

**UNITED STATES BANKRUPTCY COURT
FOR THE SOUTHERN DISTRICT OF NEW YORK**

In re:)	Chapter 11
GARRETT MOTION INC., <i>et al.</i> , ¹)	Case No. 20-12212 (MEW)
Debtors.)	(Jointly Administered)

**LIMITED OBJECTION AND RESERVATION OF RIGHTS OF
CATERPILLAR INC. IN CONNECTION WITH DEBTORS’ FINANCING
MOTION**

1. Caterpillar Inc. (“Caterpillar”) respectfully submits this limited objection and reservation of rights in connection with the financing motion filed by Garrett Motion Inc. and certain of its debtor affiliates (collectively, “Garrett”).

2. Garrett supplies Turbochargers and other products to Caterpillar (collectively, the “Products”). In connection with its supply of the Products, Garrett uses certain tooling provided and owned by Caterpillar (collectively, the “Tooling”).

3. As set forth in the Tooling Bailment Agreement dated July 15, 2014 between Caterpillar and Honeywell International Inc. (the predecessor to debtor Garrett Motion Inc.), Caterpillar “retain[s] full title to and ownership of the Tooling.” Tooling Bailment Agreement, ¶ 2. Additionally, under the Tooling Bailment Agreement, Garrett must keep the Tooling “free and clear of all liens, claims, and encumbrances. . . .” *Id.*, ¶ 4. A true and correct copy of the Tooling Bailment Agreement is attached hereto as Exhibit A.

¹ The last four digits of Garrett Motion Inc.’s tax identification number are 3189. Due to the large number of debtor entities in these Chapter 11 Cases, for which the Debtors have been granted joint administration, a complete list of the Debtors and the last four digits of their federal tax identification numbers is not provided herein. A complete list of such information may be obtained on the website of the Debtors’ proposed claims and noticing agent at <http://www.kccllc.net/garrettmotion>. The Debtors’ corporate headquarters is located at La Pièce 16, Rolle, Switzerland.



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3. Because Caterpillar owns the Tooling, Garrett cannot pledge, encumber, or otherwise offer it as security in connection with any debtor in possession financing entered into in these cases (in each instance, a “DIP Financing”), and Caterpillar objects to (i) any purported pledge, encumbrance, or other offering of the Tooling as part of any DIP Financing; and (ii) any other aspect of any DIP Financing that purports to impair Caterpillar’s rights in any way.

4. Caterpillar objects to any DIP Financing that purports to pledge, encumber, or otherwise offer the Tooling as security therefore, and expressly reserves the right to raise any and all additional claims, defenses, and legal arguments it may have in these cases.

New York, New York
Dated: September 30, 2020

Respectfully submitted,

DORSEY & WHITNEY LLP

/s/ Samuel S. Kohn
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Attorneys for Caterpillar Inc.

Exhibit A

Tooling Bailment Agreement

[Attached]

TOOLING BAILMENT AGREEMENT

This Tooling Bailment Agreement (“Agreement”) is entered into by and between Caterpillar Inc., a Delaware corporation with principal offices in Peoria, Illinois (“Bailor”) and Honeywell International Inc. by and on behalf of its Turbo Technologies business and all of its affiliates in which it owns, directly or indirectly, of a majority of such entity’s equity or some other interest entitling or otherwise allowing it to direct the affairs of such entity, specifically including without limitation, any and all subsidiaries and affiliates of which either party owns, directly or indirectly, fifty percent (50%) or more of the voting securities (“Bailee”). Bailor hereby agrees to lend from time to time items (“Tooling”), which may or may not be listed on a tooling detail form, tooling detail log, or other document of similar effect (“Tooling List”), to Bailee, on the terms and conditions set forth below; the Bailee, in consideration for such bailment, hereby accepts and agrees to such terms and conditions.

