

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): **April 15, 2020**

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 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))

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 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (17 CFR §240.12b-2 of this chapter). 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.

Third Amendment to Membership Interest Purchase Agreement

On April 15, 2020, Pacific Ethanol Central, LLC, a Delaware limited liability company (“PE Central”) and wholly-owned subsidiary of Pacific Ethanol, Inc. (the “Company”), Pacific Aurora, LLC, a Delaware limited liability company (“Pacific Aurora”), and Aurora Cooperative Elevator Company, a Nebraska cooperative company (“Aurora Coop”), entered into a Third Amendment to Membership Interest Purchase Agreement (the “Third Amendment”) further amending that certain Membership Interest Purchase Agreement (the “Original Purchase Agreement”) dated as of February 28, 2020 by and among PE Central, Pacific Aurora and Aurora Coop, as amended by that certain First Amendment (the “First Amendment”) to Membership Interest Purchase Agreement dated as of March 17, 2020 by and among PE Central, Pacific Aurora and Aurora Coop, as further amended by that certain Second Amendment (the “Second Amendment”) to Membership Interest Purchase Agreement dated as of March 31, 2020 by and among PE Central, Pacific Aurora and Aurora Coop (as amended by the First Amendment and Second Amendment, the “Amended Purchase Agreement”, and together with the Third Amendment, the “Purchase Agreement”).

Under the Third Amendment, the parties agreed to amend certain definitions under the Amended Purchase Agreement, including the interest rate under the negotiable note from 7.5% to 5.0% and the interest rate under the non-negotiable note from 7.5% to 4.5%.

The parties also agreed to amend the treatment of non-compliant ethanol by requiring PE Central to cause the Company to cause Kinergy Marketing LLC, an Oregon limited liability company and wholly-owned subsidiary of the Company (“Kinergy”), to purchase all non-compliant ethanol not previously paid for by Kinergy at a certain price and agreed to the disposition of certain non-compliant ethanol still on site as of the closing.

Under the Third Amendment, PE Central also agreed to indemnify Aurora Coop and each of Pacific Aurora's subsidiaries for any losses Aurora Coop incurs (i) resulting from certain violations relating to any radio license issued by the Federal Communications Commission (the "FCC"), (ii) relating to certain environmental matters, (iii) in connection with performing all tank, vessel and pipe inspections and repairs as described in a certain statement of work, and (iv) resulting from certain liens filed or recorded against Pacific Aurora's owned or leased property.

PE Central also agreed to take any and all actions necessary to remedy any violations with the FCC. The parties also agreed to remove the reduction of the railcar fleet as a closing condition and agreed to use commercially reasonable efforts to reduce the railcar fleet after closing.

The description of the Original Purchase Agreement is set forth in the Company's Current Report on Form 8-K for February 28, 2020 filed with the Securities and Exchange Commission on March 5, 2020 and is incorporated herein by this reference.

The description of the Third Amendment does not purport to be complete and is qualified in its entirety by reference to the Third Amendment, which is filed as Exhibit 10.3 to this Current Report on Form 8-K and is incorporated herein by this reference.

Closing of Sale of Pacific Aurora and Seller Notes

On April 15, 2020, the transactions contemplated by the Purchase Agreement were consummated and PE Central sold its entire interest in Pacific Aurora, consisting of 73.93 membership interest units ("Units") representing 73.93% of the outstanding Units of Pacific Aurora, to Aurora Coop for a base purchase price of approximately \$52.8 million (the "Transaction"). After working capital adjustments and settlement of certain payables between the parties, PE Central received at closing approximately \$20.2 million in cash, before fees, and \$16.5 million in promissory notes (as described below). Approximately \$14.5 million of the cash proceeds was used at the closing of the Transaction to pay principal payments to the Company's lender CoBank, ACB, a federally-chartered instrumentality of the United States ("CoBank").

At the closing of the Transaction, on April 15, 2020, Pacific Aurora issued to PE Central a negotiable secured promissory note in the principal amount of \$8,580,000 (the "Negotiable Note") and a non-negotiable secured promissory note in the principal amount of \$7,920,000 (the "Non-Negotiable Note", and together with the Negotiable Note, collectively, the "Seller Notes"). The Seller Notes will mature on April 15, 2025 (the "Maturity Date"). Interest on the outstanding principal amount of the Negotiable Note and Non-Negotiable Note will accrue at a rate equal to 5.0% per annum and 4.5% per annum, respectively. Commencing on June 1, 2020, Pacific Aurora is obligated to make quarterly interest payments under the Seller Notes. Commencing on June 1, 2021 and January 3, 2022 for the Negotiable Note and Non-Negotiable Note, respectively, and continuing to the Maturity Date, Pacific Aurora is obligated to make quarterly principal payments of \$429,000 and \$396,000 under the Negotiable Note and Non-Negotiable Note, respectively. The unpaid principal amount outstanding under the Non-Negotiable Note is subject to further reduction based on post-closing adjustments and indemnification provisions under the Purchase Agreement. The Seller Notes may be prepaid, at the option of Pacific Aurora, without premium or penalty, at any time. The Seller Notes contain a variety of events of default which are typical for transactions of this type.

The Seller Notes are secured by deeds of trust (the “Deeds of Trust”) recorded against certain real estate and improvements owned by Pacific Aurora. The Seller Notes also contain customary representations and warranties and other customary terms and conditions.

The descriptions of the Seller Notes do not purport to be complete and are qualified in their entirety by reference to the Negotiable Note and Non-Negotiable Note, which are filed as Exhibits 10.4 and 10.5 to this Current Report on Form 8-K, respectively, and are incorporated herein by this reference.

Assignment of Notes and Deeds of Trust

On April 15, 2020, PE Central, Pacific Aurora and CoBank entered into an Assignment of Notes and Deeds of Trust dated as of April 15, 2020 by and among PE Central, Pacific Aurora and CoBank (the “Assignment”).

Pursuant to the terms of the Assignment, as a condition precedent to CoBank releasing its security interest in PE Central’s ownership interest of 73.93 Units of Pacific Aurora (the “Pledged Equity”), PE Central agreed to assign to CoBank, for the benefit of the lenders (the “Pekin Lenders”) under that certain Credit Agreement dated as of December 15, 2016 by and among Pacific Ethanol Pekin, LLC, Compeer Financial, PCA, a federally-chartered instrumentality of the United States and successor by merger to 1st Farm Credit Services, PCA (“Compeer”), and CoBank and the lenders (the “ICP Lenders”) under that certain Credit Agreement dated as of September 15, 2017 by and among Illinois Corn Processing, LLC, Compeer and CoBank, all of PE Central’s rights under the Seller Notes and Deeds of Trust and agreed to direct Pacific Aurora to make all payments due under the Seller Notes directly to CoBank for the benefit of the Pekin Lenders and the ICP Lenders. PE Central also agreed to execute and deliver to CoBank collateral assignments of the Deeds of Trust as a condition precedent to CoBank’s release of its security interest in the Pledged Equity.

The Assignment also contains customary representations and warranties and other customary terms and conditions.

The description of the Assignment does not purport to be complete and is qualified in its entirety by reference to the Assignment, which is filed as Exhibit 10.6 to this Current Report on Form 8-K and is incorporated herein by this reference.

Partial Release Letters

On April 15, 2020, the Company, PE Central, CoBank and the other parties thereto entered into a Partial Release of Collateral Letter dated as of April 15, 2020 by and among the Company, PE Central, CoBank and the other parties thereto (the “CoBank Release”) under which CoBank agreed to release all of its liens and security interests in the Pledged Equity held by CoBank including, without limitation, the liens and security interests in the Pledged Equity created under that certain Pledge Agreement dated as of March 20, 2019 by an among PE Central, Pacific Aurora and CoBank, as amended by that certain First Amendment to Pledge Agreement dated as of December 20, 2019 by and among PE Central, Pacific Aurora and CoBank (as amended, the “CoBank PAL Pledge Agreement”).

On April 15, 2020, the Company, PE Central, Cortland Products Corp. (“Cortland”), the noteholders party thereto and the other parties thereto entered into a Partial Release of Collateral Letter dated as of April 15, 2020 by and among the Company, PE Central, Cortland, the noteholders party thereto and the other parties thereto (the “Senior Noteholder Release”) under which Cortland agreed to release all of its liens and security interests in the Pledged Equity held by Cortland on behalf of the noteholders including, without limitation, the liens and security interests in the Pledged Equity created under that certain Pledge Agreement dated as of March 20, 2020 by an among PE Central, Pacific Aurora and Cortland (the “Senior Noteholder PAL Pledge Agreement”).

Descriptions of the CoBank PAL Pledge Agreement are set forth in the Company’s Current Reports on Forms 8-K for March 21, 2019 and December 29, 2019 filed with the Securities and Exchange Commission on March 27, 2019 and January 3, 2020, respectively, and are incorporated herein by this reference.

The description of the Senior Noteholder PAL Pledge Agreement is set forth in the Company’s Current Report on Form 8-K for March 16, 2020 filed with the Securities and Exchange Commission on March 26, 2020 and is incorporated herein by this reference.

The descriptions of the CoBank Release and Senior Noteholder Release do not purport to be complete and are qualified in their entirety by reference to the CoBank Release and Senior Noteholder Release, which are filed as Exhibits 10.7 and 10.8 to this Current Report on Form 8-K, respectively, and are incorporated herein by this reference.

Item 9.01. Financial Statements and Exhibits.

(d) Exhibits.

Number	Description
10.1	<u>First Amendment to Membership Interest Purchase Agreement dated as of March 17, 2020 by and among Pacific Ethanol Central, LLC, Pacific Aurora, LLC and Aurora Cooperative Elevator Company (*)</u>
10.2	<u>Second Amendment to Membership Interest Purchase Agreement dated as of March 31, 2020 by and among Pacific Ethanol Central, LLC, Pacific Aurora, LLC and Aurora Cooperative Elevator Company (*)</u>
10.3	<u>Third Amendment to Membership Interest Purchase Agreement dated as of April 15, 2020 by and among Pacific Ethanol Central, LLC, Pacific Aurora, LLC and Aurora Cooperative Elevator Company (*)</u>
10.4	<u>Secured Promissory Note (Negotiable) dated as of April 15, 2020 by Pacific Aurora, LLC in favor of Pacific Ethanol Central, LLC (*)</u>
10.5	<u>Secured Promissory Note (Non-Negotiable) dated as of April 15, 2020 by Pacific Aurora, LLC in favor of Pacific Ethanol Central, LLC (*)</u>
10.6	<u>Assignment of Notes and Deeds of Trust dated as of April 15, 2020 by and among Pacific Ethanol Central, LLC, Pacific Aurora, LLC and CoBank, ACB (*)</u>
10.7	<u>Partial Release of Collateral Letter dated as of April 15, 2020 by and among Pacific Ethanol, Inc., Pacific Ethanol Central, LLC, CoBank, ACB and the other parties thereto (*)</u>
10.8	<u>Partial Release of Collateral Letter dated as of April 15, 2020 by and among Pacific Ethanol, Inc., Pacific Ethanol Central, LLC, Cortland Products Corp., the noteholders party thereto and the other parties thereto (*)</u>

(*) 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: April 21, 2020

PACIFIC ETHANOL, INC.

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

FIRST AMENDMENT TO MEMBERSHIP INTEREST PURCHASE AGREEMENT

This FIRST AMENDMENT TO MEMBERSHIP INTEREST PURCHASE AGREEMENT (this "Amendment"), dated as of March 17, 2020, is made and entered into by and among PACIFIC ETHANOL CENTRAL, LLC, a Delaware limited liability company (the "Seller"), PACIFIC AURORA, LLC, a Delaware limited liability company (the "Company"), and AURORA COOPERATIVE ELEVATOR COMPANY, a Nebraska cooperative company (" Buyer"). Seller, the Company and Buyer are sometimes referred to herein, individually, as a "Party" and, collectively, as the "Parties".

RECITALS

WHEREAS, the Parties entered into that certain Membership Interest Purchase Agreement dated as of February 28, 2020 (the "Agreement"), pursuant to which Buyer will purchase from Seller, and Seller will sell to Buyer, all of the Company Interests, subject to and in accordance with the terms of the Agreement; and

WHEREAS, the Parties now desire to amend certain provision of the Agreement relating to the Transition Services Agreement, the Seller Financing, and the Closing.

NOW THEREFORE, in consideration of the premises and the mutual promises herein made, and in consideration of the representations, warranties, and covenants herein contained, the Parties hereby agree as follows:

1. Definitions. Except as otherwise expressly provided herein, all capitalized terms used in this Amendment and not defined herein shall have the respective meanings ascribed thereto in the Agreement.

2. Amendments to Agreement. The Agreement is hereby amended as follows:

(a) Certain Definitions. The definitions of (i) "Seller Deed of Trust (Negotiable Note)", (ii) "Seller Deed of Trust (Non-Negotiable Note)", (iii) "Seller Negotiable Note" and (iv) "Seller Non-Negotiable Note" in Article 1 of the Agreement are each amended by deleting "Buyer" and replacing "Company" in substitution therefor.

(b) Transition Services. Section 6.12 of the Agreement is amended by deleting "March 17, 2020" and replacing "March 31, 2020" in substitution therefor.

3. Extension of Target Closing Date. The Parties acknowledge, agree and confirm that pursuant to Section 12.1(b) of the Agreement, the Target Closing Date is hereby extended to March 31, 2020.

4. References to Agreement. All references in the Agreement to "this Agreement" shall be deemed to refer to the Agreement as amended hereby, and any and all references in any of the Ancillary Agreements to the Agreement shall be deemed to refer to the Agreement as amended hereby; provided, however, references to "the date of this Agreement", "the date hereof" and similar references shall continue to refer to the original date of the Agreement and not to the date of this Amendment.

5. Ratification; Continuing Effect of the Agreement. This Amendment shall only amend and modify the Agreement to the extent specifically provided herein. In all other respects, the Agreement is hereby ratified and confirmed and remains in full force and effect and shall not be altered by any provisions herein contained. In the event of any conflict or inconsistency between the provisions of the Agreement and the provisions of this Amendment, the provisions of this Amendment shall control.

6. Representations and Warranties. Each Party hereto represents and warrants that (a) it is duly organized, validly existing and in good standing under the laws of the jurisdiction of its organization; (b) it has full power and authority to enter into this Amendment and to perform its obligations hereunder; (c) the execution and delivery of this Amendment by it and the performance by it of its obligations hereunder have been duly and validly authorized by all necessary action; and (d) it has not relied on any representation, warranty, covenant, understanding, agreement, written or oral, discussions, or negotiation not expressly contained herein or in the Agreement in entering into this Amendment.

7. No Third-Party Beneficiaries. Except as expressly provided herein, this Amendment shall not confer any rights or remedies upon any Person other than the Parties and their respective successors and permitted assigns.

8. Entire Agreement. This Amendment and the Agreement (including the documents and the instruments referred to therein) shall together constitute the entire agreement among the Parties and shall supersede any prior understandings, agreements, or representations by or among the Parties, written or oral, to the extent they relate in any way to the subject matter hereof.

9. Successors and Assigns. Subject to Section 13.3 of the Agreement, this Amendment shall be binding upon, inure to the benefit of and be enforceable by the Parties and their respective successors and permitted assigns.

10. Counterparts. This Amendment may be executed in any number of counterparts, and by the different Parties in separate counterparts, each of which when executed shall be deemed an original, but all of which shall be considered one and the same agreement, and shall become effective when each Party has received counterparts signed by each of the other Parties, it being understood and agreed that delivery of a signed counterpart signature page to this Amendment by facsimile transmission, by electronic mail in portable document format (".pdf") form, or by any other electronic means intended to preserve the original graphic and pictorial appearance of a document shall constitute valid and sufficient delivery thereof.

