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UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

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	:
In re:	: Chapter 11
	:
COLLAVINO CONSTRUCTION COMPANY INC.,	: Case No. 14-12908 (MKV)
COLLAVINO CONSTRUCTION COMPANY LIMITED	: Case No. 15-10344 (MKV)
	:
Debtors.	: (Jointly Administered)
	:
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**FIRSTSECOND AMENDED DISCLOSURE STATEMENT FOR FIRSTSECOND
AMENDED CHAPTER 11 PLAN OF LIQUIDATION FOR COLLAVINO
CONSTRUCTION COMPANY LIMITED AND COLLAVINO CONSTRUCTION
COMPANY INC.**

IMPORTANT DATES

- Date by which Ballots must be received: ____, 2016 at 5:00 p.m. Eastern Time.
- Date by which objections to Confirmation of the Plan must be filed and served: _____, 2016 at 5:00 p.m. Eastern Time.
- Hearing on Confirmation of the Plan: _____, 2016 at __:00 a.m. Eastern Time.

THIS IS NOT A SOLICITATION OF ACCEPTANCE OR REJECTION OF THE PLAN. ACCEPTANCES OR REJECTIONS MAY NOT BE SOLICITED UNTIL A DISCLOSURE STATEMENT HAS BEEN APPROVED BY THE BANKRUPTCY COURT. THIS DISCLOSURE STATEMENT IS BEING SUBMITTED FOR APPROVAL BUT HAS NOT BEEN APPROVED BY THE COURT.

TABLE OF CONTENTS

	<u>Page</u>	
I. INTRODUCTION	22	
II. OVERVIEW OF THE PLAN	22	
A. Summary of the Plan.....	22	
B. Classification, Treatment and Estimated Recovery for Each Class Under the Plan	3	Field Code Changed
C. Voting	5	Field Code Changed
D. Confirmation Hearing	66	
E. Recommendation	7	Field Code Changed
III. GENERAL INFORMATION	7	Field Code Changed
A. Capital and Organizational Structure of the Debtors	77	
B. The WTC Contract and the Debtors' Prepetition Performance of Work on the WTC Project	88	
C. The Debtors Incur the WTC Claim and Engage in Prepetition Efforts to Resolve the WTC Claim With the Port Authority	9	Field Code Changed
D. Events Leading to the Filing of the Chapter 11 Cases	1010	
E. CCCL and CCCI Related Party Indebtedness	11	Field Code Changed
F. CCCI's Operations Following the WTC Project	1111	
G. Anticipated Future of the Debtors.....	12	Field Code Changed
IV. THE CHAPTER 11 CASES	12	Field Code Changed
A. Overview	1212	
B. First Day Orders.....	12	Field Code Changed
C. Employment of the Debtor's Professionals	13	Field Code Changed
D. CCCI Committee	13	Field Code Changed
E. Claims Administration	1313	
F. Committee Bankruptcy Rule 2004 Discovery	1717	
G. Exclusivity	1717	
H. Avoidance Actions	18	Field Code Changed
I. Financial Performance During Post-Petition Period.....	18	Field Code Changed

V. SUMMARY SUMMARY OF ISSUES INVOLVING THE DEBTORS AND THE PORT AUTHORITY DURING THE CHAPTER 11 CASES	18	Field Code Changed
A. Adversary Proceeding.....	19	Field Code Changed
B. Bankruptcy Rule 2004 Discovery	19	Field Code Changed
C. The PA Claims.....	20	Field Code Changed
D. Jurisdiction Over the WTC Claim and the PA Claims	20	Field Code Changed
E. Port Authority Mediation and the Plan Settlement	21	Field Code Changed
VI. SUMMARY OF THE PLAN	22	Field Code Changed
A. General.....	22	Field Code Changed
B. Plan Overview.....	22	Field Code Changed
C. Treatment of Claims and Interests	23	Field Code Changed
D. Treatment of Executory Contracts and Unexpired Leases	29	Field Code Changed
E. Distributions and Claims Resolution Provisions	3030	
VII. MEANS OF IMPLEMENTATION OF THE PLAN; EFFECT OF CONFIRMATION	34	Field Code Changed
A. Plan Settlement.	34	Field Code Changed
B. CCCL/Coll-Form Inc. Amalgamation	35	Field Code Changed
C. Transfer of Funds to CCCI Estate.....	35	Field Code Changed
D. Funding of the Plan.....	35	Field Code Changed
E. Process for Liquidation.....	36	Field Code Changed
F. Post Confirmation Corporate Governance.....	36	Field Code Changed
G. Injunction	3737	
H. Discharge and Release of the Debtors, the Estates and the Estate Parties.....	37	Field Code Changed
I. Third Party Release.....	37	
J. Exculpation	3838	
K. Post-Confirmation Jurisdiction of the Court.....	39	Field Code Changed
VIII. CONFIRMATION OF THE PLAN.....	4141	
A. Introduction.....	4141	
B. Conditions to Confirmation and Effective Date	41	Field Code Changed
C. Voting Procedures and Standards	41	Field Code Changed
D. Acceptance.....	4343	

E. Confirmation and Consummation.....	44	Field Code Changed
1. Best Interests of Holders of Claims and Interests.....	45	Field Code Changed
IX. CERTAIN RISK FACTORS TO BE CONSIDERED	52	Field Code Changed
A. Risk That Distributions Will Be Less Than Estimated.....	52	Field Code Changed
1. Objection to Classifications	52	Field Code Changed
X. TAX CONSEQUENCES	53	Field Code Changed
XI. CONCLUSION.....	5454	

THIS DISCLOSURE STATEMENT AND ITS RELATED DOCUMENTS ARE THE ONLY DOCUMENTS AUTHORIZED BY THE COURT TO BE USED IN CONNECTION WITH THE SOLICITATION OF VOTES.

THIS DISCLOSURE STATEMENT CONTAINS ONLY A SUMMARY OF THE PLAN, AND IS NOT INTENDED TO REPLACE A CAREFUL AND DETAILED REVIEW AND ANALYSIS OF THE PLAN, BUT TO AID AND SUPPLEMENT SUCH REVIEW. THIS DISCLOSURE STATEMENT IS QUALIFIED IN ITS ENTIRETY BY REFERENCE TO THE MORE DETAILED PROVISIONS SET FORTH IN THE PLAN. IN THE EVENT OF A CONFLICT BETWEEN THE PLAN AND THE DISCLOSURE STATEMENT, THE PROVISIONS OF THE PLAN WILL GOVERN. ALL HOLDERS OF CLAIMS ARE ENCOURAGED TO REVIEW THE FULL TEXT OF THE PLAN AND TO CAREFULLY READ THIS ENTIRE DISCLOSURE STATEMENT, INCLUDING ALL EXHIBITS HERETO, BEFORE DECIDING WHETHER TO VOTE TO ACCEPT THE PLAN.

HOLDERS OF CLAIMS AND EQUITY INTERESTS SHOULD NOT CONSTRUE THE CONTENTS OF THIS DISCLOSURE STATEMENT AS PROVIDING ANY LEGAL, BUSINESS, FINANCIAL OR TAX ADVICE. EACH SUCH HOLDER SHOULD, THEREFORE, CONSULT WITH ITS OWN LEGAL, BUSINESS, FINANCIAL AND TAX ADVISORS AS TO ANY SUCH MATTERS CONCERNING THE SOLICITATION, THE PLAN AND THE TRANSACTIONS CONTEMPLATED THEREBY.

AS TO CONTESTED MATTERS, ADVERSARY PROCEEDINGS AND OTHER ACTIONS OR THREATENED ACTIONS, THIS DISCLOSURE STATEMENT SHALL NOT BE CONSTRUED AS AN ADMISSION OR STIPULATION, BUT RATHER AS A STATEMENT MADE IN SETTLEMENT NEGOTIATIONS.

I. INTRODUCTION

Collavino Construction Company Limited (“CCCL”) and Collavino Construction Company Inc. (“CCCI” and, together with CCCL, the “Debtors”) file this ~~First~~Second Amended Disclosure Statement (the “Disclosure Statement”) with respect to their ~~First~~Second Amended Chapter 11 Plan of Liquidation dated ~~July 15~~August 23, 2016 (the “Plan”). The Plan is a consensual Plan that is proposed with the support of the Committee.

This Disclosure Statement is provided pursuant to section 1125 of the Bankruptcy Code to all the known creditors of the Debtors. The purpose of this Disclosure Statement is to provide sufficient information to enable creditors who are entitled to vote to make an informed decision on whether to accept or reject the Plan. A copy of the Plan is attached as Exhibit 1 to this Disclosure Statement.

The information contained in this Disclosure Statement has been provided by the Debtors based upon their knowledge of the books and records, business and affairs of each Debtor. Except as otherwise expressly indicated, such information has not been subject to audit or independent review. Although great effort has been made to be accurate, the Debtors, their counsel and other professional advisors do not warrant the accuracy of the information contained herein.

Most words or phrases used in this Disclosure Statement shall have their usual and customary meanings. Capitalized terms not otherwise defined in this Disclosure Statement have the meanings ascribed to such terms in the Plan. FOR A COMPLETE UNDERSTANDING OF THE PLAN, YOU SHOULD READ THE DISCLOSURE STATEMENT AND THE PLAN IN THEIR ENTIRETY.

II. OVERVIEW OF THE PLAN

For a more detailed description of the Plan, refer to section VI – “Summary of the Plan”. In addition, the Plan is attached hereto as Exhibit 1.

A. Summary of the Plan

The Plan is a consensual plan of liquidation that is based upon a proposed settlement between the Debtors and the Port Authority regarding the WTC Claim: on terms that are supported by the Committee. The Plan will be funded by the Port Authority’s payment of the WTC Claim Proceeds to the Debtors on the Effective Date, together with any other Available Cash generated through the liquidation of the Estates. The Plan also contemplates the transfer from CCCL to CCCI of one million (\$1,000,000) dollars in funds in excess of the amount of CCCI’s Allowed General Unsecured Claim against CCCL to increase the funds available for distribution to the creditors of CCCI’s Estate. As a part of the proposed settlement, the Port Authority will make a substantial contribution to the Debtors by sponsoring the Plan through the payment of the WTC Claim Proceeds to the Estates and withdrawing the PA Claims. The Plan also provides for third party releases of the Port Authority by the Debtors and any creditor or other party receiving any benefit under the Plan from any and all Claims relating to the Debtors

and the Chapter 11 Cases. These releases are warranted because of the unique circumstances in these Chapter 11 Cases as discussed further herein. In that regard, the payment of the WTC Claim Proceeds by the Port Authority represents the only means available to provide a significant distribution to the Debtors' respective creditors. Absent approval of the Debtors' settlement of the WTC Claim and PA Claims with the Port Authority through the confirmation of the Plan, the Debtors believe that their creditors will receive little or no distribution on account of their Claims in these Chapter 11 Cases. Under these circumstances, and based on the anticipated recovery to holders of General Unsecured Claims against CCCL, the Committee supports the Plan which is being proposed on a consensual basis.

While this is a plan for each of the Debtors, it does not provide that the Debtors' Chapter 11 Cases will be substantively consolidated. Accordingly, to the extent applicable to a particular Debtor, all of the provisions of the Plan shall apply to the respective assets of, Claims against and Equity Interests in such Debtor's separate Estate. Allowed Claims against a Debtor will be satisfied from the assets of that Debtor.

B. Classification, Treatment and Estimated Recovery for Each Class Under the Plan

The Plan divides holders of Claims against and Equity Interests in each of the Debtors into separate Classes based on the nature of the Claims and the legal rights related to each Claim. In addition, the Plan provides for payment of unclassified Administrative Claims, Professional Fee Claims and Priority Tax Claims.

The table below lists the categories of unclassified Claims and the Classes of Claims for each Debtor, together with projected estimated recoveries for holders of Allowed Claims against each Debtor. Estimated Claim amounts and estimated percentage recoveries have been calculated based upon a number of assumptions, including the estimated amount of Allowed Claims in each Class.

