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5 ATTORNEYS FOR THE DEBTOR

6 **UNITED STATES BANKRUPTCY COURT**  
7 **DISTRICT OF ARIZONA**

8 In re:  
9 NUTRACEA, a California corporation,  
10 Debtor.

Chapter 11

Case No. 2-09-bk-28817-CGC

**APPLICATION TO EMPLOY  
PROVIDENCE CAPITAL, INC. TO  
LOCATE BOARD CANDIDATES  
FOR DEBTOR ON A FIXED FEE  
BASIS PURSUANT TO CODE  
SECTION 328(a)**

15  
16 Pursuant to 11 U.S.C. § 328(a) and Bankruptcy Rule 2014, Debtor hereby applies  
17 for approval of its employment of Providence Capital, Inc., a Delaware corporation  
18 (“**Providence**”) as an independent contractor to perform the services described below, on  
19 a fixed fee basis. In support of this application, Debtor states as follows:

20 1. Debtor filed its voluntary petition under Chapter 11 of the Bankruptcy  
21 Code on November 10, 2009 (the “**Petition Date**”).

22 2. Debtor is a publicly traded health-science company that develops and  
23 distributes stabilized rice bran and proprietary rice bran formulations.

24 3. Debtor is the subject of an investigation by the SEC.  
25

1           4.       In order to strengthen its corporate governance and oversight, Debtor is  
2 seeking to add two outside members to its Board of Directors (the “**Board**”). However,  
3 Debtor has experienced difficulty attracting qualified candidates.

4           5.       Accordingly, Debtor has determined that it requires the services of an  
5 independent contractor to assist it in locating qualified candidates for the Board, and it  
6 desires to employ Providence in that capacity as of March 16, 2010.

7           6.       Debtor entered into an Advisory Services Agreement (the “**Agreement**”)  
8 with Providence, a copy of which is attached as Exhibit 1 to the attached Declaration of  
9 H. A. Denton. Debtor desires to employ Providence pursuant to the terms of the  
10 Agreement.

11           7.       The terms of the Agreement are briefly summarized as follows:<sup>1</sup>

- 12           a. Providence will use commercially reasonable efforts to locate and introduce  
13           qualified Board candidates to Debtor;
- 14           b. If, during the term of the Agreement, a candidate first introduced by  
15           Providence is elected or appointed to the Board, then Debtor will pay  
16           Providence \$15,000 plus 225,000 shares of common stock for each such  
17           individual;
- 18           c. Following an initial term of 120 days, the Agreement may be terminated by  
19           either party on 30-days notice without cause.

20           8.       Debtor believes that the specified fee is fair and is typical of fees and  
21 commissions charged in comparable transactions. Providence recognizes that the payment  
22 of its commission is, or may be, subject to court approval.

23           9.       Debtor has selected Providence because of its reputation and experience.

24 \_\_\_\_\_  
25 <sup>1</sup> This summary is qualified in its entirety by the terms of the Agreement. In the event of any  
disagreement between this summary and the Agreement, the terms of the Agreement control.



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9 **UNITED STATES BANKRUPTCY COURT**  
10 **DISTRICT OF ARIZONA**

11 In re:  
12  
13 NUTRACEA, a California corporation,  
14  
15 Debtor.

Chapter 11

Case No. 2-09-bk-28817-CGC

**DECLARATION OF H. A. DENTON  
IN SUPPORT OF APPLICATION TO  
EMPLOY PROVIDENCE CAPITAL,  
INC.**

16 Pursuant to 11 U.S.C. § 327(a) and Bankruptcy Rule 2014(a) H. A. Denton hereby  
17 declares under penalty of perjury:

18 1. I am President of Providence Capital, Inc. ("Providence"), and I am authorized to  
19 make this declaration on its behalf;

20 2. Providence is located at 250 W. 57<sup>th</sup> Street, Suite 2717, New York, NY 10107;

21 3. To the best of my knowledge, information and belief, Providence has no  
22 connection with the Debtor, its creditors, any party in interest in this case, or their respective  
23 attorneys and accountants, the United States Trustee, or any person employed in the office of the  
24 United States Trustee;

25 4. Providence and Debtor have entered into an Advisory Services Agreement (the  
"Agreement"), a copy of which is attached as Exhibit 1 to this Declaration.