11. Headings. The title of and the section and paragraph headings contained in this Amendment are inserted for convenience only and shall not affect in any way the meaning or interpretation of any of the terms or provisions of this Amendment.

12. Further Amendments: Waiver. Subject to applicable Law, this Amendment may not be amended, modified or supplemented except by an instrument in writing signed by the Parties. Any agreement on the part of a Party to any waiver of any of the provisions of this Amendment shall be valid only if set forth in an instrument in writing signed on behalf of such Party. The failure of any Party to this Amendment to assert any of its rights under this Amendment or otherwise shall not constitute a waiver of such rights, nor shall any single or partial exercise of any such rights preclude any other or further exercise thereof.

13. Severability. If any term, provision, covenant or restriction of this Amendment is held by a court of competent jurisdiction or other authority to be invalid, void, unenforceable or against its regulatory policy, the remainder of the terms, provisions, covenants and restrictions of this Amendment shall nevertheless remain in full force and effect and shall in no way be affected, impaired or invalidated. Upon such determination that any term, provision, covenant or restriction is invalid, illegal, void, unenforceable or against regulatory policy, the Parties shall negotiate in good faith to modify this Amendment so as to effect the original intent of the Parties as closely as possible in an acceptable manner in order that the transactions contemplated by this Amendment are consummated as originally contemplated to the greatest extent possible.

14. Construction. The Parties have participated jointly in the negotiation and drafting of this Amendment. In the event an ambiguity or question of intent or interpretation arises, this Amendment shall be construed as if drafted jointly by the Parties and no presumption or burden of proof shall arise favoring or disfavoring any Party by virtue of the authorship of any of the provisions of this Amendment.

[Signature Page Follows]

IN WITNESS WHEREOF, the Parties have executed this First Amendment to Membership Interest Purchase Agreement on the date first above written.

SELLER:

PACIFIC ETHANOL CENTRAL, LLC,
a Delaware limited liability company

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

COMPANY:

PACIFIC AURORA, LLC,
a Delaware limited liability company

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

BUYER:

AURORA COOPERATIVE ELEVATOR COMPANY, a Nebraska
cooperative corporation

By: /s/ Christopher J. Vincent
Name: Christopher J. Vincent
Title: Chief Executive Officer

Signature Page To First Amendment To Membership Interest Purchase Agreement

SECOND AMENDMENT TO MEMBERSHIP INTEREST PURCHASE AGREEMENT

This SECOND AMENDMENT TO MEMBERSHIP INTEREST PURCHASE AGREEMENT (this "Amendment"), dated as of March 31, 2020, is made and entered into by and among PACIFIC ETHANOL CENTRAL, LLC, a Delaware limited liability company (the "Seller"), PACIFIC AURORA, LLC, a Delaware limited liability company (the "Company"), and AURORA COOPERATIVE ELEVATOR COMPANY, a Nebraska cooperative company (" Buyer"). Seller, the Company and Buyer are sometimes referred to herein, individually, as a "Party" and, collectively, as the "Parties".

RECITALS

WHEREAS, the Parties entered into that certain Membership Interest Purchase Agreement dated as of February 28, 2020 and that certain First Amendment to Membership Interest Purchase Agreement dated as of March 17, 2020 (as amended, the "Agreement"), pursuant to which Buyer will purchase from Seller, and Seller will sell to Buyer, all of the Company Interests, subject to and in accordance with the terms of the Agreement; and

WHEREAS, the Parties now desire to amend the Agreement with respect to the Closing.

NOW THEREFORE, in consideration of the premises and the mutual promises herein made, and in consideration of the representations, warranties, and covenants herein contained, the Parties hereby agree as follows:

1. Definitions. Except as otherwise expressly provided herein, all capitalized terms used in this Amendment and not defined herein shall have the respective meanings ascribed thereto in the Agreement.
 2. Amendment to Agreement. Section 6.12 of the Agreement is hereby amended by deleting "March 31, 2020" and replacing "April 15, 2020" in substitution therefor.
 3. Extension of Target Closing Date. The Parties acknowledge, agree and confirm that pursuant to Section 12.1(b) of the Agreement, the Target Closing Date is hereby extended to April 15, 2020.
 4. References to Agreement. All references in the Agreement to "this Agreement" shall be deemed to refer to the Agreement as amended hereby, and any and all references in any of the Ancillary Agreements to the Agreement shall be deemed to refer to the Agreement as amended hereby; provided, however, references to "the date of this Agreement", "the date hereof" and similar references shall continue to refer to the original date of the Agreement and not to the date of this Amendment.
 5. Ratification: Continuing Effect of the Agreement. This Amendment shall only amend and modify the Agreement to the extent specifically provided herein. In all other respects, the Agreement is hereby ratified and confirmed and remains in full force and effect and shall not be altered by any provisions herein contained. In the event of any conflict or inconsistency between the provisions of the Agreement and the provisions of this Amendment, the provisions of this Amendment shall control.
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6. Representations and Warranties. Each Party hereto represents and warrants that (a) it is duly organized, validly existing and in good standing under the laws of the jurisdiction of its organization; (b) it has full power and authority to enter into this Amendment and to perform its obligations hereunder; (c) the execution and delivery of this Amendment by it and the performance by it of its obligations hereunder have been duly and validly authorized by all necessary action; and (d) it has not relied on any representation, warranty, covenant, understanding, agreement, written or oral, discussions, or negotiation not expressly contained herein or in the Agreement in entering into this Amendment.

7. No Third-Party Beneficiaries. Except as expressly provided herein, this Amendment shall not confer any rights or remedies upon any Person other than the Parties and their respective successors and permitted assigns.

8. Entire Agreement. This Amendment and the Agreement (including the documents and the instruments referred to therein) shall together constitute the entire agreement among the Parties and shall supersede any prior understandings, agreements, or representations by or among the Parties, written or oral, to the extent they relate in any way to the subject matter hereof.

9. Successors and Assigns. Subject to Section 13.3 of the Agreement, this Amendment shall be binding upon, inure to the benefit of and be enforceable by the Parties and their respective successors and permitted assigns.

10. Counterparts. This Amendment may be executed in any number of counterparts, and by the different Parties in separate counterparts, each of which when executed shall be deemed an original, but all of which shall be considered one and the same agreement, and shall become effective when each Party has received counterparts signed by each of the other Parties, it being understood and agreed that delivery of a signed counterpart signature page to this Amendment by facsimile transmission, by electronic mail in portable document format (".pdf") form, or by any other electronic means intended to preserve the original graphic and pictorial appearance of a document shall constitute valid and sufficient delivery thereof.

11. Headings. The title of and the section and paragraph headings contained in this Amendment are inserted for convenience only and shall not affect in any way the meaning or interpretation of any of the terms or provisions of this Amendment.

12. Further Amendments; Waiver. Subject to applicable Law, this Amendment may not be amended, modified or supplemented except by an instrument in writing signed by the Parties. Any agreement on the part of a Party to any waiver of any of the provisions of this Amendment shall be valid only if set forth in an instrument in writing signed on behalf of such Party. The failure of any Party to this Amendment to assert any of its rights under this Amendment or otherwise shall not constitute a waiver of such rights, nor shall any single or partial exercise of any such rights preclude any other or further exercise thereof.

13. Severability. If any term, provision, covenant or restriction of this Amendment is held by a court of competent jurisdiction or other authority to be invalid, void, unenforceable or against its regulatory policy, the remainder of the terms, provisions, covenants and restrictions of this Amendment shall nevertheless remain in full force and effect and shall in no way be affected, impaired or invalidated. Upon such determination that any term, provision, covenant or restriction is invalid, illegal, void, unenforceable or against regulatory policy, the Parties shall negotiate in good faith to modify this Amendment so as to effect the original intent of the Parties as closely as possible in an acceptable manner in order that the transactions contemplated by this Amendment are consummated as originally contemplated to the greatest extent possible.

14. Construction. The Parties have participated jointly in the negotiation and drafting of this Amendment. In the event an ambiguity or question of intent or interpretation arises, this Amendment shall be construed as if drafted jointly by the Parties and no presumption or burden of proof shall arise favoring or disfavoring any Party by virtue of the authorship of any of the provisions of this Amendment.

[Signature Page Follows]

IN WITNESS WHEREOF, the Parties have executed this Second Amendment to Membership Interest Purchase Agreement on the date first above written.

SELLER:

PACIFIC ETHANOL CENTRAL, LLC,
a Delaware limited liability company

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

COMPANY:

PACIFIC AURORA, LLC,
a Delaware limited liability company

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

BUYER:

AURORA COOPERATIVE ELEVATOR COMPANY, a Nebraska
cooperative corporation

By: /s/ Christopher J. Vincent
Name: Christopher J. Vincent
Title: Chief Executive Officer

Signature Page To Second Amendment To Membership Interest Purchase Agreement

THIRD AMENDMENT TO MEMBERSHIP INTEREST PURCHASE AGREEMENT

This THIRD AMENDMENT TO MEMBERSHIP INTEREST PURCHASE AGREEMENT (this "Amendment"), dated as of April 15, 2020, is made and entered into by and among PACIFIC ETHANOL CENTRAL, LLC, a Delaware limited liability company (the "Seller"), PACIFIC AURORA, LLC, a Delaware limited liability company (the "Company"), and AURORA COOPERATIVE ELEVATOR COMPANY, a Nebraska cooperative company (" Buyer"). Seller, the Company and Buyer are sometimes referred to herein, individually, as a "Party" and, collectively, as the "Parties".

RECITALS

WHEREAS, the Parties entered into that certain Membership Interest Purchase Agreement dated as of February 28, 2020, that certain First Amendment to Membership Interest Purchase Agreement dated as of March 17, 2020, and that certain Second Amendment to Membership Interest Purchase Agreement dated as of March 31, 2020 (as amended, the "Agreement"), pursuant to which Buyer will purchase from Seller, and Seller will sell to Buyer, all of the Company Interests, subject to and in accordance with the terms of the Agreement; and

WHEREAS, the Parties now desire to amend the Agreement with respect to the Closing.

NOW THEREFORE, in consideration of the premises and the mutual promises herein made, and in consideration of the representations, warranties, and covenants herein contained, the Parties hereby agree as follows:

1. Definitions. Except as otherwise expressly provided herein, all capitalized terms used in this Amendment and not defined herein shall have the respective meanings ascribed thereto in the Agreement.

2. Amendment to Agreement. The Agreement is hereby amended as follows:

(A) *Amendments to Article I (Definitions) – New Definitions* Article I of the Agreement is amended by adding in the appropriate alphabetical order the following definitions in their entirety to read as follows:

“Environmental Indemnity” has the meaning set forth in Section 10.2(a).

“ERI” means ERI Solutions, LLC.

“ERI SOWs” means (a) that certain Statement of Work to the Master Agreement for Services dated April 15, 2020 by and between Buyer and ERI with respect to the west ethanol production facilities at the Aurora Facilities; and (b) that certain Statement of Work to the Master Agreement for Services dated April 15, 2020 by and between Buyer and ERI with respect to the east ethanol production facilities at the Aurora Facilities.

“FCC” means the United States Federal Communications Commission.”

“‘FCC Indemnity’ has the meaning set forth in Section 10.2(a).

“‘FCC Violations’ has the meaning set forth in Section 10.2(a).

“‘Pekin Facility’ has the meaning set forth in Section 6.15.

“‘Reference Price’ has the meaning set forth in Section 6.15.

“‘Repair Indemnity’ has meaning set forth in Section 10.2(a).

“‘Phase II Report’ means that certain draft Phase II Environmental Site Assessment dated April 10, 2020, prepared by Pinnacle Engineering, Inc. as Pinnacle Project EM20202009.

“‘Special Indemnities’ means the (a) FCC Indemnity, (b) Environmental Indemnity, (c) Repair Indemnity, (d) Syngenta Indemnity, and (e) Title Indemnity.”

“‘Title Indemnity’ has meaning set forth in Section 10.2(a).

(B) *Amendments to Article I (Definitions) – Amended Definitions* Article I of the Agreement is further amended as follows:

(1) *Seller Negotiable Note*. The definition of “Seller Negotiable Note” is hereby amended by deleting “7.5%” and replacing “5.0%” in substitution therefor.

(2) *Seller Non-Negotiable Note*. The definition of “Seller Non-Negotiable Note” is hereby amended by deleting “7.5%” and replacing “4.5%” in substitution therefor.

(C) *Section 6.9 (Reduction of Railcar Fleet)*. Section 6.9 of the Agreement is hereby amended and restated in its entirety to read as follows:

“6.9 Reduction of Railcar Fleet. During the Interim Period and after Closing, the Parties agree to use commercially reasonable efforts to enter into amendments to the leases or other Contracts for the Railcar Fleet to reduce the number of railroad cars in the Railcar Fleet to no more than 200 cars, which shall include all 100 J cars available from the Railcar Fleet, and obtain any necessary Third Party Consents with respect to such amendments and any required assignment of such leases or other Contract to Company after Closing.”

(D) *Section 6.15 (Non-Compliant Ethanol)*. Section 6.15 of the Agreement is hereby amended and restated in its entirety to read as follows:

“6.15 Non-Compliant Ethanol. Seller shall (a) not permit, and shall cause Parent to not permit, Kinery to (i) exercise any put-back, offset or repurchase rights with respect to any Non-Compliant Ethanol acquired by Kinery pursuant to the Ethanol Marketing Agreement prior to the date of this Agreement, or (ii) otherwise cause any such Non-Compliant Ethanol to be transferred to the Company or any Company Subsidiary, and (b) cause Parent to cause Kinery to purchase all Non-Compliant Ethanol not previously paid for by Kinery prior to the date hereof, at the Reference Price (as defined below) determined as of the Business Day prior to the Closing Date (the “Non-Compliant Ethanol Purchase Price”). Payment for the Non-Compliant Ethanol so purchased shall be reflected in the Closing Cash Payment Amount. The portion of Non-Compliant Ethanol stored in certain of the Railcar Fleet located at the Aurora Facility and Parent’s ethanol facility located in Pekin, Illinois (the “Pekin Facility”) and purchased by Kinery pursuant to the foregoing may remain stored such railcars at the Aurora Facility or the Pekin Facility, as the case may be, at no cost or expense to Kinery; provided, however, Kinery shall remove such Non-Compliant Ethanol from the Aurora Facility no later than thirty (30) days after written notice from the Company directing such removal, and return all railcars being used to store the Non-Compliant Ethanol to the Company promptly thereafter. Further, no portion of the Non-Compliant Ethanol may be blended at the Aurora Facility at any time unless Company and its Subsidiaries, in their sole and absolute discretion, provide written consent to permit such blending to occur. At any time that Kinery removes any Non-Compliant Ethanol from the Aurora Facility or the Pekin Facility (whether stored in the Railcar Fleet or the storage tank(s) at the Pekin Facility), if the Reference Price determined as of the Business Day prior to such removal is higher than the Non-Compliant Ethanol Purchase Price, then Parent shall cause Kinery to remit to the Company, within five (5) Business Days after such removal an amount equal to 50% of the product of (A x B), where A is equal to such Reference Price *minus* the Non-Compliant Purchase Price, and B is equal to the total number of gallons of Non-Compliant Ethanol removed from the Aurora Facility or the Pekin Facility. For purposes of the foregoing, the term “Reference Price” means the greater of (y) the OPIS NE ethanol posting for ethanol meeting the specifications set forth in Exhibit C FOB the Aurora Facility, and (z) the average of the OPIS NE ethanol posting for ethanol meeting the specifications set forth in Exhibit C FOB the Aurora Facility for the ten (10) prior Business Days.”

