

Re: California Proposition 65 Warnings

Dear Customer,

California regulations promulgated under the Safe Drinking Water and Toxic Enforcement Act of 1986, commonly known as Proposition 65, impose certain warning requirements relating to leather goods and the furniture industry. To comply with these regulations, Leather Trends, Inc., dba Optima Leathers ("Optima") is writing to provide the following warning with respect to each of its leather products:

WARNING: This product can expose you to chemicals including Formaldehyde (gas) and 1,4-Dioxane, which are known to the State of California to cause cancer, and Ethylene glycol (ingested), which is known to the State of California to cause birth defects or other reproductive harm. For more information go to <a href="https://www.P65Warnings.ca.gov">www.P65Warnings.ca.gov</a>.

Because our products are sold as raw material for incorporation into other products, it is not practicable for us to provide this warning on finished product labelling or packaging. Accordingly, we are providing it to our commercial manufacturing customers via this correspondence. Be advised that the warning should be provided to any individuals who may come into contact with our products within the state of California.

Optima understands that its products are used primarily in the furniture industry as upholstery. Although we do not sell such products, and have no control over how they are labelled, we note that Proposition 65 regulations impose the following warning requirements for finished furniture goods offered for sale to consumers:

## Method of Providing Warning:

Consumer product furniture warnings may be provided in any of the following ways:

- A warning label affixed to the furniture product in the same manner as other consumer information or warning materials that are provided on the product;
- A notice or sign no smaller than 8.5" by 11" displayed either at each public entrance or point of display, and printed in no smaller than 28-point type (a printable sign is enclosed herewith for your use); or
- A notice printed or stamped on each receipt in no smaller than 12-point type.

## Content of Consumer Product Furniture Warning:

The content of the warning depends upon how it is provided. If the warning is provided on a product label, the language should be as follows:

WARNING: This product can expose you to chemicals including Formaldehyde (gas), 1,4-Dioxane, and Ethylene glycol (ingested), which are known to the State of California to cause cancer or birth defects or other reproductive harm. For more information go to www.P65Warnings.ca.gov/furniture.

If the warning is provided on entrance signs, the language should be as follows:

Some furniture products can expose you to chemicals known to the State of California to cause cancer and/or birth defects or other reproductive harm. Please check the product label for warning information.

If the warning is provided on purchase receipts, the language should be as follows:

NOTICE: Some furniture products can expose you to chemicals known to the State of California to cause cancer and/or birth defects or other reproductive harm. Please check the product label for warning information.

We refer you to Proposition 65 and the associated regulations for further information, and encourage you to seek your own legal counsel, to ensure that you are complying with your warning obligations in connection with any products that incorporate our leather goods.

Thank you for your anticipated cooperation. Please contact the undersigned should you have any questions.

## **STEVE IJADI**