5. Under the Agreement, Providence will be employed as an independent contractor  
to assist Debtor in locating qualified candidates for its Board of Directors (the "Board").

**EXHIBIT "A"**

1           6.     The only agreement or arrangement between Providence and Debtor for payment  
2 of fees and expenses is as set forth in the Agreement. Providence has not agreed to share any  
3 fees or expenses paid to it by or on behalf of Debtor except among members of the firm.  
4 Providence has received no payment from Debtor in connection with this engagement and has  
5 entered into no agreement regarding payment except as disclosed herein.

6           7.     The terms of the Agreement are briefly summarized as follows:<sup>1</sup>

7           a.     Providence will use commercially reasonable efforts to locate and introduce  
8 qualified Board candidates to Debtor;

9           b.     If, during the term of the Agreement, a candidate first introduced by Providence is  
10 elected or appointed to the Board, then Debtor will pay Providence \$15,000 plus  
11 225,000 shares of common stock for each such individual;

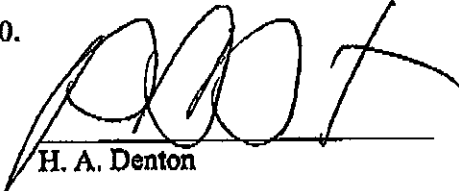
12          c.     Following an initial term of 120 days, the Agreement may be terminated by either  
13 party on 30-days notice without cause.

14          8.     Providence believes that the specified fee is fair and is typical of commissions  
15 charged in comparable transactions. Providence recognizes that the payment of its commission  
16 is, or may be, subject to court approval.

17          9.     Providence represents no interest adverse to Debtor or the estate.

18          10.    Providence holds no claim against Debtor or the estate and is not a shareholder of  
19 Debtor.

20           Dated this 26 day of March, 2010.

21   
22 H. A. Denton

23  
24  
25 <sup>1</sup> This summary is qualified in its entirety by the terms of the Agreement. In the event of any  
disagreement between this summary and the Agreement, the terms of the Agreement control.

# EXHIBIT “1”

## ADVISORY SERVICES AGREEMENT

This Advisory Services Agreement (“**Agreement**”) by and between NutraCea, a California corporation (“**NutraCea**”), and Providence Capital, Inc., a Delaware corporation (“**Providence**”), is entered into as of March 16, 2010 (“**Effective Date**”). The parties hereto agree as follows:

### 1. Background and Purpose.

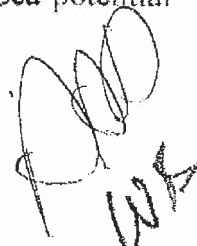
1.1 Prior Agreement. On September 4, 2009, NutraCea and Providence entered into an Advisory Services Agreement (“**Prior Agreement**”). The parties hereto agree and acknowledge that the Prior Agreement has been terminated, effective as of the Effective Date, as provided in Section 14 of the Prior Agreement.

1.2 Objective. NutraCea and Providence desire that NutraCea engage Providence to conduct searches for, and to introduce NutraCea to, potential candidates (individually, a “**Candidate**” and collectively, the “**Candidates**”) to serve on NutraCea’s Board of Directors (“**Board**”), all in accordance with the terms and conditions of this Agreement.

1.3. Bankruptcy. NutraCea filed a voluntary petition for relief under Chapter 11 of the Bankruptcy Code (as defined below) on or about November 10, 2009. Since that time NutraCea has remained in possession of its property and has continued to operate its business pursuant to Sections 1107 and 1108 of the Bankruptcy Code. NutraCea’s Chapter 11 case, entitled *In re NutraCea, a California corporation*, Case No. 2:09-bk-28817-CGC (“**Bankruptcy Case**”) is currently pending before the United States Bankruptcy Court, District of Arizona-Phoenix Division (“**Bankruptcy Court**”). For purposes of this Agreement, the term “**Bankruptcy Code**” shall mean Title 11 and applicable portions of Titles 18 and 28 of the United States Code, as amended from time to time.