(E) *Section 7.1(i) (Closing Deliverables of Seller)*. Section 7.1(i) of the Agreement is hereby amended and restated in its entirety to read as follows:

“Intentionally omitted.”

(F) *Section 10.2 (Indemnification Provisions for Benefit of Buyer)*. Section 10.2 of the Agreement is hereby amended and restated in its entirety to read as follows:

“10.2 Indemnification Provisions for Benefit of Buyer.

(a) Subject to the terms and conditions of this Article 10, from and after the Closing, Seller will indemnify and hold harmless Buyer, Company, each Company Subsidiary and their respective successors and assigns (the “Buyer Indemnitees”) from and against (i) any Losses that any Buyer Indemnitee incurs (provided that an indemnification claim with respect to such Losses is made pursuant to this Article 10 prior to the end of any applicable survival period) resulting from or caused by (A) any breach or inaccuracy of any representation or warranty made by Seller in Article 3 or Article 4 or in any exhibits attached hereto, and (B) any breach of any covenant or agreement of Seller in this Agreement or any pre-Closing covenant or agreement of the Company, (ii) any Transaction Expenses to the extent not paid in full on or prior to the Closing Date; (iii) 73.93% of any amount paid by the Company to Syngenta in excess of \$900,000 up to a maximum of \$1,800,000 with respect to the Syngenta Payment Demand (the “Syngenta Indemnity”); (iv) without limiting Seller’s obligations under Section 10.2(a)(i)(A) but notwithstanding anything to the contrary in this Agreement, any Losses that any Buyer Indemnitee incurs resulting from any violation existing at Closing of applicable Laws governing or relating to any radio license issued by the FCC and held by the Company or any Company Subsidiary or used in connection with the operation of the Business (the “FCC Violations”), including without limitation, (A) all out-of-pocket costs and expenses and (B) fines, penalties or other monetary assessments imposed by the FCC on any Buyer Indemnitee as a result of any and all FCC Violations (the “FCC Indemnity”); (v) without limiting Seller’s obligations under Section 10.2(a)(i)(A) but notwithstanding anything to the contrary in this Agreement, any Losses that any Buyer Indemnitee incurs relating to the (A) remediation of the soil contamination and neutralization of stormwater pond described in the Phase II Report and (B) restoration of the affected soil and stormwater pond located on the Owned Real Property to their uncontaminated condition, including without limitation, (1) all out-of-pocket costs and expenses and (2) any fines, penalties or other monetary assessments imposed upon any Buyer Indemnitee in connection therewith (the “Environmental Indemnity”); (vi) without limiting Seller’s obligations under Section 10.2(a)(i)(A) but notwithstanding anything to the contrary in this Agreement, any Losses that any Buyer Indemnitee incurs in connection with performing or causing to be performed all tank, vessel and pipe inspections and repairs set forth in the ERI SOWs relating solely to the matters described in Items 5, 6, 7 and 8 of Schedule 4.7(a) (the “Repair Indemnity”); and (vii) without limiting Seller’s obligations under Section 10.2(a)(i)(A) but notwithstanding anything to the contrary in this Agreement, any Losses that any Buyer Indemnitee incurs resulting from any Lien filed or recorded against the Owned Real Property or Leased Real Property at any time after March 11, 2020 (even if such filing or recording occurs after Closing) that relates to actions or inactions of, or are otherwise caused by, the Company or any Company Subsidiary prior to Closing (the “Gap Liens”), including without limitation, any out-of-pockets costs and expenses incurred by any Buyer Indemnitee (A) to remove or cause the removal of such Gap Lien(s) or (B) under any indemnity obligations relating to such Gap Liens(s) owing by any Buyer Indemnitee to any title company insuring all or a portion of the Owned Real Property or the Leased Real Property (the “Title Indemnity”).

(b) With respect to the matters described in Section 10.2(a), Seller will have no liability with respect to such matters until Buyer Indemnitees have incurred aggregate Losses by reason of all such breaches in excess of \$250,000 (the “Deductible”), after which point Seller will be obligated to indemnify Buyer Indemnitees from and against all indemnifiable Losses exceeding the Deductible; provided, however, that the foregoing limitation shall not apply to any indemnifiable Losses resulting from (i) breaches of the Fundamental Representations made by Company or Seller, (ii) any of the Special Indemnities, or (iii) for fraud or willful misconduct.

(c) The aggregate maximum liability of Seller with respect to the matters described in Sections 10.2(a) shall in no event exceed \$7,920,000.00 (the “Indemnity Cap”); provided, however, that any indemnifiable Losses resulting from breaches of the Fundamental Representations or for fraud or willful misconduct shall not be subject to the Indemnity Cap.

(d) For purposes of this Article 10, Losses shall be determined without regard to any materiality, Material Adverse Effect or other similar qualification contained in or otherwise applicable to the representations or warranties in this Agreement. The inaccuracy or breach of any representation or warranty in this Agreement (as opposed to the calculation of Losses) shall be determined with regard to all materiality, Material Adverse Effect and other similar qualification contained in or otherwise applicable to such representation or warranty. In no event shall (i) Seller be liable for any Losses in respect of any inaccuracy or breach of any representation or warranty hereunder to the extent such inaccuracy or breach is attributable to (A) fraud, gross negligence or willful misconduct on the part of Buyer, (B) a violation of Law by Buyer or (C) any breach or misrepresentation by Buyer under any Affiliate Agreement, or (ii) Buyer be liable for any Losses in respect of any inaccuracy or breach of any representation or warranty hereunder to the extent such inaccuracy or breach is attributable to (A) fraud, gross negligence or willful misconduct on the part of Seller, (B) a violation of Law by Seller or (C) any breach or misrepresentation by Seller under the Company Operating Agreement or by Seller or Company under any Affiliate Agreement.

(e) Notwithstanding anything contained in this Agreement to the contrary, for any indemnification to which Buyer is entitled under this Agreement, Buyer’s sole and exclusive remedy for the recoupment of all or any portion of its indemnifiable Losses it may suffer shall be through a reduction in the principal amount outstanding under the Seller Non-Negotiable Note; provided, however, that any indemnifiable Losses resulting from breaches of the Fundamental Representations or for fraud or willful misconduct shall not be subject to the limitations of this Section 10.2(e). The reduction of the principal amount of the Seller Non-Negotiable Note shall affect the timing and amount of payments required under the Seller Non-Negotiable Note in the same manner as if Buyer had made a permitted prepayment (without premium, interest or penalty) thereunder. In the event of a reduction in the principal amount of the Seller Non-Negotiable Note as a result of this Section 10.2(e), Seller and Buyer shall execute an amendment or supplement to the Seller Non-Negotiable Note to decrease the principal amount thereof; provided, however, no failure of Seller to deliver such amendment or supplement shall affect the validity of the reduction resulting from Buyer’s exercise of its recoupment rights.”

(G) *Amended and Restated Disclosure Schedules*. The Agreement is amended by deleting in its entirety the Disclosure Schedules attached thereto and replacing the same with the Amended and Restated Disclosure Schedules attached hereto.

3. FCC Violations. Notwithstanding anything to the contrary in the Agreement or this Amendment, Seller shall take any and all actions necessary to remedy all FCC Violations, including without limitation, (a) submitting all required applications to transfer control of the underlying radio licenses issued by the FCC and held by the Company or any Company Subsidiary or used in connection with the operation of the Business, (b) filing all required waiver requests with respect to the FCC Violations, and (c) filing all required notifications with respect to the (i) consummation of the transactions giving rise to the FCC Violations; and (ii) Company Subsidiaries' prior name changes. The foregoing actions shall be taken as soon as reasonably practicable and Seller shall (x) provide drafts of all such applications, requests, notifications and other documents to be submitted to the FCC in connection therewith to Buyer prior to such submission, (y) obtain Buyer's approval thereof, and (z) provide copies of all such applications, requests, notifications and other documents submitted to the FCC to Buyer immediately upon submission thereof.

4. Seller's Obligation to Cooperate and Assist. Notwithstanding anything to the contrary in the Agreement or this Amendment, Seller shall, upon request by any Buyer Indemnitee, cooperate with and assist, at Seller's sole cost and expense, all Buyer Indemnitees and such parties' agents, employees, officers, consultants, attorneys and other professionals with respect to all actions necessary to (a) remedy the FCC Violations, (b) remediate the contamination of the soil and neutralize the stormwater pond located on the Owned Real Property, as described in the Phase II Report, and restore the conditions thereof, and (c) remove the Gap Liens from the Owned Real Property or Leased Real Property.

5. References to Agreement and Disclosure Schedules.

(a) All references in the Agreement to "this Agreement" shall be deemed to refer to the Agreement as amended hereby, and any and all references in any of the Ancillary Agreements to the Agreement shall be deemed to refer to the Agreement as amended hereby; provided, however, references to "the date of this Agreement", "the date hereof" and similar references shall continue to refer to the original date of the Agreement and not to the date of this Amendment.

(b) All references in the Agreement to "Schedule" and "Disclosure Schedules" shall be deemed to refer to the Amended and Restated Disclosure Schedules attached to this Amendment.

6. Ratification; Continuing Effect of the Agreement. This Amendment shall only amend and modify the Agreement to the extent specifically provided herein. In all other respects, the Agreement is hereby ratified and confirmed and remains in full force and effect and shall not be altered by any provisions herein contained. In the event of any conflict or inconsistency between the provisions of the Agreement and the provisions of this Amendment, the provisions of this Amendment shall control.

7. Representations and Warranties. Each Party hereto represents and warrants that (a) it is duly organized, validly existing and in good standing under the laws of the jurisdiction of its organization; (b) it has full power and authority to enter into this Amendment and to perform its obligations hereunder; (c) the execution and delivery of this Amendment by it and the performance by it of its obligations hereunder have been duly and validly authorized by all necessary action; and (d) it has not relied on any representation, warranty, covenant, understanding, agreement, written or oral, discussions, or negotiation not expressly contained herein or in the Agreement in entering into this Amendment.

8. No Third-Party Beneficiaries. Except as expressly provided herein, this Amendment shall not confer any rights or remedies upon any Person other than the Parties and their respective successors and permitted assigns.

9. Entire Agreement. This Amendment and the Agreement (including the documents and the instruments referred to therein and attached thereto) shall together constitute the entire agreement among the Parties and shall supersede any prior understandings, agreements, or representations by or among the Parties, written or oral, to the extent they relate in any way to the subject matter hereof.

10. Successors and Assigns. Subject to Section 13.3 of the Agreement, this Amendment shall be binding upon, inure to the benefit of and be enforceable by the Parties and their respective successors and permitted assigns.

11. Counterparts. This Amendment may be executed in any number of counterparts, and by the different Parties in separate counterparts, each of which when executed shall be deemed an original, but all of which shall be considered one and the same agreement, and shall become effective when each Party has received counterparts signed by each of the other Parties, it being understood and agreed that delivery of a signed counterpart signature page to this Amendment by facsimile transmission, by electronic mail in portable document format (“pdf”) form, or by any other electronic means intended to preserve the original graphic and pictorial appearance of a document shall constitute valid and sufficient delivery thereof.

12. Headings. The title of and the section and paragraph headings contained in this Amendment are inserted for convenience only and shall not affect in any way the meaning or interpretation of any of the terms or provisions of this Amendment.

13. Further Amendments; Waiver. Subject to applicable Law, this Amendment may not be amended, modified or supplemented except by an instrument in writing signed by the Parties. Any agreement on the part of a Party to any waiver of any of the provisions of this Amendment shall be valid only if set forth in an instrument in writing signed on behalf of such Party. The failure of any Party to this Amendment to assert any of its rights under this Amendment or otherwise shall not constitute a waiver of such rights, nor shall any single or partial exercise of any such rights preclude any other or further exercise thereof.

14. Severability. If any term, provision, covenant or restriction of this Amendment is held by a court of competent jurisdiction or other authority to be invalid, void, unenforceable or against its regulatory policy, the remainder of the terms, provisions, covenants and restrictions of this Amendment shall nevertheless remain in full force and effect and shall in no way be affected, impaired or invalidated. Upon such determination that any term, provision, covenant or restriction is invalid, illegal, void, unenforceable or against regulatory policy, the Parties shall negotiate in good faith to modify this Amendment so as to effect the original intent of the Parties as closely as possible in an acceptable manner in order that the transactions contemplated by this Amendment are consummated as originally contemplated to the greatest extent possible.

15. Construction. The Parties have participated jointly in the negotiation and drafting of this Amendment. In the event an ambiguity or question of intent or interpretation arises, this Amendment shall be construed as if drafted jointly by the Parties and no presumption or burden of proof shall arise favoring or disfavoring any Party by virtue of the authorship of any of the provisions of this Amendment.

[Signature Page Follows]

IN WITNESS WHEREOF, the Parties have executed this Third Amendment to Membership Interest Purchase Agreement on the date first above written.

SELLER:

PACIFIC ETHANOL CENTRAL, LLC,
a Delaware limited liability company

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

COMPANY:

PACIFIC AURORA, LLC,
a Delaware limited liability company

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

BUYER:

AURORA COOPERATIVE ELEVATOR COMPANY, a Nebraska
cooperative corporation

By: /s/ Christopher J. Vincent
Name: Christopher J. Vincent
Title: Chief Executive Officer

Signature Page To Third Amendment To Membership Interest Purchase Agreement

SECURED PROMISSORY NOTE
(Negotiable)

\$8,580,000.00

April 15, 2020

FOR VALUE RECEIVED, PACIFIC AURORA, LLC, a Delaware limited liability company ("**Borrower**") hereby irrevocably and unconditionally promises to pay to the order of PACIFIC ETHANOL CENTRAL, LLC, a Delaware limited liability company ("**PEC**" and collectively with any subsequent holder hereof by assignment, succession or transfer, "**Lender**"), the principal amount of Eight Million, Five Hundred Eighty Thousand and 00/100 Dollars (\$8,580,000.00) (the "**Loan**"), together with accrued interest thereon, plus all other fees, costs, expenses and charges and on the terms and conditions set forth below (the "**Note**"). Borrower and Lender are sometimes referred to individually as "**Party**" and collectively, "**Parties**".

1. Loan Purpose; Negotiable Instrument. The purpose of the Loan is to finance in part Aurora Cooperative Elevator Company's ("**ACEC**") acquisition of PEC's membership interests in Borrower pursuant to that certain Membership Interest Purchase Agreement dated as of February 28, 2020 (as amended, the "**Purchase Agreement**") by and among PEC, ACEC and Borrower. Notwithstanding anything to the contrary set forth elsewhere in this Note, the Loan is not a revolving loan and no amounts which have been advanced and subsequently repaid may be re-borrowed. It is the express intent and agreement of the Parties that this Note constitutes a negotiable instrument under applicable law, including Section 3-106(a) of the Uniform Commercial Code as adopted by the State of Nebraska.

2. Interest; Repayment Terms.

(a) Interest Rate. Interest will accrue on the outstanding principal balance of the Loan at a rate per annum equal to 5.00% (the "**Interest Rate**"). Interest will be calculated on the basis of a 365-day year and shall be computed for the actual number of days elapsed in the period for which interest is charged.

(b) Payments.

(i) Quarterly Interest Payments. Commencing on June 1, 2020 and continuing until the Maturity Date, Borrower shall make quarterly payments of interest to Lender on the first day of each calendar quarter, with the amount of each such quarterly payment being equal to all accrued and unpaid interest through the last day of the immediately preceding calendar quarter.

