

SETTLEMENT AND RELEASE AGREEMENT

1. **INTRODUCTION**

1.1. **Aram Kaloustian and Borde SA:**

This Settlement Agreement is entered into by and between Aram Kaloustian ("Kaloustian"), represented by his attorneys KJT Law Group, LLP on the one hand, and Borde SAS, as the successor to Borde SA ("Borde"), on the other hand, with Kaloustian and Borde collectively referred to as the "Parties."

1.2. **General Allegations**

Kaloustian alleges that Borde manufactured and distributed and offered for sale certain products in the State of California, which contain Lead, Cadmium, and Mercury, and that such sales have not been accompanied by Proposition 65 warnings. Lead, Cadmium, and Mercury are listed under Proposition 65 as chemicals known to the State of California to cause cancer and birth defects or other reproductive harm.

1.3. **Product Description**

The product covered by this Settlement Agreement is: The Wild Mushroom Co. – Dried Porcini Mushrooms – Premium Quality; UPC #: 7 59033 99961 3, that Borde has sold, offered for sale, manufactured, or distributed in California and that contain Lead, Cadmium, and Mercury. All such items shall be referred to herein as the "Covered Product."

1.4. **Notice of Violation**

On December 5, 2024, Kaloustian served Costco Wholesale Corporation ("Costco"), and the requisite public enforcement agencies eligible to initiate Proposition 65 actions on behalf of the People of the State of California with documents entitled "60-Day Notice of Violation" ("Notice") that provided Costco and such public enforcers with notice that Costco was allegedly

in violation of California Health & Safety Code section 25249.6 for failing to warn consumers and customers that the Covered Product exposed users in California to lead and cadmium. On or about March 25, 2025, Kaloustian amended the Notice to add Borde SA as an alleged violator and to add allegations that the Covered Product exposed users to mercury. To the best of the Parties' knowledge, no public enforcer has commenced or is diligently prosecuting the allegations set forth in the Notice.

1.5. **No Admission**

The Parties enter into this Settlement Agreement to settle disputed claims between them as set forth herein and in the Notice concerning Borde's compliance with Proposition 65. Specifically, Borde denies the material factual and legal allegations contained in Kaloustian's Notice and maintains that all products that it has placed for sale and distribution in California, including the Covered Product, have been and are in compliance with Proposition 65 or any other statutory, regulatory, common law or equitable doctrine. Nothing in this Settlement Agreement shall be construed as an admission by Borde of any fact, finding, issue of law, or violation of law; nor shall compliance with this Settlement Agreement constitute or be construed as an admission by Borde of any fact, finding, conclusion, issue of law, or violation of law, such being specifically denied by Borde. However, nothing in this section shall diminish or otherwise affect the obligations, responsibilities, and duties of Borde under this Settlement Agreement.

1.6. **Effective Date**

For purposes of this Settlement Agreement, the term "Effective Date" shall mean the date this Settlement Agreement is fully executed.

2. INJUNCTIVE RELIEF: WARNINGS AND REFORMULATION

2.1 Beginning on the Effective Date, Borde agrees to discontinue manufacturing for sale in the State of California, "Distributing into the State of California," or directly selling in the State of California any Covered Product that exposes a person to: (a) a "Daily Lead Exposure Level" of more than 0.5 micrograms of lead per day, (b) a "Daily Cadmium Exposure Level" of more than 4.1 micrograms of cadmium per day, or (c) a "Daily Mercury Exposure Level" of more than 0.3 micrograms of mercury per day, unless it meets the warning requirements under Section 2.2.

As used in this Settlement Agreement, the term "Distributing into the State of California" shall mean to directly ship a Covered Product into California for sale in California or to sell a Covered Product to a distributor that Borde knows or has reason to know will sell the Covered Product in California. The injunctive relief in Section 2 does not apply to any Covered Products that are no longer under the control or possession of Borde prior to the Effective Date, and all claims as to such Covered Product are released in this Settlement Agreement.