1.4. Condition to Obligations. The parties hereto agree and acknowledge that the rights and obligations of the parties set forth below are subject to the Bankruptcy Court’s approval of this Agreement.

2. Engagement. Subject to the terms and conditions of this Agreement, NutraCea hereby engages Providence as an independent contractor to perform the Services set forth below, and Providence hereby accepts such engagement. From the Effective Date until the earlier to occur of (i) the termination of this Agreement or (ii) the date that is One Hundred Twenty (120) days after the Effective Date, NutraCea shall not engage third parties for payment to locate or refer to NutraCea potential candidates to serve on NutraCea’s Board and shall use reasonable efforts to elect or appoint to the Board two qualified Candidates presented by Providence to NutraCea in accordance with this Agreement. Notwithstanding the foregoing, this Agreement in no way shall restrict the ability of NutraCea’s officers and directors to locate or refer to NutraCea potential candidates to serve on NutraCea’s Board.

Handwritten signature and initials, possibly "WS" or "WSA", in the bottom right corner of the page.

3. Services. Providence shall use commercially reasonable efforts to locate qualified Candidates, provide pertinent information to NutraCea about potential Candidates and introduce NutraCea to qualified Candidates (“**Services**”) as provided herein.

4. Process. All Candidates introduced to NutraCea by Providence shall have the experience and educational background specified from time to time by the Designated Officers (as defined below). In addition, each Candidate shall be of the highest ethical character and reputation and be highly accomplished in his or her respective fields with superior credentials and recognition. If Providence desires that NutraCea consider a potential Candidate for election to the Board, Providence shall deliver to NutraCea the following information: (i) the name of the Candidate, (ii) confirmation that the Candidate would consider serving on the Board while receiving the compensation currently being paid to the other Board members, (iii) a resume for the Candidate containing detailed information about the Candidates business experience (including experience serving on the board(s) of directors of other companies), educational background, references and such other information requested by the Designated Officers, including without limitation all information and consents required by NutraCea to run a comprehensive background check on the Candidate. If NutraCea informs Providence that NutraCea desires to meet with a Candidate, Providence shall arrange for a meeting at times mutually acceptable to the Candidate and NutraCea. NutraCea, at NutraCea’s sole discretion, may allow a representative of Providence to attend all or any portion of such meeting.

5. Discretion. NutraCea, the Board and the Nominating and Corporate Governance Committee of the Board (“**Nominating Committee**”) shall consider in good faith all qualified Candidates introduced to NutraCea by Providence for appointment to the Board; provided, however, that this Agreement in no way obligates NutraCea, the Board or the Nominating Committee to elect any Candidate to serve on, or to nominate at a shareholders’ meeting a Candidate for election to, the Board. NutraCea shall not have any liability whatsoever to Providence or any other person or entity resulting from the decision by the Nominating Committee or the Board not to elect, appoint or nominate for election to the Board any Candidate introduced by Providence to NutraCea.

6. Cooperation. During the Term (as defined below) and for One Hundred Twenty (120) days thereafter, neither Providence nor any affiliate of Providence shall directly or indirectly take any action to (i) nominate for election to the Board any individual that is not affirmatively nominated for such position by the Board (“**Opposing Nomination**”), (ii) vote against any candidate for the Board nominated by the Board (“**Opposing Vote**”), (iii) make or submit a proposal for consideration or to be voted on by NutraCea’s shareholders (“**Proposal**”), (iv) advise, encourage or facilitate others (including shareholders of NutraCea) to make an Opposing Nomination, an Opposing Vote or a Proposal, or (v) make any public statements regarding NutraCea, its officers or directors or the actions taken or proposed to be taken by NutraCea’s officers or directors.

7. Fees. The consideration payable to Providence for the Services shall consist solely of the cash and stock payments (collectively, “**Fees**”) set forth in this Section 7. If during the Term a Candidate first introduced to NutraCea by Providence in accordance with this Agreement is appointed to the Board by the Board or elected to the Board by NutraCea’s shareholders

following nomination of such individual by the Board (as reflected in the proxy statement for the shareholder meeting relating to such election) (each such individual, an "**Elected Director**"). NutraCea shall make the following payments to Providence for each such individual:

7.1 Cash Payment. Subject to satisfaction of the condition set forth in Section 16.2 below, for each individual that becomes an Elected or Appointed Director in accordance with the terms hereof, NutraCea shall pay to Providence Fifteen Thousand Dollars (\$15,000) in immediately available funds within ten (10) days after such individual becomes an Elected Director and an invoice is received from Providence ("**Cash Fee**").