For certain Classes of Claims, the actual amounts of Allowed Claims could materially exceed or could be materially less than the estimated amounts shown in the table that follows. The amounts set forth herein as estimated recoveries on account of Claims and Equity Interests are based on known Claims, and to the extent any additional Claims are filed against the Debtors consistent with the terms of the Plan, the estimated recoveries set forth herein could vary. The Debtors have not yet fully reviewed and analyzed all Claims and Equity Interests. Estimated Claim amounts for each Class set forth below are based upon the Debtors' review of their books and records, filed proofs of Claim, the outcome of the claims allowance process to date, and include estimates of a number of Claims that are contingent, disputed, and/or unliquidated.

CCCL

CLASS	TYPE OF CLAIM OR EQUITY INTEREST	CURRENT AMOUNT OF CLAIMS	ESTIMATED AMOUNT OF CLAIMS	ESTIMATED RECOVERY	IMPAIRMENT; ENTITLEMENT TO VOTE
Unclassified	Administrative Claims	<i>de minimis</i>	<i>de minimis</i>	100%	N/A

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CLASS	TYPE OF CLAIM OR EQUITY INTEREST	CURRENT AMOUNT OF CLAIMS	ESTIMATED AMOUNT OF CLAIMS	ESTIMATED RECOVERY	IMPAIRMENT; ENTITLEMENT TO VOTE
Unclassified	Professional Fee Claims		\$2, 300 <u>450</u> ,000	100%	N/A
Unclassified	Priority Tax Claims	\$73,000 (subject to objection)	\$73,000 (subject to objection)	100%	N/A
1A	CCCL General Unsecured Claims	\$95,183,252.64	\$6,327,547.21	100%	Unimpaired Deemed to Accept
2A	CCCL Equity Interests	N/A	N/A	\$2, 314,830.55 <u>323,185.62</u> <u>(\$774,395.21 to Mario Collavino (2007) Family Business Trust and \$1,548,790.41 to Aviva)</u>	Unimpaired Deemed to Accept

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CCCI

CLASS	TYPE OF CLAIM OR EQUITY INTEREST	CURRENT AMOUNT OF CLAIMS	ESTIMATED AMOUNT OF CLAIMS	ESTIMATED RECOVERY	IMPAIRMENT; ENTITLEMENT TO VOTE
Unclassified	Administrative Claims	\$578,654.38	\$578,654.38	100%	N/A
Unclassified	Professional Fee Claims		\$2, 000 <u>200</u> ,000	100%	N/A
Unclassified	Priority Tax Claims	\$0	\$0	100%	N/A
1B	CCCI Other Priority Claims	\$52,221.90 (subject to objection)	\$52,221.90 (subject to objection)	100%	Unimpaired Deemed to Accept
2B	CCCI Aviva Secured Claim	\$38,590,764.93	\$38,590,764.93	Unknown	Impaired Entitled to Vote
3B	CCCI Aviva Unsecured Claim	Unknown deficiency amount	Unknown deficiency amount	<1%	Impaired Entitled to Vote
4B	Harris CCCI Claim	\$3,575,000	\$2,500,000.00	70%	Impaired Entitled to Vote
5B	CCCI General Unsecured Claims	\$86,576,219.42	\$3,443,778.68	55% <u>Approximately 70%</u>	Impaired Entitled to Vote
6B	CCCI Equity	N/A	N/A	0%	Unimpaired

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CLASS	TYPE OF CLAIM OR EQUITY INTEREST	CURRENT AMOUNT OF CLAIMS	ESTIMATED AMOUNT OF CLAIMS	ESTIMATED RECOVERY	IMPAIRMENT; ENTITLEMENT TO VOTE
	Interests				Deemed to Reject

C. Voting

Pursuant to the Bankruptcy Code, only holders of Allowed Claims or Equity Interests in Classes of Claims or Equity Interests that are “impaired” and not deemed to have rejected a plan are entitled to vote to accept or reject the plan. Accordingly, each holder of an Allowed Claim in a Class that is “impaired” under, but not deemed to have rejected, the Plan, will receive a copy of this Disclosure Statement, a Ballot for the acceptance or rejection of the Plan, and other related voting materials. Any Claim or Equity Interest holder whose legal, contractual or equitable rights are altered, modified or changed by the proposed treatment under the Plan or whose treatment under the Plan is not provided for in section 1124 of the Bankruptcy Code is considered “impaired.”

The holders of Allowed Class 1A General Unsecured Claims and Allowed Class 2A Equity Interests against CCCL are “unimpaired” and deemed to accept the Plan. The holders of Allowed Claims against CCCI in Classes 2B, 3B, 4B and 5B are “impaired” and are therefore entitled to vote on the Plan (the “Voting Classes”). The holders of Allowed Claims against CCCI in Class 1B are “unimpaired” and deemed to accept the Plan. Holders of Allowed Equity Interests in CCCI in Class 6B are “impaired” and deemed to reject the Plan. The determination as to whether a Class of Claims or Equity Interests is “impaired” is based on the Debtors’ projected estimated recoveries and analysis of the legal nature of the treatment of the Claims and Equity Interests under the Plan.

The Bankruptcy Code defines “acceptance” of a plan by a class of claims as acceptance by creditors in that class that hold at least two-thirds in dollar amount and more than one-half in number of the Allowed Claims that cast ballots for acceptance of the plan. For a more detailed description of the requirements for confirmation of the Plan, see Section VIII – “Confirmation of the Plan”.

If a Class of Claims or Equity Interests entitled to vote on the Plan rejects the Plan or is deemed to have rejected the Plan, the Debtors reserve the right to amend and revise the Plan or request confirmation of the Plan pursuant to section 1129(b) of the Bankruptcy Code or both. Section 1129(b) of the Bankruptcy Code enables the confirmation of a chapter 11 plan notwithstanding the rejection of a plan by one or more impaired classes of claims and equity interests. Under that section, a plan may be confirmed by a bankruptcy court if it complies with section 1129(a) of the Bankruptcy Code and as to the rejecting class does not “discriminate unfairly” and is “fair and equitable” with respect to each rejecting class. For a more detailed description of the requirements for confirmation of a non-consensual plan, see Section VIII.E.4.

The date of entry of the Disclosure Statement Order is fixed as the “Voting Record Date.” Only Persons who hold Allowed Claims on the Voting Record Date are entitled to receive a copy

of this Disclosure Statement and all of the related materials. Only Persons who hold Claims on that date that are impaired under the Plan and are not deemed to reject the Plan are entitled to vote on the Plan.

In voting on the Plan, holders of Allowed Claims shall use only the Ballot sent to such holders with this Disclosure Statement. Please complete and sign your Ballot and return it in the enclosed pre-addressed envelope to the Balloting Agent:

Cullen and Dykman LLP
Attn: Elizabeth M. Aboulafia, Esq.
100 Quentin Roosevelt Boulevard
Garden City, NY 11530

ALL PROPERLY COMPLETED BALLOTS RECEIVED BY THE BALLOTING AGENT PRIOR TO _____, 2016 AT 5:00 P.M. EASTERN TIME (THE "VOTING DEADLINE") WILL BE COUNTED FOR PURPOSES OF DETERMINING WHETHER EACH CLASS OF IMPAIRED CLAIMS ENTITLED TO VOTE ON THE PLAN HAS ACCEPTED THE PLAN. ANY BALLOTS RECEIVED AFTER THE VOTING DEADLINE WILL NOT BE COUNTED UNLESS OTHERWISE ORDERED BY THE COURT. ANY BALLOTS RECEIVED BY FACSIMILE WILL NOT BE ACCEPTED UNLESS OTHERWISE ORDERED BY THE COURT. The Balloting Agent will prepare and file with the Court a certification of the results of the balloting with respect to the Plan.

Your vote on the Plan is important. The Bankruptcy Code requires as a condition to confirmation of a chapter 11 plan that each class that is impaired under a plan vote to accept such plan, unless the "cramdown" provisions of the Bankruptcy Code are employed. The Debtors reserve their right to seek to "cramdown" the Plan on non-accepting Classes of creditors and Equity Interest holders. See Section VIII.E.4 below.

D. Confirmation Hearing

The Court will hold the Confirmation Hearing commencing at __:00 __.m. (Eastern Time), on _____, 2016 at the United States Bankruptcy Court for the Southern District of New York, 1 Bowling Green, Courtroom 501, New York, New York 10004, before the Honorable Mary Kay Vyskocil, United States Bankruptcy Judge. The Confirmation Hearing may be adjourned from time to time without further notice. At the Confirmation Hearing, the Court will (i) determine whether the requisite vote has been obtained from the Voting Classes, (ii) hear and determine objections, if any, to the Plan and to confirmation of the Plan that have not been previously disposed of, (iii) determine whether the Plan meets the confirmation requirements of the Bankruptcy Code, (iv) determine whether to confirm the Plan, and (v) grant such other and further relief as the Court deems reasonable and appropriate.

Any objection to confirmation of the Plan must be in writing and filed with the Court and served in a manner so as to be received on or before _____, 2016 at 5:00 p.m. Eastern Time by: (1) counsel to the Debtors, Cullen and Dykman LLP, 100 Quentin Roosevelt Boulevard, Garden City, New York 11530, Attn: C. Nathan Dee, Esq. and Elizabeth M. Aboulafia, Esq.; and (2) the

Office of the United States Trustee for the Southern District of New York, Attn: Andy Velez-Rivera, Esq., 201 Varick Street, Suite 1006, New York 10014.

E. Recommendation

THE DEBTORS RECOMMEND THAT ALL HOLDERS OF CLAIMS IN THE VOTING CLASSES VOTE TO ACCEPT THE PLAN.

III. GENERAL INFORMATION

A. Capital and Organizational Structure of the Debtors

1. Corporate History of the Debtors

The Debtors are members of the family-owned Collavino Group whose entities traditionally operated in various sectors of the construction industry in the New York-New Jersey metropolitan area, Canada, and the Detroit metropolitan area. Established in 1952, the Collavino Group has extensive experience in the construction industry, with a primary focus on heavy civil construction. The Collavino Group performs contracts in both the public and private sectors as a general contractor, design-build consultant, construction manager and prime subcontractor for cast-in-place and precast concrete works.

In 2006, Tishman Construction Company (“Tishman”) invited the Collavino Group to bid on the public construction project known as the Reconstruction of One World Trade Center – Freedom Tower (the “WTC Project”). The Collavino Group accepted the invitation as a part of its strategy to develop its business in the Northeastern United States and prepared a successful bid for the concrete work at the WTC Project. As a result of the successful bid on the WTC Contract, the Debtors were formed.

2. The Debtors’ Equity Structure

(a) *CCCL*

CCCL is a Canadian corporation formed in 2007 as a single purpose entity in connection with its successful bid to perform concrete work for the Port Authority, by and through its agent Tishman, on the WTC Project. CCCL was formed for the purpose of entering into the WTC Contract with the Port Authority. The voting shares of CCCL are held by the Collavino family through three family trusts, each of which holds equal shares of CCCL. In addition, Aviva Insurance Company of Canada (“Aviva”) holds certain non-voting and non-participating special shares in CCCL issued to Aviva in consideration of Aviva’s agreement to forbear from seeking to recover certain losses from the Collavino Group under a surety agreement between Aviva and various members of the Collavino Group.

(b) *CCCI*

CCCI is a Delaware corporation formed in 2007 as a wholly owned subsidiary of CCCL for the purpose of constructing the concrete superstructure on the WTC Project. The two-tiered corporate structure was implemented by the Debtors upon the advice of their accountants in order to achieve certain tax benefits under Canadian law. As set forth further is Section B (1) herein, CCCL and CCCI entered into the CCCI Subcontract (defined below) pursuant to which CCCL held the contract rights to the WTC Contract while assigning the “build” portion of the WTC Project to CCCI. The CCCI Subcontract was a cost plus contract that provided for the payment of CCCI’s costs plus a variable percentage for profit that was determined on an annual basis by the Debtors.

3. The Debtors’ Pre-Petition Capital Structure

As of its Petition Date, CCCL did not have any secured debt. Its only indebtedness is comprised of unsecured obligations payable on account of the WTC Project, with the indebtedness to CCCI reflected on its books and records in the amount of \$6,215,409.62 representing its most significant liability. The related party indebtedness between CCCL and CCCI is described more fully in Section III.E below.

As of its Petition Date, CCCI’s only secured debt arises out of a security interest asserted by Aviva in certain formwork pursuant to an Equipment Security Agreement entered into by and between CCCI and Aviva dated as of September 18, 2013. CCCI is continuing to perform due diligence regarding the validity of the CCCI Aviva Secured Claim and CCCI Aviva Unsecured Claim (the “Aviva Claims”) and reserves any and all rights to object to such Claims. To the extent the Aviva Claims are determined to be valid, CCCI intends to liquidate the formwork to satisfy the CCCI Aviva Secured Claim as described more fully herein and in the Plan.

