

REPRESENTATIONS AND WARRANTIES OF SELLER AND SELLER'S SHAREHOLDERS

Seller and Seller's Shareholders jointly and severally represent and warrant to Company as follows:

1. **Financial Statements.** Attached to Schedule 3.1 is a true and complete copy of the: (a) financial statements of Seller as of and for the periods ended December 31, 2022, December 31, 2021, and December 31, 2020 (including balance sheets, profit and loss statements and all footnotes to it); and (b) financial statements of Seller for each month of January through April 2023 (collectively, the "Financial Statements"). Each of the Financial Statements has been prepared from Seller's books and records, is true, correct and complete in all material respects, is consistent with Seller's books and records, and fairly presents the financial condition of Seller as at the date thereof, and the results of operations for the period then ended. The books of account and other financial records of Seller, all of which have been made available to Company, are complete and correct and represent actual, bona fide transactions and have been maintained in accordance with sound business practices.

2. **Developments.** Since December 31, 2022, Seller has conducted the Business in the ordinary course of business, and there has not been:

(a) Any material damage, destruction, loss or forfeiture (whether or not covered by insurance), or any material and adverse change, actual or, to the knowledge of Seller's Shareholders or Seller, threatened, to or affecting (i) any property or asset (including any leasehold estate) of Seller constituting a portion of the Acquired Assets, or (ii) the business or condition (financial or otherwise) of Seller, or (iii) the results of operations or prospects of Seller;

(b) Any increase in the compensation or benefits (including bonuses) payable or to become payable by Seller to any of its employees or agents, other than compensation or benefit increases of less than \$10,000 in the ordinary course of Seller's business consistent with past Business based on an employee's tenure;

(c) Any incurrence by Seller of any indebtedness for borrowed money or of any other indebtedness or of any liability in respect thereof, or any commitment by Seller for such incurrence, except for the incurrence of indebtedness (other than for borrowed money) in the ordinary course of business;

(d) Any contractual commitment by Seller to any third party, other than as provided in this Agreement or arising in the ordinary course of such Seller's business, relating to (i) the property or assets of the Business or Seller, or (ii) the acquisition or disposition of property or assets (including any leasehold estate) of Seller;

(e) Any waiver or surrender by Seller of any valuable right or property other than for fair consideration;

(f) Any litigation, action, proceeding or arbitration which has been instituted or threatened against or settled with Seller, or agreed by Seller to be instituted or settled;

(g) Any change in any accounting procedures or Practices of Seller;

(h) Any written or oral notice received by Seller regarding the breach or termination of any contract, lease or other agreement to which Seller is a party or by which it is bound;

(i) Any written or oral notice received by Seller from any employee who is terminating such employee's employment with Seller, indicating an intention to terminate such employee's employment relationship or indicating that the employee may not be actively employed with Seller for a certain period of time;

(j) Any sale or disposition of any asset of the Business which had a market value of \$5,000 or more at the date of sale or disposition;

(k) Any contract, commitment or transaction entered into or amended or terminated by Seller other than in the ordinary course of Seller's Business;

(l) Any failure by Seller to pay on a timely and current basis, i.e., within 30 days, any accounts or notes payable or any other obligations of Seller;

(m) Any other business activities (other than passive personal investment activity) engaged in by Seller other than the conduct of the Business; or

(n) Any agreement or commitment entered into by Seller to take any of the actions described in Sections 3.2(a) through (m).

3. Liabilities. Except as expressly provided on the face of the balance sheets contained within the Financial Statements and current liabilities incurred in Seller's ordinary course of business since the date of the Financial Statements, Seller has no liabilities or obligations of any kind whatsoever, whether direct or indirect, known or unknown, absolute or contingent, accrued or unaccrued, disputed or undisputed, matured or unmatured, determinable or otherwise, nor, to the knowledge of Seller, has any condition existed or any event occurred which could reasonably be expected to give rise to any such liability or obligation.

4. Accounts Receivable. All Closing Date Accounts Receivable have arisen from bona fide transactions in the ordinary course of business and are collectible in the ordinary course of business following their terms. None of the Closing Date Accounts Receivable is subject to any counterclaims, discounts or set off, and all reserves against such Closing Date Accounts Receivable are adequate and consistent with the reserves previously maintained by Seller in the ordinary course of business.