7.2. Stock Payment. Subject to Section 16 below, for each individual that becomes an Elected Director in accordance with the terms hereof, NutraCea shall pay to Providence within thirty (30) days after such individual becomes an Elected Director Two Hundred Twenty Five Thousand (225,000) shares of NutraCea's common stock ("**Shares**").

7.3. Intentionally Omitted.

7.4 Individuals that are not Candidates. Providence agrees and acknowledges that the following individuals were not introduced to NutraCea by Providence and that Providence shall be entitled to no Fees if any of such individuals are elected to the Board: G. Allen Andreas and Gary Ford.

8. Taxes. Providence will be responsible for payment of all taxes and insurance applicable under existing laws, including, but not limited to, social security taxes, and federal and state and city income taxes relating to the Fees. Providence warrants that it will make all necessary payments due appropriate governmental agencies to comply with the foregoing and defend, indemnify and hold harmless NutraCea and the officers, directors, agents, affiliates and representatives of NutraCea against any and all claims, demands, causes of action, damages, losses, liabilities, costs or expenses that may arise out of breach of the foregoing. In the event of any such claim, demand or cause of action, Providence will immediately reimburse NutraCea for the ongoing costs of any defense, settlement or judgment incurred by NutraCea.

9. Expenses. Providence will be responsible for all costs and expenses Providence incurs in performance of Providence's obligations set forth in this Agreement, unless and to the extent specifically authorized in advance by NutraCea in writing.

10. Non-Disparagement. From the Effective Date until the date that is One Hundred Twenty (120) days following the date this Agreement is terminated pursuant to Section 14, Providence agrees that it shall not, and shall cause its officers, directors, shareholder and affiliates to not, disparage nor defame NutraCea, its agents or shareholders, or its current or former employees, officers, directors or affiliates. This provision does not restrict Providence from responding fully and truthfully in the context of a legal or governmental proceeding in which Providence is compelled to testify under oath or to respond to a subpoena or otherwise is required by law to cooperate with a legal or governmental entity.

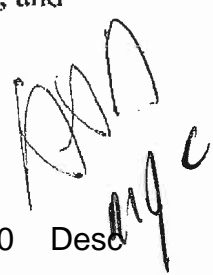
11. Confidentiality. Providence acknowledges that in connection with providing the Services

to NutraCea, Providence may be given access to confidential or proprietary information or materials respecting NutraCea's business affairs and condition. Providence shall keep all documents and information supplied to it hereunder confidential and not use or disclose such documents or information. Confidential information includes, but is not limited to, NutraCea's business strategies, outstanding litigation, financial results, contractual agreements between NutraCea and other individuals or entities, strategies and ideas, and compilation of information and records. Providence further represents that it will promptly return to NutraCea any such documents and information promptly upon the request of NutraCea and will not retain or deliver to anyone other than NutraCea copies or other evidence of such documents and information. Providence acknowledges that it is aware, and that Providence will advise its representatives who are informed of the matters that are the subject of this letter, that United States securities laws prohibit any person who has received from the issuer of such nonpublic information from purchasing or selling securities of such issuer or from communicating such information to any other person when it is reasonably foreseeable that such other person is likely to purchase or sell such securities in reliance upon such information, and Providence agrees that neither it nor its representatives will engage in such trading activities or communications.

12. Communications. All communications with NutraCea that are initiated by Providence shall be with NutraCea's President or Chief Executive Officer (each, a "**Designated Officer**") only. Upon receipt from Providence of the name of a Candidate along with the information about the Candidate required hereunder, the Designated Officer shall forward such information to each member of the Nominating Committee for consideration.