For purposes of this Settlement Agreement, "Daily Lead Exposure Level," "Daily Cadmium Exposure Level," and "Daily Mercury Exposure Level" shall be measured in micrograms, and shall be calculated using the following formula: micrograms of lead, cadmium, or mercury per gram of product, multiplied by grams of product per serving of the product as stated on the label, multiplied by servings of the product per day stated on the label, which equals micrograms of lead, cadmium, or mercury exposure per day. If the label contains no recommended daily servings, then the number of recommended daily servings shall be one.

2.2 Clear and Reasonable Warnings

If Borde is required to provide a warning for the Covered Product pursuant to Section 2.1, the Warning shall comply with the safe harbor provisions of Proposition 65 for food, including 27 C.C.R. § 25607.1-.2. The content and method of transmission shall be provided in any form as authorized by Proposition 65 law or regulation effective on or after the Effective Date. Based on current Proposition 65 requirements one of the following warnings must be utilized ("Warning"):

Option 1 Warning:

WARNING [or CA WARNING or CALIFORNIA WARNING]: Consuming this product can expose you to chemicals including [lead, which is known to the State of California to cause cancer] and [lead, cadmium, and/or mercury], which is [are] known to the State of California to cause birth defects or other reproductive harm. For more information go to www.P65Warnings.ca.gov/food.

Option 2 Warning:

WARNING [or CA WARNING or CALIFORNIA WARNING]: Risk of [cancer from exposure to lead and] birth defects or other reproductive harm from exposure to [lead, cadmium, or mercury]. See www.P65Warnings.ca.gov/food.

Option 3 Warning:

WARNING [or CA WARNING or CALIFORNIA WARNING]: Can expose you to [lead, a carcinogen, and] [lead, cadmium, or mercury], a reproductive toxicant. See www.P65Warnings.ca.gov/food.

Borde shall include the bracketed Warning language about the cancer risk of lead if the exposure level is greater than 15 micrograms of lead per day.

The Warning shall be securely affixed to or printed upon the label of each Covered Product, and it must be set off from other surrounding information. For purposes of this Settlement Agreement, the term "label" means a display of written, printed or graphic material

that is printed on or affixed to a Covered Product or its immediate container or wrapper. The Warning must be set off from other surrounding information, enclosed in a box. If consumer information on the package is in a foreign language, the Warning must also be provided in the foreign language. In addition, for any Covered Product sold over the internet, the Warning shall be provided via of the following methods: (1) a Warning on the product display page; (2) a clearly marked hyperlink using the word "WARNING" or the words "CA WARNING" or "CALIFORNIA WARNING" on the product display page that links to the Warning; or (3) an otherwise prominently displayed Warning provided to the purchaser prior to completing the purchase. The Warning shall comply with the Safe Harbor Provisions, applicable to the Covered Product and chemical at issue, as those regulations may be amended from time to time.

3. PENALTIES PURSUANT TO HEALTH & SAFETY CODE SECTION 25249.7(b)

In settlement of all the claims referred to in this Settlement Agreement, \$4,000.00 shall be considered a "civil penalty." The penalty payment will be allocated in accordance with California Health & Safety Code section 25249.12(c)(1) & (d), with 75% (i.e., \$3,000.00) of the funds remitted to the California Office of Environmental Health Hazard Assessment ("OEHHA") and the remaining 25% (i.e., \$1,000.00) of the penalty remitted to Kaloustian. Borde shall deliver the penalty payment to Kalpustian's counsel. Kaloustian's counsel shall be responsible for delivering OEHHA's and Kaloustian's portions of any penalty payment made under this Agreement.

4. REIMBURSEMENT OF FEES AND COSTS

In settlement of all the claims referred to in this Settlement Agreement, \$24,000.00 shall be considered reimbursement of Kaloustian's attorneys' fees, expert and investigation fees, and

related costs associated with this matter and the Notice. The Parties reached an accord on the compensation due to Kaloustian and his counsel under the private attorney general doctrine and principles of contract law.