5. Environmental. Seller, including any predecessors or agents, has never generated, manufactured, refined, transported, treated, stored, handled or disposed of hazardous substances, wastes or petroleum relating to the operation of the Business or any related owned or operated property or premises, nor has Seller transported, treated or disposed of any such hazardous substances, wastes or petroleum offsite. Seller currently has a monthly service contract with a third party contractor for its waste disposal (a copy of a monthly statement for such contractor has been delivered to Company before the date hereof) which disposal is and has been conducted in compliance with all applicable laws. Neither Seller nor any of its employees or agents has received any notice of violation of or non-compliance with any federal, state or local law concerning health or the protection of the environment, nor does Seller have any knowledge of the disposal or dumping of any hazardous substances, wastes or petroleum, of any pollution or contamination at any property or premises owned or operated, whether presently or in the past, by Seller.

6. Compliance with Law. Neither Seller nor Seller's Shareholders are or have been in default under or in violation of any applicable statute, law, ordinance, decree, order, rule, regulation, franchise, permit or license of any governmental body, authority or agency having authority over it and neither Seller's Shareholders nor Seller has received any notice of violation

of any of the foregoing. With respect to the hiring, working conditions, promotion, discharge, discipline and rates of pay of each of Seller's employees, Seller is not and has not violated any federal, state or local law, executive order or regulations. There are no employment discrimination claims, proceedings or investigations of any kind pending or threatened against Seller. Seller does not know any pending legislation that would have a material effect on the Business or the transactions contemplated by this Agreement or the Ancillary Documents.

7. Title to Assets; Sufficiency of Assets. Seller has good and marketable title to all of the Acquired Assets, all of which are free and clear of any Liens. The Acquired Assets include all of the fixtures, leasehold improvements, computers, equipment and other tangible and intangible assets necessary for or used in the conduct of the business of Seller and the Business as now conducted and are in good condition and repair, ordinary wear and tear excepted, and are usable in the ordinary course of business. There are no defects in such assets or other conditions relating thereto which materially and adversely affect the operation or value of such assets. Seller owns, or leases under valid leases, all buildings, leasehold improvements, computers, equipment and other tangible assets necessary for or used in the conduct of the business of Seller and the Business as now conducted.

8. Real Property.

(a) Schedule 3.8(a)(i) describes all real property owned by Seller (the "Owned Property"). Seller owns good and clear record, marketable and insurable fee simple title to the Owned Property free and clear of all Liens other than the Liens set forth on Schedule 3.8(a)(ii). Except as set forth on Schedule 3.8(a)(ii): (i) no portion of the Owned Property is subject to any pending condemnation proceeding or other proceeding by any public or quasi-public authority and, to the knowledge of Seller, there is no threatened condemnation or other such proceeding with respect to it; and (ii) there are no outstanding options, rights of first offer or rights of first refusal to purchase the Owned Property or any portion thereof or interest therein.

(b) Schedule 3.8(b) sets forth a list of all real property leased by Seller as a lessee of real property (the "Leased Property"), and together with the Owned Property, the "Real Property"). The real property lease agreements set forth on Schedule 3.8(b) are hereinafter referred to as "Leases." Seller has delivered to Company before the date hereof a true and correct copy of each of the Leases. No event has occurred that, with notice or lapse of time, would constitute a breach or default or permit termination, modification or acceleration under any of the Leases. Except as is set forth on Schedule 3.8(b), none of the Leases will be terminated or become terminable as a result of any of the transactions contemplated hereby and each of said Leases, upon the assignment thereof from Seller to Company, shall continue to be legal, valid, binding and enforceable and in full force and effect on identical terms after the Closing Date. Seller has not sublet, as sublessor, licensor or the like, any of the Leased Property other than as acknowledged in such Leases. Each Lease is legal, valid, binding, enforceable and in full force and effect.

(c) The zoning for the Real Property permits the presently existing improvements and the continuation of the business presently being conducted thereon as a conforming use. Seller has not received any notice of any violation of any applicable zoning ordinance or other law relating to the operation of any Real Property, nor any notice of any condemnation or eminent domain proceeding concerning any of the Real Property. The Real Property complies in all material respects with the Americans with Disabilities Act of 1990. To the knowledge of Seller, there is no action pending before any governmental entity to change the zoning or building ordinances or any other laws affecting the Real Property.

