

SETTLEMENT AND RELEASE AGREEMENT

This Settlement and Release Agreement (the "Agreement"), made this ___ day of May, 2004 by and between Yvette J. Gonzales (the "Plaintiff"), acting in her capacity as the duly appointed Chapter 7 Trustee of the Furr's Supermarkets, Inc. bankruptcy estate (the "Furr's Estate"), on the one hand, and Pinnacle Logistics, Inc., Countrywide Logistics, Inc., and Tibbett & Britten Group North America, Inc. (together, the "Defendants"), on the other hand, is intended to extinguish the claims and obligations set forth below.

WHEREAS on or about May 20, 2002, the Plaintiff filed an adversary proceeding against Pinnacle Logistics, Inc. and Countrywide Logistics, Inc., captioned *Yvette J. Gonzales, Trustee v. Pinnacle Logistics, Inc. and Countrywide Logistics, Inc.*, in the United States Bankruptcy Court for the District of New Mexico, Adv. Pro. No. 02-01098 S (the "Adversary Proceeding");

WHEREAS on September 6, 2004 the Trustee amended her complaint in the Adversary Proceeding to add Tibbett & Britten Group North America, Inc. ("Tibbett & Britten") as a defendant, and asserted a number of claims against Tibbett & Britten; and

WHEREAS the Plaintiff and the Defendants desire to settle the Adversary Proceeding and have agreed to execute this Agreement for such purpose and to extinguish the claims and obligations set forth below.

NOW THEREFORE, it is agreed between the Plaintiff and the Defendants as follows:

1. The Defendants will pay the Plaintiff U.S. \$450,000, within ten days after the entry of an order by the Bankruptcy Court approving this Agreement.
2. Promptly after receipt of the \$450,000, the Plaintiff will dismiss the Adversary Proceeding with prejudice.

3. The Plaintiff and the Defendants shall each bear their respective costs and attorneys' fees incurred in the Adversary Proceeding, and in connection with settlement of the Adversary Proceeding.

4. Effective upon the payment of the \$450,000, the Plaintiff, on behalf of the Furr's Estate, on the one hand, and Defendants, jointly and severally, on the other hand, each hereby voluntarily and knowingly release and forever discharge each other and their respective officers, directors, employees, attorneys, successors, and assigns from any and all claims, demands, or causes of action of any kind, known or unknown, except for the obligations arising under this Agreement.

5. Plaintiff and Defendants represent and warrant to each other that they have not assigned or otherwise transferred any interest in whole or in part in any claim that each had, has or may have had against the other, and agree to indemnify and hold the other harmless from any claim (including costs, expenses and attorneys fees incurred) asserted by any party under any purported assignment or transfer.

6. This mutual release is intended to be a broad release that ends once and for all any and all claims or disputes between the parties, of any kind or nature whatsoever.

7. The Defendants will assert no further claims of any kind in the Furr's Supermarkets, Inc. bankruptcy case.

8. The Plaintiff and the Defendants each acknowledge having had full opportunity to consult with counsel of their choice before executing this Agreement.

9. The Plaintiff and the Defendants warrant and represent to the other that no promise, inducement, or agreement not expressed herein has been offered, made, or relied on, and that this Agreement contains the entire agreement between the parties.

10. This Agreement is entered into under the laws of the State of New Mexico. Any dispute concerning this Agreement shall be brought before the United States Bankruptcy Court for the District of New Mexico. If an action is filed to enforce this Agreement, the prevailing party shall be entitled to recover its reasonable costs and attorney fees.

11. The parties understand and agree this settlement is the compromise of doubtful and disputed claims, and the agreements and payments set forth herein are not to be construed as admissions of liability by any party, which liability is expressly denied.

IN WITNESS WHEREOF, the Plaintiff and the Defendants have executed this Agreement as of the date first written above.

PINNACLE LOGISTICS, INC.

By: _____

Yvette J. Gonzales, in her capacity as
the Chapter 7 Trustee of the Furr's
Supermarkets, Inc. bankruptcy estate

TIBBETT & BRITTEN GROUP NORTH
AMERICA, INC.

By: _____

COUNTRYWIDE LOGISTICS, INC.

By: _____