

SETTLEMENT AGREEMENT

1. INTRODUCTION

1.1 Parties

This Settlement Agreement is entered into by and between EnviroProtect, LLC (“EP”) on the one hand and HOLIBALL, INC. (“HOLIBALL”) on the other hand, with HOLIBALL and EP each individually referred to as a “Party” and collectively as the “Parties.”

1.2 Introduction and General Allegations.

1.2.1 EP is a limited liability company duly organized and existing in the State of California, which seeks to promote awareness of exposures to toxic chemicals and to improve human health by reducing or eliminating hazardous substances used in consumer products.

1.2.2 EP alleges that HOLIBALL is a person in the course of doing business for purposes of the Safe Drinking Water and Toxic Enforcement Act of 1986, California Health and Safety Code section 25249.6 *et seq.* (“Proposition 65”).

1.2.3 EP alleges that HOLIBALL imported, sold, and/or distributed for sale in California Covered Products, as defined below, that contain Di-(2-ethylhexyl) phthalate (“DEHP”), a chemical pursuant to Proposition 65 listed by the State of California to cause cancer and reproductive toxicity. EP further alleges that HOLIBALL failed to provide the health hazard warning required by Proposition 65 for exposures to DEHP from the Covered Products.

1.3 Product Description.

The products covered by this Settlement Agreement are the Inflatable Ornaments, which were and are imported, sold and/or distributed for sale in California by HOLIBALL (“Covered Products”).

1.4 60 Day Notice of Violation and Exchange of Information.

On October 29, 2025, EP served HOLIBALL, Ross Stores, Inc. (“Ross”), and the requisite public enforcement agencies with a 60-Day Notice of Violation (“Notice”), related to

the Covered Products, alleging that HOLIBALL and Ross violated Proposition 65. The Notice alleged that HOLIBALL failed to warn its customers and consumers in California of the health hazards associated with exposures to DEHP from the import, sale and/or distribution of the Covered Products.

EP subsequently provided HOLIBALL with test results in EP's possession concerning its allegations. HOLIBALL provided EP with sales data related to the Covered Products. To the best of the Parties' knowledge, no public enforcer has commenced and 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 the Parties as set forth below concerning the Parties' and the Covered Products' compliance with Proposition 65. Specifically, EP alleges that HOLIBALL imported, manufactured, sold or distributed for sale in the state of California, Covered Products which contained DEHP without first providing the clear and reasonable exposure warning required by Proposition 65. HOLIBALL denies that such a warning is required under Proposition 65 or any otherwise applicable law.

HOLIBALL further denies the material, factual, and legal allegations contained in the Notice and maintains that all of the products that it has imported, manufactured and/or sold and distributed in California, including the Covered Products, have been, and are, in compliance with all laws. Nothing in this Settlement Agreement shall be construed as an admission by HOLIBALL of any fact, finding, conclusion, issue of law, or violation of law, nor shall compliance with this Settlement Agreement constitute or be construed as an admission by HOLIBALL of any fact, finding, conclusion, issue of law, or violation of law, such being specifically denied by HOLIBALL. Notwithstanding the allegations in the Notices, HOLIBALL maintains that it has not knowingly manufactured, or caused to be manufactured, the Covered Products for sale in California in violation of Proposition 65. This Section shall not, however, diminish or otherwise affect HOLIBALL's obligations, responsibilities, and duties under this Settlement Agreement.

1.6 **Effective Date.**

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

2. **INJUNCTIVE RELIEF: REFORMULATED PRODUCTS**

2.1 **Reformulation Standard.** Commencing on the Effective Date, and continuing thereafter, Covered Products that HOLIBALL imports, manufactures, ships to be sold or offers for sale or purchase in or into California, or sells in California shall be deemed to comply with Proposition 65, and be exempt from any Proposition 65 warning requirements with respect to DEHP if the Products meet the standard of "Reformulated Products." "Reformulated Products" shall mean Covered Products containing less than or equal to 1,000 parts per million (0.1%) DEHP in each Accessible Component when analyzed pursuant to Environmental Protection Agency testing methodologies 3580A and 8270C, CPSC-CH-C1001-09.3 or equivalent methodologies utilized by federal or state agencies for the purpose of determining DEHP content in a solid substance. Covered Products, currently in the channels of distribution with distributors and retailers may continue to be sold-through even if they fail to meet the Reformulated Standard or contain a warning pursuant to Section 2.2, below. However, as of 60 days after the Effective Date, HOLIBALL may not distribute or directly sell new Covered Products in California that are not Reformulated Products or do not contain the warnings set forth in Paragraph 2.3.