(d) To the knowledge of Seller, there are no improvements made or contemplated to be made by any public or private authority, the costs of which are to be assessed as special taxes or charges against any of the Real Property. There are no present assessments against the Real Property.

(e) The parties acknowledge and agree that the consummation and Closing of the transaction contemplated under this Agreement is contingent upon the execution of a certain Real Estate Purchase Agreement by and between ABC Properties, LLC (which is an entity under common control as to Seller) and XYZ Holding, LLC. In the event the aforementioned business entities are unable to consummate the Real Estate Purchase Agreement as of the Closing, any Party may cancel this Agreement at their sole option.

9. Litigation. There is no (and during the three years preceding the date hereof there has not been any) suit, arbitration, claim, investigation, action or proceeding now pending or, to the knowledge of Seller, threatened, before any court, arbitrator, administrative or regulatory body, or any governmental agency to which Seller is a party. No judgment, order or decree has been entered against the Seller or the Business and there have been no disciplinary, revocation or suspension proceedings or similar types of claims, actions, proceedings, hearings or investigations against Seller or the Business and, to the knowledge of Seller, none of the foregoing is threatened.

10. Consents. Except as is set forth on Schedule 3.10 (the "Required Consents"), Seller is not required to obtain any consents or other approvals from any governmental agency or other person or entity (including its directors or stockholders or any lessor, client, supplier or lender) as a result of the transactions contemplated hereby.

11. Taxes. Seller has properly filed all required federal, state and local tax returns or reports relating to its business, and has paid all taxes (including any penalties and fines) due with respect thereto. Each such return and the information contained therein together with the calculations of each item of income, expense, credit or carry forward have been consistent with Seller's books and records, are true, correct and complete in all material respects, and are in accordance with the applicable sections of the Code and/or applicable state or local tax statutes, rules, regulations and ordinances. Seller has no federal, state or local tax liabilities other than those reflected on the aforesaid tax returns concerning the periods covered by said tax returns. No audit of any federal, state or local tax return of Seller is in progress or pending, and no waiver of any statute of limitations has been given and is in effect concerning the assessment of any taxes against Seller or any of Seller's properties or assets. No claim has been made by an authority in a jurisdiction where Seller does not file tax returns that it is or may be subject to taxation by that jurisdiction. True, correct and complete copies of the federal and state income tax returns and unemployment compensation tax returns, and all attachments, schedules and exhibits thereto (as amended) for Seller for the three prior calendar years have been delivered to Company before the date hereof.

12. Proprietary Rights.

(a) Seller has the right to use the Proprietary Names within the State of Michigan via the corporate registration of the Proprietary Names with the Department of Licensing and Regulatory Affairs, Corporations Division, of the State of Michigan.

(b) All of the computer software used by or for Seller in the conduct of the Business (the "Software") is either (a) owned by Seller free and clear of all Liens or (b) used by Seller under a fully-paid license granted to Seller by a third party under the terms of such license. No such computer software license shall terminate or become terminable as a result of the

transactions contemplated herein. No infringement suits are pending or threatened against Seller concerning any of the Software, and, to the knowledge of Seller, no fact or condition exists which could give rise to any such infringement suit.

13. Insurance. Seller has obtained and maintained in full force and effect insurance to protect Seller and the Business against the types of liabilities, including errors and omissions and products liability coverage customarily insured against by business in connection with the operation of similar operations as the Business, and all premiums due on such policies have been paid. Seller has complied with the provisions of all such policies. Seller has made available to Company complete and correct copies of all such policies, together with all riders and amendments thereto. Schedule 3.14 sets forth a complete and correct list of all such insurance policies maintained within the last 2 years by Seller as well as a list of all claims, actions or proceedings asserted against Seller during the past 5 years.

14. Licenses and Permits. Schedule 3.14 correctly describes each governmental license, operating authority and permit material to the ownership or use of the Acquired Assets or the conduct of the Business and the use of Seller's assets and property, together with the name of the government agency or entity issuing such license, operating authority or permit. Such licenses, operating authorities and permits are valid and in full force and effect and, except as set forth on Schedule 3.14, all of such licenses, operating authorities or permits shall transfer to Company on the Closing Date with none being terminated or becoming terminable as a result of any of the transactions contemplated hereby.