5. PAYMENT INFORMATION:

Borde shall mail one full payment for all fees and penalties within ten (10) business days after the Effective Date, at which time such payment shall be mailed to the following address:

KJT LAW GROUP LLP

**230 N. Maryland Avenue, Suite 306
Glendale, CA 91206.**

6. RELEASE OF ALL CLAIMS

6.1. Release of Borde, Downstream Customers and Upstream Vendors

In further consideration of the promises and agreements herein contained, and for the payments to be made pursuant to Sections 3 through 5 above, Kaloustian, on behalf of himself, hereby waives all rights to institute or participate in, directly or indirectly, any form of legal action and releases all claims relating to the Covered Product, whether known or unknown to Kaloustian, including, without limitation, all actions, and causes of action, in law or in equity, suits, liabilities, demands, obligations, damages, costs, fines, penalties, losses or expenses (including, but not limited to, investigation fees, expert fees and attorneys' fees) against Borde, and its respective equity owners, parents, subsidiaries, affiliates, sister and related entities, and any and all upstream manufacturers, vendors, ingredient suppliers, distributors, retailers, including but not limited to Costco Wholesale Corporation, and their respective suppliers and distributors, for any alleged violations of Proposition 65, or any other alleged violation of statutory or common law, arising from alleged exposures to lead, cadmium, and mercury in relation to the Covered Product, up through the Effective Date.

Kaloustian, in his capacity, expressly waives and relinquishes any and all rights and benefits which he may have under, or which may be conferred on him by the provisions of California Civil Code section 1542 as well as under any other state or federal statute or common law principle of similar effect, to the fullest extent that it may lawfully waive such rights or benefits pertaining to the released matters. California Civil Code section 1542 provides:

“A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS WHICH THE CREDITOR DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE, WHICH IF KNOWN BY HIM OR HER MUST HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR.”

7. GOVERNING LAW

The terms of this Settlement Agreement shall be governed by the laws of the State of California and apply within the State of California. In the event that Proposition 65 is repealed or is otherwise rendered inapplicable by reason of law generally, or as to the Covered Product, then Borde may modify this Settlement Agreement to reflect such changes to the law, as set forth in Section 11.

8. NOTICES

Unless specified herein, all correspondence and notices required to be provided pursuant to this Settlement Agreement shall be in writing and personally delivered or sent by: (i) first-class, (registered or certified mail) return receipt requested; or (ii) overnight courier on any party by the other party at the following addresses:

For Borde:	Lauren Handel, Esq. Handel Food Law PLLC 305 Broadway, Suite 700 New York, NY 10007
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For Kaloustian: Tro Krikorian, Esq.
KJT Law Group, LLP
230 N. Maryland Ave., Suite 306
Glendale, CA 91206

Any party, from time to time, may specify in writing to the other party a change of address to which all notices and other communications shall be sent.

9. COUNTERPARTS; FACSIMILE/E-SIGNATURES

This Settlement Agreement may be executed in counterparts and by facsimile or e-signatures, each of which shall be deemed an original, and all of which, when taken together, shall constitute one and the same document.

10. ENTIRE AGREEMENT

This Settlement Agreement contains the sole and entire agreement and understanding of the Parties with respect to the entire subject matter hereof, and all related prior discussions, negotiations, commitments, and understandings. No other agreements, oral or otherwise, exist to bind either of the Parties.

11. MODIFICATION

This Settlement Agreement may be modified only by a written agreement signed by the Parties.

12. DRAFTING


No inference, assumption or presumption shall be drawn, and no provision of this Agreement shall be construed against any of the Parties, based upon the fact that one of the Parties and/or one of the Parties' attorneys prepared and/or drafted all or any portion of this Agreement. It is conclusively presumed that the Parties participated equally in the preparation and drafting of this Agreement.

13. AUTHORIZATION

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

IN WITNESS WHEREOF, the Parties have agreed, accepted, and executed this Agreement on the date written.

Executed on 7/18/2025.

Signed by:

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Aram Kaloustian

Executed on Jul 16, 2025.

Borde SAS


Alain Borde (Jul 16, 2025 11:37 GMT+2)
By: Alain Borde
Its: CEO