(ii) Scheduled Principal Payments. In addition to the interest payments required to be made pursuant to Section 2(c)(i), commencing on June 1, 2021 and continuing until the Maturity Date, Borrower shall make quarterly principal payments to Lender on the first day of each calendar quarter, with the amount of each such quarterly payment being equal to \$429,000.00.

(c) Maturity Date. The unpaid principal balance hereof, together with all unpaid interest accrued thereon, and all other amounts payable by Borrower under the terms set forth below, shall be due and payable in full on the earliest of (i) April 15, 2025 or (ii) that date upon which any Acceleration Event pursuant to Section 3 below or an Event of Default under Section 4 below has occurred (hereinafter, the "**Maturity Date**").

(d) Place of Payment; Application. All payments required under this Note shall be paid to Lender at the address designated by Lender in writing from time to time and shall be applied by Lender first, to accrued, unpaid interest, and second, to the outstanding principal balance of the Note; provided however, after an Event of Default, Lender may apply any amounts paid by Borrower first to costs of collection. All amounts payable hereunder are payable in lawful money of the United States of America.

(e) Timing of Payments. Notwithstanding anything to the contrary set forth elsewhere herein, if any payment date falls on a day that is not a business day, payment must be made on the next succeeding business day and, as to any principal payment, such extension of time will be included in computing any interest in respect of such payment. All payments of principal and interest due hereunder must be made without deduction of any present and future taxes, levies, imposts, deductions, charges or withholdings, which amounts must be paid by Borrower, except for income taxes, franchise taxes, branch profit taxes or other taxes based upon the income of Lender, which shall be paid by Lender.

(f) Prepayments. Borrower may prepay this Note, in full or in part, at any time without additional fee or penalty. All prepayments shall be applied as directed by Borrower.

3. Secured Obligation; Acceleration of Maturity Date. This Note and the obligations of Borrower hereunder are secured by that certain DEED OF TRUST, ASSIGNMENT OF LEASES AND RENTS, FIXTURE FILING AND SECURITY AGREEMENT dated as of as of even date herewith executed by Borrower as the grantor thereunder in favor of Fidelity National Title Company, as the trustee thereunder for the benefit of Lender as the beneficiary thereunder (the "**Deed of Trust**"). In the event of (a) any transfer or assignment by Borrower which is prohibited by this Note or the Deed of Trust, or (b) the creation of any Lien which does not constitute a Permitted Encumbrance under the Deed of Trust and the failure of Borrower to release or cause the release of such Lien within thirty (30) days after written notice from Lender of such Lien, the obligations of Borrower hereunder shall automatically and without any further notice, become immediately due and payable in full, with the Maturity Date being deemed to have occurred (each an "**Acceleration Event**").

4. Event of Default; Remedies and Costs of Collection The (a) failure by Borrower to pay any principal, interest or any other amounts as and when due in accordance with this Note, and the continuance of such failure for a period of ten (10) calendar days after Borrower's receipt of written notice from Lender specifying such failure (provided however, no such notice shall be required at maturity); (b) occurrence of an Acceleration Event, or (c) occurrence of any Event of Default as defined in the Deed of Trust shall, automatically and without further notice, constitute an immediate event of default (each an "**Event of Default**") hereunder and this Note, shall become immediately due and payable in full, with the Maturity Date being deemed to have occurred. Upon the occurrence of an Event of Default, Lender may exercise any and all rights and remedies it may have hereunder, under the Deed of Trust, and/or under any applicable law or in equity. No delay or omission on the part of Lender in exercising any right or remedy under this Note or the Deed of Trust will operate as a waiver of such right or remedy. If this Note is not paid when due or if any Event of Default occurs, Borrower promises to pay all reasonable out-of-pocket costs of enforcement and collection, including, without limitation, reasonable attorneys' fees and costs of Lender, whether or not any action or proceeding is brought to enforce the provisions hereof.

5. General Provisions.

(a) 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 to have been duly given and effective: (a) when received, if sent by nationally recognized overnight courier service; or (b) upon actual receipt, if personally delivered, by the Party to whom such notice is required or permitted to be given. The address for such notices and communications (unless changed by the applicable Party by like notice) shall be as follows:

If to Borrower:

Aurora Cooperative Elevator Company
2225 Q Street
Aurora, NE 68818
Attention: Kara J. Ronnau, Executive General Counsel
Telephone: (402) 694-7617

with a copy (which shall not constitute notice) to:

Kutak Rock LLP
1650 Farnam Street
Omaha, NE 68102
Attention: Joel Wiegert and Lisa Peters
Telephone: (402) 346-6000

If to Lender:

Pacific Ethanol Central, LLC
c/o Pacific Ethanol, Inc.
400 Capital Mall, Suite 2060
Sacramento, CA 95814
Attention: Christopher W. Wright, General Counsel
Telephone: (916) 403-2130

with copies (which shall not constitute notice) to:

Troutman Sanders LLP
4 Park Plaza, 14th Floor
Irvine, CA 92614
Attention: Larry A. Cerutti
Telephone: (949) 622-2710

(b) Successors and Assigns. The provisions of this Note shall be binding upon and inure to the benefit of the Parties hereto. Notwithstanding anything to the contrary elsewhere herein or in the Deed of Trust, (i) Borrower may not assign or otherwise transfer any of its rights or obligations hereunder without the prior written consent of Lender (and any attempted assignment or transfer by Borrower without such consent shall be null and void and shall constitute an immediate Event of Default) and (ii) Lender may assign or otherwise transfer this Note, and its rights or obligations hereunder, at any time without notice to or the consent of Borrower (other than to a Prohibited Person (as defined below)) and, upon any such assignment or transfer, such assignee or transferee shall be the Lender hereunder and the Lender under the Deed of Trust and all references to Lender herein or as Lender under the Deed of Trust shall be deemed to mean such transferee or assignee. Nothing in this Note, expressed or implied, shall be construed to confer upon any person (other than the parties hereto, and any permitted successors and assigns) any legal or equitable right, remedy or claim under or by reason of this Note. "Prohibited Person" means any of the following: (a) a person or entity owned or controlled, directly or indirectly, by a person or entity with whom a citizen of the United States is prohibited from engaging in transactions by any trade embargo, economic sanction, or other prohibition of U.S. law, regulation, or executive order; or (b) any person or entity (i) owning, directly or indirectly, more than 10% of the voting securities or other ownership interests in, or (ii) having, directly or indirectly, the power to direct or cause the direction of the management and policies of, whether through the ownership of voting securities, by contract, or otherwise, any ethanol plant or agricultural cooperative.

(c) Borrower Representations. Borrower hereby represents and warrants to Lender that (i) the execution, delivery and performance of this Note and the Deed of Trust shall not conflict with any laws, orders, judgments, decrees, agreements, indentures or other obligations and duties of Borrower, and (ii) Borrower is represented by separate counsel and, prior to its execution of this Note, Borrower has read this Note, has reviewed this Note with its counsel and has a full understanding of each of the terms, conditions and obligations set forth herein.

(d) Waiver. Borrower hereby waives diligence, presentment, protest and demand, notice of protest, dishonor and nonpayment of this Note.

(e) Severability. Every provision of this Note is intended to be severable. If any term or provision hereof is declared by a court of competent jurisdiction to be illegal or invalid for any reason whatsoever, such illegality or invalidity will not affect the balance of the terms and provisions hereof, which terms and provisions will remain binding and enforceable.

(f) Usury Savings Clause. It is the intent of Borrower and Lender (by its acceptance of this Note and as the holder thereof) in the execution of this Note and all other instruments securing this Note that the loan evidenced hereby be exempt from the restrictions of any applicable usury laws, whether local, state or federal, including, without limitation, the laws of the State of Nebraska. In the event that, for any reason, it should be determined that any usury law is applicable to the Loan, Lender and Borrower stipulate and agree that none of the terms and provisions contained herein shall ever be construed to create a contract for the use, forbearance or detention of money requiring payment of interest at a rate in excess of the maximum interest rate permitted to be charged by any such applicable usury law. In such event, if any holder of this Note collects monies which are deemed to constitute interest which would otherwise increase the effective interest rate on this Note to a rate in excess of the maximum rate permitted to be charged by such applicable usury law, all such sums deemed to constitute interest in excess of such maximum rate will, at the option of Lender, be credited to the payment of the sums due hereunder or returned to Borrower without penalty, interest or charge.

(g) Independent; Integration; Controlling Document; No Offset This Note and the Deed of Trust contain the complete understanding and agreement of the Parties with respect to the Loan and supersede all prior representations, warranties, agreements, arrangements, understandings, and negotiations with respect to the Loan. In the event of any inconsistencies between any terms of this Note and any terms of the Deed of Trust, the terms of this Note shall govern and prevail. It is the intent of the Parties hereto that this Note, once issued in favor of Lender and the Deed of Trust once recorded, constitute separate and independent obligations of Borrower without regard to the Purchase Agreement and this Note and the Deed of Trust shall be enforceable against Borrower in accordance with their respective terms and shall not be subject to any claims or defenses by Borrower arising out of or relating to the Purchase Agreement, including any claims or defenses of offset, credit or reduction liability based on any breach by PEC under the Purchase Agreements.

(h) Amendment. This Note and the Deed of Trust may be amended or modified in whole or in part only by an agreement in writing that is signed by each Party.

(i) Further Documents. Borrower agrees to reasonably cooperate with Lender and to execute further documents as required to further the objectives of this Note and the Deed of Trust.

(j) Time is of the Essence. Time is of the essence of this Note and the Deed of Trust.

(k) Execution. This Note may be delivered by personal delivery, overnight mail, electronically or some combination thereof, whether in the form of a photocopy, facsimile, or scanned document, each of which shall have the same legal force and effect as delivery of an original.

(l) Governing Law. This Note, and the Deed of Trust to the fullest extent permitted by applicable law, shall be governed by and construed in accordance with the laws of the State of Nebraska (including in respect of the statute of limitations or other limitations period applicable to any state law claim, controversy or dispute) that apply to agreements made and performed entirely within the State of Nebraska, without regard to the conflicts of law provisions thereof or of any other jurisdiction. In furtherance thereof, each Party hereby (i) agrees and acknowledges that the application of the laws of the State of Nebraska is reasonable and appropriate based upon each of their respective interests and contacts with the State of Nebraska, (ii) waives any right or interest in having the laws of any other state, including specifically, state law regarding the statute of limitation or other limitations period, apply to any state law claim, controversy or dispute which in any way arises out of or relates to this Note or the transactions contemplated hereby.

(m) Submission To Jurisdiction: Waiver of Jury Trial.

(1) The Parties hereby agree that any action seeking to enforce any provision of, or based on any matter arising out of or in connection with this Note and, to the fullest extent permitted by applicable law, the Deed of Trust, or the transactions contemplated hereby or thereby shall be exclusively brought in the courts in Douglas County, Nebraska, or, in the event (but only in the event) that such court does not have subject matter jurisdiction over such action, the United States District Court of the District of Nebraska, and that any cause of action arising out of this Note or, to the fullest extent permitted by applicable law, the Deed of Trust, shall be deemed to have arisen from a transaction of business in the State of Nebraska, and each of the Parties hereby irrevocably consents to the exclusive jurisdiction of such courts (and of the appropriate appellate courts therefrom) in any such action and irrevocably waives, to the fullest extent permitted by law, any objection that it may now or hereafter have to the laying of the venue of any such action in any such court or that any such action which is brought in any such court has been brought in an inconvenient forum, and the Parties irrevocably agree that all claims with respect to such action shall be heard and determined exclusively in such court. Process in any such action may be served on any Party anywhere in the world, whether within or without the jurisdiction of such court. Without limiting the foregoing, each Party agrees that delivery of notice to such Party as provided in Section 5(a) shall be deemed effective service of process on such Party; *provided, however*, notwithstanding anything contained herein, the foregoing service of process will only be deemed effective if all copy party(ies) designated in Section 5(a) for the Party being served also receive such notice.

(2) EACH PARTY ACKNOWLEDGES AND AGREES THAT ANY CONTROVERSY WHICH MAY ARISE UNDER THIS NOTE AND THE DEED OF TRUST IS LIKELY TO INVOLVE COMPLICATED AND DIFFICULT ISSUES AND, THEREFORE, EACH PARTY IRREVOCABLY AND UNCONDITIONALLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN RESPECT OF ANY ACTION ARISING OUT OF OR RELATING TO THIS NOTE AND/OR THE DEED OF TRUST OR ANY OF THE TRANSACTIONS CONTEMPLATED HEREBY. EACH PARTY CERTIFIES AND ACKNOWLEDGES THAT: (I) NO REPRESENTATIVE OF ANY OTHER PARTY HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PARTY WOULD NOT SEEK TO ENFORCE THE FOREGOING WAIVER IN THE EVENT OF ANY SUCH ACTION; (II) SUCH PARTY HAS CONSIDERED THE IMPLICATIONS OF THIS WAIVER; (III) SUCH PARTY MAKES THIS WAIVER VOLUNTARILY; AND (IV) SUCH PARTY HAS BEEN INDUCED TO ENTER INTO THIS NOTE AND THE DEED OF TRUST BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS SECTION.

A CREDIT AGREEMENT MUST BE IN WRITING TO BE ENFORCEABLE UNDER NEBRASKA LAW. TO PROTECT YOU AND US FROM ANY MISUNDERSTANDINGS OR DISAPPOINTMENTS, ANY CONTRACT, PROMISE, UNDERTAKING, OR OFFER TO FOREBEAR REPAYMENT OF MONEY OR TO MAKE ANY OTHER FINANCIAL ACCOMMODATION IN CONNECTION WITH THIS LOAN OF MONEY OR GRANT OR EXTENSION OF CREDIT, OR ANY AMENDMENT OF, CANCELLATION OF, WAIVER OF, OR SUBSTITUTION FOR ANY OR ALL OF THE TERMS OR PROVISIONS OF ANY INSTRUMENT OR DOCUMENT EXECUTED IN CONNECTION WITH THIS LOAN OF MONEY OR GRANT OR EXTENSION OF CREDIT, MUST BE IN WRITING TO BE EFFECTIVE.

[Execution Page Follows]

IN WITNESS WHEREOF, Borrower has signed this Note in favor of Lender as of the date first written above.

BORROWER:

PACIFIC AURORA, LLC,
a Delaware limited liability company

By: /s/ Carl Smith

Name: Carl Smith

Title: Chief Financial Officer

[Execution Page of \$8,580,000 Secured Promissory Note (Negotiable)]

SECURED PROMISSORY NOTE
(Non- Negotiable)

\$7,920,000.00

April 15, 2020

FOR VALUE RECEIVED, PACIFIC AURORA, LLC, a Delaware limited liability company ("**Borrower**") hereby irrevocably and unconditionally promises to pay to the order of PACIFIC ETHANOL CENTRAL, LLC, a Delaware limited liability company ("**PEC**" and collectively with any subsequent holder hereof by assignment, succession or transfer, "**Lender**"), the principal amount of Seven Million, Nine Hundred Twenty Thousand and 00/100 Dollars (\$7,920,000.00) (the "**Loan**"), together with accrued interest thereon, plus all other fees, costs, expenses and charges and on the terms and conditions set forth below (the "**Note**"). Borrower and Lender are sometimes referred to individually as "**Party**" and collectively, "**Parties**".