Other than the unsecured claim that Aviva may hold to the extent of a deficiency following the liquidation of the formwork (to the extent the Aviva Claims are determined to be valid), CCCI’s unsecured indebtedness as of the Petition Date is primarily comprised of trade debt due and owing to trade vendors for work performed or goods supplied to the WTC Project as set forth more fully below.

B. The WTC Contract and the Debtors’ Prepetition Performance of Work on the WTC Project

CCCL entered into World Trade Center Contract No. WTC-1001.04-1 dated as of February 8, 2007 and effective as of May 30, 2007 (the “WTC Contract”) with the Port Authority, by and through Tishman, its agent and construction manager, to furnish and place concrete for the WTC Project for the lump sum price of \$115 million. The WTC Contract was divided into concrete work below grade (the “Below Grade Work”) and concrete work above grade (the “Above Grade Work”) on the WTC Project. After the Debtors’ completion of the Below Grade Work, the Port Authority elected to exercise its option to award the Above Grade Work to the Debtors at an estimated award price of \$237.5 million. The total combined contract amount for the Below Grade Work and Above Grade Work, prior to the issuance of change orders, was approximately \$352.57 million.

1. CCCI Subcontract

Article 40 of the WTC Contract provided for CCCL's assignment or subcontracting of all or a portion of the work on the WTC Project to CCCI, as its wholly owned subsidiary, without the need for further authorization from the Port Authority. Following the award of the WTC Contract to CCCL, on May 30, 2007, CCCL and CCCI entered into a subcontracting agreement whereby CCCI would provide all necessary materials, labor and equipment required for the performance of work on the WTC Project while CCCL would retain all other rights under the WTC Contract. Subsequently, CCCL and CCCI agreed to replace their original subcontract pursuant to a certain memorandum of agreement effective as of July 2, 2007, which provided for CCCL's assignment of the "build" portion of the contract work set forth in the WTC Contract to CCCI. The May 30, 2007 subcontract and subsequent July 2, 2007 memorandum of agreement are hereinafter collectively referred to as the "CCCI Subcontract".

The CCCI Subcontract was a cost plus contract that provided that CCCL would reimburse CCCI for the costs of the work plus a profit at a variable rate, payable out of funds received from the Port Authority. The CCCI Subcontract further provided that the variable percentage would be based upon the then prevailing market rates for the services performed by CCCI on the WTC Project.

In turn, CCCI entered into contracts or other arrangements with approximately forty six (46) trade vendors to supply materials, supplies and equipment and provide other construction services to CCCI on the WTC Project. These trade creditors comprise the substantial majority of CCCI's unsecured creditor body.

2. Delays to the Progress of Work on the WTC Project

The Debtors experienced delays due to circumstances beyond their control in connection with the performance of the Below Grade Work and, as a result, did not effectively begin the Above Grade Work until approximately April 2010, a delay of fourteen (14) months. The delays that the Debtors experienced on the Below Grade Work subsequently impacted the progress of the Above Grade Work. As set forth in the documents produced by the Port Authority during discovery, the delays experienced by the Debtors on the WTC Project were due to the difficulty in constructing a complex concrete structure in tandem with structural steel work, as well as complications and modifications to the logistics at the Below Grade/Above Grade interface of the WTC Project. These issues ultimately caused a two year delay in the completion of the Above Grade Work by CCCI for which the Debtors were not responsible.

C. The Debtors Incur the WTC Claim and Engage in Prepetition Efforts to Resolve the WTC Claim With the Port Authority

On January 18, 2013, after the Debtors had completed the roof pour on the building, which was the last major concrete pour on the WTC Project, the Port Authority terminated the

WTC Contract on a non-fault basis.¹ At the time of the termination, under the payment arrangement described above, the Debtors and their trade vendors had not yet been paid for goods and services provided during the time period from September 2012 through the date of termination. In addition, the Debtors incurred costs following the termination in connection with the demobilization from the WTC Project.

As a result of, among other things, delays to the progress of work caused by conditions beyond the control of the Debtors and the Port Authority's election to terminate the WTC Contract with CCCL at a time when there were amounts due and owing to CCCI's trade vendors, CCCL incurred a damage claim against the Port Authority on the WTC Project in the amount of approximately \$87,312,257, plus interest and costs (the "WTC Claim"). The Port Authority disputed the Debtors' entitlement to the WTC Claim.

Following its termination, beginning with an original claim submission made by the Debtors to the Port Authority on or around March 8, 2013, the Debtors spent the next almost two years unsuccessfully seeking to resolve the WTC Claim and the Harris Claims with the Port Authority. Among other things, the Debtors requested that the WTC Claim be elevated to the Port Authority's Chief Engineer for determination in accordance with the alternative dispute resolution provision set forth in Article 31 of the WTC Contract (the "ADR Clause").

The Debtors allege that during this time period, the Port Authority denied the Debtors' attempts to enforce their contractual entitlement to a timely, fair and impartial dispute resolution of the WTC Claim because, among other reasons, the Debtors allege that the Port Authority unilaterally imposed an additional condition precedent on the exercise of the Debtors' due process rights under the ADR Clause. The Port Authority disputed the Debtors' allegations.

D. Events Leading to the Filing of the Chapter 11 Cases

As a result of the parties' inability to resolve the WTC Claim during the months and years that directly followed the termination of the WTC Contract, CCCI was sued by various subcontractors and suppliers on the WTC Project in seven (7) lawsuits asserting breach of contract claims for non-payment in the aggregate amount of approximately \$1 million. The plaintiffs in these vendor lawsuits asserted claims for monies arising out of work performed or materials supplied on the WTC Project.

Unable to defend these lawsuits and experiencing difficulty maintaining its business operations due to the distraction of the lawsuits, CCCI was driven into bankruptcy on October 17, 2014. Shortly thereafter, on October 23, 2014, the Port Authority notified CCCL that the WTC Claim had been elevated to the Chief Engineer for resolution pursuant to the ADR Clause.

¹ The Debtors contend that the WTC Contract was terminated "for convenience" as that term is understood in the construction industry and under New York law. The Port Authority has disputed that the Debtors were terminated for convenience and the parties reserve their respective rights with respect to their positions on this disputed issue.

Due to the fact that only CCCL has direct privity with the Port Authority under the WTC Contract and the requisite standing to assert the WTC Claim against the Port Authority, and based on the Debtors' determination that the bankruptcy court represented the best forum for the resolution of the WTC Claim for the benefit of the Estates, on February 18, 2015, CCCL filed its chapter 11 bankruptcy case.

E. CCCL and CCCI Related Party Indebtedness

Following the termination of the WTC Contract, CCCI became unable to pay its trade vendors for their actual and direct unpaid costs incurred on the WTC Project during the months preceding the termination. In addition, CCCI was owed additional sums from CCCL for the profit component provided for under the CCCI Subcontract. In total, according to its books and records, CCCI is owed \$6,215,409.62 from CCCL under the CCCI Subcontract, which amount is comprised of actual and direct trade vendor payables together with profit. This sum represents CCCI's sole significant unencumbered asset as of the date of its bankruptcy filing.

F. CCCI's Operations Following the WTC Project

Following the Debtors' termination from the WTC Project, CCCI began providing labor to non-debtor related entity Collavino Corp. on other construction projects in the New York-New Jersey metropolitan area.

As of the date of its bankruptcy filing, CCCI had one hundred seventy five (175) employees and was providing labor to Collavino Corp. on three (3) open construction projects in New Jersey. CCCI's primary revenue stream was derived from the provision of labor to Collavino Corp. on constructions projects, together with a mark-up that was calculated as one (1%) percent of all gross billings from Collavino Corp. Among other things, Collavino Corp. provided administrative support to CCCI in the form of payroll processing and management services as a part of the compensation structure between the entities.

During the pendency of the Chapter 11 Cases, the construction projects were completed, and no further amounts are due and owing to CCCI on account of work performed on two (2) of the three (3) projects. CCCI is owed not less than \$569,498.40 from Collavino Corp. on account of work performed on a project known as the "Hudson Lights Project", a mixed use construction project in Fort Lee, New Jersey.

As a result of payment disputes between Collavino Corp. and Tishman relating to various issues arising out of the Hudson Lights Project, Collavino Corp. has not received payment from Tishman for, among other things, outstanding amounts due and owing CCCI for work performed on the Hudson Lights Project during May 2015. The final contract close-out between Collavino Corp. and Tishman remains in progress.

Among other reasons, given the delays on the part of Tishman in completing the final close-out and reconciliation of amounts due to Collavino Corp. on the Hudson Lights Project and the resulting nonpayment of amounts due and owing from Collavino Corp. to CCCI, CCCL's equity holders have agreed to contribute one million (\$1,000,000) dollars in additional funds to

CCCI's Estate in exchange for the releases of all Collavino-related entities pursuant to Section 10.2 of the Plan which will affect CCCI's ability to recover from Collavino Corp.

CCCI's receivables due and owing from CCCL represent substantially all of CCCI's assets. CCCL's assets are substantially comprised of the amounts due and owing from the Port Authority for the WTC Claim and a related company receivable.

G. Anticipated Future of the Debtors

CCCI has not entered into any new subcontracts with Collavino Corp. or any other entity, and has therefore determined in the exercise of its business judgment that winding down its operations through this liquidating Plan represents its best course of action under the circumstances. Similarly, CCCL, as a single purpose entity formed solely for the purpose of the procuring the WTC Contract for the WTC Project, has no ongoing operations and has determined in the exercise of its business judgment to wind down its affairs and liquidate pursuant to the Plan.

IV. THE CHAPTER 11 CASES

A. Overview

On October 17, 2014 and February 18, 2015, CCCI and CCCL filed their respective voluntary petitions for relief under Chapter 11 of the Bankruptcy Code. As of the date of commencement of each of the respective Chapter 11 Cases (the "Petition Date"), most actions and proceedings against the Debtors and acts to obtain property from the Debtors were stayed under section 362 of the Bankruptcy Code. During the administration of the Chapter 11 Cases, the Debtors managed their businesses and affairs as debtors-in-possession pursuant to sections 1107 and 1108 of the Bankruptcy Code, subject to the control and supervision of the Court.

B. First Day Orders

At the conclusion of the "first day" hearing held in CCCI's Chapter 11 Case on October 22, 2014, the Court entered an order authorizing CCCI, among other things (a) to pay its employees certain wages, salaries, and other compensation earned but not paid prepetition, (b) pay amounts owed for certain employee benefit plans, and (c) to continue certain employee benefit plans and programs postpetition. Entry of that order was critical to the uninterrupted operation of CCCI's business and to maintaining the morale and commitment of its employees. On the same date, the Court also entered an order authorizing CCCI to, among other things, continue its existing cash management system in the ordinary course of business to enable it to continue its prepetition payment practices with Collavino Corp.

At the conclusion of the "first day" hearing held in CCCL's Chapter 11 Case on February 18, 2015, the Court entered an order approving the joint administration of CCCI and CCCL's Chapter 11 Cases. The Court also entered an Order authorizing CCCL to continue using its existing cash management system in the ordinary course of business and maintain existing bank accounts.

C. Employment of the Debtor's Professionals

The Debtors retained the law firm of Cullen and Dykman LLP ("C&D") as general bankruptcy counsel in connection with the Chapter 11 Cases. By orders dated November 25, 2014 and March 31, 2015, the Court approved the retention of C&D as counsel to CCCI and CCCL, respectively, effective as of the Petition Date for each Debtor.

The Debtors also retained Peckar & Abramson P.C. ("Peckar") as special counsel in connection with the Chapter 11 Cases for the purpose of pursuing the WTC Claim against the Port Authority. By orders dated November 25, 2014 and July 23, 2015, the Court approved the retention of Peckar as counsel to CCCI and CCCL, respectively, effective as of the Petition Date for each Debtor.