15. Employee Benefits.

(a) Except as disclosed on Schedule 3.15(a) (the "Employee Plans"), Seller does not maintain or otherwise contribute to or have any liability concerning any "employee pension benefit plan" or "employee welfare benefit plan" as defined in the Employee Retirement Income Security Act of 1974, as amended ("ERISA"), which covers or covered any current or former employee of Seller.

(b) No employee of Seller will become entitled to any bonus, retirement, severance or similar benefit or enhanced benefit as a result of the transactions contemplated by this Agreement. Seller has not had and, to the knowledge of Seller, is not expected to have, any liability under Title IV of ERISA.

(c) Schedule 3.15(c) correctly identifies each agreement, policy or plan, whether written or oral, to which Seller is a party or by which Seller is bound, which is or relates to a pension, option, employment, bonus, retirement, stock or membership interest purchase, profit sharing, severance pay, insurance or fringe benefit plan, policy or arrangement other than the Employee Plans. A true, correct, and complete copy of each such agreement, policy or plan has been furnished to Company by Seller before the date hereof.

16. Guarantees. Seller is not a guarantor or indemnitor or otherwise liable for or in respect to any indebtedness of any person except as an endorser of checks received by it and deposited in the ordinary course of business.

17. Organization and Standing; Authorization; Binding Effect. Seller is a corporation duly organized and validly existing under the laws of the State of Michigan, and has full power and authority to own its properties, carry on its business as presently conducted and enter into and perform its obligations under this Agreement and any other documents or instruments contemplated by this Agreement to which it is a party (collectively with any other documents or instruments contemplated by this Agreement to which any of Seller's Shareholders

are a party, the "Ancillary Documents") and to consummate the transactions contemplated hereby and thereby. The execution, delivery and performance of this Agreement and the Ancillary Documents and the consummation of the transactions contemplated hereby and thereby by Seller have been duly authorized by all necessary action on the part of Seller (including any board of directors or manager or member or stockholder approval). This Agreement and each Ancillary Document has been duly executed and delivered by Seller, and constitute legal, valid, and binding obligations of Seller enforceable against Seller under their respective terms, except as may be limited by applicable bankruptcy, insolvency, reorganization, moratorium or similar laws, relating to or limiting creditors' rights generally and subject to the availability of equitable remedies.

18. No Conflicts. The execution, delivery and performance of this Agreement and the Ancillary Documents and the consummation of the transactions contemplated hereby and thereby by Seller will not (a) violate any provision of or result in the breach of, or entitle any party to accelerate (whether after the giving of notice or lapse of time or both) any obligation under, any organizational document, Lien, lease, contract, license, instrument or any other agreement to which Seller is a party, (b) result in the creation or imposition of any Lien upon any property of Seller or (c) violate or conflict with any order, award, judgment or decree or other restriction or any law, ordinance or regulation to which Seller or the property or assets of Seller is subject.

19. Agreements. Except as is set forth on Schedule 3.19, Seller is not a party to, or otherwise bound by, any written or oral:

- (a) agreement involving more than \$10,000 with any supplier, contractor or customer;
- (b) agreement for the future acquisition of fixed assets or for the future acquisition of materials, supplies or equipment over its customary operating requirements;
- (c) agreement for the employment or engagement of any officer, employee, consultant, independent contractor or other person;
- (d) agreement relating to indebtedness, including the borrowing of money, or to the placing of a Lien on, any asset of Seller;
- (e) guaranty or assumption of any obligation for borrowed money or otherwise;
- (f) agreement under which Seller has advanced or agreed to advance money or has agreed to lease any property as lessee or lessor;
- (g) assignment, license or other agreement concerning any form of intellectual property or other intangible property;
- (h) agreement under which it has limited or restricted its business activities, including the right to compete with any person in any respect;
- (i) other agreement involving more than \$10,000 or continuing over more than six months from the date or dates thereof (including renewals or extensions optional with another party), which agreement is not terminable by Seller without penalty upon notice of 30 days or less;
- (j) agreement with any corporation, professional limited liability company or other entity;
- (k) management or services agreement;

- (l) agreement with any governmental authority;
- (m) agreement for any laboratory, diagnostic or testing services, products, supplies or equipment; or
- (n) any other agreement that is material to Seller or the Business.