1. Loan Purpose. The purpose of the Loan is to finance in part Aurora Cooperative Elevator Company's ("**ACEC**") acquisition of PEC's membership interests in Borrower pursuant to that certain Membership Interest Purchase Agreement dated as of February 28, 2020 (as amended, the "**Purchase Agreement**") by and among PEC, ACEC and Borrower. Notwithstanding anything to the contrary set forth elsewhere in this Note, the Loan is not a revolving loan and no amounts which have been advanced and subsequently repaid may be re-borrowed.

2. Interest; Repayment Terms.

(a) Interest Rate. Interest will accrue on the outstanding principal balance of the Loan at a rate per annum equal to 4.50% (the "**Interest Rate**"). Interest will be calculated on the basis of a 365-day year and shall be computed for the actual number of days elapsed in the period for which interest is charged.

(b) Payments.

(i) Quarterly Interest Payments. Commencing on June 1, 2020 and continuing until the Maturity Date, Borrower shall make quarterly payments of interest to Lender on the first day of each calendar quarter, with the amount of each such quarterly payment being equal to all accrued and unpaid interest through the last day of the immediately preceding calendar quarter.

(ii) Scheduled Principal Payments. In addition to the interest payments required to be made pursuant to Section 2(c)(i), commencing on January 3, 2022 (being the first Business Day of the first calendar quarter after the Setoff Period, as that term is defined in the Purchase Agreement) and continuing until the Maturity Date, Borrower shall make quarterly principal payments to Lender on the first day of each calendar quarter, with the amount of each such quarterly payment being equal to \$396,000.00.

(iii) Reductions Pursuant to Purchase Agreement. This Note and the unpaid principal amount outstanding hereunder shall be subject to further reduction from time to time in accordance with the terms of **Sections 2.5(c)** and **10.2(e)** of the Purchase Agreement (collectively, the "**Reduction and Offset Rights**"), which are incorporated herein by this reference.

(c) **Maturity Date.** The unpaid principal balance hereof, together with all unpaid interest accrued thereon, and all other amounts payable by Borrower under the terms set forth below, shall be due and payable in full on the earliest of (i) April 15, 2025 or (ii) that date upon which any Acceleration Event pursuant to Section 3 below or an Event of Default under Section 4 below has occurred (hereinafter, the "**Maturity Date**").

(d) **Place of Payment; Application.** All payments required under this Note shall be paid to Lender at the address designated by Lender in writing from time to time and shall be applied by Lender first, to accrued, unpaid interest, and second, to the outstanding principal balance of the Note; provided however, after an Event of Default, Lender may apply any amounts paid by Borrower first to costs of collection. All amounts payable hereunder are payable in lawful money of the United States of America.

(e) **Timing of Payments.** Notwithstanding anything to the contrary set forth elsewhere herein, if any payment date falls on a day that is not a business day, payment must be made on the next succeeding business day and, as to any principal payment, such extension of time will be included in computing any interest in respect of such payment. All payments of principal and interest due hereunder must be made without deduction of any present and future taxes, levies, imposts, deductions, charges or withholdings, which amounts must be paid by Borrower, except for income taxes, franchise taxes, branch profit taxes or other taxes based upon the income of Lender, which shall be paid by Lender.

(f) **Prepayments.** Borrower may prepay this Note, in full or in part, at any time without additional fee or penalty. All prepayments shall be applied as directed by Borrower.

3. Secured Obligation; Acceleration of Maturity Date. This Note and the obligations of Borrower hereunder are secured by that certain DEED OF TRUST, ASSIGNMENT OF LEASES AND RENTS, FIXTURE FILING AND SECURITY AGREEMENT (Non-Negotiable Note) dated as of as of even date herewith executed by Borrower as the grantor thereunder in favor of Fidelity National Title Company, as the trustee thereunder for the benefit of Lender as the beneficiary thereunder (the "**Deed of Trust**"). In the event of (a) any transfer or assignment by Borrower which is prohibited by this Note or the Deed of Trust, or (b) the creation of any Lien which does not constitute a Permitted Encumbrance under the Deed of Trust and the failure of Borrower to release or cause the release of such Lien within thirty (30) days after written notice from Lender of such Lien, the obligations of Borrower hereunder shall automatically and without any further notice, become immediately due and payable in full, with the Maturity Date being deemed to have occurred (each an "**Acceleration Event**").

4. Event of Default; Remedies and Costs of Collection The (a) failure by Borrower to pay any principal, interest or any other amounts as and when due in accordance with this Note, and the continuance of such failure for a period of ten (10) calendar days after Borrower's receipt of written notice from Lender specifying such failure (provided however, no such notice shall be required at maturity); (b) occurrence of an Acceleration Event, or (c) occurrence of any Event of Default as defined in the Deed of Trust shall, automatically and without further notice, constitute an immediate event of default (each an "**Event of Default**") hereunder and this Note, shall become immediately due and payable in full, with the Maturity Date being deemed to have occurred. Upon the occurrence of an Event of Default, Lender may exercise any and all rights and remedies it may have hereunder, under the Deed of Trust, and/or under any applicable law or in equity. No delay or omission on the part of Lender in exercising any right or remedy under this Note or the Deed of Trust will operate as a waiver of such right or remedy. If this Note is not paid when due or if any Event of Default occurs, Borrower promises to pay all reasonable out-of-pocket costs of enforcement and collection, including, without limitation, reasonable attorneys' fees and costs of Lender, whether or not any action or proceeding is brought to enforce the provisions hereof.

5. General Provisions.

(a) 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 to have been duly given and effective: (a) when received, if sent by nationally recognized overnight courier service; or (b) upon actual receipt, if personally delivered, by the Party to whom such notice is required or permitted to be given. The address for such notices and communications (unless changed by the applicable Party by like notice) shall be as follows:

If to Borrower:

Aurora Cooperative Elevator Company
2225 Q Street
Aurora, NE 68818
Attention: Kara J. Ronnau, Executive General Counsel
Telephone: (402) 694-7617

with a copy (which shall not constitute notice) to:

Kutak Rock LLP
1650 Farnam Street
Omaha, NE 68102
Attention: Joel Wiegert and Lisa Peters
Telephone: (402) 346-6000

If to Lender:

Pacific Ethanol Central, LLC
c/o Pacific Ethanol, Inc.
400 Capital Mall, Suite 2060
Sacramento, CA 95814
Attention: Christopher W. Wright, General Counsel
Telephone: (916) 403-2130

with copies (which shall not constitute notice) to:

Troutman Sanders LLP
4 Park Plaza, 14th Floor
Irvine, CA 92614
Attention: Larry A. Cerutti
Telephone: (949) 622-2710

(b) Successors and Assigns. The provisions of this Note shall be binding upon and inure to the benefit of the Parties hereto. Notwithstanding anything to the contrary elsewhere herein or in the Deed of Trust, (i) Borrower may not assign or otherwise transfer any of its rights or obligations hereunder without the prior written consent of Lender (and any attempted assignment or transfer by Borrower without such consent shall be null and void and shall constitute an immediate Event of Default) and (ii) this Note is non-negotiable, and Lender may not assign or otherwise transfer this Note without the consent of Borrower; provided that Borrower specifically consents to the collateral assignment of this Note pursuant to that certain Assignment of Notes and Deeds of Trust dated of even date herewith. Upon any permitted assignment or transfer of this Note by Lender, such assignee or transferee shall be the Lender hereunder and the Lender under the Deed of Trust and all references to Lender herein or as Lender under the Deed of Trust shall be deemed to mean such transferee or assignee. Nothing in this Note, expressed or implied, shall be construed to confer upon any person (other than the parties hereto, and any permitted successors and assigns) any legal or equitable right, remedy or claim under or by reason of this Note.

(c) Borrower Representations. Borrower hereby represents and warrants to Lender that (i) the execution, delivery and performance of this Note and the Deed of Trust shall not conflict with any laws, orders, judgments, decrees, agreements, indentures or other obligations and duties of Borrower, and (ii) Borrower is represented by separate counsel and, prior to its execution of this Note, Borrower has read this Note, has reviewed this Note with its counsel and has a full understanding of each of the terms, conditions and obligations set forth herein.

(d) Waiver. Borrower hereby waives diligence, presentment, protest and demand, notice of protest, dishonor and nonpayment of this Note.

(e) Severability. Every provision of this Note is intended to be severable. If any term or provision hereof is declared by a court of competent jurisdiction to be illegal or invalid for any reason whatsoever, such illegality or invalidity will not affect the balance of the terms and provisions hereof, which terms and provisions will remain binding and enforceable.

(f) Usury Savings Clause. It is the intent of Borrower and Lender (by its acceptance of this Note and as the holder thereof) in the execution of this Note and all other instruments securing this Note that the loan evidenced hereby be exempt from the restrictions of any applicable usury laws, whether local, state or federal, including, without limitation, the laws of the State of Nebraska. In the event that, for any reason, it should be determined that any usury law is applicable to the Loan, Lender and Borrower stipulate and agree that none of the terms and provisions contained herein shall ever be construed to create a contract for the use, forbearance or detention of money requiring payment of interest at a rate in excess of the maximum interest rate permitted to be charged by any such applicable usury law. In such event, if any holder of this Note collects monies which are deemed to constitute interest which would otherwise increase the effective interest rate on this Note to a rate in excess of the maximum rate permitted to be charged by such applicable usury law, all such sums deemed to constitute interest in excess of such maximum rate will, at the option of Lender, be credited to the payment of the sums due hereunder or returned to Borrower without penalty, interest or charge.

(g) Independent; Integration; Controlling Document; No Offset This Note, the Deed of Trust and the Purchase Agreement (solely with respect to the Reduction and Offset Rights) contain the complete understanding and agreement of the Parties with respect to the Loan and supersede all prior representations, warranties, agreements, arrangements, understandings, and negotiations with respect to the Loan. In the event of any inconsistencies between any terms of this Note and any terms of the Deed of Trust, the terms of this Note shall govern and prevail. In the event of any inconsistencies between any terms of this Note and the terms of the Purchase Agreement relating to the Reduction and Offset Rights, the terms of the Purchase Agreement shall govern and prevail.

(h) Amendment. This Note and the Deed of Trust may be amended or modified in whole or in part only by an agreement in writing that is signed by each Party.

(i) Further Documents. Borrower agrees to reasonably cooperate with Lender and to execute further documents as required to further the objectives of this Note and the Deed of Trust.

(j) Time is of the Essence. Time is of the essence of this Note and the Deed of Trust.

(k) Execution. This Note may be delivered by personal delivery, overnight mail, electronically or some combination thereof, whether in the form of a photocopy, facsimile, or scanned document, each of which shall have the same legal force and effect as delivery of an original.

(l) Governing Law. This Note, and the Deed of Trust to the fullest extent permitted by applicable law, shall be governed by and construed in accordance with the laws of the State of Nebraska (including in respect of the statute of limitations or other limitations period applicable to any state law claim, controversy or dispute) that apply to agreements made and performed entirely within the State of Nebraska, without regard to the conflicts of law provisions thereof or of any other jurisdiction. In furtherance thereof, each Party hereby (i) agrees and acknowledges that the application of the laws of the State of Nebraska is reasonable and appropriate based upon each of their respective interests and contacts with the State of Nebraska, (ii) waives any right or interest in having the laws of any other state, including specifically, state law regarding the statute of limitation or other limitations period, apply to any state law claim, controversy or dispute which in any way arises out of or relates to this Note or the transactions contemplated hereby.

(m) Submission To Jurisdiction: Waiver of Jury Trial.

(1) The Parties hereby agree that any action seeking to enforce any provision of, or based on any matter arising out of or in connection with this Note and, to the fullest extent permitted by applicable law, the Deed of Trust, or the transactions contemplated hereby or thereby shall be exclusively brought in the courts in Douglas County, Nebraska, or, in the event (but only in the event) that such court does not have subject matter jurisdiction over such action, the United States District Court of the District of Nebraska, and that any cause of action arising out of this Note or, to the fullest extent permitted by applicable law, the Deed of Trust, shall be deemed to have arisen from a transaction of business in the State of Nebraska, and each of the Parties hereby irrevocably consents to the exclusive jurisdiction of such courts (and of the appropriate appellate courts therefrom) in any such action and irrevocably waives, to the fullest extent permitted by law, any objection that it may now or hereafter have to the laying of the venue of any such action in any such court or that any such action which is brought in any such court has been brought in an inconvenient forum, and the Parties irrevocably agree that all claims with respect to such action shall be heard and determined exclusively in such court. Process in any such action may be served on any Party anywhere in the world, whether within or without the jurisdiction of such court. Without limiting the foregoing, each Party agrees that delivery of notice to such Party as provided in Section 5(a) shall be deemed effective service of process on such Party; *provided, however*, notwithstanding anything contained herein, the foregoing service of process will only be deemed effective if all copy party(ies) designated in Section 5(a) for the Party being served also receive such notice.

(2) EACH PARTY ACKNOWLEDGES AND AGREES THAT ANY CONTROVERSY WHICH MAY ARISE UNDER THIS NOTE AND THE DEED OF TRUST IS LIKELY TO INVOLVE COMPLICATED AND DIFFICULT ISSUES AND, THEREFORE, EACH PARTY IRREVOCABLY AND UNCONDITIONALLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN RESPECT OF ANY ACTION ARISING OUT OF OR RELATING TO THIS NOTE AND/OR THE DEED OF TRUST OR ANY OF THE TRANSACTIONS CONTEMPLATED HEREBY. EACH PARTY CERTIFIES AND ACKNOWLEDGES THAT: (I) NO REPRESENTATIVE OF ANY OTHER PARTY HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PARTY WOULD NOT SEEK TO ENFORCE THE FOREGOING WAIVER IN THE EVENT OF ANY SUCH ACTION; (II) SUCH PARTY HAS CONSIDERED THE IMPLICATIONS OF THIS WAIVER; (III) SUCH PARTY MAKES THIS WAIVER VOLUNTARILY; AND (IV) SUCH PARTY HAS BEEN INDUCED TO ENTER INTO THIS NOTE AND THE DEED OF TRUST BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS SECTION.

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[Execution Page Follows]

IN WITNESS WHEREOF, Borrower has signed this Note in favor of Lender as of the date first written above.

BORROWER:

PACIFIC AURORA, LLC,
a Delaware limited liability company

By: /s/ Carl Smith
Name: Carl Smith
Title: Chief Financial Officer

[Execution Page of \$7,920,000 Secured Promissory Note (Non-Negotiable)]

ASSIGNMENT OF NOTES AND DEEDS OF TRUST

THIS ASSIGNMENT OF NOTES AND DEEDS OF TRUST (this “**Assignment**”) is made and entered into as April 15, 2020, by and among PACIFIC ETHANOL CENTRAL, LLC, a Delaware limited liability company (“**PEC**”), PACIFIC AURORA, LLC, a Delaware limited liability company (“**PAL**”), and COBANK, ACB, a federally-chartered instrumentality of the United States, as administrative agent (in such capacity, “**Administrative Agent**”) for the Pekin Lenders (defined below) and the ICP Lender (defined below).

R E C I T A L S:

A. WHEREAS, PACIFIC ETHANOL PEKIN, LLC, a Delaware limited liability company (“**Pekin**”), COMPEER FINANCIAL, PCA, a federally-chartered instrumentality of the United States, successor by merger to 1st Farm Credit Services, PCA, as a Lender, and COBANK, ACB, a federally-chartered instrumentality of the United States, as Agent, are parties to a Credit Agreement dated as of December 15, 2016, (as amended, restated, supplemented or otherwise modified from time to time, the “**Pekin Credit Agreement**”) pursuant to which the Pekin Lenders have made and may make advances and extend other financial accommodations to Pekin (the “**Pekin Loan**”). The lenders from time to time as parties to the Pekin Credit Agreement are referred to herein as the “**Pekin Lenders**.”