The Debtors retained Peckar in the Chapter 11 Cases based primarily on their prepetition involvement in the preparation of the WTC Claim and efforts to obtain a resolution of the WTC Claim from the Port Authority. In CCCI's Chapter 11 Cases, Peckar was retained on an hourly basis for the purpose of evaluating and conducting due diligence regarding the WTC Claim in order to enable CCCI to assess and value its claim against the Port Authority. Upon CCCL's chapter 11 filing, Peckar was retained by CCCL on terms that were consistent with its prepetition contingency fee arrangement with CCCL.

In addition, CCCI ~~intends to may~~ file an application to retain Anchin, Block & Anchin LLP ("Anchin") as financial advisors to CCCI for the purpose of ~~conducting a transfer pricing study of the transactions between CCCL and CCCI and~~ assisting ~~regarding the Debtors with~~ various ~~other~~ tax and accounting matters in these Chapter 11 Cases.

D. CCCI Committee

On November 21, 2014, the Office of the U.S. Trustee appointed five (5) creditors of CCCI to serve as members of the Committee to represent the interests of the unsecured creditors of CCCI. The Committee is comprised of: (i) Harris Rebar Atlantic, Inc., (ii) DCM Erectors, Inc., (iii) New Jersey Carpenters Benefit Funds, (iv) Engineered Devices Corp., and (v) Feldman Lumber – USLBM, LLC.

The Committee selected Archer & Greiner, P.C. ("Archer") to serve as its counsel and, by order of the Court dated December 15, 2014, Archer was retained as counsel to the Committee. Since the appointment of the Committee, the Debtors have consulted with the Committee concerning the administration of the Chapter 11 Cases. A creditors' committee was not appointed as to CCCL.

E. Claims Administration

1. Filing of Schedules and Statements

On November 4, 2014, CCCI filed its Schedules of Assets and Liabilities and its Statement of Financial Affairs which, among other things, listed assets in the amount of

\$6,304,233.05 and liabilities in the amount of \$9,381,107.62. On November 14, 2014, the U.S. Trustee conducted the meeting of CCCI's creditors under section 341 of the Bankruptcy Code. CCCI filed an amended Schedule E on December 3, 2014 and an amended Schedule F on April 16, 2015.

On March 9, 2015, CCCL filed its Schedules of Assets and Liabilities and its Statement of Financial Affairs which, among other things, listed assets in the amount of \$88,418,514.00 and liabilities in the amount of \$6,274,097.21. On March 23, 2015, the U.S. Trustee conducted the meeting of CCCL's creditors under section 341 of the Bankruptcy Code.

2. Bar Date for Pre-Petition Claims

By order dated November 24, 2014, the Court established January 12, 2015 as the last day for non-governmental units to file prepetition proofs of claim for claims against CCCI's estate. On March 20, 2015, the Court entered an order establishing May 8, 2015 as the deadline by which all non-governmental entities must file proofs of prepetition claim against CCCL's estate.

Forty six (46) proofs of claim have been filed against CCCI, and seventeen (17) proofs of claim have been filed against CCCL.

3. Omnibus Claim Objections and Status of Claims

On March 31, 2015, the Court entered an order setting forth certain procedures for the filing of omnibus objections to claims on grounds other than those set forth in Bankruptcy Rule 3007(d). The Debtors subsequently filed three (3) omnibus claims objections to various claims. On July 15, 2015, the Court entered an order pursuant to which certain of the claims subject to the first omnibus claims objection were reduced, disallowed and/or expunged. Resolution of certain other claims subject to the objection has been adjourned. On March 21, 2016, the Court entered an order granting the second omnibus claims objection. On May 20, 2016, the Court entered an order granting the third omnibus claims objection as to certain claims and adjourning consideration of other claims. To date, \$8,881,702.31 in filed and scheduled Claims have been Disallowed against the Estates as a result of claims objections.

Taking into account the Claims that have been Disallowed following entry of orders relating to the first and second omnibus claims objection, there are currently outstanding claims against CCCI's Estate in the amount of \$124,927,638.32 and CCCL's Estate in the amount of \$95,183,252.64, inclusive of the PA Claims and certain Disputed Claims that are the subject of pending claims objections. The Debtors do not currently anticipate filing additional omnibus claims objections, however the Plan provides for the reservation of the Debtors' rights to file objections to claims for a period of time following the Effective Date.

For a description of the treatment of Allowed Claims, see Section VI(C) below.

4. Harris Claims

On October 27, 2014, Harris Rebar Atlantic, Inc. (“Harris”) filed proof of claim number 1 against CCCI in the amount of \$4,987,550 on account of a “pass through” claim (the “Harris CCCI Claim”) that Harris has asserted against CCCI pursuant to a subcontract between the parties. On February 20, 2015, Harris filed an identical “pass through” claim against CCCL despite having no contractual relationship with CCCL (the “Harris CCCL Claim” and together with the Harris CCCI Claim, the “Harris Claims”).

i. Description of Harris Claims

The Harris CCCI Claim is based upon a subcontract with CCCI to provide reinforcing steel for cast-in-place concrete on the WTC Project and the parties’ agreement that CCCI would present and prosecute any direct claims Harris incurred on the WTC Project against the Port Authority as a “pass through claim” and to pay any net proceeds to Harris.

The Harris CCCL Claim seeks the same amount of monetary relief from CCCL but lacks a contractual basis for recovery. Instead, Harris has asserted the Harris CCCI Claim against CCCL based upon various legal theories sounding in alleged fraud and tort which CCCL contends completely lack merit.

In addition to filing the Harris Claims against the Debtors, Harris also commenced an action against the Port Authority in New York state court in February 2016 seeking to recover the same amounts, thus triggering certain indemnity rights held by the Port Authority against the Debtors under the WTC Contract. Harris has asserted in the state court action that it holds a perfected lien against the Port Authority’s ground lessee on account of reinforced steel furnished on the WTC Project.²

ii. Debtors’ Pre-Petition Attempts to Obtain Resolution of Harris Claims

On November 12, 2010 and again in May of 2013, the Debtors presented the WTC Claim and the Harris Claims to the Port Authority for resolution. During the following nineteen (19) months, the Debtors diligently sought the resolution of the Harris Claims with the Port Authority pursuant to the WTC Contract. On October 23, 2014, the Port Authority finally elevated the Harris Claims, and WTC Claim, to the Chief Engineer. A detailed discussion of the Debtors’ attempts to present the Harris Claims to the Port Authority through the bankruptcy process and Harris’ support of the Debtors’ efforts is set forth further herein.

iii. Debtors’ Objection to the Harris Claims

On May 21, 2015, CCCI filed an objection to the Harris CCCI Claim. In addition, through the first omnibus claims objection the Debtors objected to Harris CCCL Claim, asserting that the proof of claim filed by Harris against CCCL was a claim for which CCCL was not liable. Harris filed responses in opposition to the respective objections on May 26, 2015 (as to CCCL)

² The Port Authority has filed a motion to dismiss the state court action and has disputed the validity of the lien asserted by Harris.

and June 9, 2015 (as to CCCI). On March 9, 2016, the Debtors filed an omnibus reply to Harris' responses and in support of its objections to the Harris Claims.

Following a hearing held before the Court on March 30, 2016, the parties agreed to the mediation of the Harris Claims. By order of the Court dated April 11, 2016, the parties' dispute was assigned to mediation before former Chief Bankruptcy Judge Melanie Cyganowski. Despite the parties' good faith efforts to resolve the disputes surrounding the Harris Claims at a mediation session held on April 20, 2016, the parties were unable to reach a resolution of their dispute.

Following a status conference held before the Court on May 18, 2016 on the objections to the Harris Claims, the Court entered an order on May 20, 2016, as amended on June 16, 2016, scheduling a trial on the Harris Claims for late July 2016 and establishing related pre-trial discovery deadlines. The parties thereafter participated in a conference with the Court on June 16, 2016 regarding certain discovery disputes and a pre-trial conference was held on June 21, 2016. Various document discovery was exchanged and four (4) pre-trial depositions were conducted during the weeks that followed.

iv. Settlement of the Harris Claims

Prior to the deadline for the completion of discovery, the parties arrived at an agreement in principle regarding the Harris Claims, the terms of which are incorporated into the Plan. The parties informed the Court of the settlement during a teleconference held on July 7, 2016, and on July 8, 2016, the Court entered an order vacating the trial dates and related pre-trial deadlines previously established in connection with the litigation of the Harris Claims.

As set forth herein and in the Plan, the Debtors and Harris have agreed that the Harris CCCI Claim will be Allowed as a Class 4B Harris CCCI Claim in the amount of approximately \$3,575,000 on account of which Harris will receive a net payment from CCCI's Estate in the exact amount of two million five hundred thousand (\$2,500,000) dollars representing an approximately seventy (70%) percent distribution on account of the Allowed amount of the Class 4B Harris CCCI Claim. The Debtors and Harris have also agreed that the Harris CCCL Claim will be withdrawn on the later of the Effective Date of the Plan or the date of Harris' receipt of payment on account of the Harris CCCI Claim from the Debtors. In addition, Harris has agreed to all of the release provisions in the Plan and the related dismissal of an action commenced by Harris against the Port Authority in New York state court effective upon receipt of payment on account of the Harris CCCI Claim. Harris has agreed to the treatment of the Harris Claims set forth in the Plan and to vote in favor of the Plan.

The Harris CCCL Claim has been classified as a Class 1A CCCL General Unsecured Claim, however it will be withdrawn on the later of the Effective Date of the Plan or the date of Harris' receipt of payment on account of the Harris CCCI Claim from the Debtors. The Harris CCCI Claim has been classified as a Class 4B Harris CCCI Claim based on (i) the unique character of the Harris CCCI Claim as a "pass through claim" with respect to recovery from the Port Authority on the Harris Claims, (ii) Harris' asserted status as a holder of a perfected lien against the Port Authority's ground lessee and agreement to forego any rights with respect to

such lien in partial consideration for the settlement implemented in the Plan, and (iii) the impact of Harris' agreement to forego such lien rights in the state court action on the Estates based on the Port Authority's indemnity rights against the Debtors under the WTC Contract. Harris has withdrawn any objection to the classification of the Harris Claims. The legal basis for the separate classification of the Harris CCCI Claim is described more fully in Section VIII.E.5 herein.

5. Aviva Claim

On January 8, 2015, Aviva filed proof of claim number 30 against CCCI asserting a secured claim in the amount of \$38,590,764.93 based on the security interest that Aviva claims in certain equipment owned by CCCI pursuant to the Equipment Security Agreement entered into between the parties. CCCI believes that the value of the equipment that is subject to Aviva's security interest is less than the face amount of its proof of claim such that Aviva will hold an unsecured deficiency claim against CCCI.

Aviva is contractually precluded from sharing in the WTC Claim Proceeds. Pursuant to an Adhesion of Additional Party dated as of September 20, 2013, CCCI agreed to be bound by the Master Surety Agreement No. 2385 entered into by various Collavino Group entities and Aviva dated as of January 23, 2009. However, the scope of CCCI's potential liability under the Master Surety Agreement is limited because the adhesion expressly provides that Aviva will not have any right to a distribution from the WTC Claim Proceeds as a creditor of CCCI. Accordingly, any recovery by Aviva on the Class 4B CCCI Aviva Unsecured Claim will be limited to Aviva's Pro Rata Share of any monies that come into CCCI's estate from Collavino Corp., as Aviva is barred from participating in the distribution of the WTC Claim Proceeds. As such, the resolution of Aviva's claims will have little impact on the overall funds available for distribution to CCCI's creditors. CCCI reserves any and all rights to object to the Aviva Claims.

F. Committee Bankruptcy Rule 2004 Discovery

On January 30, 2015, the Committee filed a motion seeking Bankruptcy Rule 2004 discovery from CCCI and other non-debtor affiliated entities regarding the Collavino Group and its operations. At a hearing held on February 18, 2015, the Court authorized the Committee to conduct Bankruptcy Rule 2004 discovery with respect to CCCI and CCCL, however the requests as to other non-debtor Collavino Group entities were denied until discovery of the Debtors was completed. The Debtors provided the Committee with document discovery and Renzo Collavino and Dellsie Buchanan-Sova were subject to oral examination by the Committee. Following the completion of its Bankruptcy Rule 2004 discovery as to the Debtors, the Committee did not request additional discovery as to the non-debtor Collavino Group entities.