2.2 **Warning Option.** Covered Products that are not reformulated or do not meet the Reformulation Standard set forth in Section 2.1 above shall be accompanied by a warning as described in Section 2.3. This warning shall only be required as to non-reformulated Covered Products that are sold or shipped out to consumers, retailers, or distributors in California by HOLIBALL commencing sixty (60) days after the Effective Date. No Proposition 65 warning

for DEHP shall be required as to any Covered Products that are already in the stream of commerce as of the Effective Date.

2.3 **Warning Language.** Warnings required pursuant to Section 2.2, above, shall include a triangle with a yellow body and black exclamation point and be affixed to the packaging or labeling using the language in the warnings below:

 **WARNING:** This product can expose you to chemicals including Di-(2-ethylhexyl) phthalate (DEHP), which are known to the State of California to cause cancer and birth defects or other reproductive harm. For more information go to www.P65Warnings.ca.gov.

Or:

 **WARNING:** This product can expose you Di-(2-ethylhexyl) phthalate (DEHP), which is known to the State of California to cause cancer and birth defects or other reproductive harm. For more information go to www.P65Warnings.ca.gov.

Or:

 **WARNING:** Risk of cancer and reproductive harm from exposure to Di-(2-ethylhexyl) phthalate (DEHP). See www.P65Warnings.ca.gov.

Or:

 **WARNING:** Can expose you to Di-(2-ethylhexyl) phthalate (DEHP), a carcinogen and reproductive toxicant. See www.P65Warnings.ca.gov.

Or, for Covered Products manufactured and labeled prior to January 1, 2028, HOLIBALL may, at its option, use the following statement for warnings affixed to the packaging or label:

 **WARNING:** Cancer and Reproductive Harm - www.P65Warnings.ca.gov.

For each of these warnings, HOLIBALL may, at its option, use the words “**CA WARNING:**” or “**CALIFORNIA WARNING:**” instead of the word “**WARNING:**”.

A **Warning** provided pursuant to § 2.2 must print the word “**WARNING:**” “**CALIFORNIA WARNING:**” or “**CA WARNING** in all capital letters and in bold font, followed by a colon. The warning symbol to the left of the word “**WARNING:**” must be a black

exclamation point in a yellow equilateral triangle with a black outline, except that if the sign or label for the Covered Products does not use the color yellow, the symbol may be in black and white. The symbol must be in a size no smaller than the height of the word “**WARNING:**”. The **Warning** shall be affixed to or printed on the Products’ packaging or labeling, or on a placard, shelf tag, sign or electronic device or automatic process only if such electronic device or automatic process provides the **Warning** without the purchaser having to seek it out, provided that the **Warning** is displayed 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 under customary conditions of purchase or use. Each Warning shall be provided in a manner such that the consumer or user is reasonably likely to understand to which specific Product the warning applies, so as to minimize the risk of consumer confusion. If the product contains consumer information in a language other than English, the company must provide the warning in the other language(s). In the event that the California Office of Environmental Health Hazard Assessment (“OEHHA”) promulgates one or more regulations requiring or permitting warning text and/or methods of transmission different than those set forth above, HOLIBALL shall be entitled to use, at its discretion, such other warning text and/or methods of transmission without being deemed in breach of this Agreement.

2.4 **Internet Warnings.** For any Covered Products sold by HOLIBALL through the internet, the relevant warnings shall comply with the requirements of 27 Cal. Code Regs. § 25602(b), effective August 30, 2018. The **Warning** shall be posted on websites where HOLIBALL offers Covered Products for sale to consumers in California. The requirements of this Section shall be satisfied if the **Warning**, or a clearly marked hyperlink using the word “**WARNING**”, “**CA WARNING**,” or “**CALIFORNIA WARNING**” appears on the product display page, or by otherwise prominently displaying the warning to the purchaser prior to completing the purchase. To comply with this Section, HOLIBALL shall (a) post the **Warning** on its own website and, if it has the ability to do so, on the websites of its third-party internet sellers; and (b) if it does not have the ability to post the **Warning** on the websites of its third-party internet sellers, provide such sellers which HOLIBALL is aware of and to which HOLIBALL supplies the Products with written notice in accordance with Title 27, California Code of Regulations, Section 25600.2. Third-party internet sellers of the Product that have been provided with written notice in accordance with Title 27, California Code of Regulations,

Section 25600.2 are not released in Section 5 of this Agreement if they fail to meet the warning requirements of this Section.

2.5 Accessible Component. The term "Accessible Component" shall mean any component of the Covered Product that could be touched by a person during reasonably foreseeable use.

2.6 Compliance with Proposition 65. The Parties agree that HOLIBALL shall be deemed to be in compliance with this Settlement Agreement and with Proposition 65 in regard to DEHP in the Covered Product by either complying with Section 2 of the Settlement Agreement or by complying with warning regulations adopted by the State of California applicable to the Covered Products and the exposure at issue.