13. Independent Contractor. This Agreement will not render Providence an employee, partner, agent of, or joint venturer with NutraCea for any purpose and Providence does not have the authority to bind NutraCea in any manner. Providence is and will remain an independent contractor in Providence's relationship to NutraCea. Providence will have no claim against NutraCea hereunder or otherwise for vacation pay, sick leave, retirement benefits, social security, worker's compensation, health or disability benefits, unemployment insurance benefits, or employee benefits of any kind.

14. Term and Termination. The term of this Agreement ("**Term**") shall begin on the Effective Date and terminate thirty (30) calendar days following the receipt of written notice sent from one party to the other party of its election to terminate this Agreement, which notice shall not be given by either party for at least One Hundred Twenty (120) days after the date hereof, or such earlier time as provided in the immediately following sentence. If Providence is convicted of any crime or offense, fails or refuses to comply with the reasonable directive of NutraCea, is guilty of material misconduct in connection with performance hereunder, or materially breaches any provisions of this Agreement, NutraCea at any time may terminate the engagement of Providence immediately with written notice to Providence of its election. The provisions of Section 6 (Cooperation), Section 7 (Fees-to the extent Fees earned at the time of termination), Section 8 (Taxes), Section 9 (Expenses), Section 10 (Non-Disparagement), Section 11 (Confidentiality), Section 13 (Independent Contractor), this Section 14 (Term and Termination), Section 15 (Representations of Providence), Section 16 (Conditions to Stock Payment), and Section 17 (General Provisions) shall survive the termination of this Agreement.

Handwritten signature and initials in black ink, located in the bottom right corner of the page. The signature appears to be 'RAN' with a large 'c' to the right, and 'mg' below it.

15. Representations of Providence. Providence hereby makes the following representations and warranties for the benefit of NutraCea:

15.1 Experience. Providence is able to evaluate and represent its own interests in connection with Providence's acquisition of the Shares, has such knowledge and experience in financial and business matters that Providence is capable of evaluating the merits and risks of Providence's acquisition of the Shares, and has the ability to bear the economic risks of the acquisition.

15.2 Informed Decision. Providence has acquired sufficient information about NutraCea to reach an informed and knowledgeable decision to acquire the Shares.

15.3 Accredited Investor. Providence is an "accredited investor" as defined in Rule 501 of Regulation D promulgated under the Securities Act of 1933, as amended ("**Securities Act**").

15.4 Authorization. This Agreement when executed and delivered by Providence will constitute a valid and legally binding obligation of Providence, enforceable in accordance with its terms, subject to: (i) judicial principles respecting election of remedies or limiting the availability of specific performance, injunctive relief, and other equitable remedies and (ii) bankruptcy, insolvency, reorganization, moratorium or other similar laws now or hereafter in effect generally relating to or affecting creditors' rights.

15.5 Investment. Providence is acquiring the Shares for investment for Providence's own account and not with the view to, or for resale in connection with, any distribution thereof. Providence understands that the Shares have not been registered under the Securities Act by reason of a specific exemption from the registration provisions of the Securities Act which depends upon, among other things, the bona fide nature of the investment intent as expressed herein. Providence further represents that it does not have any contract, undertaking, agreement or arrangement with any person to sell, transfer or grant participation to any third person with respect to any of the Shares. Providence understands and acknowledges that the offering of the Shares pursuant to this Agreement will not be registered under the Securities Act on the ground that the sale provided for in this Agreement and the issuance of securities hereunder is exempt from the registration requirements of the Securities Act.

15.6 Rule 144. Providence acknowledges that the Shares must be held indefinitely unless subsequently registered under the Securities Act or an exemption from such registration is available. Providence is aware of the provisions of Rule 144 promulgated under the Securities Act ("**Rule 144**") which permit limited resale of shares purchased in a private placement subject to the satisfaction of certain conditions. Providence covenants that, in the absence of an effective registration statement covering the stock in question, Providence will sell, transfer, or otherwise dispose of the Shares only in a manner consistent with Providence's representations and covenants set forth in this Section 15. In connection therewith, Providence acknowledges that NutraCea will make a notation on its stock books regarding the restrictions on transfers set forth in this Section 15 and will transfer securities on the books of NutraCea only to the extent not inconsistent therewith.