G. Exclusivity

By a series of orders beginning on February 18, 2015, this Court extended the Debtors' exclusive periods during which only the Debtors could file a chapter 11 plan pursuant to section 1121 of the Bankruptcy Code to enable the Debtors to pursue various matters relating to its dispute with the Port Authority arising out of the WTC Project. The exclusive period to

file a Plan has expired, and the exclusive period to obtain acceptances of the Plan expires on June 16, 2016.

H. Avoidance Actions

The Debtors have not completed an analysis of the transfer of any real or personal property that could be subject to recovery or litigation under Chapter 5 of the Bankruptcy Code. As a preliminary matter, the majority of the Debtors pre-petition transfers were payments to subcontractors, unions, suppliers and other trade vendors on the WTC Project which were subject to periodic audit by the Port Authority. Accordingly, the Debtors do not believe that their Estates will receive a significant recovery from Avoidance Actions. Under the Plan, should the Committee or any successor thereof notify the Debtors in writing on or before thirty (30) days following the Confirmation Date of its election to take any assignment of any Claims or Causes of Action following the Confirmation Date, the Debtors have agreed to assign any Claims or Causes of Action, including Avoidance Actions, held by CCCI to the Committee or any successor thereof, provided that such assignment shall not include any Claims or Causes of Action against Released Parties under the Plan.

I. Financial Performance During Post-Petition Period

Since the Petition Date, the Debtors have managed their businesses as debtors-in-possession. Other than its ownership interest in CCCI, CCCL has not had any business operations during the pendency of the Chapter 11 Cases. CCCL has remained current on its ordinary course post-petition expenses.

During the post-petition period, as described in section III.F above, CCCI has engaged in business operations through the performance of work under subcontracts with Collavino Corp. As a result of its business operations, through May 2016 CCCI earned net profit (exclusive of reorganization expenses) of \$143,502.83. CCCI ceased providing labor on construction projects during December 2015 when the work was completed on the Hudson Lights Project. Accordingly, CCCI no longer employs union workers and is no longer incurring payroll obligations. With the exception of Professional Fee Claims not yet Allowed and the May 2015 unpaid union fringes on the Hudson Lights Project (see section III.F above), CCCI has generally remained current on its post-petition obligations.

Since neither of the Debtors has ongoing business operations, at the conclusion of the Chapter 11 Cases and through the confirmation of the Plan, the Debtors' Estates will be liquidated for the benefit of the Estates' creditors.

V. SUMMARY OF ISSUES INVOLVING THE DEBTORS AND THE PORT AUTHORITY DURING THE CHAPTER 11 CASES

Given that the Debtors' most significant asset is the WTC Claim recoverable from the Port Authority, the primary focus from the outset of these Chapter 11 Cases has been to utilize the bankruptcy process to pursue a recovery on account of the WTC Claim for the benefit of creditors. Accordingly, as described more fully below, CCCI took advantage of the discovery

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tools available under Bankruptcy Rule 2004 in order to obtain information from the Port Authority that would enable the Debtors to more precisely value the WTC Claim and determine the best strategy for resolution of the claim. In addition, the Debtors and the Port Authority engaged in protracted litigation before the Court regarding the proper forum for resolution of the WTC Claim and the PA Claims. Following a six (6) month mediation process under the supervision of a former Chief Bankruptcy Judge as mediator, the Debtors and the Port Authority were finally able to negotiate a global settlement of all outstanding issues between the parties. The Plan represents the Debtors' motion to approve their settlement of the WTC Claim and the PA Claims with the Port Authority.

A. Adversary Proceeding

As of the date of CCCI's chapter 11 filing, CCCI and the Port Authority were named as defendants in a lawsuit commenced in a New Jersey state court by an unpaid trade vendor on the WTC Project. Following CCCI's chapter 11 filing, the Port Authority continued to pursue certain motion practice against CCCI in the state court action.

On November 3, 2014, CCCI filed a motion seeking to enforce the automatic stay against the Port Authority in the Court because of its conduct in the state court action. At the Court's direction, CCCI initiated the adversary proceeding (the "Adversary Proceeding") seeking a declaratory judgment that the automatic stay applied to the subject state court action or, in the alternative, seeking to enjoin the continued prosecution of such action. CCCI also sought civil contempt sanctions against the Port Authority based on its alleged willful violation of the automatic stay. The Port Authority denied any violation of the automatic stay and filed a motion to dismiss the Adversary Proceeding.

Pursuant to a stipulated order entered by the Court on December 24, 2014, the Adversary Proceeding was dismissed as against all defendants other than the Port Authority, and all causes of action in the Adversary Proceeding other than the civil contempt sanctions count were resolved as against the Port Authority. CCCI filed an amended complaint on January 7, 2015, to which the Port Authority filed a motion to dismiss. Hearing on the remaining open civil contempt count against the Port Authority has been adjourned from time to time, and the global settlement with the Port Authority that is incorporated in the Plan provides for the dismissal of the Adversary Proceeding in its entirety against the Port Authority.

B. Bankruptcy Rule 2004 Discovery

On November 19, 2014, CCCI filed motions pursuant to Bankruptcy Rule 2004 seeking document discovery and oral examinations from the Port Authority and Tishman regarding the WTC Claim and the circumstances surrounding the termination of the WTC Contract, which motions were granted over the parties' opposition on December 29, 2014.

As a result of the parties' failure to timely respond to the discovery demands, at a hearing held on February 18, 2015, the Court instructed the Debtors to bring a motion for contempt against the Port Authority and Tishman based on their failure to comply with the Court's order granting Bankruptcy Rule 2004 discovery. Following hearing on the contempt motion, the Port

Authority and Tishman began a rolling production of documents and, during the months that followed, ultimately produced tens of thousands of pages of documents to the Debtors which were thereafter used to enable the Debtors to strengthen their positions regarding the recovery of the WTC Claim. The contempt motion was withdrawn pursuant to the stipulated order entered by the Court on December 29, 2015, as described more fully below.

C. The PA Claims

On January 12, 2015 and May 7, 2015, the Port Authority filed the PA Claims against CCCI and CCCL, respectively, each in the amount of approximately \$83 million and comprised generally of an approximately \$67 million claim for “repayment of supplemental assistance due to failure to complete contract scope” and a \$16 million claim for “backcharges and credits”.

The proof of claim filed by the Port Authority against CCCI is based on a guaranty agreement pursuant to which CCCI guaranteed the completion of CCCL’s work on the WTC Project. On March 16, 2015, the Debtors objected to the Port Authority’s proof of claim filed against CCCI on the grounds that the guaranty agreement required a written notice of default by CCCL on the WTC Project in order to trigger CCCI’s liability, which default was not established. The Port Authority and CCCI each filed responsive pleadings relating to the objection, hearing on which was scheduled for June 16, 2015 and ultimately adjourned.

The Debtors also dispute the liability asserted in the proof of claim filed by the Port Authority against CCCL, however a formal objection was not filed because, as discussed more fully herein, in June 2015 it was decided that the parties would participate in mediation concerning the WTC Claim and the PA Claims.

As part of the settlement with the Port Authority proposed to be implemented through the Plan, the Port Authority has agreed that the PA Claims will be withdrawn on the Effective Date and the Port Authority will not participate in any Distribution of Cash under the Plan.

D. Jurisdiction Over the WTC Claim and the PA Claims

The Debtors and the Port Authority engaged in months of litigation in connection with the determination as to the proper forum for resolution of the WTC Claim and PA Claims. On March 10, 2015, the Port Authority filed a motion seeking relief from the automatic stay to continue the dispute resolution proceeding under the ADR Clause of the WTC Contract and to stay the prosecution of CCCI’s objection to the Port Authority’s proof of claim. On May 18, 2015, the Debtors filed a motion (the “ADR Motion”) requesting that the Court exercise its discretion to retain jurisdiction over the WTC Claim and the PA Claims and deny enforcement of the ADR Clause. The parties conducted extensive briefing of both motions, and the Committee and Aviva filed joinders in support of the Debtors’ ADR Motion.

Following a hearing before the Court on June 16, 2015 on these motions and CCCI’s objection to the Port Authority’s proof of claim, the Debtors and the Port Authority agreed to pursue a global resolution of their disputes through mediation, which represented a turning point in the Debtors’ Chapter 11 Cases.

E. Port Authority Mediation and the Plan Settlement

1. The Debtors' Mediation of WTC Claim and Harris Claims with Port Authority

On June 25, 2016, the Court entered an order assigning the Debtors' and Port Authority's dispute to mediation and appointing former Chief Bankruptcy Judge Melanie Cyganowski as the mediator (the "Mediator"). Over the course of the next six (6) months, the Debtors and the Port Authority participated in five (5) mediation sessions with the Mediator and engaged in good faith efforts to resolve their disputes relating to the WTC Claim and the PA Claims. During the mediation, the Debtors also presented the Harris Claims to the Port Authority for consideration consistent with CCCI's obligations under its Liquidating Agreement with Harris.

Following a mediation session held on November 18, 2015, the parties determined that they had reached an impasse and would be unable to resolve their disputes through mediation. In an effort to narrow the issues to be presented to the Court for trial, the Port Authority consented to the jurisdiction of the Bankruptcy Court to resolve the WTC Claims and the PA Claims and withdrew its opposition to the ADR Motion. Pursuant to a stipulated order that was "so ordered" by the Court on December 29, 2015, the Port Authority withdrew its opposition to the ADR Motion and its motion for relief from the automatic stay, and the Debtors withdrew the contempt motion relating to outstanding Bankruptcy Rule 2004 discovery.

Thereafter, the Debtors engaged in further discovery in connection with the open contested matters. The parties advised the Court at a status conference held on January 20, 2016 that they believed it would be productive to participate in one final attempt at mediation before preparing the disputes for trial.

The parties participated in a final mediation session on January 29, 2016, at the conclusion of which the Debtors and the Port Authority reached agreement regarding a global resolution of all issues outstanding between the parties. In addition, the Port Authority determined that the Harris Claims were without merit. The terms of the agreement were memorialized in a settlement term sheet executed by the Debtors, the Port Authority and the Mediator on January 29, 2016.

2. The Debtors' Settlement of the WTC Claim with Port Authority At Mediation

As agreed in the term sheet and memorialized in the Plan, the Port Authority and the Debtors have entered into a settlement pursuant to which the Port Authority has agreed to fund the Plan through the payment of the WTC Claim Proceeds to CCCL – the holder of the payment right under the WTC Contract - in the amount of \$12,300,000 and to withdraw the PA Claims against the Estates as of the Effective Date. In addition, all pending contested matters and the Adversary Proceeding will be dismissed against each other with prejudice and without costs. The Debtors and the Port Authority have also agreed to mutual general releases in favor of one another. Finally, in exchange for the Port Authority's substantial contribution to the Chapter 11

Cases through the agreement to make payment of the WTC Claim Proceeds, withdraw of the PA Claims, and discontinue pending litigation, the Port Authority would receive third party releases from the Debtors' creditors or any other party taking a benefit under the Plan.

Given that the PA Claims are not to be deemed withdrawn until the Effective Date of the Plan and that the Port Authority will not receive payment on account of the PA Claims, the Debtors submit that the PA Claims are impaired under the Plan. Moreover, because the Port Authority is receiving property under the Plan in the form of the releases described more fully in Section VIII.E.6 herein, the Debtors believe that the Port Authority is entitled to vote on the Plan. However, the Port Authority's entitlement to vote on the Plan is limited by the voting procedures set forth in Section VIII.C herein, and the Port Authority will not have the right to vote on account of the PA Claims unless either of the PA Claims are Allowed Claims as of the Voting Record Date.

VI. SUMMARY OF THE PLAN

A. General

SET FORTH IN THIS SECTION IS A SUMMARY OF CERTAIN OF THE MATTERS CONTEMPLATED TO OCCUR EITHER PURSUANT TO OR IN CONNECTION WITH CONFIRMATION OF THE PLAN. THIS SUMMARY HIGHLIGHTS THE SUBSTANTIVE PROVISIONS OF THE PLAN AND IS NOT, NOR IS IT INTENDED TO BE, A COMPLETE DESCRIPTION OR A SUBSTITUTE FOR A FULL AND CAREFUL READING OF THE PLAN. STATEMENTS REGARDING PROJECTED AMOUNTS OF CLAIMS OR DISTRIBUTIONS (OR THE VALUE OF SUCH DISTRIBUTIONS) ARE ESTIMATES BY THE DEBTORS BASED ON AVAILABLE INFORMATION AND ARE NOT A REPRESENTATION AS TO THE ACCURACY OF THESE AMOUNTS.

