors, assigns, participants, officers, managers, directors, shareholders, employees, agents, advisors, attorneys, representatives, parent corporations, subsidiaries, and affiliates (hereinafter all of the above collectively referred to as "**Released Group**"), jointly and severally, from any and all claims, counterclaims, demands, damages, debts, agreements, covenants, suits, contracts, obligations, liabilities, accounts, offsets, rights, actions, and causes of action of any nature whatsoever, including, without limitation, all claims, demands, and causes of action for contribution and indemnity, whether arising at law or in equity, whether presently possessed or possessed in the future, whether known or unknown, whether liability be direct or indirect, liquidated or unliquidated, whether presently accrued or to accrue hereafter, whether absolute or contingent, foreseen or unforeseen, and whether or not heretofore asserted, and including whether arising from the negligence (but not the gross negligence or willful misconduct) of any of the Released Group, which the Guarantor may have or claim to have against any of the Released Group, in each case only to the extent arising or accruing prior to and including the Effective Date (as defined in the Amendment).

[Signature Page Follows]

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IN WITNESS WHEREOF, the party hereto has caused this Acknowledgment and Agreement of Guarantor to be executed as of the date first above written.

**PACIFIC ETHANOL CENTRAL, LLC**

By: /s/ Bryon T. McGregor  
Name: Bryon T. McGregor  
Title: Chief Financial Officer

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## SENIOR SECURED NOTE AMENDMENT AGREEMENT NO. 1

THIS SENIOR SECURED NOTE AMENDMENT AGREEMENT NO. 1 (the “**Agreement**”), dated as of December 16, 2019, is made by and among Pacific Ethanol, Inc., a Delaware corporation with headquarters located at 400 Capitol Mall, Suite 2060, Sacramento, CA 95814 (the “**Company**”), and the noteholders listed on the signature page hereto (each, a “**Noteholder**” and collectively, the “**Noteholders**”) as follows:

WHEREAS, the Noteholders are holders of the Company’s Senior Secured Notes (each a “**Note**” and collectively, the “**Notes**”) that were originally issued by the Company pursuant to either (i) the Note Purchase Agreement dated December 12, 2016 by and among the Company and certain of the Noteholders (the “**Initial Purchase Agreement**”) or (ii) the Additional Note Purchase Agreement dated June 20, 2017 by and among the Company and certain other Noteholders (the “**Additional Purchase Agreement**”), with the current list of all Noteholders and the principal amount of each Noteholder’s Note set forth in Exhibit A attached hereto; and

WHEREAS, the Company and the Noteholders desire to enter into this Agreement in order to amend the Notes as set forth herein.

NOW, THEREFORE, IN CONSIDERATION of the mutual covenants contained in this Agreement, and for other good and valuable consideration the receipt and adequacy of which are hereby acknowledged, the Company and the Noteholders hereby agree as follows:

1. Definitions. Capitalized terms used herein and not otherwise defined herein shall have the respective meanings ascribed thereto in the Notes.

2. Amendments.

2.1 Section 19.11 of the Notes issued under the Initial Purchase Agreement and Section 19.14 of the Notes issued under the Additional Purchase Agreement is hereby amended by deleting the reference to “December 15, 2019” in such Notes and inserting in its place “December 23, 2019”. The parties agree that each other reference in the Transaction Documents to the Notes being due December 15, 2019 shall refer to the Notes being due December 23, 2019.

2.2 Section 19.9 of the Notes issued under the Initial Purchase Agreement is hereby amended by deleting Section 19.9 in its entirety and inserting in its place the following new Section 19.9, which shall read in its entirety as follows:

“19.9 “**Interest Rate**” means (i) for the period commencing on the Issuance Date through December 14, 2019, a rate per annum equal to the 3-month London Interbank Offered Rate (“**LIBOR**”), plus 7.0% (the “**Interest Rate Spread**”); provided, however, that on December 15, 2017 and December 15, 2018, the “**Interest Rate Spread**” shall be increased to 9.0% and 11.0%, respectively; and, provided, further, that if at any time prior to December 15, 2019 LIBOR is less than 1.0% per annum, the “**Interest Rate**” shall equal 1.0% plus the amount of the then current “**Interest Rate Spread**,” and (ii) for the period commencing September 15, 2019, a rate per annum equal to 15%. The “**Interest Rate**” shall in all cases be subject to adjustment as set forth in Section 2.”