Handwritten signature and initials, possibly "K.P.P." and "L.W.K.", in the bottom right corner of the page.

15.7 Restrictions on Transfer. Prior to any proposed sale, assignment, transfer or pledge of any of the Shares (collectively, a "Transfer"), unless there is in effect a registration statement under the Securities Act covering the proposed Transfer, Providence shall give written notice to NutraCea of Providence's intention to effect such Transfer. Each such notice shall describe the manner and circumstances of the proposed Transfer in sufficient detail, and shall be accompanied at such Providence's expense by either (i) a written opinion of legal counsel who shall, and whose legal opinion shall be, reasonably satisfactory to NutraCea, addressed to NutraCea, to the effect that the proposed transfer of the Shares may be effected without registration under the Securities Act, or (ii) any other evidence reasonably satisfactory to counsel to NutraCea, whereupon Providence shall be entitled to transfer such Shares in accordance with the terms of the notice delivered by Providence to NutraCea provided that if the Transfer is made other than to a non-affiliate of NutraCea pursuant to Rule 144, such transferee shall have executed an investment representation statement in customary form and agreed to be bound by the terms of this Section 15.7.

15.8 Legends. Providence understands and agrees that the share certificate evidencing the Shares issued hereunder shall be endorsed with the following legend (in addition to any legend required under applicable state securities laws):

THE SHARES REPRESENTED BY THIS CERTIFICATE HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, OR THE SECURITIES LAWS OF ANY STATE, AND MAY NOT BE SOLD, TRANSFERRED, ASSIGNED, PLEDGED OR HYPOTHECATED UNLESS AND UNTIL REGISTERED UNDER SUCH ACT AND/OR APPLICABLE STATE SECURITIES LAWS, OR UNLESS THE CORPORATION HAS RECEIVED AN OPINION OF COUNSEL OR OTHER EVIDENCE, REASONABLY SATISFACTORY TO THE CORPORATION AND ITS COUNSEL, THAT SUCH REGISTRATION IS NOT REQUIRED.

15.9 Effect of Bankruptcy on Common Stock. Providence acknowledges that: (a) the effect of NutraCea's pending Chapter 11 bankruptcy on the Shares and the value of the Shares is unknown; (b) equity security holders, including shareholders, are assigned the lowest priority of any party in interest under the Bankruptcy Code; (c) under most circumstances, equity security holders may retain their interests only if all senior classes, including, without limitation, general unsecured creditors, are paid in full; (d) a plan of reorganization may leave the interests of equity security holders unimpaired or it may cancel, dilute, or otherwise impair them; and, (e) NutraCea has made no representations concerning the effect of its bankruptcy on the Shares or the present or future value of the Shares. Providence further acknowledges that the Shares may be, or may be rendered, completely valueless as a result of the Bankruptcy Case, and it knowingly assumes that risk.

15.10 Disclaimer by NutraCea. NutraCea has not made, does not make and specifically negates and disclaims any representations, warranties, promises, covenants, agreements, or guaranties of any kind or character whatsoever, whether express or implied, oral or written, past,

present or future, relating in any way to: (a) the present or future value of the Shares; (b) the income to be derived from the Shares; (c) the treatment to be afforded equity security holders or any other class of creditors or interest holders under any plan of reorganization to be filed in the Bankruptcy Case; (d) whether and when a plan of reorganization will be filed; and (e) whether its reorganization will be successful.

16. Condition to Payment. The following conditions shall be satisfied as a condition to the requirement hereunder that NutraCea issue to Providence Shares with respect to the appointment or election to the Board of an Elected Director:

16.1 Representations. Providence shall have made the representations and warranties contained in Section 15 of this Agreement for the benefit of NutraCea as of each date that NutraCea issues such Shares to Providence; and

16.2 Sale of Assets. NutraCea shall have received after the Effective Date an aggregate of at least Three Million Dollars (\$3,000,000) in cash in one or more transactions that consist primarily of the sale by NutraCea of its real property and/or equipment. The parties agree that the transaction contemplated by that certain Asset Purchase Agreement, dated as of February 10, 2010, by and between NutraCea and Kerry, Inc. constitutes such a transaction.