Seller has in all material respects performed all of the obligations required to be performed by it under each of the agreements set forth or required to be set forth on Schedule 3.19 (each a "Material Agreement") to which Seller is a party or by which it is bound (or has received a valid, enforceable and irrevocable written waiver concerning any nonperformance), has not received any notice of default, and is not in default under any Material Agreement to which Seller is a party or by which it is bound. Seller has no knowledge of any breach or anticipated breach by any other party to any Material Agreement to which Seller is a party. Each Material Agreement is legal, valid, binding, enforceable and in full force and effect.

20. Brokers and Finders. Seller represents and warrants: that (a) M&A Adviser represents Seller relative to the transaction contemplated under this Agreement and a certain Real Estate Purchase described under Section 3.8(d) hereof, that (b) Seller is solely responsible for paying its commission to M&A Adviser under a separate written agreement by and between Seller and M&A Adviser, and that (c) Seller agrees to indemnify and hold harmless Company against any fee, loss, or expense arising out of any claim by M&A Adviser as a result of such representation. Notwithstanding the foregoing, neither Seller nor Seller's Shareholders have engaged or authorized any other broker, finder, advisor, investment banker or other third party (other than attorneys and accountants) to act on Seller's or any of Seller's Shareholders' behalf, either directly or indirectly, as a broker, finder, or advisor in connection with the transactions contemplated hereby and therefore no liabilities or obligations shall result therefrom.

21. Business Records. No Business Records or other material records related to the Acquired Assets or the Business have been destroyed within the last five years, and, to the knowledge of Seller, except for the Excluded Assets, there exists no such records other than those records delivered by Seller to Company at or before the Closing.

22. Capitalization; Subsidiaries.

(a) Seller's Shareholders are the sole record and beneficial owners of all of the equity interest of the Seller, free and clear of all Liens. All of the issued and outstanding equity interest of Seller has been duly authorized and validly issued, is not subject to preemptive rights, transfer restrictions or rights of first refusal created by statute, the certificate of incorporation of Seller or any agreement by which Seller or any of Seller's Shareholders is a party or is bound, and have been issued and sold by the Seller in compliance with all applicable securities Laws. No subscription, warrant, option, convertible security or other right (contingent or otherwise) to purchase or acquire from Seller any equity interest of Seller is authorized or outstanding, Seller has no obligation (contingent or otherwise) to issue any subscription, warrant, option, convertible security or other such right and Seller has no obligation or right (contingent or otherwise) to purchase, redeem, or otherwise acquire any equity interests of Seller or any interest therein or to pay any distribution in respect thereof. Neither Seller nor Seller's Shareholders are or were party to any voting trust, proxy, or other agreement or understanding between or among any parties that affects or affected, or relates or related to, the voting or giving of written consent, or restrictions on transfer, concerning the equity securities of Seller.

(b) Seller does not have and has never had any subsidiaries or own or hold the right to acquire any equity security or interest in another entity.

23. Interests of Related Parties. No officer, manager, director, employee, equity holder or affiliate of Seller or Seller's Shareholders, or to the Seller's knowledge, any member of such officer's, manager's, director's, employee's, equity holder's or affiliate's immediate family, or any person or entity controlled by such officer, manager, director, employee, equity holder or affiliate or his or her immediate family: (a) owns or has owned, directly or indirectly, any equity or other financial or voting interest in any competitor, supplier, licensor, lessor or independent contractor of Seller; (b) owns or has owned, directly or indirectly, or has or had any interest in any Acquired Asset; or (c) is a party to any Assumed Contract or transaction with Seller.

24. Labor Matters. The number of full-time and part-time employees of Seller as of the date hereof has been provided to Company. Seller generally enjoys good employer-employee relationships. Seller is not delinquent in payments to any of its employees for any wages, salaries, commissions, bonuses or other direct compensation for any services performed for Seller or the Business as of the date hereof or amounts required to be reimbursed to such employees. Seller is and heretofore has complied in all material respects with all applicable Laws and regulations respecting labor, employment, fair employment Practices, terms and conditions of employment, occupational safety and health, and wages and hours. There are no charges of employment discrimination or unfair labor Practices pending or, to the knowledge of Seller, threatened against or involving Seller.