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2.3 Section 19.12 of the Notes issued under the Additional Purchase Agreement is hereby amended by deleting Section 19.12 in its entirety and inserting in its place the following new Section 19.12, which shall read in its entirety as follows:

“19.12 **“Interest Rate”** means (i) for the period commencing on the Issuance Date through December 14, 2019, a rate per annum equal to the 3-month London Interbank Offered Rate (“**LIBOR**”), plus 7.0% (the **“Interest Rate Spread”**); provided, however, that on December 15, 2017 and December 15, 2018, the **“Interest Rate Spread”** shall be increased to 9.0% and 11.0%, respectively; and, provided, further, that if at any time prior to December 15, 2019 LIBOR is less than 1.0% per annum, the **“Interest Rate”** shall equal 1.0% plus the amount of the then current **“Interest Rate Spread,”** and (ii) for the period commencing September 15, 2019, a rate per annum equal to 15%. The **“Interest Rate”** shall in all cases be subject to adjustment as set forth in Section 2.”

2.4 Section 2 of the Notes issued under the Initial Purchase Agreement is hereby amended by deleting Section 2 in its entirety and inserting in its place the following new Section 2, which shall read in its entirety as follows:

“2. **INTEREST; INTEREST RATE.** Interest on this Note shall accrue at the applicable Interest Rate and shall commence accruing on the Issuance Date and Interest shall be computed on the basis of a 360-day year and twelve 30-day months and shall be payable in cash to the record Holder in arrears on March 15, June 15, September 15 and December 15 of each calendar year, beginning with March 15, 2017 and ending on the repayment of the Note; provided, however, that the Company shall make the December 15, 2019 interest payment on December 16, 2019 as follows: (x) 50% of such payment shall be made in cash and (y) 50% of such payment shall be made through the issuance of an additional Note to the Holder within two (2) Business Days of such date in the form attached to the Purchase Agreement (with such changes thereto as contemplated by the Senior Secured Note Amendment Agreement No. 1 dated as of December 16, 2019) with a Principal amount equal thereto; it being understood that such additional Note shall be deemed a Note issued under the Purchase Agreement (each a **“PIK Note”**). From and after the occurrence and during the continuance of any Event of Default, the applicable Interest Rate shall automatically be increased by two percent (2%) per annum above the Interest Rate otherwise applicable in accordance with the terms hereof, and all such interest shall be payable on demand. In the event that such Event of Default is subsequently cured, the adjustment referred to in the preceding sentence shall cease to be effective as of the date of such cure, provided that the Interest as calculated and unpaid at such increased rate during the continuance of such Event of Default shall continue to apply to the extent relating to the days after the occurrence of such Event of Default through and including the date of such cure of such Event of Default. Any payments made pursuant to this Section 2 shall be applied pro rata to the Note and the Other Notes in accordance with the respective Principal amounts thereof.”

2.5 Section 2 of the Notes issued under the Additional Purchase Agreement is hereby amended by deleting Section 2 in its entirety and inserting in its place the following new Section 2, which shall read in its entirety as follows:

“2. INTEREST; INTEREST RATE. Interest on this Note shall accrue at the applicable Interest Rate and shall commence accruing on the Issuance Date and Interest shall be computed on the basis of a 360-day year and twelve 30-day months and shall be payable in cash to the record Holder in arrears on March 15, June 15, September 15 and December 15 of each calendar year, beginning with March 15, 2017 and ending on the repayment of the Note; provided, however, that the Company shall make the December 15, 2019 interest payment on December 16, 2019 as follows: (x) 50% of such payment shall be made in cash and (y) 50% of such payment shall be made through the issuance of an additional Note to the Holder within two (2) Business Days of such date in the form attached to the Additional Purchase Agreement (with such changes thereto as contemplated by the Senior Secured Note Amendment Agreement No. 1 dated as of December 16, 2019) with a Principal amount equal thereto; it being understood that such additional Note shall be deemed a Note issued under the Additional Purchase Agreement (each a “**PIK Note**”). From and after the occurrence and during the continuance of any Event of Default, the applicable Interest Rate shall automatically be increased by two percent (2%) per annum above the Interest Rate otherwise applicable in accordance with the terms hereof, and all such interest shall be payable on demand. In the event that such Event of Default is subsequently cured, the adjustment referred to in the preceding sentence shall cease to be effective as of the date of such cure, provided that the Interest as calculated and unpaid at such increased rate during the continuance of such Event of Default shall continue to apply to the extent relating to the days after the occurrence of such Event of Default through and including the date of such cure of such Event of Default. Any payments made pursuant to this Section 2 shall be applied pro rata to the Note and the Other Notes in accordance with the respective Principal amounts thereof.”

3. Amendments; Waivers. No provision of this Agreement may be amended or waived other than by an instrument in writing signed by the Company and the Required Holders, (or, as set forth in Section 6 of the Notes, each affected Noteholder) provided that any party may give a waiver of this Agreement in writing as to itself. No consideration shall be offered or paid to any Noteholder to amend or consent to a waiver or modification, in of any provision of this Agreement unless the same consideration also is offered to all of the Noteholders.

