

SETTLEMENT AGREEMENT

This Settlement Agreement ("Agreement") is entered into by and between Michael DiPirro, a California citizen, and Cascade Lead Products ("Cascade"), a British Columbia corporation, as of August 4, 1999 (the "Effective Date"). The parties agree to the following terms and conditions:

WHEREAS:

A. Michael DiPirro is an individual residing in San Francisco, California who seeks to promote awareness of exposures to toxic chemicals and improve human health by reducing or eliminating hazardous substances contained in consumer and industrial products;

B. Cascade is a company that currently manufactures and distributes lead cames and other products containing lead, a substance known to the State of California to cause cancer and birth defects (or other reproductive harm);

C. A list of the products which contain lead and which are covered by this Agreement is provided in Exhibit A (the "Products"). The Products have been manufactured, distributed and sold by Cascade for use in California since at least April 29, 1995; and

D. On April 29, 1999, Michael DiPirro first served Cascade and other public enforcement agencies with a document entitled "60-Day Notice" which provided Cascade and such public enforcers with notice that Cascade was allegedly in violation of Health & Safety Code §25249.6 for failing to warn purchasers that certain products it sells in California expose users to Proposition 65-listed chemicals; and

E. On July 16, 1999, Michael DiPirro filed a complaint entitled Michael DiPirro v. Cascade Lead Products (No. H208369-0) in the Alameda County Superior Court, naming Cascade as a defendant and alleging violations of Business & Professions Code §17200 and Health & Safety Code §25249.6 on behalf of individuals in California who allegedly have been exposed to chemicals listed pursuant to Proposition 65 contained in certain Cascade products.

F. Nothing in this Agreement shall be construed as an admission by Cascade of any fact, finding, issue of law, or violation of law, nor shall compliance with this Agreement constitute or be construed as an admission by Cascade of any fact, finding, conclusion, issue of law, or violation of law. However, this paragraph shall not diminish or otherwise affect

the obligations, responsibilities, and duties of Cascade under this Agreement.

NOW THEREFORE, MICHAEL DiPIRRO AND CASCADE AGREE AS FOLLOWS:

1. Product Warnings. Cascade shall begin to initiate revisions to its health hazard warnings for its Products to provide the language set forth in the section 1.1 below. Beginning on September 15, 1999, Cascade agrees that it will not knowingly ship (or cause to be shipped) any Products containing lead for sale in the State of California unless such Products comply with section 1.1 or 1.2 below, whichever provision is applicable:

1.1 For all Products containing lead other than lead comes, such Products shall bear the following warning statement on the Product label:

"WARNING: This product contains lead, a chemical known to the State of California to cause cancer and birth defects (or other reproductive harm)";

or

"WARNING: This product contains a chemical known to the State of California to cause cancer and birth defects (or other reproductive harm)"

The warning statement shall be prominent and displayed at the point of sale with such conspicuousness, as compared with other words, statements, or designs as to render it likely to be read and understood by an ordinary individual.

1.2 For lead comes containing lead, the Products shall contain warning language identical to section 1.1 above, on the outside of each package containing one or more lead comes. In addition, on the inside of each package, Cascade shall provide instructions to its distributors and other direct customers of Cascade to transfer Proposition 65 warnings to their customers of the lead comes.

Cascade also agrees to either: a) send a certified letter to each of its direct customers that instructs Cascade's distributors and other direct customers of Cascade to transfer the appropriate toxic warnings to their customers; or b) include a provision in Cascade's distributor agreements in which the distributor covenants not to sell the lead comes without the required Proposition 65 warnings.

2. Payment Pursuant To Health & Safety Code §25249.7(b). Pursuant to Health & Safety Code §25249.7(b), Cascade shall pay, within five (5) days of the Effective Date of the Agreement, a civil penalty of \$2,000. Payment of the penalties shall be made payable to the "Chanler Law Group In Trust For Michael DiPirro". Penalty monies shall be apportioned by Michael DiPirro in accordance with Health & Safety Code §25192, with 75% of these funds remitted to the State of California.