B. WHEREAS, ILLINOIS CORN PROCESSING, LLC, a Delaware limited liability company (“**ICP**” and together with Pekin collectively, the “**Borrowers**”), COMPEER FINANCIAL, PCA, a federally-chartered instrumentality of the United States, as a Lender, and COBANK, ACB, a federally-chartered instrumentality of the United States, as Cash Management Provider and Agent, are parties to a Credit Agreement dated as of September 15, 2017 (as amended, restated, supplemented or otherwise modified from time to time, including as of the date hereof, the “**ICP Credit Agreement**” and together with the Pekin Credit Agreement, the “**Credit Agreements**”) pursuant to which the ICP Lenders have made and may make advances and extend other financial accommodations to ICP (the “**ICP Loan**” and together with the Pekin Loan, the “**Loans**”). The lenders from time to time as parties to the ICP Credit Agreement are referred to herein as the “**ICP Lenders**,” and the Pekin Lenders and the ICP Lenders are sometime referred to herein as the “**Lenders**.”

C. WHEREAS, to secure the satisfaction of the Borrowers’ obligations under the Credit Agreements, PEC pledged to the Administrative Agent, for the benefit of the Lenders, the entirety of its issued and outstanding membership interests (the “**Pledged Equity**”) in Pacific Aurora, LLC, a Delaware limited liability company (“**PAL**”)

D. WHEREAS, in connection with that certain Membership Interest Purchase Agreement dated as of February 28, 2020 (as amended, restated, supplemented or otherwise modified from time to time, “**Purchase Agreement**”), PEC agreed to sell the entirety of the Pledged Equity to Aurora Cooperative Elevator Company, a Nebraska cooperative company.

E. WHEREAS, \$16,500,000 of the purchase price under the Purchase Agreement is in the form of two promissory notes: (i) in the amount of \$7,920,000 (the “**Non-Negotiable Note**,” a copy of which is attached here to as Exhibit A) and (ii) in the amount of \$8,580,000 (the “**Negotiable Note**” a copy of which is attached here to as Exhibit B, collectively, the “**Notes**”).

F. WHEREAS, as security for payment of the Notes, PAL has granted a lien on the real property of PAL in the form of two Deeds of Trust (the “**Deeds of Trust**”).

G. WHEREAS, a condition precedent to Administrative Agent's agreement to release its security interest in the Pledged Equity,

(i) PEC is required to execute and deliver this Assignment which (a) assigns to the Administrative Agent, for the benefit of the Lenders, all of PEC's rights under the Notes and the Deeds of Trust, and (a) directs PAL to make payments due under the Notes directly to the Administrative Agent, for the benefit of the Lenders, and

(ii) PAL is required to execute and deliver (a) this Assignment, acknowledging such assignment and payment direction, and (b) each of the collateral assignments of the Deeds of Trust in the forms attached hereto as Exhibit C and Exhibit D (together, the "Deeds of Trust Collateral Assignments").

NOW, THEREFORE, in consideration of the Administrative Agent agreeing to release its security interests in the Pledged Equity and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

1. Definitions. Capitalized terms used herein but not otherwise defined shall have the meanings given to such terms in the Credit Agreements. Notwithstanding the foregoing, the term "Event of Default" shall mean and Event of Default under either of the Credit Agreements (as such term is defined therein) or any failure of PEC or PAL to satisfy its respective obligations hereunder.

2. Assignment and Direction of Payment

(a) PEC hereby assigns, sells, conveys, sets over and otherwise transfers to Administrative Agent, for the benefit of the Lenders, the Notes and the Deeds of Trust, including without limitation, all of PEC's rights in and to the principal and interest payments payable thereunder, subject to the terms and provisions hereof. This Assignment is and for all purposes shall be a present assignment vesting in Administrative Agent all of PEC's right, title and interest in, to and under the Notes and the Deeds of Trust, upon and subject to the terms and provisions hereof.

(b) PEC hereby directs, and PAL hereby acknowledges, that all payments due to PEC under the Notes and the Deeds of Trust, whether scheduled or due upon maturity or acceleration, shall be paid directly to the Administrative Agent. The Administrative Agent shall apply eighty percent (80%) of each payment under the Notes (whether principal, interest or otherwise) as repayment of the Loans, and so long as no Event of Default has occurred and is continuing, the Administrative Agent shall transfer the remaining twenty percent (20%) of each such payment to PEC. PAL specifically acknowledges and agrees that if it makes any payment, directly or indirectly, to PEC pursuant to either of the Notes or the Deeds of Trust in violation of this Agreement, PAL shall continue to be liable to PEC for such payment unless and until PEC transfers such payment to Administrative Agent.

(c) Upon repayment in full of the Paydown Amount, or upon the earlier payment in full by PAL of the outstanding principal of the Notes and all accrued but unpaid interest thereon, Administrative Agent shall reassign (the "**Reassignment**") to PEC the Notes and the Deeds of Trust assigned to Administrative Agent hereby; provided, however, that all reasonable out-of-pocket costs and expenses incurred by Administrative Agent in the ordinary course of business as a result of or in connection with the Reassignment shall be reimbursed to Administrative Agent by PEC; and further provided that the Reassignment shall be made without recourse, warranty or any other obligation to or liability incurred by Administrative Agent, other than to the extent of gross negligence or willful misconduct on the part of the Administrative Agent as such is determined by a final, non-appealable judgment by a court of competent jurisdiction. The Reassignment shall be effectuated by execution of documents reasonably acceptable to Administrative Agent and PEC in both form and substance.

3. Delivery of Notes. As a condition to effectiveness of this Assignment, within three (3) Business Days following the date hereof, the executed original Notes shall be delivered to Administrative Agent and endorsed to Administrative Agent in a manner reasonably acceptable to Administrative Agent. Concurrently with the Reassignment, the Note shall be returned to PEC with an endorsement by Administrative Agent to PEC without recourse, other than to the extent of gross negligence or willful misconduct on the part of the Administrative Agent as such is determined by a final, non-appealable judgment by a court of competent jurisdiction; provided, however, that Administrative Agent shall not be responsible for returning the Note if Administrative Agent has transferred such Note to a third party pursuant to Administrative Agent's remedies hereunder following an Event of Default.

4. Delivery of Collateral Assignment. As a condition to effectiveness of this Assignment, within three (3) Business Days following the date hereof, the executed and notarized original Deeds of Trust Collateral Assignments shall be delivered to Administrative Agent. PEC and PAL hereby authorize, instruct and direct the Administrative Agent to record each of the Deeds of Trust Collateral Assignments with the office of the recorder of deeds for Hamilton County, Nebraska, or such other recording office as the Administrative Agent shall deem appropriate and to take such other action as is necessary to perfect the security interest in the Deeds of Trust in favor of the Administrative Agent.

5. Representations and Warranties.

(a) PEC hereby represents and warrants to Administrative Agent that:

(i) The assignment of the Note made hereby is valid and enforceable and does not violate any provision of any mortgage, deed of trust, security agreement, loan agreement or any other document or instrument of any kind executed by PEC, Pekin or ICP.

(ii) The Notes and the Deeds of Trust are genuine, valid and legally enforceable in accordance with their terms. To PEC's knowledge, other than as set forth in the Purchase Agreement with respect to the Non-Negotiable Note, PAL does not have any claim, counterclaim, right of offset, defense (including, without limitation, usury) or any other similar right with respect to or in connection with any of their respective obligations under said Notes or the Deeds of Trust.

(iii) No default exists by any party under the Notes or the Deeds of Trust nor does any circumstance exist that with the passage of time or the giving of notice or both could become such a default.

(iv) PEC owns and holds all right, title and interest in and to the Notes and the Deeds of Trust free and clear of any liens, security interest or other encumbrances, other than a security interest in favor of Cortland Products Corp., as collateral agent, which security interest is subordinated in favor of the Administrative Agent, and PEC has the absolute right and power to assign and transfer such right, title and interest.

(v) The Notes and the Deeds of Trust are in compliance with all applicable state laws, rules, regulations and other governmental requirements.

(b) PAL hereby represents and warrants to Administrative Agent that:

(i) The assignment of the Note made hereby is valid and enforceable. The Notes and the Deeds of Trust are genuine, valid and legally enforceable in accordance with their terms. No default exists by PAL under the Notes or the Deeds of Trust nor does any circumstance exist that with the passage of time or the giving of notice or both could become such a default. To PAL's knowledge, no default exists by PEC under the Notes or the Deeds of Trust nor does any circumstance exist that with the passage of time or the giving of notice or both could become such a default.

(ii) Other than as set forth in the Purchase Agreement with respect to the Non-Negotiable Note PAL does not have any claim, counterclaim, right of offset, defense (including, without limitation, usury) or any other similar right with respect to or in connection with any of their respective obligations under said Notes or the Deeds of Trust.

6. Covenants. PEC covenants and agrees, that so long as this Assignment is in effect:

(a) shall use its best efforts to cause PAL to observe and perform all of the covenants, terms, conditions and agreements contained in the Notes and the Deeds of Trust. Other than in connection with (i) the repayment in full of the Notes or (ii) the satisfaction of the Paydown Amount, without the express written consent of Administrative Agent, PEC shall not release or excuse the liability of any of the obligations under the Notes and the Deeds of Trust;

(b) other than a security interest in favor of Cortland Products Corp., as collateral agent, which security interest is subordinated in favor of the Administrative Agent, has not and shall not make any other assignment of all or any part of their interest in, to or under the Notes or the Deeds of Trust;

(c) other than as set forth in Section 7(a) below, shall not alter, modify or change the terms and provisions of the Notes or the Deeds of Trust, or give any consent or approval required or permitted under the Notes or the Deeds of Trust without the prior written consent of Administrative Agent;

(d) shall enforce the Notes and the Deeds of Trust and all rights and remedies thereunder in case of default thereunder; provided, however, that PEC shall not exercise any of its rights and remedies under the Notes or the Deeds of Trust without first obtaining the prior written consent of Administrative Agent;

(e) shall, at its sole cost and expense, appear in and prosecute or defend, as the case may be, any and all actions and proceedings arising under, relating to or in any manner connected with the Notes or the Deeds of Trust or its rights thereunder, and shall pay all costs and expenses of Administrative Agent, including court costs and reasonable attorneys' fees, in any such action or proceeding in which Administrative Agent may appear;

(f) shall give prompt notice to Administrative Agent of any notice of any default under or with respect to the Note;

(g) shall provide written notice to the Administrative Agent promptly upon any change in the principal amount of the Non-Negotiable Note, together with an explanation, calculation and appropriate documentation justifying the basis of such change.

7. Provisions Specific to Non-Negotiable Note. Administrative Agent acknowledges and agrees that:

(a) the Non-Negotiable Note and the unpaid principal amount outstanding thereunder shall be subject to reduction from time to time in accordance with the terms of Sections 2.5(c) and 10.2(e) of the Purchase Agreement, which are incorporated herein by this reference.

(b) the Non-Negotiable Note is non-negotiable such that (A) other than to Administrative Agent as provided hereunder PEC may not assign or otherwise transfer Non-Negotiable Note without the consent of PAL and (B) in the event that Administrative Agent exercises its remedies hereunder or otherwise under the Credit Agreements and forecloses on the Non-Negotiable Note Administrative Agent may not assign or otherwise transfer the Non-Negotiable Note without the consent of PAL.

8. Remedies. If an Event of Default occurs hereunder, Administrative Agent, at Administrative Agent's option and sole discretion, may (subject in all respects to the terms of Section 7 above) take any and all of the following actions:

(a) Exercise any and all rights of collection, conversion or exchange, and any and all other rights, remedies, privileges and powers pertaining or relating to the Notes or the Deeds of Trust which are available to PEC or Administrative Agent under this Assignment, under the Notes, the Deeds of Trust or otherwise provided by law.

(b) Negotiate and retain the proceeds from the Notes or the Deeds of Trust and/or sell, assign and deliver the whole or, from time to time, any part thereof at any broker's board or at any private sale or public auction, with or without demand or advertisement of the time or place of sale or adjournment thereof or otherwise, for cash, credit or other property, for such price and on such terms as Administrative Agent, in its sole discretion, may determine, free from any right of equity or redemption on the part of PEC (all said rights hereby being waived and released). Administrative Agent, without notice or publication, may (i) adjourn any such sale or cause the same to be so adjourned from time to time, and (ii) make such sale or cause such sale to be made at any time or place to which the same may be so adjourned.

(c) Exercise any and all rights and remedies afforded to a secured party under the Uniform Commercial Code and any and all other applicable provisions of law.

(d) Exercise any and all rights and remedies afforded to Administrative Agent under the Credit Agreements.

Administrative Agent shall not incur any liability as a result of the sale or negotiation of the Notes, the Deeds of Trust, or any part thereof, at any private, public or other sale. PEC hereby waives any claims against Administrative Agent arising by reason of the fact that the price at which any Note is sold at such a private sale may be less than the aggregate amount of the obligations, even if Administrative Agent accepts the first offer received and does not offer the Notes or the Deeds of Trust to more than one possible purchaser. The net proceeds of any amounts collected by virtue of the exercise by Administrative Agent of the remedies set forth hereunder may be applied by Administrative Agent to the payment of the obligations under the Loans in any order thereof that Administrative Agent may elect, with the balance, if any, returned to PEC.

9. Rights and Remedies. The rights and remedies of Administrative Agent hereunder and under the Credit Agreements shall be cumulative and concurrent and may be pursued separately, successively or together, at the sole discretion of Administrative Agent, and may be exercised as often as the occasion therefor may arise. The failure to exercise any such right or remedy shall in no event be construed as a waiver or release thereof.

10. Stay or Extension Laws. PEC covenants that it will not at any time claim, take, insist upon or invoke the benefit or advantage of or from any law now or hereafter in force providing for the valuation or appraisal of the Notes or the Deeds of Trust prior to any sale or sales thereof to be made pursuant to the provisions hereof or pursuant to the decree, judgment, or order of any court of competent jurisdiction; nor, after such sale or sales, shall PEC claim or exercise any right under any statute now or hereafter enacted by any state to redeem the property so sold or any part thereof, and PEC hereby expressly waives, on behalf of itself and each and every person claiming by, through or under PEC, all benefit and advantage of any such law or laws, and PEC covenants that it will not invoke or utilize any such law or laws or otherwise hinder, delay or impede the execution of any power, right or remedy herein or hereby granted to Administrative Agent, but will authorize, allow and permit the execution of every such power, right and remedy as though no such law or laws had been made or enacted.

11. Partial Invalidity. The unenforceability or invalidity of any portion of any provision or provisions of this Assignment shall not render any other portion of such provision or provisions herein contained unenforceable or invalid.

12. Successors and Assigns. This Assignment shall be binding upon and shall inure to the benefit of PEC and Administrative Agent and their respective successors, assigns and legal representatives.

13. Miscellaneous.

(a) Recitals. The recitals set forth above are true and correct, and each recital is hereby incorporated into this Assignment by reference.

(b) Notices. Except as otherwise specified herein, any notice, consent, request or other communication required or permitted to be given hereunder shall be in writing, addressed to the other party as set forth below such party's signature to this Assignment or below for the Lender Parties (or to such other address or person as either party or person entitled to notice may by notice to the other party specify), and shall be: (a) personally delivered; (b) delivered by Federal Express or other comparable overnight delivery service; or (c) transmitted by United States certified mail, return receipt requested with postage prepaid.