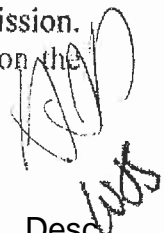
17. General Provisions.

17.1 Governing Law. This Agreement shall be governed by and construed in accordance with the Bankruptcy Code and to the extent not consistent with the Bankruptcy Code, the internal laws of the State of Arizona applicable to contracts made and performed in such State (without regard to principles of conflicts of laws).

17.2 Entire Agreement. This Agreement and the exhibits hereto represent the entire agreement among the parties with respect to the transactions contemplated hereby. There are no representations, agreements, arrangements, or understandings, oral or written, between or among the parties relating to the subject matter of this Agreement that are not fully expressed herein or in the exhibits hereto.

17.3 Amendment. The provisions of this Agreement may be modified at any time by agreement of the parties. Any such agreement hereafter made shall be ineffective to modify this Agreement in any respect unless in writing and signed by the parties against whom enforcement of the modification or discharge is sought.

17.4 Notices. Any notice under this Agreement shall be in writing, and any written notice or other document shall be deemed to have been duly given (i) on the date of personal service on the parties, (ii) on the third Business Day after mailing, if the document is mailed by registered or certified mail, (iii) one Business Day after being sent by professional or overnight courier or messenger service guaranteeing one-day delivery, with receipt confirmed by the courier, or (iv) on the date of transmission if sent by telegram, telex, telecopy or other means of electronic transmission resulting in written copies, with confirmation of successful transmission. Any such notice shall be delivered or addressed to the parties at the addresses set forth on the



signature page hereto or at the most recent address specified by the addressee through written notice under this provision. Failure to conform to the requirement that mailings be done by registered or certified mail shall not defeat the effectiveness of notice actually received by the addressee. For purposes of this Agreement, a "Business Day" is any day other than a Saturday, Sunday or any day on which commercial banks in San Francisco, California are closed for business.

17.5 Waiver. Any party's failure to enforce any provision of this Agreement shall not in any way be construed as a waiver of any such provision or provisions, nor prevent that party thereafter from enforcing each and every other provision of this Agreement. The rights granted both parties herein are cumulative and shall not constitute a waiver of either party's right to assert all other legal remedies available to such party under the circumstances. No claim or right arising out of this Agreement can be discharged by one party, in whole or in part, by a waiver or renunciation of the claim or right unless in writing signed by the other party.

17.6 Severability. If any provision of this Agreement is held by a court of competent jurisdiction to be invalid or unenforceable, the remainder of the Agreement which can be given effect without the invalid provision shall continue in full force and effect and shall in no way be impaired or invalidated.

17.7 Counterparts. This Agreement may be executed in one or more counterparts, each of which will be deemed an original, but all of which together will constitute one and the same agreement. Facsimile copies of signed signature pages shall be binding originals.

17.8. Succession. This Agreement shall inure to the benefit of and be binding on the successors and assigns of the respective parties.

17.9. Captions. All paragraph captions are for reference only and shall not be considered in construing this Agreement.

17.10. Ambiguities. The Agreement has been negotiated at arm's length between persons sophisticated and knowledgeable in the matters dealt with herein. Each party has been represented by experienced and knowledgeable legal counsel. Accordingly, any rule of law or legal decision that would require interpretation of any ambiguities in this Agreement against the drafting party is not applicable and is waived. The provisions of this Agreement shall be interpreted in a reasonable manner to effect the purpose of the parties.

17.11 Survival. All representations, warranties, covenants, and obligations in this Agreement and the Transaction Documents will survive the Closing.

17.12. Cumulative Remedies. No remedy or election hereunder shall be deemed exclusive but shall whenever possible be cumulative with all other remedies at law or in equity.

17.13. Publicity. Neither party shall disclose the existence of this Agreement or the transactions described herein without the prior written consent of the other party; provided that either party may communicate the existence of this Agreement and the transactions described

herein to its professional advisors and as required by law without the prior written consent of the other party.

17.14. Nonassignability. Providence may not assign its obligations or delegate its duties under this Agreement without the prior written consent of NutraCea. Any such assignment or delegation contrary to the provisions of this Agreement shall be deemed a default under the Agreement, allowing NutraCea to exercise all remedies available under law.