B. Plan Overview

The Plan is a consensual plan of liquidation that incorporates a proposed compromise and settlement of numerous issues outstanding between the Debtors and the Port Authority and will be funded primarily by the WTC Claim Proceeds payable by the Port Authority. In addition to CCCL's payment to CCCI of approximately \$6,215,409.62 on account of CCCI's Class 1A General Unsecured Claim against CCCL, CCCL has also agreed to transfer \$1,000,000 in additional funds from the WTC Claim Proceeds to CCCI's Estate to increase the funds available for distribution to the creditors of CCCI's Estate. The Plan is proposed to creditors on a consensual basis with the support of the Committee.

Having used the Chapter 11 Cases as a platform to obtain a resolution of the WTC Claim against the Port Authority, the Debtors have achieved the purpose of their Chapter 11 Cases and, following the Effective Date, will wind-down their Estates and liquidate. In that regard, following the Effective Date, the officers and directors of each of the Debtors shall continue to serve on the same terms, conditions and rights they are presently entitled to, including with respect to compensation, for the purpose of facilitating the expeditious wind-down of the

Debtors' affairs until the earlier of the date such Debtor is dissolved in accordance with the Plan or the date such officer resigns, is replaced or is terminated. For the avoidance of doubt, Renzo Collavino will continue to not be compensated for his services to the Debtors and Paolo Collavino will continue to receive compensation from non-debtor 2189994 Ontario Ltd. for his services to CCCL.

C. Treatment of Claims and Interests

The Plan divides holders of Claims against and Equity Interests in each of the Debtors into separate Classes and provides that Allowed Claims against a Debtor will be satisfied from the assets of that Debtor. As to CCCL, the Plan provides for two (2) separate Classes of Claims and Equity Interests against CCCL, both of which are Unimpaired. As to CCCI, the Plan provides for six (6) separate Classes of Claims and Equity Interests, five (5) of which are Impaired and one (1) of which is Unimpaired. There are also three (3) unclassified categories of Claims against each of the Debtors – Administrative Claims, Professional Fee Claims and Priority Tax Claims, which unclassified Claims will be paid by the Debtor with the payment obligation for each particular Claim.

A Claim or Equity Interest is placed in a particular unclassified category or Class only to the extent that the Claim or Equity Interest falls within the description of that category or Class. A Claim is also placed in a particular category or Class for the purpose of receiving Distributions pursuant to the Plan only to the extent that such Claim is an Allowed Claim in that category or Class and such Claim has not been paid, released or otherwise settled prior to the Effective Date.

In accordance with section 1123(a)(1) of the Bankruptcy Code, Administrative Claims, Professional Fee Claims and Priority Tax Claims have not been classified and, subject to compliance with the Professional Fee Claims Bar Date set forth in Article III of the Plan, will be paid in full in Cash (to the extent such Claims are Allowed) by the Debtor with the payment obligation for each particular Claim. All other Claims and Equity Interests have been classified. Each holder of a Claim or Interest should refer to Articles III, IV and V of the Plan for a full description of the classification and treatment of Claims and Equity Interests provided under the Plan.

1. Administrative Claims – Not Classified

An Administrative Claim is an unsecured Claim, other than a Professional Fee Claim, for payment of costs or expenses of administration specified in sections 503(b) and 507(a)(1) of the Bankruptcy Code, including, without limitation: (a) the actual, necessary costs and expenses incurred after the commencement of the Chapter 11 Cases of preserving the Estates and operating the businesses of the Debtors; (b) wages, salaries or commissions for services incurred after the Petition Date; and (c) all fees and charges assessed against the Estates of the Debtors under Chapter 123 of title 28, United States Code (“United States Trustee Fees”).

Each holder of an Allowed Administrative Claim shall be paid one hundred (100%) of the Allowed amount of its Administrative Claim in Cash from the Debtor obligated for the payment of such Allowed Administrative Claim on or as soon as reasonably practicable after the

Effective Date, or receive such less favorable treatment as may be agreed by such holder and the applicable Debtor; provided, however, that the Allowed Administrative Claims representing liabilities incurred in the ordinary course of business by a Debtor shall be paid in full and performed by such Debtor in the ordinary course of business according to normal and customary terms existing between the parties. Notwithstanding the immediately preceding sentence, Administrative Claims of the United States Trustee for fees pursuant to 28 U.S.C. § 1930(a)(6) shall be paid in accordance with the applicable schedule for payment of such fees.

CCCL Administrative Claims: Pursuant to its most recent operating report for the month of May 2016, CCCL is current on the payment of its post-petition obligations with the exception of ordinary course debt due and owing to its accountants, and as such its ordinary course of business Administrative Claims are anticipated to be minimal.

CCCI Administrative Claims: According to its May 2016 operating report, CCCI has unpaid post-petition obligations of approximately \$460,570.46 comprised primarily of unpaid union fringes due and owing CCCI from Collavino Corp. for work performed by union laborers on the Hudson Lights construction project during the month of May 2015. In addition, a post-petition Administrative Claim has been filed against CCCI in the \$117,949.45 on account of amounts allegedly due and owing under a post-petition audit of union fringes, which claim is currently subject to objection before the Court.

Estimated Percentage Recovery: 100%

2. Professional Fee Claims – Not Classified

Professional Fee Claims are defined under the Plan as Claims for compensation or reimbursement of expenses pursuant to sections 327, 328, 330, 331 or 503(b) of the Bankruptcy Code in connection with the Chapter 11 Cases, which are subject to the approval by the Court after appropriate fee application.

Each holder of an Allowed Professional Fee Claim for services rendered through the Confirmation Date shall be paid one hundred (100%) percent of the Allowed amount of such Professional Fee Claim in Cash from the Debtor obligated for the payment of such Allowed Professional Fee Claim on or as soon as reasonably practicable after the later of (a) the Effective Date or (b) the date such Professional Fee Claim becomes Allowed, or receive such other less favorable treatment as may be agreed by such holder and the Debtor obligated for the payment of such Allowed Professional Fee Claim.

CCCL Professional Fee Claims: C&D and Peckar are the only holders of Professional Fee Claims against CCCL. It is anticipated that C&D and Peckar's Professional Fee Claims asserted against CCCL will total to approximately \$2.~~345~~ million through the Confirmation Date.

CCCI Professional Fee Claims: C&D, Peckar and Archer are the only holders of Professional Fee Claims against CCCI. It is anticipated that C&D, Peckar and Archer's Professional Fee Claims asserted against CCCI will total to approximately \$2.~~02~~ million through

the Confirmation Date. In addition, CCCI will be filing an application to retain Anchin as financial advisors to CCCI's Estate and, if approved, any fees and expenses incurred by Anchin will be treated as Professional Fee Claims against CCCI.

The dollar amount of Professional Fee Claims asserted against each respective Debtor will be determined as of the Professional Fee Claims Bar Date as described in Section 3.3 of the Plan and thereafter subject to approval by the Court.

Estimated Percentage Recovery: 100%

3. Priority Tax Claims – Not Classified

A Priority Tax Claim is defined as a Claim entitled to priority pursuant to section 507(a)(8) of the Bankruptcy Code.

Each holder of an Allowed Priority Tax Claim shall be paid one hundred (100%) percent of the Allowed amount of its Priority Tax Claim in Cash from the Debtor obligated for the payment of such Allowed Priority Tax Claim on or as soon as reasonably practicable after the later of (a) the Effective Date or (b) the date such Priority Tax Claim becomes Allowed, or receive such other less favorable treatment as may be agreed by such holder and the Debtor obligated for the payment of such Allowed Priority Tax Claim.

There were no Priority Tax Claims itemized in the Debtors' Schedules. One Priority Tax Claim has been filed against CCCL in the amount of \$73,000 on account of allegedly unpaid New York City General Corporate Tax obligations, which claim is subject to a pending objection. Two Priority Tax Claims were filed against CCCI, however these claims have been withdrawn or Disallowed against CCCI's Estate. The Debtors anticipate that they will be successful in connection with the objection to the Priority Tax Claim filed against CCCL such that there will be no funds payable on account of Priority Tax Claims.

Estimated Percentage Recovery: 0%

4. CCCL General Unsecured Claims – Class 1A (Unimpaired – Not Entitled to Vote on Plan/Deemed to Accept)

On or as soon as reasonably practicable after the later of (a) the Effective Date or (b) the date such CCCL General Unsecured Claim becomes Allowed, each holder of an Allowed Class 1A CCCL General Unsecured Claim shall be paid in full in Cash by CCCL the Allowed amount of its CCCL General Unsecured Claim, or receive such other less favorable treatment as may be agreed by such holder and CCCL.

The Port Authority has agreed to accept less favorable treatment from CCCL as a part of the global settlement between the Debtors and the Port Authority. In that regard, on the Effective Date, the Port Authority shall receive the rights conferred under Section 10.2(c) of the Plan in the form of the releases granted thereunder and shall be deemed to have withdrawn the PA Claims in exchange for the value conferred by such releases.

Twelve (12) CCCL General Unsecured Claims have been asserted against CCCL in the amount of \$101,602,257.69, six (6) of which have been Disallowed. The PA Claim filed by the Port Authority and the Harris CCCL Claim will be withdrawn as of the Effective Date. CCCL estimates that there will be three (3) Allowed CCCL General Unsecured Claims in the total amount of approximately \$6,327,547.21, including the \$6,215,409.62 CCCL General Unsecured Claim held by CCCI.

Estimated Percentage Recovery: 100%

5. CCCL Equity Interests – Class 2A (Unimpaired – Not Entitled to Vote on Plan/Deemed to Accept)

The holders of the Class 2A CCCL Equity Interests shall retain their Equity Interests in CCCL until such time as CCCL is dissolved consistent with the provisions of section 7.3 of the Plan. The holders of the Class 2A CCCL Equity Interests shall be paid the portion of the WTC Claim Proceeds remaining after payment in full of all Allowed Claims in CCCL Class 1A and the transfer of one million (\$1,000,000) dollars in additional funds from the WTC Claim Proceeds to CCCI, with two-thirds (2/3) of such funds to be distributed to Aviva and the remaining one-third (1/3) to be distributed to the Mario Collavino (2007) Family Business Trust in accordance with the terms of a pre-petition shareholders' agreement among the holders of CCCL Equity Interests.

Estimated Percentage Recovery: 100% (\$2,323,185.62)

6. CCCI Other Priority Claims – Class 1B (Unimpaired – Not Entitled to Vote on Plan/Deemed to Accept)

On or as soon as reasonably practicable after the later of (a) the Effective Date or (b) the date such CCCI Other Priority Claim becomes Allowed, each holder of an Allowed Class 1B CCCI Other Priority Claim shall be paid in full in Cash by CCCI the Allowed amount of its CCCI Other Priority Claim, or receive such other less favorable treatment as may be agreed by such holder and CCCI.

There is one (1) remaining CCCI Other Priority Claim that has been filed against CCCI in the amount of \$52,221.90 on account of allegedly unpaid amounts arising out of an audit of union fringe payments which is subject to a pending objection. CCCI disputes any assertion of liability for the CCCI Other Priority Claim.

Estimated Percentage Recovery: 100%

7. CCCI Aviva Secured Claim – Class 2B (Impaired –Entitled to Vote on Plan)

On or as soon as reasonably practicable after the closing of the sale or surrender of any Collateral securing the Class 2B CCCI Aviva Secured Claim, the holder of the Allowed Class 2B CCCI Aviva Secured Claim shall receive Cash from CCCI in an amount, not to exceed the

Allowed amount of the CCCI Aviva Secured Claim, equal to the proceeds actually received from the sale of any such Collateral securing the CCCI Aviva Secured Claim, less the actual costs and expenses of disposing of such Collateral. Upon payment of the proceeds of the sale of the Collateral securing the CCCI Aviva Secured Claim to the holder of the Class 2B CCCI Aviva Secured Claim, the lien securing such Claim shall be deemed released and extinguished without further order of the Court.

Class 2B is comprised of the Secured Claim filed by Aviva in the amount of \$38,590,764.93. The value of the Collateral securing the CCCI Aviva Secured Claim will be determined through the sale or turnover of the Collateral to Aviva. CCCI is continuing to perform due diligence regarding the validity of the Aviva Claims and reserves any and all rights to object to such claim.

