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October 15, 2025

VIA EMAIL: casbym2@michigan.org

Matthew Casby
MSF Fund Manager
Michigan Strategic Fund
300 N. Washington Sq.
Lansing, Michigan 48913

Re: Gotion, Inc. / Michigan Strategic Fund

Dear Mr. Casby:

I represent Gotion, Inc. (“Gotion”) with respect to its Green Charter Township investment in Michigan (the “Project”), and Gotion is in receipt of your letter dated September 17, 2025, wherein the Michigan Strategic Fund (“MSF”) incorrectly alleges that Gotion is in default of its obligations under Section 6.1(h) of the Critical Industry Program Grant Agreement effective September 15, 2023 (the “CIF Agreement”). Please forward this letter to the MSF’s legal counsel for proper handling.

To be candid, Gotion was shocked to receive your letter, which came without provocation or warning. It is even more surprising that the state of Michigan suggests that Gotion has “abandoned” the Project considering the immense challenges that Gotion has experienced in Michigan. These well-documented challenges, false accusations, and politically motivated attacks were not through any actions or inactions by Gotion, but solely due to racist and ethnically charged stereotypes that led Green Charter Township to breach the parties’ Development Agreement. The suggestion that Gotion abandoned this Project is utterly false; it was instead the community that the state of Michigan led Gotion to that abandoned this Project. We are disappointed that the State and the MSF have initiated such action in light of these facts and, notwithstanding Gotion’s inability to proceed with this Project due to Green Charter Township’s brazen and intentional breach of the Development Agreement, Gotion remains committed to its obligations in Michigan. This is true, even if the local community and its governing board have no intention of allowing Gotion to develop the Project in Green Charter Township.

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Putting aside for a moment that it was the actions of the local governing boards who did an “about face” on the Project (after previously welcoming Gotion), your letter misinterprets Section 6.1(h) and (i) of the CIF Agreement and for that reason the underlying premise of your letter’s accusation, that Gotion has abandoned the Project, is plainly incorrect. As you know, Section 6.1(h) states that an “Event of Default” includes: “(h) *any voluntary Abandonment of the Project by the Company.*” The capitalized word, “*Abandonment*” is defined as “*the Company’s cessation of Eligible Expense activities or battery component production at the Project Site, as applicable, at the Property for a period of one hundred twenty (120) consecutive days.*” (emphasis added).

Curiously, your letter only includes the quoted language from Section 6.1(h) that refers to a cessation of “Eligible Expense activities.” In doing so, you do not describe which Eligible Expense Activities you are referring to and you make no attempt to establish whether this statement is true. In fact, I assume your conclusion was made without ever actually evaluating whether the statement was true. In point of fact, the definition of “Eligible Expense activities” is actually quite broad and includes any “capital expenditures” related to the Project, which as I describe below includes not only professional fees paid by Gotion within the last 120 days, but costs and expenses related to the property, including property taxes, maintenance fees and utility costs.

More importantly, however, you completely ignore the fact that Section 6.1(h) also includes a much broader category of activities related to “battery component production.” While the term “battery component production” is not defined in the CIF Agreement, clearly the term is intended to be different from the list of activities that might qualify as eligible expenses. This additional clause was certainly included to encompass a much broader category of activities that related to the overall development of the site and that are not specifically “Eligible Expense activities.” In other words, any activities that further the goals of developing a “battery component production” facility are demonstrative of activities that evidence non-abandonment.