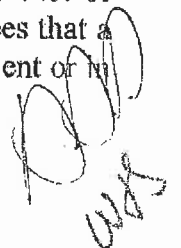
17.15 Attorneys' Fees; Prejudgment Interest. If the services of an attorney are required by any party to secure the performance hereof or otherwise upon the breach or default of another party or to enforce any judgment arising from this Agreement, or if any judicial remedy or arbitration is necessary to enforce or interpret any provision of this Agreement or the rights and duties of any person in relation thereto, the prevailing party shall be entitled to reasonable attorneys' fees, costs and other expenses, in addition to any other relief to which such party may be entitled. Any award of damages following judicial remedy or arbitration as a result of the breach of this Agreement or any of its provisions shall include an award of prejudgment interest from the date of the breach at the maximum amount of interest allowed by law.

17.16. Specific Performance. It is agreed and understood that monetary damages would not adequately compensate an injured party for the breach of this Agreement by any party, that this Agreement shall be specifically enforceable, and that any breach or threatened breach of this Agreement shall be the proper subject of a temporary or permanent injunction or restraining order. Further, each party hereto waives any claim or defense that there is an adequate remedy at law for such breach or threatened breach.

17.17 Expenses. Each party shall pay its own expenses in connection with the preparation, negotiation and execution of this Agreement.

17.18. Submission to Jurisdiction; Consent to Service of Process.

(a) Submission to Jurisdiction. Without limiting any party's right to appeal any order of the Bankruptcy Court, (i) the Bankruptcy Court shall retain exclusive jurisdiction to enforce the terms of this Agreement and to decide any claims or disputes which may arise or result from, or be connected with, this Agreement, any breach or default hereunder, or the transactions contemplated hereby, and (ii) any and all proceedings related to the foregoing shall be filed and maintained only in the Bankruptcy Court, and the parties hereby consent to and submit to the jurisdiction and venue of the Bankruptcy Court and shall receive notices at such locations as indicated in Section 17.4 hereof; provided, however, that if the Bankruptcy Case has closed, the parties agree to unconditionally and irrevocably submit to the exclusive jurisdiction of any state or federal court located in Maricopa County, Arizona and any appellate court from any thereof, for the resolution of any such claim or dispute. The parties hereby irrevocably waive, to the fullest extent permitted by applicable law, any objection which they may now or hereafter have to the laying of venue of any such dispute brought in such court or any defense of inconvenient forum for the maintenance of such dispute. Each of the parties hereto agrees that a judgment in any such dispute may be enforced in other jurisdictions by suit on the judgment or in any other manner provided by law.



(b) Consent to Service of Process. Each of the parties hereby consents to process being served by any party in any suit, action or proceeding by delivery of a copy thereof in accordance with the provisions of Section 17.4.

[remainder of page intentionally left blank]

*Handwritten initials/signature*  
WS

IN WITNESS WHEREOF, the parties have duly executed this Agreement as of the day and year first set forth above.

**NUTRACEA**

**PROVIDENCE CAPITAL, INC.**

By: W. John Short  
W. John Short,  
wjs ~~President~~ and Chief Executive Officer  
Chairman

By: \_\_\_\_\_  
H. A. Denton,  
President

Address: 6720 N. Scottsdale Road, Suite 390  
Scottsdale, AZ 85253

Address: 250 W. 57<sup>th</sup> Street, Suite 2717  
New York, NY 10107

Fax: (602) 522-3001

Fax: (212) 888-3203

**[SIGNATURE PAGE TO ADVISORY SERVICES AGREEMENT]**

{1179190.DOC;3}


11

IN WITNESS WHEREOF, the parties have duly executed this Agreement as of the day and year first set forth above.

**NUTRACEA**

**PROVIDENCE CAPITAL, INC.**

By: \_\_\_\_\_  
W. John Short,  
President and Chief Executive Officer

By:   
\_\_\_\_\_  
H. A. Denton,  
President

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**[SIGNATURE PAGE TO ADVISORY SERVICES AGREEMENT]**