If to Administrative Agent:

CoBank, ACB
6340 S. Fiddlers Green Grove
Greenwood Village, Colorado 80111-1914
Attention: Credit Information Services

With a copy to:
Bryan Cave Leighton Paisner LLP
161 North Clark, Suite 4300
Chicago, IL 60601
Attention: Eric S. Prezant, Esq.

If to the PEC: Pacific Ethanol Central, LLC
c/o Pacific Ethanol, Inc.
400 Capitol Mall, Suite 2060
Sacramento, California 95814
Attn: Christopher W. Wright

With a copy to:
Troutman Sanders
5 Park Plaza, Suite 1400
Irvine, CA 92614
Attn: Larry Cerutti

If to the PAL: Aurora Cooperative Elevator Company
225 Q Street
Aurora, NE 68818
Attention: Kara J. Ronnau, Executive General Counsel

With a copy to:
Kutak Rock LLP
1650 Farnam Street
Omaha, NE 68102
Attention: Joel Wiegert and Lisa Peters

All such notices and communications shall have been duly given and shall be effective: (i) when delivered; (ii) the Business Day following the day on which the same has been delivered prepaid (or pursuant to an invoice arrangement) to Federal Express or other comparable overnight delivery service; or (iii) the third Business Day following the day on which the same is sent by certified mail, postage prepaid.

(c) No Oral Amendments. This Assignment may not be modified, amended, waived, extended, changed, discharged, revoked or terminated orally or by any act or failure to act on the part of any party, but only by an agreement in writing signed by the party against whom enforcement of any modification, amendment, waiver, extension, change, discharge, revocation or termination is sought.

(d) Counterparts; Integration; Effectiveness. This Assignment and any amendments, waivers, consents or supplements may be executed in any number of counterparts and by different parties hereto in separate counterparts, each of which, when so executed and delivered, shall be deemed an original, but all of which counterparts together shall constitute but one agreement. This Assignment and the Deeds of Trust Collateral Assignment constitute the entire contract among the parties with respect to the subject matter hereof and supersede all previous agreements and understandings, oral or written, with respect thereto. Delivery of an executed counterpart of a signature page to this Assignment by facsimile or in electronic (i.e., "pdf" or "tif") format shall be effective as delivery of a manually executed counterpart signature page.

(e) Governing Law; Jurisdiction; Etc.

(i) Governing Law. The laws of the State of Colorado will govern this Assignment and any claim, controversy, dispute or cause of action (whether in contract or tort or otherwise) based upon, arising out of or relating to this Assignment and the transactions contemplated hereby and thereby.

(ii) Submission to Jurisdiction. Each of the parties hereto irrevocably and unconditionally agrees that it will not commence any action, litigation or proceeding of any kind whatsoever, whether in law or equity, or whether in contract or tort or otherwise, in any way relating to this Assignment or the transactions contemplated hereby, in any forum other than the courts of the State of Colorado sitting in Denver County, and of the United States District Court of Colorado, and any appellate court from any thereof, and each of the parties hereto irrevocably and unconditionally submits to the jurisdiction of such courts and agrees that any such action, litigation or proceeding may be brought in any such Colorado State court or, to the fullest extent permitted by applicable law, in such federal court. Each of the parties hereto agrees that a final judgment in any such action, litigation or proceeding will be conclusive and may be enforced in other jurisdictions by suit on the judgment or in any other manner provided by law.

(iii) Waiver of Venue. Each of the parties hereto irrevocably and unconditionally waive, to the fullest extent permitted by applicable law, any objection that it may now or hereafter have to the laying of venue of any action or proceeding arising out of or relating to this Assignment in any such court referred to in Section 12 hereof. Each of the parties hereto hereby irrevocably waives, to the fullest extent permitted by applicable law, the defense of an inconvenient forum to the maintenance of such action or proceeding in any such court.

(iv) Service of Process. Each of the parties hereto irrevocably consents to the service of process in the manner provided for notices in Section 12 hereof and agrees that nothing herein will affect the right of any party hereto to serve process in any other manner permitted by applicable law.

(v) Waiver of Jury Trial. EACH OF THE PARTIES HERETO HEREBY KNOWINGLY, VOLUNTARILY AND INTENTIONALLY WAIVES ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN RESPECT OF ANY LITIGATION BASED ON OR ARISING OUT OF, UNDER OR IN CONNECTION WITH THIS ASSIGNMENT. THIS PROVISION IS A MATERIAL INDUCEMENT FOR THE ADMINISTRATIVE AGENT ENTERING INTO THIS ASSIGNMENT.

14. Further Assurances. PEC and PAL each for itself agree, upon Administrative Agent's request from time to time, to execute and deliver to Administrative Agent or any other party designated by Administrative Agent, any other agreements, notices or other documents or instruments that Administrative Agent deems are reasonably necessary or appropriate to confirm unto Administrative Agent the assignment hereunder of the Notes, the Deeds of Trust or to enable Administrative Agent to exercise the rights and remedies provided herein or otherwise; provided that any such actions on the part of PAL shall be at the sole cost and expense of PEC.

[Signature Pages Follow]

IN WITNESS WHEREOF, the undersigned have executed this Assignment as of the date first written above.

PACIFIC ETHANOL CENTRAL, LLC

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

PACIFIC AURORA, LLC

By: /s/ Carl R. Smith
Name: Carl Smith
Title: Chief Financial Officer

COBANK, ACB

By: /s/ Janet Downs
Name: Janet Downs
Title: Vice President

Signature page to Assignment of Notes and Deeds of Trust

Exhibit A

Non-Negotiable Note

Exhibit B

Negotiable Note

Exhibit C

Collateral Assignment of Deed of Trust
(Non-Negotiable Note)

Exhibit D

Collateral Assignment of Deed of Trust
(Negotiable Note)

PARTIAL RELEASE OF COLLATERAL LETTER

Pacific Ethanol, Inc.
400 Capitol Mall, Suite 2060
Sacramento, CA 95814

Aurora Cooperative Elevator Company
2225 Q Street
Aurora, NE 68818

April 15, 2020

Re: That certain Credit Agreement, dated as of December 15, 2016 (as amended, supplemented, or otherwise modified from time to time, the **PEP Credit Agreement**"), by and among Pacific Ethanol Pekin, LLC, a Delaware limited liability company ("**PEP**"), Compeer Financial, PCA, a federally-chartered instrumentality of the United States (the "**Lender**"), and CoBank, ACB, a federally-chartered instrumentality of the United States (the "**Agent**"); that certain Credit Agreement, dated as of September 15, 2017 (as amended, supplemented, or otherwise modified from time to time, the "**ICP Credit Agreement**"), by and among Illinois Corn Processing, LLC, a Delaware limited liability company ("**ICP**"), the Lender, and the Agent; that certain Pledge Agreement, dated as of March 20, 2019 (as amended, supplemented, or otherwise modified from time to time, the "**PEP Pledge Agreement**"), by and among Pacific Ethanol Central, LLC (the "**Pledgor**"), Pacific Aurora, LLC ("**Aurora**"), a Delaware limited liability company, and the Agent; that certain Pledge Agreement, dated as of March 20, 2019 (as amended, supplemented, or otherwise modified from time to time, the "**ICP Pledge Agreement**" and, together with the PEP Pledge Agreement, the "**Pledge Agreements**"), by and among the Pledgor, Aurora, and the Agent; that certain Security Agreement, dated as of December 15, 2016, by and between PEP and the Agent (as amended, supplemented or otherwise modified from time to time, the "**PEP Security Agreement**"); that certain Security Agreement, dated as of September 15, 2017, by and between ICP and the Agent (as amended, supplemented, or otherwise modified from time to time, the "**ICP Security Agreement**"); that certain Security Agreement, dated as of March 20, 2019, by and between Pacific Ethanol Central, LLC and the Agent (as amended, supplemented, or otherwise modified from time to time, the "**PEC Security Agreement**" and, collectively with the PEP Security Agreement and the ICP Security Agreement, the "**Security Agreements**"); and that certain Intercreditor Agreement, dated March 20, 2020 (as amended, supplemented, or otherwise modified from time to time, the "**Intercreditor Agreement**" and, collectively with the PEC Credit Agreement, the ICP Credit Agreement, the Pledge Agreements, and the Security Agreements, the "**Loan Documents**"), by and among Pacific Ethanol, Inc. (the "**Company**"), Cortland Products Corp., as collateral agent for the senior secured noteholders (the "**Notes Agent**"), and the Agent.

Ladies and Gentlemen:

Capitalized terms used and not otherwise defined in this letter agreement shall have the respective meanings given to them in the Loan Documents, as applicable.

By their signatures below, each of the Company, PEP, ICP, and the Pledgor hereby certify that the Pledgor is selling the released property set forth on **Annex A** (the “**Released Property**”) in accordance with that certain Membership Interest Purchase Agreement, dated as of February 28, 2020, by and among the Pledgor, Aurora, and Aurora Cooperative Elevator Company, a Nebraska cooperative company (the “**Buyer**”) (as amended, the “**Purchase Agreement**”) for \$52,789,425.00, which amount is comprised of \$16,500,000.00 in Seller Notes (as defined in the Purchase Agreement) and \$36,289,425.00 in cash, subject to adjustment in accordance with the terms of the Purchase Agreement. Pursuant to the Purchase Agreement, the Buyer has requested that the Agent, on behalf of the Secured Parties, release all liens on and security interest in the Released Property held by the Agent, including, without limitation, the liens and security interests granted under (i) the Pledge Agreements and (ii) the Security Agreements (such liens and security interests, collectively, the “**Agent Liens**”).

In connection therewith, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Company, PEP, ICP, the Pledgor, the Buyer, the other grantors party hereto, and the Agent, on behalf of the Lender and in its capacity as a Secured Party under the Loan Documents, agree as follows:

Upon receipt by the Agent of:

- (a) a fully executed copy of the Purchase Agreement, together with evidence of the consummation of sale of the Released Property pursuant thereto;
- (b) a fully executed copy of a collateral release letter from the Notes Agent releasing its lien on the Released Property automatically or effective upon substantially similar terms as set forth herein;
- (c) a fully executed counterpart of this letter agreement signed by the Company, PEP, ICP, the Pledgor, and the other grantors under the Loan Documents;
- (d) on behalf of the Pekin Lenders and ICP Lenders, a wire transfer of immediately available funds of \$14,799,189.62 to the account set forth on **Annex B**, representing 80 percent of the net cash sale proceeds to be paid under the Purchase Agreement on the closing date;
- (e) on behalf of the Pekin Lenders and ICP Lenders, a fully executed copy of Assignment of Notes and Deeds of Trust, together with each of the following:
 - (i) fully executed copies of the Seller Notes (as defined in the Purchase Agreement),
 - (ii) an executed endorsement of each Seller Note in form acceptable to the Agent;
 - (iii) fully executed and notarized copies of the Seller Deeds of Trust (as defined in the Purchase Agreement);
 - (iv) fully executed and notarized copies of the Collateral Assignment of Deed Of Trust, Assignment of Leases And Rents, Fixture Filing And Security Agreement with respect to each of the Seller Deeds of Trust;

the Agent Liens and security interest created under the Pledge Agreements and the Security Agreements in favor of the Agent, on behalf of the Agent and Lender, in all of the Pledgor's rights, title, and interests in, to or under any and all of the Released Property is released; *provided* that this letter agreement shall not, other than with respect to the Released Property, waive, release, modify, or terminate any other collateral or provisions of the Security Agreements or any obligations of the Pledgor under the Security Agreements or the Pledge Agreements that are contingent reimbursement or indemnity or similar obligations or obligations that by their terms survive the termination thereof or release of Agent Liens and security interests on the Released Property.

The Company, PEP, ICP, and the Pledgor acknowledge and agree that the Agent Liens granted under the Pledge Agreements and the Security Agreements shall be reinstated with full force and effect if, at any time on or after the date hereof, all or any portion of the sale of the Released Property is voided or rescinded or otherwise undone upon the insolvency, bankruptcy, or reorganization of the Company, the Pledgor or any other subsidiary of the Company party to the Loan Documents or otherwise, all as though such payment had not been made.

The Agent agrees to procure, deliver, or execute and deliver to the Company, from time to time, all further releases, termination statements, certificates, instruments, and documents, each in form and substance reasonably satisfactory to the Company and the Agent, and take any other actions, as may be reasonably requested by the Company or which are required to evidence the consummation of the release contemplated hereby, in each case, at the sole cost and expense of the Company (including attorneys' fees and expenses).

The Agent hereby authorizes the Buyer, the Company, PEP, ICP, or the Pledgor, or any other party on behalf of the Company, PEP, ICP, or the Pledgor, to file the UCC-3 financing statement amendment attached hereto as **Exhibit I** to effect the foregoing releases in the appropriate recording and filing offices.

It is expressly agreed and understood that this is a partial release and that it shall in no manner release, affect, or impair the liens and security interests in favor of the Agent or the Lender, under the Security Agreements or otherwise, against any collateral other than the Released Property. Except as expressly set forth herein, all terms and conditions of each Loan Document shall remain in full force and effect. The Company, PEP, ICP, and each other grantor under the Loan Documents hereby ratify and affirm the Loan Documents.

To the extent that any offsets, defenses, or claims that may exist arising out of or relating to this letter agreement, the Loan Documents, or any other transaction documents and the transactions contemplated hereby or thereby against the Agent, the Lender, or any of their respective subsidiaries, affiliates, officers, directors, employees, agents, attorneys, professionals, predecessors, successors or assigns, both present and former (collectively, the “**Released Parties**”) whether asserted or unasserted, by execution of this letter agreement, the Company, for itself and its subsidiaries and affiliates and each of their respective successors, assigns, affiliates, subsidiaries, predecessors, employees, heirs and executors, as applicable (collectively, “**Releasors**”), jointly and severally, release and forever discharge each of the Released Parties of and from any and all manner of actions, causes of action, torts, suits, debts, controversies, damages, judgments, executions, claims, and demands whatsoever, asserted or unasserted, in law or in equity, that exist or have occurred on or prior to the date of this letter agreement, arising out of or relating to this letter agreement, the Loan Documents or any other transaction documents, which any of the Releasors ever had or now have against any of the Released Parties, including, without limitation, any presently existing claim whether or not presently suspected, contemplated or anticipated.

This letter agreement (a) shall be governed by and construed in accordance with the laws of the State of New York, (b) may be executed electronically in one or more counterparts, each of which shall be an original and all of which, taken together, shall constitute one and the same instrument, (c) sets forth the entire agreement among the parties relating to the subject matter pertaining hereto, and no term or provision hereof may be amended, changed, waived, discharged, or terminated orally or otherwise, except in writing signed by each such party, and (d) shall be binding and inure to the benefit of the parties hereto and their respective successors and assigns. Buyer is an express third-party beneficiary of this letter and shall be entitled to rely upon the terms hereof.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, the parties hereto have executed this letter agreement as of the date set out above.

ACKNOWLEDGED AND CONSENTED TO BY:

PACIFIC ETHANOL, INC.

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

PACIFIC ETHANOL CENTRAL, LLC

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

ILLINOIS CORN PROCESSING, LLC

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

PACIFIC ETHANOL PEKIN, LLC

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

PACIFIC ETHANOL WEST, LLC

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

[Signature Page to CoBank Partial Release of Collateral Letter]

PE OP CO.

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

PACIFIC ETHANOL CENTRAL, LLC

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

PACIFIC ETHANOL MADERA LLC

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

PACIFIC ETHANOL CENTRAL, LLC

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

PACIFIC ETHANOL MAGIC VALLEY, LLC

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

PACIFIC ETHANOL STOCKTON LLC

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

[Signature Page to CoBank Partial Release of Collateral Letter]

PACIFIC ETHANOL COLUMBIA, LLC

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

[Signature Page to CoBank Partial Release of Collateral Letter]

ACCEPTED AND AGREED:

AGENT:

COBANK, ACB.