1. The term of this Agreement shall be for an indefinite period of time; provided, however, that Bailor may terminate the bailment at any time upon written notice to Bailee. If, for any reason, Bailor terminates this Agreement, Bailee hereby agrees that Bailor may, in its discretion, upon reasonable notice but without legal process, enter the premises where the Tooling may be and take possession thereof, whether at Bailee’s premises or its supplier(s).
2. Bailor shall retain full title to and ownership of the Tooling. Bailee or its supplier(s), shall have exclusive possession of and control over the Tooling, and Bailee shall assume full responsibility and risk of loss for the Tooling and its use. Bailee agrees not to remove or allow the removal of the Tooling from its premises or at its supplier(s)’ premises without Bailor’s prior written approval.
3. Bailee accepts and shall cause its supplier(s) to accept the Tooling “AS IS, WHERE IS.” Bailor makes no warranties, express or implied, with respect to the Tooling, and Bailor expressly disclaims all warranties, INCLUDING ANY WARRANTY OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE. Bailee acknowledges and shall cause its supplier(s) to acknowledge that Bailor has not made and does not hereby make any representation, warranty, or covenant with respect to the title, merchantability, condition, quality, description, durability, or suitability of the Tooling in any respect or in any connection with or for the purposes and uses of Bailee. Bailor hereby assigns to Bailee during the term of this Agreement all of Bailor’s rights under applicable manufacturers’ warranties with respect to the Tooling.
4. Bailee shall not assign and shall cause its supplier(s) not to assign this Agreement or any interest therein, and Bailee shall not lease, assign, loan or sell and shall cause its supplier(s) not to lease, assign, loan or sell any of the Tooling or any interest therein, without Bailor’s prior written consent. In addition, Bailee shall keep the Tooling free and clear of all liens, claims, and encumbrances during the term of this Agreement.
5. Bailee agrees to be solely responsible for the installation of the Tooling and for any and all devices necessary for the proper operation and use of the Tooling, and shall be responsible for training operators and others as necessary in the proper operation, use, application and maintenance of the Tooling. Bailor expressly disclaims any and all responsibility with respect to such matters.
6. Bailee agrees to be solely responsible for proper maintenance and repair of the Tooling, and shall maintain the Tooling in good order and condition, save normal wear and tear. In this regard, Bailee’s responsibility shall include complete compliance with all manufacturers’ instructions regarding maintenance, recall and product improvement. Bailee shall not alter the Tooling and

shall not affix or connect any accessory tooling or device to the Tooling, if such alteration or addition would impair or reduce the value of such Tooling or would impair the safe use, operation or application of the Tooling.