Estimated Percentage Recovery: Unknown

8. CCCI Aviva Unsecured Claim – Class 3B (Impaired –Entitled to Vote on Plan)

On or as soon as reasonably practicable after the later of (a) the Effective Date or (b) the date such CCCI Aviva Unsecured Claim becomes Allowed in a liquidated amount, the holder of the Allowed Class 3B CCCI Aviva Unsecured Claim shall receive Cash from CCCI in an amount equal to its Pro Rata Share of Available Cash other than the WTC Claim Proceeds. To the extent there is a Distribution of Available Cash on a Subsequent Distribution Date, each holder of an Allowed Class 3B CCCI Aviva Unsecured Claim shall receive its Pro Rata Share of Available Cash (other than the WTC Claim Proceeds), provided that the aggregate Distributions received pursuant to the Plan do not exceed the amount of the Allowed Class 3B CCCI Aviva Unsecured Claim.

Class 3B is comprised of the unsecured deficiency portion of the proof of Claim no. 30 filed by Aviva in the amount of \$38,590,764.93. The value of the Collateral securing the CCCI Aviva Secured Claim is unknown at this time, and therefore the extent of the CCCI Aviva Unsecured Claim is also unknown. However, given that Aviva is only entitled to receive a Distribution from Available Cash other than the WTC Claim Proceeds, it is anticipated that the recovery on the CCCI Aviva Unsecured Claim will be *de minimis* because it will be limited to Aviva's Pro Rata Share of any Available Cash that is not the WTC Claim Proceeds. CCCI is continuing to perform due diligence regarding the validity of the Aviva Claims and reserves any and all rights to object to such claims.

Estimated Percentage Recovery: <1%

9. Harris CCCI Claim – Class 4B (Impaired –Entitled to Vote on Plan)

On or as soon as reasonably practicable after the Effective Date, the holder of the Class 4B Harris CCCI Claim shall be paid in full in Cash by CCCI the amount equal to two million five hundred thousand (\$2,500,000) dollars on account of its Allowed Class 4B Harris CCCI Claim. Notwithstanding anything to the contrary set forth in any other section of the Plan, the

releases set forth in Section 10.2 of the Plan shall not become operative as to Harris until Harris has received payment in full on account of the Harris CCCI Claim on the terms set forth herein.³

Class 4B is comprised of the Harris CCCI Claim asserted by Harris in the amount of \$4,987,550 and Allowed as an Allowed Class 4B Harris CCCI Claim in the amount of approximately \$3,575,000.

Estimated Percentage Recovery: 70%

10. CCCI General Unsecured Claims – Class 5B (Impaired –Entitled to Vote on Plan)

On or as soon as reasonably practicable after the later of (a) the Effective Date or (b) the date such CCCI General Unsecured Claim becomes Allowed, after reserving for Disputed Claims, each holder of a Class 5B CCCI General Unsecured Claim shall receive its Pro Rata Share of up to ~~fifty (50)~~seventy (70%) percent of the Available Cash from CCCI on account of its Allowed Class 5B CCCI General Unsecured Claim. To the extent there is a Distribution of Available Cash on a Subsequent Distribution Date, and/or a Distribution of proceeds of any Claim or Cause of Action held by CCCI assigned to the Committee or any successor thereof as set forth in Section 7.7 of the Plan, each holder of an Allowed Class 5B CCCI General Unsecured Claim shall receive its Pro Rata Share of Available Cash and/or such proceeds, provided that the aggregate Distributions received pursuant to the Plan do not exceed the amount of the Allowed Class 5B CCCI General Unsecured Claims.

The Port Authority has agreed to accept less favorable treatment from CCCI as a part of the global settlement between the Debtors and the Port Authority. In that regard, on the Effective Date, the Port Authority shall receive the rights conferred under Section 10.2(c) of the Plan in the form of the releases granted thereunder and shall be deemed to have withdrawn the PA Claims in exchange for the value conferred by such releases.

There are currently fifty two (52) CCCI General Unsecured Claims asserted against CCCI which have not been Disallowed, three (3) of which remain subject to pending objections, including the PA Claim filed by the Port Authority against CCCI. CCCI estimates that there will be Allowed CCCI General Unsecured Claims in the amount of approximately \$3,443,778.68. CCCI reserves any and all rights to submit additional objections to any CCCI General Unsecured Claims. The Committee supports the treatment of CCCI General Unsecured Claims set forth in the Plan.

Estimated Percentage Recovery: ~~57%-~~approximately 70%.⁴

³ Harris has agreed to the treatment of the Harris Claims set forth in the Plan and to vote in favor of the Plan.

⁴ If additional General Unsecured Claims are Disallowed, the recovery to Class 5B could increase.

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11. CCCI Equity Interests – Class 6B (Impaired – Not Entitled to Vote on Plan/Deemed to Reject)

The holder of the Class 6B CCCI Equity Interests shall neither receive nor retain any property on account of such CCCI Equity Interests, and such CCCI Equity Interests shall be cancelled pursuant to the provisions of the Plan; provided, however, that in the event that all Allowed Claims in CCCI Classes 1B through 5B have been satisfied in full in accordance with the Bankruptcy Code and the Plan, the holder of the CCCI Equity Interests may receive its share of any remaining assets of CCCI consistent with such holder’s rights of payment existing immediately prior to the Petition Date.

Class 6B is comprised of the CCCI Equity Interests which are wholly owned by CCCL.

Estimated Percentage Recovery: 0%

D. Treatment of Executory Contracts and Unexpired Leases

1. Assumption of Executory Contracts and Other Unexpired Leases.

On the Confirmation Date, the following prepetition executory contracts and/or unexpired leases shall be deemed assumed:

Contract/Lease Counterparty	Description of Contract/Lease	Cure Amount
Collavino Corp.	Subcontract Agreement – Hudson Lights – SW Building	\$0.00
Collavino Corp.	Subcontract – Hudson Lights	\$0.00

While the Debtors have not determined that the contracts described above are executory contracts given that the only performance remaining is the payment of monies due and owing by Collavino Corp. to CCCI, out of an abundance of caution and in order to preserve any and all rights CCCI may have to assert claims under such contracts, the Debtors intend to assume such contracts pursuant to the Plan.

2. Rejection of Executory Contracts and Other Unexpired Leases

The Confirmation Order shall constitute an order of the Court approving the rejections or assumptions described in Article IX of the Plan, pursuant to section 365 of the Bankruptcy Code, as of the Confirmation Date. Notwithstanding anything in the Plan to the contrary, no executory contract or unexpired lease shall be deemed assumed or rejected pursuant to the terms of Article IX of the Plan if the Effective Date fails to occur for any reason.

On the Confirmation Date, any prepetition executory contracts and unexpired leases of the Estates not previously assumed or rejected shall be deemed rejected under sections 365 and 1123 of the Bankruptcy Code, except (a) any executory contract or unexpired lease that is the subject of a separate motion to assume, assume and assign or reject filed pursuant to section 365 of the Bankruptcy Code before the entry of the Confirmation Order; or (b) any executory contract or unexpired lease which shall have expired or terminated pursuant to its terms; provided, however, that rejection pursuant hereto shall not constitute an admission that any such contracts or leases are in fact executory contracts or unexpired leases or that the Debtors had any liability thereunder.

The Confirmation Order shall constitute an order of the Court approving the rejections or assumptions described herein, pursuant to section 365 of the Bankruptcy Code, as of the Confirmation Date. Notwithstanding anything in the Plan to the contrary, no executory contract or unexpired lease shall be deemed assumed or rejected pursuant to the terms of Article IX if the Effective Date fails to occur for any reason.

3. Bar Date for Rejection Damages

Any Claim for damages arising by reason of the rejection of any pre-petition executory contract or unexpired lease hereunder must be filed on or before thirty (30) days following the Confirmation Date, and upon the failure of any entity to file such claim on or before such date, such entity shall be forever barred from asserting a claim on account of the rejection of such contract or unexpired lease, but shall nevertheless be bound by the provisions of the Plan.

There shall be no restriction on the right of the Debtors to object to any Claims relating to the rejection of executory contracts or unexpired leases, or to assert any defense or counterclaim to any such Claim, notwithstanding that such defenses or counterclaims may not have otherwise been identified in the Plan, Disclosure Statement or otherwise.

Any Allowed Claims arising from the rejection of an executory contract or unexpired lease rejected pursuant to the provisions of Section 9.2 of the Plan will constitute a General Unsecured Claim against the applicable Debtor.

E. Distributions and Claims Resolution Provisions

1. Distributions.

a) **Effective Date Distributions.** On or as soon as reasonably practicable after the Effective Date, the Distribution Agent shall fund the Distribution Reserve and the Operating Fund with such amounts as are required under the Plan on behalf of CCCL. After funding the Distribution Reserve and Operating Fund, the Distribution Agent shall remit payments on behalf of CCCL to holders of Allowed Administrative Claims, Professional Fee Claims, and Priority Tax Claims for which CCCL is responsible, as well as to holders of Allowed Class 1A CCCL General Unsecured Claims. Prior to making any Distribution to the holders of the Class 2A

CCCL Equity Interests, in exchange for the releases set forth in Section 10.2 of the Plan, the Distribution Agent shall transfer one million (\$1,000,000) dollars of the funds remaining from the WTC Claim Proceeds to CCCI as additional funds available for distribution to the creditors of the CCCI Estate and shall thereafter transfer ~~the~~ up to seventy (70%) percent of the remaining funds to the holders of the Class 2A CCCL Equity Interests.

Upon receipt by CCCI of (i) its Distribution on account of its Class 1A CCCL General Unsecured Claim in the anticipated amount of \$6,215,409.62, and (ii) its Distribution of one million (\$1,000,000) in additional funds being provided by CCCL from the WTC Claim Proceeds, the Distribution Agent shall fund the Distribution Reserve and the Operating Fund with such amounts as are required under the Plan on behalf of CCCI. After funding the Distribution Reserve and Operating Fund, the Distribution Agent shall remit payments on behalf of CCCI to holders of Allowed Administrative Claims, Professional Fee Claims, and Priority Tax Claims for which CCCI is responsible, as well as to holders of Allowed Class 1B CCCI Other Priority Claims, the Class 4B Harris CCCI Claim and the Class 5B CCCI General Unsecured Claims on the terms and in the amounts set forth in Article V of the Plan. All payments shall be made in accordance with the priorities established by the Bankruptcy Code.

b) **Distributions on a Subsequent Distribution Date.** Unless otherwise provided in the Plan, the Debtors shall, on a Subsequent Distribution Date, distribute Available Cash to the holders of Claims and Equity Interests that were Allowed on the Effective Date or have subsequently become Allowed on or before the Subsequent Distribution Date in amounts necessary to cause such holders to have received aggregate Distributions of Cash in respect of such Allowed Claims or Equity Interests equal to the Distributions that such holders would have received in respect of such Allowed Claims or Equity Interests on or around the Effective Date; provided, however, that in no event shall the Debtors be obligated to make a Distribution on a Subsequent Distribution Date if, in the reasonable discretion of the Debtors, there is insufficient Available Cash to make an economically practicable Distribution, taking into account the size of the Distribution to be made and the number of recipients of such Distribution, in which event such funds shall be distributed on the next successive Subsequent Distribution Date.

In addition, on the first Subsequent Distribution Date after the Allowed Amount of the Class 3B CCCI Aviva Unsecured Claim has been fixed, to the extent of any Available Cash other than the WTC Claim Proceeds, the Distribution Agent shall remit payment on behalf of CCCI to the holder of the Allowed Class 3B CCCI Aviva Unsecured Claim.

2. **Distribution Reserve.**

In the event that on a Distribution Date there are any Disputed Claims not yet resolved, Professional Fee Claims not yet Allowed, or any other Claims pending allowance by Order of the Court or by agreement of the Debtor against whom such Claim is asserted, then there shall be reserved for future Distribution a sufficient amount of Available Cash, including the WTC Claim Proceeds, so that if such Claims subsequently become Allowed Claims, there will be adequate Available Cash to make a Distribution to such holders of Allowed Claims on a Subsequent Distribution Date so that each such holder will have received aggregate Distributions equal to its

Pro Rata Share of the aggregate Available Cash then distributed to the holders of Allowed Claims in the same Class.