By: /s/ Janet Downs
Name: Janet Downs
Title: Vice President

[Signature Page to CoBank Partial Release of Collateral Letter]

ANNEX A

All Equity Interests (as hereafter defined) of Pledgor described below, together with all products and proceeds thereof (except to the extent such proceeds constitute proceeds of the sale under the Purchase Agreement, including without limitation any Seller Notes (as defined in the Purchase Agreement), and such proceeds of the sale and Seller Notes shall not constitute Released Property):

“Equity Interests” shall mean all shares of capital stock (whether denominated as common stock or preferred stock), equity interests, beneficial partnership or membership interests, joint venture interests, units, limited liability company interests, participations or other ownership or profit interests in or equivalents (regardless of how designated) of or in a Person (other than an individual), whether voting or non-voting.

<u>Pledgor</u>	<u>Issuer</u>	<u>Type and Class of Equity Interests</u>	<u>Number of Pledged Shares</u>	<u>Certificate Number</u>	<u>Percentage of Outstanding Equity Interests</u>
Pacific Ethanol Central, LLC	Pacific Aurora, LLC	Membership Interest	73.93 units	N/A	73.93%

ANNEX B

EXHIBIT I

UCC-3 FINANCING STATEMENT AMENDMENT

[See attached]

PARTIAL RELEASE OF COLLATERAL LETTER

Pacific Ethanol, Inc.
400 Capitol Mall, Suite 2060
Sacramento, CA 95814

Aurora Cooperative Elevator Company
2225 Q Street
Aurora, NE 68818

April 15, 2020

Re: The Senior Secured Note Amendment Agreement dated as of December 22, 2019 (as amended, supplemented or otherwise modified from time to time, the **“Amendment Agreement”**), by and among Pacific Ethanol, Inc., a Delaware corporation (the **“Company”**) and the Noteholders defined therein (the **“Noteholders”**), the Amended Notes issued pursuant to the Amendment Agreement (the **“Amended Notes”**), the Pledge Agreement dated as of March 20, 2020 (as amended, supplemented or otherwise modified from time to time, the **“Pledge Agreement”**) by and among Pacific Ethanol Central, LLC, a Delaware limited liability company (**“Pledgor”**), Pacific Aurora, LLC, a Delaware limited liability company (**“Aurora”**) and Cortland Products Corp., as collateral agent for the benefit of the Noteholders (in such capacity, the **“Agent”**), the Security Agreement dated as of March 20, 2020 by and between the Pledgor and the Agent (as amended, supplemented or otherwise modified from time to time, the **“PEC Security Agreement”**), the Security Agreement dated as of December 15, 2016 (as amended, supplemented or otherwise modified from time to time, the **“Initial Security Agreement”**) by and among the Company, Agent and Noteholders, and the Intercreditor Agreement dated March 20, 2020 (as amended, supplemented or otherwise modified from time to time, the **“Intercreditor Agreement”**); together with the Amendment Agreement, Amended Notes, Pledge Agreement, PEC Security Agreement and Initial Security Agreement, the **“Documents”**) by and among the Company, Agent, and CoBank, ACB, a federally-chartered instrumentality of the United States (**“Senior Agent”**).

Ladies and Gentlemen:

Capitalized terms used and not otherwise defined in this letter agreement shall have the respective meanings given to them in the Documents, as applicable.

By their signatures below, each of the Company and the Pledgor hereby certify that the Pledgor is selling the released property set forth on Annex A (the **“Released Property”**) in accordance with that certain Membership Interest Purchase Agreement, dated as of February 28, 2020, by and among the Pledgor, Aurora and Aurora Cooperative Elevator Company, a Nebraska cooperative company (**“Buyer”**) (as amended, the **“Purchase Agreement”**) for \$52,789,425, which amount is comprised of \$16,500,000 in Seller Notes (as defined in the Purchase Agreement) and \$36,289,425 in cash, subject to adjustment in accordance with the terms of the Purchase Agreement. Pursuant to the Purchase Agreement, the Buyer has requested that the Agent, on behalf of the Secured Parties, release all liens on and security interest in the Released Property held by Agent, including, without limitation, the liens and security interests granted under (i) the Pledge Agreement and (ii) the PEC Security Agreement (such liens and security interests, collectively, the **“Agent Lien”**).

In connection therewith, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Company, the Pledgor, the Buyer, the other Grantors party hereto, each Noteholder, in its capacity as a Secured Party under the Transaction Documents, and the Agent agree as follows:

Upon receipt by:

(a) the Senior Agent, of \$14,799,189.62, representing 80 percent of the net cash sale proceeds to be paid under the Purchase Agreement on the closing date (the “**Senior Agent Paydown**”) in accordance with the terms of the Partial Release of Collateral Letter by and among the Senior Agent, the Pledgor and the other parties thereto (the “**Senior Agent Release Letter**”);

(b) the Agent, of

(i) a fully executed copy of the Purchase Agreement, together with evidence of the consummation of sale of the Released Property pursuant thereto;

(ii) a fully executed copy of the Senior Agent Release Letter releasing its lien on the Released Property automatically or effective upon substantially similar terms as set forth herein;

(iii) a fully executed counterpart of this letter agreement signed by the Company, the Pledgor and the other grantors under the Collateral Documents;

(c) Morrison & Foerster LLP of a wire transfer of immediately available funds of \$127,000.00 to the account set forth on Annex B; and

(d) Arnold & Porter LLP of a wire transfer of immediately available funds of \$2,992.00 to the account set forth on Annex C;

the Agent Lien and security interest created under the Pledge Agreement and the PEC Security Agreement in favor of the Agent, on behalf of the Secured Parties, in all of the Pledgor’s rights, title and interests in, to or under any and all of the Released Property is released; *provided, however*, that this letter agreement shall not, other than with respect to the Released Property, waive, release, modify or terminate any other Collateral or provisions of the PEC Security Agreement or any obligations of the Pledgor under the PEC Security Agreement or the Pledge Agreement that are contingent reimbursement or indemnity or similar obligations or obligations that by their terms survive the termination thereof or release of Agent’s Lien and security interest on the Released Property.

The parties hereto agree that the Agent shall be entitled to conclusively assume that the Senior Agent Paydown contemplated to be made on April 15, 2020 has been made as of such date.

The Company and the Pledgor acknowledge and agree that the Agent Lien granted under the Pledge Agreement and the PEC Security Agreement shall be reinstated with full force and effect if, at any time on or after the date hereof, all or any portion of the sale of the Released Property is voided or rescinded or otherwise undone upon the insolvency, bankruptcy or reorganization of the Company, the Pledgor or any other subsidiary of the Company party to the Collateral Documents or otherwise, all as though such payment had not been made.

The Agent agrees to procure, deliver or execute and deliver to the Company, from time to time, all further releases, termination statements, certificates, instruments and documents, each in form and substance reasonably satisfactory to the Company, the Agent and the Required Holders, and take any other actions, as may be reasonably requested by the Company or which are required to evidence the consummation of the release contemplated hereby, in each case, at the sole cost and expense of the Company (including attorneys’ fees and expenses).

The Agent hereby authorizes the Buyer, the Company or the Pledgor, or any other party on behalf of the Company or the Pledgor, to file the UCC-3 financing statement amendment attached hereto as Exhibit I to effect the foregoing releases in the appropriate recording and filing offices.

Within fifteen (15) days after the date hereof (or such later date as agreed to by the Required Holders in their discretion via electronic mail), the Company and Pledgor shall deliver to the Agent fully executed and, as applicable, notarized copies of the following documents, substantially in the form delivered to the Senior Agent and subordinated to the assignments to and lien of Senior Agent pursuant to the terms of the Intercreditor Agreement, and otherwise satisfactory in form and substance to the Agent and the Required Holders: (a) an Assignment of Notes and Deeds of Trust covering the Seller Notes and the Seller Deeds of Trust (as defined in the Purchase Agreement); and (b) Collateral Assignment of Deed of Trust, Assignment of Leases And Rents, Fixture Filing And Security Agreement with respect to each of the Seller Deeds of Trust (as defined in the Purchase Agreement).

It is expressly agreed and understood that this is a partial release and that it shall in no manner release, affect or impair the liens and security interests in favor of the Secured Parties, under the Initial Security Agreement or otherwise, against any Collateral other than the Released Property. Except as expressly set forth herein, all terms and conditions of each Document shall remain in full force and effect. The Company and each other grantor under the Collateral Documents hereby ratify and affirm the Collateral Documents.

To the extent that any offsets, defenses or claims that may exist arising out of or relating to this letter agreement, the Documents, or the other Transaction Documents and the transactions contemplated hereby or thereby against the Agent, any Noteholder or any of their respective subsidiaries, affiliates, officers, directors, employees, agents, attorneys, predecessors, successors or assigns, both present and former (collectively, the "**Released Parties**") whether asserted or unasserted, by execution of this letter agreement, the Company, for itself and its subsidiaries and affiliates and each of their respective successors, assigns, affiliates, subsidiaries, predecessors, employees, heirs and executors, as applicable (collectively, "**Releasers**"), jointly and severally, release and forever discharge each of the Released Parties of and from any and all manner of actions, causes of action, torts, suits, debts, controversies, damages, judgments, executions, claims and demands whatsoever, asserted or unasserted, in law or in equity, that exist or have occurred on or prior to the date of this letter agreement, arising out of or relating to this letter agreement, the Documents or any of the other Transaction Documents which any of the Releasers ever had or now have against any of the Released Parties, including, without limitation, any presently existing claim whether or not presently suspected, contemplated or anticipated.

This letter agreement (a) shall be governed by and construed in accordance with the laws of the State of New York, (b) may be executed electronically in one or more counterparts, each of which shall be an original and all of which, taken together, shall constitute one and the same instrument, (c) sets forth the entire agreement among the parties relating to the subject matter pertaining hereto, and no term or provision hereof may be amended, changed, waived, discharged or terminated orally or otherwise, except in writing signed by each such party, and (d) shall be binding and inure to the benefit of the parties hereto and their respective successors and assigns. Buyer is an express third-party beneficiary of this letter and shall be entitled to rely upon the terms hereof.

By their signatures below, the Noteholders party hereto, constituting all of the Holders party to the Initial Security Agreement, hereby (i) expressly authorize and direct the Agent to execute and deliver this letter agreement and the documents contemplated hereby and (ii) acknowledge and agree that the direction in this paragraph constitute a direction from all Holders under the provisions of Section 17 of the Initial Security Agreement, and (ii) Section 17(i) of the Initial Security Agreement shall apply to any and all actions taken by the Agent in accordance with such directions.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, the parties hereto have executed this letter agreement as of the date set out above.

CORTLAND PRODUCTS CORP.

By: /s/ Matthew Trybula
Name: Matthew Trybula
Title: Associate Counsel

ACKNOWLEDGED AND CONSENTED TO BY:

PACIFIC ETHANOL, INC.

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

PACIFIC ETHANOL CENTRAL, LLC

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

ILLINOIS CORN PROCESSING, LLC

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

PACIFIC ETHANOL PEKIN, LLC

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

PACIFIC ETHANOL WEST, LLC

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

PE OP CO.

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

[Signature Page to Partial Release of Collateral Letter]

PACIFIC ETHANOL CENTRAL, LLC

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

PACIFIC ETHANOL MADERA LLC

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

PACIFIC ETHANOL CENTRAL, LLC

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

PACIFIC ETHANOL MAGIC VALLEY, LLC

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

PACIFIC ETHANOL STOCKTON LLC

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

PACIFIC ETHANOL COLUMBIA, LLC

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

[Signature Page to Partial Release of Collateral Letter]

ACCEPTED AND AGREED:

NOTEHOLDERS:

CKP SOUTH LLC

By: /s/ Philip DeSantis

Name: Philip DeSantis

Title:

[Signature Page to Partial Release of Collateral Letter]

CIF-INCOME PARTNERS (A), LLC

By: BlackRock Financial Management, Inc.,
its investment manager

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

[Signature Page to Partial Release of Collateral Letter]

ORANGE 2015 DISLOCREDIT FUND, L.P.

By: BlackRock Financial Management, Inc.,
its investment manager

By: /s/ Stephen Kavulich

Name: Stephen Kavulich

Title: Director

[Signature Page to Partial Release of Collateral Letter]

SAINSBURY'S CREDIT OPPORTUNITIES FUND, LTD.

By: BlackRock Financial Management, Inc.,
its investment manager

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

[Signature Page to Partial Release of Collateral Letter]

CO-INVESTMENT INCOME FUND, L.P. - US TAXABLE SERIES

By: BlackRock Financial Management, Inc.,
its investment manager

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

[Signature Page to Partial Release of Collateral Letter]

CO-INVESTMENT INCOME FUND, L.P. - US TAX-EXEMPT
SERIES

By: BlackRock Financial Management, Inc.,
its investment manager

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

[Signature Page to Partial Release of Collateral Letter]

ALFRED J. DE LEO

/s/ Alfred J. De Leo

[Signature Page to Partial Release of Collateral Letter]

CORRUM CAPITAL ALTERNATIVE INCOME FUND LP

By: /s/ Jonathan R. Mandle
Name: Jonathan R. Mandle
Title: Manager

[Signature Page to Partial Release of Collateral Letter]

CORRUM CAPITAL GLOBAL CREDIT OPPORTUNITIES CO
INVESTMENT FUND I LP

By: /s/ Jonathan R. Mandle
Name: Jonathan R. Mandle
Title: Manager

[Signature Page to Partial Release of Collateral Letter]

CORRUM CAPITAL GLOBAL CREDIT OPPORTUNITIES FUND
LP

By: /s/ Jonathan R. Mandle
Name: Jonathan R. Mandle
Title: Manager

[Signature Page to Partial Release of Collateral Letter]

DAVID KOENIG

/s/ David Koenig

[Signature Page to Partial Release of Collateral Letter]

JONATHAN W. WEISS

/s/ Jonathan W. Weiss

[Signature Page to Partial Release of Collateral Letter]

JUSTIN S. WOHLER

/s/ Justin S. Wohler

[Signature Page to Partial Release of Collateral Letter]

PHILIP DESANTIS

/s/ Phillip DeSantis

[Signature Page to Partial Release of Collateral Letter]

Annex A

All Equity Interests (as hereafter defined) owned by Pledgor in the Issuer described in the chart below, together with all products and proceeds thereof (except to the extent such proceeds constitute proceeds of the sale under the Purchase Agreement, including without limitation any Seller Notes (as defined in the Purchase Agreement), and such proceeds of the sale and Seller Notes shall not constitute Released Property):

“Equity Interests” shall mean all shares of capital stock (whether denominated as common stock or preferred stock), equity interests, beneficial partnership or membership interests, joint venture interests, units, limited liability company interests, participations or other ownership or profit interests in or equivalents (regardless of how designated) of or in a Person (other than an individual), whether voting or non-voting.

<u>Pledgor</u>	<u>Issuer</u>	<u>Type and Class of Equity Interests</u>	<u>Number of Pledged Shares</u>	<u>Certificate Number</u>	<u>Percentage of Outstanding Equity Interests</u>
Pacific Ethanol Central, LLC	Pacific Aurora, LLC	Membership Interest	73.93 units	N/A	73.93%

ANNEX B

ANNEX C

EXHIBIT I

UCC-3 FINANCING STATEMENT AMENDMENT

[See attached]