4. Representations and Warranties. The Company represents and warrants to the Noteholders as follows:

(a) The Company is a corporation duly organized, validly existing and in good standing under the laws of the jurisdiction of its incorporation.

(b) The Company has the requisite corporate authority to enter into and to consummate the transactions contemplated by this Agreement and the PIK Notes and otherwise to carry out its obligations hereunder and thereunder. The execution and delivery of each of this Agreement and the PIK Notes by the Company and the consummation by it of the transactions contemplated hereby and thereby have been duly authorized by all necessary action on the part of the Company and no further consent or action is required by the Company, its Board of Directors or its stockholders. Each of this Agreement and the PIK Notes has been (or upon delivery will be) duly executed by the Company and is, or when delivered in accordance with the terms hereof, will constitute, the valid and binding obligation of the Company enforceable against the Company in accordance with its terms, except as may be limited by (i) applicable bankruptcy, insolvency, reorganization or other laws of general application relating to or affecting the enforcement of creditors rights generally, and (ii) the effect of rules of law governing the availability of specific performance and other equitable remedies.

(c) The execution, delivery and performance of this Agreement and the PIK Notes by the Company and the consummation by the Company of the transactions contemplated hereby and thereby do not, and will not, (i) conflict with or violate any provision of the Company's or any Subsidiary's certificate or articles of incorporation, bylaws or other organizational or charter documents, (ii) conflict with, or constitute a default (or an event that with notice or lapse of time or both would become a default) under, or give to others any rights of termination, amendment, acceleration or cancellation (with or without notice, lapse of time or both) of, any material agreement, credit facility, debt or other instrument (evidencing a Company or Subsidiary debt or otherwise) or other understanding to which the Company or any Subsidiary is a party or by which any property or asset of the Company or any Subsidiary is bound, or affected, or (iii) result in a violation of any law, rule, regulation, order, judgment, injunction, decree or other restriction of any court or governmental authority to which the Company or a Subsidiary is subject, or by which any property or asset of the Company or a Subsidiary is bound or affected.

(d) Neither the Company nor any of its Subsidiaries is required to obtain any consent, waiver, authorization or order of, give any notice to, or make any filing or registration with (other than the filing of a Form D with the Securities and Exchange Commission and any filings as may be required by any state securities agencies), any court, governmental agency or any regulatory or self-regulatory agency or any other Person in order for the Company to execute, deliver or perform any of its obligations under or contemplated by this Agreement and the PIK Notes, in each case in accordance with the terms hereof or thereof.

(e) The offer, issuance and sale of the PIK Notes to the Noteholders pursuant to this Agreement is exempt from the registration requirements of the 1933 Act.

5. General Provisions.

(a) Governing Law; Venue; Waiver of Jury Trial. This Agreement shall be construed and enforced in accordance with, and all questions concerning the construction, validity, interpretation and performance of this Agreement shall be governed by, the internal laws of the State of New York, without giving effect to any choice of law or conflict of law provision or rule (whether of the State of New York or any other jurisdictions) that would cause the application of the laws of any jurisdictions other than the State of New York. The Company hereby irrevocably submits to the exclusive jurisdiction of the state and federal courts sitting in The City of New York, Borough of Manhattan, 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 suit, action or proceeding, any claim that it is not personally subject to the jurisdiction of any such court, that such suit, action or proceeding is brought in an inconvenient forum or that the venue of such suit, action or proceeding is improper. Nothing contained herein shall be deemed to limit in any way any right to serve process in any manner permitted by law. In the event that any provision of this Agreement is invalid or unenforceable under any applicable statute or rule of law, then such provision shall be deemed inoperative to the extent that it may conflict therewith and shall be deemed modified to conform with such statute or rule of law. Any such provision which may prove invalid or unenforceable under any law shall not affect the validity or enforceability of any other provision of this Agreement. **THE COMPANY HEREBY IRREVOCABLY WAIVES ANY RIGHT IT MAY HAVE TO, AND AGREES NOT TO REQUEST, A JURY TRIAL FOR THE ADJUDICATION OF ANY DISPUTE HEREUNDER OR IN CONNECTION WITH OR ARISING OUT OF THIS AGREEMENT OR ANY TRANSACTION CONTEMPLATED HEREBY.**

(b) Execution. This Agreement may be executed in two or more counterparts, all of which when taken together shall be considered one and the same agreement and shall become effective when counterparts have been signed by each party and delivered to the other party, it being understood that both parties need not sign the same counterpart. In the event that any signature is delivered by facsimile transmission or email attachment, such signature shall create a valid and binding obligation of the party executing (or on whose behalf such signature is executed) with the same force and effect as if such facsimile or email-attached signature page were an original thereof.