3. CIVIL PENALTY PURSUANT TO HEALTH & SAFETY CODE § 25249.7(b)

HOLIBALL shall pay a civil penalty of \$500.00 to be apportioned in accordance with California Health & Safety Code §§25249.12(c) & (d), with 75% of these funds remitted to the State of California's Office of Environmental Health Hazard Assessment ("OEHHA") and the remaining 25% of the penalty remitted to EP. HOLIBALL shall issue two separate checks for the penalty payment: (a) one check made payable to the AXS Law Group LA LLP in Trust for the State of California's Office of Environmental Health Hazard Assessment ("in Trust for OEHHA") in the amount of \$375.00 representing 75% of the initial civil penalty and (b) one check to "AXS Law Group LA LLP in Trust for EnviroProtect" in the amount of \$125.00, representing 25% of the initial civil penalty. Two separate 1099s shall be issued for the above payments: The first 1099 shall be issued to OEHHA, P.O. Box 4010, Sacramento, CA 95814 (EIN: 68-0284486). The second 1099 shall be issued to AXS Law Group LA LLP, who shall furnish a W9 at least five calendar days before payment is due. The payment shall be made within ten (10) business days of the Effective Date of this Agreement to the following address:

James Kawahito, Esq.
AXS Law Group LA LLP
6080 Center Dr. Suite 210
Los Angeles, CA 90045

Payment may also be made by wire or ACH or wire transfer. Instructions will be provided separately upon request.

4. REIMBURSEMENT OF FEES AND COSTS

The Parties acknowledge that EP and its counsel offered to resolve this dispute without reaching terms on the amount of fees and costs to be reimbursed to them, thereby leaving any fee reimbursement issue to be resolved after the material terms of the agreement had been settled. The parties reached an accord on the compensation due to EP and its counsel under general contract principles and the private attorney general doctrine codified at California Code of Civil Procedure (CCP) § 1021.5, for all work performed through the mutual execution of this agreement. More specifically, HOLIBALL shall pay the total amount of \$16,500.00, for fees and costs incurred by EP as a result of investigating, bringing this matter to the attention of HOLIBALL, and negotiating a settlement. HOLIBALL shall wire the funds (instructions will be provided upon request) or make payment by check payable to "AXS Law Group LA LLP."

Payment of the fees and costs shall be made in three (3) separate payments with the first payment of \$7,500.00 paid within ten (10) business days of the Effective Date of this Agreement. Subsequent payments of \$4,500.00 each shall be made 30 days and 60 days after the first payment is made.

AXS Law Group LA LLP shall furnish a W9 at least five calendar days before the first payment is due. Payments shall be sent to the below address or by ACH or wire transfer. ACH or wire transfer instructions will be provided separately upon request:

James Kawahito, Esq.
AXS Law Group LA LLP
6080 Center Dr. Suite 210
Los Angeles, CA 90045

5. RELEASE OF ALL CLAIMS

5.1 Full, Final and Binding Resolution of Proposition 65 Allegations.

EP, on behalf of itself, its past and current agents, representatives, attorneys, successors and/or assignees, releases HOLIBALL of any violation of Proposition 65 that was or could have been asserted by EP against HOLIBALL and its parents, subsidiaries, affiliated entities that are

under common ownership, directors, officers, employees, agents, principals, insurers, accountants, representatives, attorneys, predecessors, successors, assignees, licensors, each manufacturer or other entity supplying HOLIBALL with the Covered Products, and each entity to which HOLIBALL directly or indirectly distributes, ships or sells the Covered Products, including, but not limited to Ross, its downstream distributors, wholesalers, customers, retailers, franchisees, cooperative members, and licensees and their owners, directors, officers, employees, agents, principals, insurers, accountants, representatives, attorneys, predecessors, successors, and assignees (collectively "Released Parties") for any and all claims based on their alleged or actual failure to warn about alleged exposures to DEHP contained in the Covered Products and from any actual or alleged violation of Proposition 65 related to the Covered Products that were allegedly manufactured, imported, distributed, sold and/or offered for sale by HOLIBALL and Ross in California before the Effective Date and through 60 days after the Effective Date. The Release shall also cover any Covered Products that were in the stream of commerce prior to the Effective Date. This release is provided in EP's individual capacity and is not a release on behalf of the public.

In further consideration of the promises and agreements herein contained, EP on behalf of itself, its past and current agents, representatives, attorneys, successors and/or assignees, also hereby covenants not to sue and waives all of its rights to institute or participate in, directly or indirectly, any form of legal action in law and equity and releases all claims against HOLIBALL and Released Parties including, but not limited to Ross, that it or they may have including, without limitation, all actions, and causes of action, suits, liabilities, demands, obligations, damages, costs, fines, penalties, losses, expenses, investigative fees, expert fees, and attorneys' fees for any and all claims whether known or unknown arising under Proposition 65 regarding DEHP in the Covered Products manufactured, sold, or distributed for sale before the Effective Date by HOLIBALL or Released Parties.