3. Reimbursement Of Fees And Costs. Within five (5) days of the Effective Date of the Agreement, Cascade shall reimburse Michael DiPirro for his investigation fees and costs, expert fees, attorneys' fees and costs, and any other costs incurred as a result of investigating, bringing this matter to Cascade's attention, litigating and negotiating a settlement in the public interest. Cascade shall pay: \$9,000 for pre-notice investigation fees; \$500 for expert, investigation and litigation costs; and \$0 in attorneys' fees. Payment shall be made payable to the "Chanler Law Group".

4. Michael DiPirro's Release Of Cascade. Michael DiPirro, by this Agreement, on behalf of himself, his agents, representatives, attorneys, assigns and the citizens of the State of California, waives all rights to institute or participate in, directly or indirectly, any form of legal action, and releases all claims, liabilities, obligations, losses, costs, expenses, fines and damages, against Cascade and its distributors, retailers, customers, directors, officers, employees, affiliates, successors and assigns, whether under Proposition 65 or the Business & Profession Code §17200 et seq. based on Cascade's failure to warn about exposure to lead contained in any of the Products.

5. Cascade's Release Of Michael DiPirro. Cascade, by this Agreement, waives all rights to institute any form of legal action against Michael DiPirro and his attorneys or representatives, for all actions or statements made by Michael DiPirro, and his attorneys or representatives, in the course of seeking enforcement of Proposition 65 or Business & Profession Code §17200 against Cascade.

6. Stipulated Judgment. Concurrently with the execution of this Agreement, Michael DiPirro and Cascade shall execute and file a stipulated judgment to be approved pursuant to CCP §664.6 by the Alameda County Superior Court in accordance with the terms of this Agreement. If, for any reason, the stipulated judgment is not approved by the Court, this Agreement shall be deemed null and void and all settlement monies paid by Cascade pursuant to sections 2 and 3 of this Agreement shall be returned to Cascade within 5 business days.

7. Severability. In the event that any of the provisions of this Agreement are held by a court to be unenforceable, the validity of the enforceable provisions shall not be adversely affected.

8. Attorney's Fees. In the event that a dispute arises with respect to any provision(s) of this Agreement, the prevailing party shall be entitled to recover costs and reasonable attorneys' fees.

9. Governing Law. The terms of this Agreement shall be governed by the laws of the State of California.

10. Notices. All correspondence to Michael DiPirro shall be mailed to:

Hudson Bair, Esq.
Kapsack & Bair, LLP
353 Sacramento Street, Suite 1800
San Francisco, CA 94111
(415) 421-1021

or

Clifford A. Chanler
Chanler Law Group
Magnolia Lane (off Huckleberry Hill)
New Canaan, CT 06840-3801
(202) 966-9911

All correspondence to Cascade shall be mailed to:

Jon Turvey, President
Cascade Lead Products Ltd.
1614 75th Ave W.
Vancouver, BC V6P6G2

11. Counterparts. This Agreement may be executed in counterparts, each of which shall be deemed an original, and all of which, when taken together, shall constitute one and the same document.

12. Authorization. The undersigned are authorized to execute this Agreement on behalf of their respective parties and have read, understood and agree to all of the terms and conditions of this Agreement.

AGREED TO:

DATE: 8/9/99

Michael DiPirro
Michael DiPirro
PLAINTIFF

AGREED TO:

DATE: _____

Cascade Lead Products
DEFENDANT

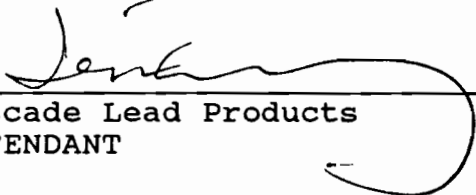
AGREED TO:

DATE: _____

Michael DiPirro
PLAINTIFF

AGREED TO:

DATE: AUG 5/99



Cascade Lead Products
DEFENDANT

Exhibit A

EXHIBIT A

LEAD CAMES