(c) Severability. If any provision of this Agreement is held to be invalid or unenforceable in any respect, the validity and enforceability of the remaining terms and provisions of this Agreement shall not in any way be affected or impaired thereby and the parties will attempt to agree upon a valid and enforceable provision that is a reasonable substitute therefor, and upon so agreeing, shall incorporate such substitute provision in this Agreement.

(d) Full Force and Effect. Except as otherwise provided in this Amendment, the Notes shall remain in full force and effect and each Note shall be legally binding on the parties thereto.

*[signature pages follow]*

IN WITNESS WHEREOF, the parties hereto have caused this Senior Secured Note Amendment Agreement No. 1 to be duly executed by their respective authorized signatories as of the date first indicated above.

**PACIFIC ETHANOL, INC.**

By: /s/ Neil M. Koehler  
Name: Neil M. Koehler  
Title: President and Chief Executive Officer

Address for Notices:

400 Capitol Mall, Suite 2060  
Sacramento, CA 95814  
Facsimile No.: 916-403-2785  
Telephone No.: 916-403-2130  
Attn: Christopher W. Wright, Esq.

With a copy to:

Troutman Sanders LLP  
5 Park Plaza, Suite 1400  
Irvine, CA 92614-2545  
Facsimile No.: 949-622-2739  
Telephone No.: 949-622-2710  
Attn: Larry A. Cerutti

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**NOTEHOLDERS:**

**CWD Summit, LLC,**  
acting for and on behalf of  
Candlewood Renewable Energy Series I

By: /s/ David Koenig  
Name: David Koenig  
Title: Authorized Signatory

Address for Notices:

555 Theodore Fremd Ave.  
Suite C303  
Rye, NY 10580

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**CKP South LLC**

By: /s/ [illegible]

Name:

Title:

Address for Notices:

400 South Ave.  
New Canaan, CT 06840

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**Corrum Capital Alternative Income Fund LP**

By: /s/ [illegible]

Name:

Title:

Address for Notices:

214 N. Tryon St.  
Suite 1950  
Charlotte, NC 28202

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**CIF-Income Partners (A), LLC**

By: Black Rock Financial Management, Inc.  
Its investment manager

By: /s/ Stephen Kavalich  
Name: Stephen Kavalich  
Title: Director

Address for Notices:

49 East 52nd Street, 16th Floor  
New York, NY 10022

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**Orange 2015 DisloCredit Fund, L.P.**

By: Black Rock Financial Management, Inc.  
Its investment manager

By: /s/ Stephen Kavalich  
Name: Stephen Kavalich  
Title: Director

Address for Notices:

49 East 52nd Street, 16th Floor  
New York, NY 10022

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**Sainsbury's Credit Opportunities Fund, Ltd.**

By: Black Rock Financial Management, Inc.  
Its investment manager

By: /s/ Stephen Kavalich  
Name: Stephen Kavalich  
Title: Director

Address for Notices:

49 East 52nd Street, 16th Floor  
New York, NY 10022

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**Co-Investment Income Fund, L.P. –  
US Taxable Series**

By: /s/ Stephen Kavalich  
Name: Stephen Kavalich  
Title: Director

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Address for Notices:

49 East 52<sup>nd</sup> Street, 16<sup>th</sup> Floor  
New York, NY 10022

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**Co-Investment Income Fund, L.P. –  
US Tax-Exempt Series**

By: /s/ Stephen Kavalich  
Name: Stephen Kavalich  
Title: Director

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Address for Notices:

49 East 52<sup>nd</sup> Street, 16<sup>th</sup> Floor  
New York, NY 10022

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Exhibit A

Schedule of Noteholders

<u>Noteholder</u>	<u>Aggregate Principal Amount of Existing Notes</u>
CWD Summit, LLC - acting for and on behalf of Candlewood Renewable Energy Series I	\$ 32,822,599
CKP South LLC	\$ 1,500,000
Corrum Capital Alternative Income Fund LP	\$ 2,500,000
Orange 2015 DisloCredit Fund, L.P.	\$ 14,174,718
CIF Income Partners (A) LLC	\$ 9,131,495
Sainsbury's Credit Opportunities Fund LTD	\$ 1,181,227
Co-Investment Income Fund, L.P. - US Taxable Series	\$ 789,584
Co-Investment Income Fund, L.P. - US Tax-Exempt Series	\$ 1,100,378
<b>Total</b>	<b>\$ 63,200,001</b>