7. Bailee shall use and shall cause its supplier(s) to use the Tooling exclusively in connection with work performed for Bailor, unless Bailor agrees otherwise in writing.
8. Bailee shall indemnify, defend, save and hold harmless Bailor, its subsidiaries, affiliates, directors, officers, employees, representatives, agents and successors and assigns, from and against any and all claims, demands, losses, suits and judgments and all costs and expenses in connection therewith, including attorneys' fees, arising out of or in any way related to the Tooling, this Agreement, or any other property of Bailor provided to Bailee or its supplier(s), even if not identified on a Tooling List and including without limitation, any of the foregoing involving allegations of negligence on the part of Bailor or any theory of Bailor's strict liability in tort.
9. Bailee, at its expense, shall keep the Tooling insured against all risks of direct physical loss and for not less than its full insurable value, and shall maintain Commercial General Liability Insurance (Occurrence Coverage) including products, completed operations and contractual liability coverage of indemnities contained in this Agreement, with a minimum combined single limit of liability of Two Million Dollars (\$2,000,000) per occurrence for bodily injury or death and property damage, throughout the entire term of this Agreement. The limit set forth is a minimum limit and shall not be construed to limit Bailee's liability. All cost and deductible amounts shall be for the sole account of Bailee. All such policies shall name Bailor as an additional insured per ISO Endorsement CG2010 (or its equivalent), shall be primary, without right of contribution from any other insurance carried by Bailor, and shall waive subrogation rights in favor of Bailor and shall provide that such policy may not be canceled or altered so as to affect the interest of Bailor without at least thirty (30) days' prior written notice to Bailor. All policies covering loss or damage to the Tooling shall name Bailor as loss payee and shall be payable solely to Bailor. Insurers must have a minimum rating of AVII (A7) as evaluated by the most current A.M. Best Rating Guide. Prior to receipt of the Tooling, Bailee shall deliver to Bailor, in form and substance satisfactory to Bailor, evidence of such insurance coverage.
10. Bailee agrees and shall cause its supplier(s) to agree to execute any documents as may be required by Bailor to reflect Bailor's ownership of the Tooling. While the Tooling remains in the possession or control of Bailee or its supplier(s), Bailee shall ensure that at all times the Tooling clearly displays signs or markings attached thereto evidencing Bailor's ownership of the Tooling.
11. Bailor shall have the right (but not the obligation) at all reasonable times to inspect the Tooling and observe its use. Bailor assumes no responsibility and waives no rights as a result of any such inspection or observation, or decision not to inspect or observe.
12. With the exception of those items that have been worn out or used up in the normal course of use, and with the exception of those items Bailor agrees have become obsolete, Bailee agrees at Bailor's expense to return (including removing, crating, loading and delivering) the Tooling to Bailor's facility or another reasonable mutually agreed location, upon termination of this Agreement. Prior to such return, Bailee and Bailor shall agree upon a list of those worn out and obsolete items to be scrapped for Bailor's account. During the term of this Agreement, Bailee shall be responsible for all costs and expenses in moving or transporting the Tooling, except where such movement or transport is initiated upon Bailor's request, in which case the costs shall be to the Bailor's account.

13. When written notice is required by this Agreement, it shall be sent by certified mail, by courier, or by such method as shall permit the sender to verify delivery, to the addresses set forth below:

For Bailor:

Caterpillar Inc.
100 N.E. Adams Street
Peoria, Illinois 61629
Attn: Brad Collier
Fax: () _____
E-mail: Collier-Brad-D@cat.com

For Bailee:

Honeywell Turbo Technologies
9355 Delegate's Row _____
Indianapolis, IN 46240 _____
Attn: Thaise Silveira
Fax: () _____
E-mail: thaise-nanette-silveira@honeywell.com

With a copy to:

Caterpillar Inc.
100 N.E. Adams Street
Peoria, Illinois 61629
Attn: Senior Vice President and
Chief Legal Officer
Fax: (309) 675-6620

Written notice may also be sent by facsimile or electronic mail ("e-mail") to the numbers listed above, but such notice shall not be effective unless the sender receives a return facsimile or e-mail acknowledging receipt of the notice. Notice shall be deemed received when actually delivered to the recipient as demonstrated by postal records. Facsimile or e-mail notice shall be deemed received upon receipt by the sender of an acknowledgment as described. The addresses and transmittal numbers set forth above can be changed only by written notice that complies with the requirements of this section.

14. The parties have participated jointly in the negotiation and drafting of this Agreement. In the event an ambiguity or question of intent or interpretation arises, this Agreement shall be construed as if drafted jointly by the parties and no presumption or burden of proof shall arise favoring or disfavoring any party by virtue of the authorship of any of the provisions of this Agreement.
15. This Agreement is the only agreement between the parties with respect to the Tooling and it may not be modified, extended, canceled or rescinded except in a writing signed by the parties. This Agreement replaces and supersedes all other agreements between the parties concerning the Tooling. This Agreement shall be construed in accordance with the laws of the State of Illinois, without regard to the conflict of laws provisions thereof.

IN WITNESS WHEREOF, the parties have executed this Agreement by their duly authorized representatives as of the 15 day of July, 2014

Caterpillar Inc. ("Bailor")

By: _____

Name: _____

Title: _____

Honeywell International Inc.

Turbo Technologies

("Bailee") [Signature]
By: _____

Name: Anthony Lodato

Title: Account Director