5.2 HOLIBALL'S Release of EP.

HOLIBALL on behalf of itself, its past and current agents, representatives, attorneys, successors, and/or assignees, hereby waives any and all claims against EP, its attorneys and other representatives, for any and all actions taken or statements made by EP and its attorneys and

other representatives, whether in the course of investigating claims or otherwise seeking to enforce Proposition 65 against it in this matter with respect to DEHP in the Covered Products.

5.3 Mutual Waiver of California Civil Code § 1542.

It is possible that other claims not known to the Parties arising out of the facts alleged in the Notice and relating to the Products will develop or be discovered. EP on behalf of itself only, on one hand, and HOLIBALL, on the other hand, acknowledge that this Agreement is expressly intended to cover and include all such claims up through the Effective Date, including all rights of action therefor. The Parties acknowledge that the claims released in §§ 5.1 and 5.2, above, may include unknown claims, and nevertheless waive California Civil Code § 1542 as to any such unknown claims. California Civil Code § 1542 reads as follows:

A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS THAT THE CREDITOR OR RELEASING PARTY DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE AND THAT, IF KNOWN BY HIM OR HER, WOULD HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR OR RELEASED PARTY.

EP and HOLIBALL each acknowledge and understand the significance and consequences of this specific waiver of California Civil Code § 1542.

5.4 Public Benefit.

It is HOLIBALL's understanding that the commitments it has agreed to herein, and actions to be taken by HOLIBALL under this Settlement Agreement, would confer a significant benefit to the general public, as set forth in Code of Civil Procedure § 1021.5 and Cal. Admin. Code tit. 11, § 3201. As such, it is the intent of HOLIBALL that to the extent any other private party initiates any action alleging a violation of Proposition 65 with respect to HOLIBALL and/or the Released Parties relating to the Covered Products they have manufactured, distributed, sold, or offered for sale in California and that are subject to this Settlement, such private party action would not confer a significant benefit on the general public provided that HOLIBALL is in material compliance with this Settlement Agreement.

5.5 Enforcement of Settlement Agreement.

Any party may file suit before the Superior Court of the County of Los Angeles to enforce the terms and conditions contained in this Settlement Agreement. The prevailing party shall be entitled to its reasonable attorneys' fees and costs associated with such enforcement.

6. SEVERABILITY

If, subsequent to the execution of this Settlement Agreement, any provision of this Settlement Agreement is deemed by a court to be unenforceable, the validity of the remaining provisions shall not be adversely affected.

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.

8. NOTICE

Unless specified herein, all correspondence and notice required to be provided pursuant to this Settlement Agreement shall be in writing and sent by: (a) personal delivery; (b) first-class, registered or certified mail, return receipt requested; or (c) a recognized overnight courier with a courtesy copy by email to designated agent of Party indicated below, to the other Party at the following addresses:

Notices to

Holiball, Inc.
5222 Brittmoore Rd.
Houston, TX 77041

With a copy to:

Lauren Michals, Esq.
Nixon Peabody LLP
One Embarcadero Center, 32nd Floor
San Francisco, CA 94111
Email: lmichals@nixonpeabody.com

Notices to EP:

EnviroProtect, LLC.
3142 W. 59th Pl.
Los Angeles, CA 90043
Email: enviroprotectca@gmail.com

with a copy to:

James K. Kawahito, Esq.

AXS Law Group LA LLP
Attn. EP v. HOLIBALL
6080 Center Dr. Ste 210
Los Angeles, CA 90045
james@axslawgroup.com

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

9. COUNTERPARTS; FACSIMILE SIGNATURES

This Settlement Agreement may be executed in counterparts and by facsimile or portable document format (PDF) signature, each of which shall be deemed an original, and all of which, when taken together, shall constitute one and the same document.

10. COMPLIANCE WITH HEALTH & SAFETY CODE § 25249.7(f)

EP and its attorneys agree to comply with the reporting form requirements referenced in California Health and Safety Code section 25249.7(f).

11. MODIFICATION

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

12. AUTHORIZATION

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

AGREED TO:

AGREED TO:

Date: May 29, 2026

Date: May _____, 2026

By: Emilio Zelaya
EnviroProtect, LLC

By: _____
Holiball, Inc.

AXS Law Group LA LLP
Attn. EP v. HOLIBALL
6080 Center Dr. Ste 210
Los Angeles, CA 90045
james@axslawgroup.com

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

9. COUNTERPARTS; FACSIMILE SIGNATURES

This Settlement Agreement may be executed in counterparts and by facsimile or portable document format (PDF) signature, each of which shall be deemed an original, and all of which, when taken together, shall constitute one and the same document.

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

AGREED TO:

Date: May ____, 2026

By: _____
EnviroProtect, LLC

AGREED TO:

Date: May 29, 2026

By: _____
Holiball, Inc.