25. Disclosure. No representation or warranty made by Seller or Seller's Shareholders in this Agreement or in any of the Ancillary Documents, contains or will contain any misrepresentation of a material fact or omits or will omit to state a material fact necessary to make the statements contained herein or therein not misleading.

26. Valid Authorization. Each Seller's Shareholder is competent and has full power, capacity and authority to enter into this Agreement and the Ancillary Documents to which such Seller's Shareholder is a party and to carry out his or her obligations hereunder and thereunder. This Agreement and the Ancillary Documents executed and delivered at the Closing by Seller's Shareholders have been duly and validly executed and delivered by Seller's Shareholders and constitute the valid and binding agreement of Seller's Shareholders enforceable against Seller's Shareholders under their terms, except as may be limited by applicable bankruptcy, insolvency, reorganization, moratorium or similar laws, relating to or limiting creditors' rights generally and subject to the availability of equitable remedies.

27. No Conflicts. The execution, delivery and performance of this Agreement and the Ancillary Documents and the consummation of the transactions contemplated hereby and thereby by Seller's Shareholders will not (a) violate any provision of or result in the breach of or entitle any party to accelerate (whether after the giving of notice or lapse of time or both) any material obligation under any Lien, lease, contract, license, instrument or any other agreement to which any of Seller's Shareholders are a party, (b) result in the creation or imposition of any Lien upon any property of any Seller's Shareholder or (c) violate or conflict with any order, award, judgment or decree or other restriction or any law, ordinance or regulation to which Seller's Shareholders or the property or assets of any Seller's Shareholder is subject.

28. No Competing Interests. None of Seller's Shareholders act or serve, directly or indirectly, as a principal, agent, independent contractor, consultant, director, officer, employee, employer or advisor or in any other individual or representative capacity with or for, or own any direct or indirect ownership interest in or otherwise conduct (whether as stockholder, partner, investor, joint venturer, landlord or as owner of any other type of interest), any business engaged in the design and manufacturing business or provision of design and manufacturing services within the State of Michigan, other than at the Business location set forth on Schedule A.

29. Litigation. There is no action, suit, claim, proceeding, or investigation pending or threatened against or involving a Seller's Shareholder or his, her or its respective assets or properties in a matter that would adversely affect any Seller's Shareholder's ability to perform his or her obligations under this Agreement or the other Ancillary Agreements, and none of Seller's Shareholders know any reasonable basis for any party to bring a claim related to the foregoing.

30. Independent Advice. Each of Seller and each Seller's Shareholder has received independent legal and tax advice relating to the transactions contemplated in this Agreement and has not relied on any statements, assurances, or information from Company or its representatives relating to the legal and tax effects of such transactions.

31. Organization, Standing and Corporate Authority. Company is a limited liability company duly organized, validly existing and in good standing under the laws of the State of Michigan and has full corporate power and authority to enter into and perform this Agreement and the Ancillary Documents to which Company is a party and consummate the transactions contemplated hereby and thereby. The execution, delivery and performance of this Agreement and the Ancillary Documents to which Company is a party and the consummation of the transactions contemplated hereby and thereby by Company have been duly authorized by all necessary corporate action and this Agreement and each Ancillary Document to which Company is a party is a valid and binding agreement of Company, enforceable under their respective terms, except as may be limited by applicable bankruptcy, insolvency, reorganization, moratorium or similar laws, relating to or limiting creditors' rights generally and subject to the availability of equitable remedies.

32. Brokers and Finders. Company (or any entity controlling, controlled by or under common control with Company including but not limited to its designee under Section 1.1 herein, if any) has not engaged or authorized any broker, investment banker or other third party (other than attorneys and accountants) to act on its behalf, either directly or indirectly, as a broker, finder, or advisor in connection with the transactions contemplated hereby and therefore no liabilities or obligations shall result therefrom.

33. No Conflicts. The execution, delivery and performance of this Agreement and the Ancillary Documents to which Company is a party and the consummation of the transactions contemplated hereby and thereby by Company will not (a) violate any provision of or result in the breach of or entitle any party to accelerate (whether after the giving of notice or lapse of time or both) any material obligation under any organizational documents, Lien, lease, contract, license, instrument or any other agreement to which Company is a party, or (b) violate or conflict with any order, award, judgment or decree or other restriction or any law, ordinance or regulation to which Company is a party or the property or assets of to which Company is subject.