Even more notable is the fact that Section 6.1(h) uses the word “voluntary Abandonment” and, again, your letter neglects to acknowledge the entire meaning of these provisions. It should be quite clear to any person associated with this Project that Gotion has made significant effort to continuously proceed with developing a “battery component production” facility since the state and local partners incentivized it. In fact, Gotion has incurred hundreds of thousands of dollars over the last year, including the last 120 days, in pursuing its development of a “battery component production” Project in Michigan and, but for the actions of the local governments that once supported the Project, Gotion’s construction of its facility would be well underway. Moreover, there are countless statements in the public record wherein Green Charter Township and Mecosta County have made it clear that they have no intention of allowing Gotion to proceed with this Project and that Green Charter Township has even gone so far as to say that the parties’ Development Agreement is not legally binding. Despite all of this, Gotion has continued with plans to construct a “battery component production” facility. In fact, its current litigation

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against Green Charter Township, where Gotion is asking the court to enforce the Development Agreement between the parties, is unambiguous evidence of its intent to not abandon this project. As you know, the lower federal court has found that Gotion has a strong likelihood of success on the merits of its case. Certainly, if Gotion is willing to invest hundreds of thousands of dollars to protect its legal rights in the Project, this should satisfy the subjective bar of non-abandonment in the CIF Agreement.

Your letter's assertion that Section 6.1(i) describes another Event of Default is equally suspicious and misplaced. Section 6.1(i) provides: "*[I]n the event there is any suit or proceeding pending or threatened by or before any court. . . during the Term which would reasonably be expected to have a material adverse effect on the Project or the Grantee's performance of its obligations under the [CIF Agreement]; provided if curable, the Company shall have the opportunity to cure this Event of Default to the satisfaction of the MSF Fund Manager within the Cure Period.*" While you cite to the litigation involving Gotion and Green Charter Township (a lawsuit that has been pending for over a year), your letter is woefully inadequate in describing in any manner how this litigation has a "material adverse effect on the Project." You simply conclude that it does, without any explanation. While Section 6.1(i) may be subjective and ambiguous, you have not even attempted to explain how the litigation has adversely impacted the Project; therefore, there is no way to cure this Event.

Moreover, as you are undoubtedly aware, this litigation is the result of Green Charter Township's breach of the Development Agreement between the parties. This litigation was again not due to any actions or inactions by Gotion. The Development Agreement and the Township's (as well as Mecosta County's) cooperation are fundamental expectations of any developer looking to construct a large industrial project in the state. In fact, the Michigan Economic Development Corporation and the MSF depend on local governments to support these Projects, and local governments are vetted by the State before a site is introduced to the potential Project developer. Highly incentivized projects in Michigan do not typically proceed unless the local government supports the Project, as occurred in this Project. And, the State does not introduce a community unless all of the local and state partners are fully in support of the project, as they were in this Project. To now have the local government (which was presumably vetted by the State) withdraw its support out of anti-Chinese animus, refuse to honor the Development Agreement it signed, force a lawsuit over that Agreement, and then have the State rely on that lawsuit to withdraw its own support is not only astounding but certainly chilling to any future foreign investment in the State. This is especially extraordinary since it was the state of Michigan that attracted Gotion to this site and it was the MSF that supported this Project in the same Township that now refuses to abide by its own Development Agreement at the expense of its taxpayers.

For these reasons, Gotion adamantly disagrees with the State's interpretation of the Events of Default section of the CIF Agreement. To the extent that there has been delay on this Project, it is due solely to the actions of Green Charter Township. It is unfortunate that the State

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has forgotten it attracted Gotion to this site in the first place, supported it with incentives and has now, itself, decided to call it quits. Nonetheless, due to the continuing barrage of attacks that Gotion has had to endure at this site, the fact that Green Charter Township has no intention to allow this Project to proceed, we suggest that a more prudent course of action is for the State to suspend its Notice of Default for six (6) months so that all interested parties can have an open and candid discussion about the viability of the Project and the long-term plan for this site. Gotion has invested millions of dollars to move forward with this site, but if neither the local governments nor the state of Michigan will support the Project, then all stakeholders should be involved in a solution-based conversation. We invite the state to take an active role in resolving this matter.

Very truly yours,



Mark V. Heusel
Equity Member and East Asia Practice Group Chair
Dickinson Wright, PLLC

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