3. Distribution Agent.

All Distributions under the Plan shall be made by the Distribution Agent. The Distribution Agent shall be empowered to (i) effect all actions and execute all agreements, instruments and other documents necessary to perform its duties under the Plan, (ii) make all Distributions contemplated by the Plan, and (iii) exercise such other powers as may be vested in the Distribution Agent by order of the Court, pursuant to the Plan, or as deemed by the Distribution Agent to be necessary and proper to implement the provisions of the Plan.

4. Operating Fund.

Any expenses incurred on or after the Effective Date including, without limitation, any reasonable fees and expenses incurred by the Distribution Agent and by any Professionals, shall be paid from the Operating Fund, subject to the requirement in Section 13.16 of the Plan that the Debtors and the U.S. Trustee be provided with notice of such fees and expenses prior to making any payment. The Operating Fund will be funded by the Distribution Agent on or as soon as reasonably practicable after the Effective Date with Cash in the aggregate amount of two hundred ~~fifty~~ thousand (\$~~200~~250,000) dollars, fifty (50%) percent of which shall be contributed by CCCL and fifty (50%) percent of which shall be contributed by CCCI. After all Distributions under the Plan have been made and all fees and expenses incurred by any Professionals have been paid, the remaining balance in the Operating Fund, if any, shall be distributed Pro Rata to the holders of Class 2A CCCL Equity Interests and Class 5B CCCI General Unsecured Claims.

5. Estimation of Claims.

The Debtors may at any time request that the Court estimate any contingent, unliquidated or Disputed Claim pursuant to section 502(c) of the Bankruptcy Code regardless of whether the Debtors have previously objected to such Claim, and the Court will retain jurisdiction to estimate any Claim at any time, including during litigation concerning any objection to such Claim. On and after the Confirmation Date, subject to the Effective Date, Claims which have been estimated subsequently may be compromised, settled, withdrawn or otherwise resolved without further order of the Court as provided in section 8.5 of the Plan.

6. Objections to Claims.

From and after the Effective Date, the Debtors shall have the right to object to the allowance of any Claim, and may file with the Court any appropriate motion or adversary proceeding with respect thereto within one hundred twenty (120) days of the Effective Date. All Claim objections may be litigated to Final Order; provided, however, that the Debtors may

compromise and settle, withdraw, or resolve by any other method approved by the Court, any objections to any Claim.

7. Claims Filed After Bar Date.

Any Claim filed after the Bar Date shall, unless such Claim amends a Claim filed before the Bar Date or unless the Court otherwise directs, be deemed Disallowed in full and expunged without further order of the Court. Filed or Scheduled Claims may be amended or reconsidered only as provided in the Bankruptcy Code and Bankruptcy Rules. A Claim may be amended prior to the Confirmation Date only as agreed upon by the Debtor against whom the Claim is asserted and the holder of such Claim, or as otherwise permitted by the Court, the Bankruptcy Rules or applicable law. After the Confirmation Date, except as otherwise specifically set forth in the Plan, a Claim may not be filed or amended without the authorization of the Court or consent of the Debtor against whom the Claim is asserted.

8. Unclaimed Property.

If any Distribution remains unclaimed for a period of ninety (90) days following a Distribution Date to the holder of an Allowed Claim or Equity Interest entitled thereto, the Distribution shall constitute Unclaimed Property and the holder shall no longer be entitled to such Distribution. All such property shall be retained by the Distribution Agent in the Distribution Reserve for Distribution pursuant to the terms of the Plan, subject, however, to the Distribution Agent's sole discretion to distribute Unclaimed Property to holders entitled thereto if such holders are subsequently located.

9. Withholding Taxes and Expenses of Distribution.

Any federal, state or local withholding taxes or other amounts required to be withheld under applicable law shall be deducted from Distributions hereunder. All Persons holding Claims shall be required to provide any information necessary to effect the withholding of such taxes, and the Distribution Agent shall be authorized to withhold Distribution on such Claims until the requisite information is received. If such information is not received within ninety (90) days after the Distribution Date, the provisions of Section 8.9 of the Plan shall apply. In addition, all Distributions under the Plan shall be net of the actual and reasonable costs of making such Distributions and of any allocable fees or other charges relating thereto.

10. No Distribution Pending Allowance.

Notwithstanding anything to the contrary herein, if any portion of a Claim is a Disputed Claim, no Distribution shall be made on account of such Claim unless and until such Disputed Claim becomes an Allowed Claim. In lieu of making a Distribution to a holder of a Disputed Claim, any Distribution to which such holder would be entitled if that Claim had been Allowed in full shall be placed in the Distribution Reserve until the disposition thereof shall be determined by Court order or by written agreement between the holder of the Claim and the Debtor against whom the Claim is asserted.

11. Setoffs and Recoupment.

Except as otherwise provided in the Plan, the Confirmation Order or in agreements previously approved by Final Order of the Court, the Debtors may, pursuant to applicable law, setoff or recoup against any Claim (for purposes of determining the Allowed amount of such Claim on which Distribution shall be made and before any Distribution is made on account of such Claim), any and all of the Claims, rights and Causes of Action of any nature that the Debtors or the Estates may hold against the holder of such Claim.

Neither the failure to affect such a setoff or recoupment, the allowance of any Claim hereunder, any other action or omission of the Debtors, nor any provision of the Plan, shall constitute a waiver or release by the Debtors of any such Claims, rights and Causes of Action that the Debtors may possess against such holder. To the extent the Debtors fail to setoff or recoup against a creditor and seek to collect a Claim from such creditor after a Distribution to such creditor pursuant to the Plan, the Debtors, if successful in asserting such Claim, shall be entitled to full recovery against such creditor. The Debtors may seek periodic Court approval for any such setoffs or recoupments.

VII. MEANS OF IMPLEMENTATION OF THE PLAN; EFFECT OF CONFIRMATION

A. Plan Settlement.

Pursuant to section 1123 of the Bankruptcy Code and Bankruptcy Rule 9019, the Plan incorporates a proposed compromise and settlement of numerous issues outstanding between the Debtors and the Port Authority designed to achieve an economic settlement of the WTC Claim and the PA Claims and an efficient resolution of the Chapter 11 Cases. The Plan constitutes a motion to approve a settlement of the WTC Claim, the PA Claims and all pending contested matters and adversary proceedings between the Debtors and the Port Authority. The settlement will be implemented through the Plan as follows:

- a) On the Effective Date, the Port Authority shall pay the WTC Claim Proceeds to the Estates for Distribution in accordance with the provisions of Section 8.1 of the Plan.
- b) The WTC Claim Proceeds shall be distributed by the Distribution Agent on behalf of the Debtors to holders of Allowed Claims and Equity Interests consistent with the terms of the Plan and the priority scheme of the Bankruptcy Code.
- c) On the Effective Date, the PA Claims will be deemed withdrawn against the Debtors' Estates without further order of the Court.
- d) On or as soon as reasonably practicable after the Effective Date, the Debtors and the Port Authority will dismiss all pending contested matters and adversary proceedings against each other with prejudice and without costs.
- e) The Port Authority will receive the releases set forth in Section 10.2(c) of the Plan.

The Debtors believe that the settlements and compromises embodied in the Plan are fair and reasonable and in the best interests of the Debtors, the Estates, the Debtors' creditors and other parties in interest and takes into account the likelihood of success in any litigation with the Port Authority regarding the WTC Claim, the complexity and cost of the litigation and the interests of the creditors to bring these Chapter 11 cases to a successful conclusion. The entry of the Confirmation Order will constitute the Court's approval of each of the compromises and settlements embodied in the Plan.

B. CCCL/Coll-Form Inc. Amalgamation

Pursuant to sections 1123(a)(5) and 105(a) of the Bankruptcy Code, the Plan provides for the amalgamation (the "Amalgamation") of CCCL and non-debtor related entity Coll-Form Inc. under section 87(1) of the *Income Tax Act* (Canada) for the purpose of tax planning in connection with the orderly liquidation of CCCL's estate, which Amalgamation constitutes a "merger or consolidation" of CCCL and Coll-Form Inc. within the meaning of section 1123(a)(5)(C) of the Bankruptcy Code.

Accordingly, as a result of the Amalgamation, the Debtors anticipate that additional funds that would have otherwise been payable as income tax on the WTC Claim Proceeds under Canadian law will be available for distribution to creditors of CCCL's Estate. Therefore, the Amalgamation will benefit all parties in interest and provide a greater distribution to creditors of the Estates without any detriment to either of the Estates.

C. Transfer of Funds to CCCI Estate

CCCL has agreed to transfer one million (\$1,000,000) dollars from the WTC Claim Proceeds into CCCI's Estate to increase the funds available for distribution to the creditors of CCCI. CCCL has agreed to the transfer of such additional funds in exchange for the releases set forth in Section 10.2 of the Plan. Accordingly, in addition to the \$6,215,409.62 to be paid to CCCI's Estate on account of CCCI's Class 1A General Unsecured Claim against CCCL, the Distribution Agent will also transfer one million (\$1,000,000) dollars in additional funds from the WTC Claim Proceeds on behalf of CCCL to CCCI's Estate for distribution to creditors on the first Distribution Date following the Effective Date of the Plan. For the avoidance of doubt, while CCCL anticipates that the tax savings generated from the Amalgamation will make additional funds available for distribution to the creditors of CCCL's Estate, the one million (\$1,000,000) dollar transfer from CCCL's Estate to CCCI's Estate is not contingent on the Amalgamation.

CCCI is in the process of retaining Anchin as financial advisors to assist with any tax matters that may arise pertaining to CCCI including the increase the funds available for distribution to creditors of CCCI's Estate through Amalgamation.

D. Funding of the Plan.

The Distributions required under the Plan shall be made from (i) the WTC Claim

Proceeds, and (ii) other Available Cash generated from the liquidation of the Debtors' remaining assets, the prosecution and enforcement of Causes of Action of the Estates, the release of funds from the Distribution Reserve, Unclaimed Property and any other funds received by the Debtors.

E. Process for Liquidation.

a) From and after the Confirmation Date, the Debtors shall continue in existence for the purpose of (i) winding down their affairs as expeditiously as reasonably possible, (ii) liquidating, by conversion to Cash or other methods, any remaining assets of their Estates as expeditiously as reasonably possible, (iii) enforcing and prosecuting Claims, interests, rights and privileges of the Debtors, including, without limitation, the prosecution of Avoidance Actions and other Causes of Action of the Debtors, (iv) resolving Disputed Claims, (v) administering the Plan, and (vi) filing appropriate tax returns.

b) Upon the distribution of all assets of the Debtors' Estates pursuant to the Plan and the filing by or on behalf of the Debtors a certification to that effect with the Court, the Debtors shall be deemed dissolved for all purposes without the necessity of any other or further actions to be taken by or on behalf of each of the Debtors or payments to be made in connection therewith; provided, however, that in their sole discretion, each Debtor may (but shall not be required to) file with the applicable governmental body a certificate of dissolution or document of similar effect under applicable law. From and after the Effective Date, the Debtors shall not be required to file any document, pay any fee or expense, or take any other action, to withdraw their business operations from any states in which the Debtors previously conducted their business operations.

F. Post Confirmation Corporate Governance

From and after the Confirmation Date, the then current officers and directors of each of the Debtors shall continue to serve in their respective capacities for the purpose of facilitating the expeditious wind-down of the Debtors' affairs as described in section E above through the earlier of the date such Debtor is dissolved in accordance with the Plan or the date such officer resigns, is replaced or is terminated. From and after the Confirmation Date, Paolo Collavino shall continue to serve as the president/vice president/secretary-treasurer and sole director of CCCL. In addition, from and after the Confirmation Date, Renzo Collavino shall continue to serve as the president and sole director of CCCI, and Paolo Collavino shall continue to serve as the secretary/treasurer of CCCI. The officers and directors of each of the Debtors shall continue to serve on the same terms, conditions and rights they are presently entitled to, including with respect to compensation. For the avoidance of doubt, the officers and directors of each of the Debtors shall continue to receive compensation for their service in such roles, if at all, from non-debtor related entities in the same manner as such compensation was paid prior to the Petition Date, and the Debtors will not be responsible for the payment of any compensation to their respective officers and directors. Accordingly, Renzo Collavino will continue to not be compensated for his services to the Debtors, and Paolo Collavino will receive compensation from non-debtor 2189994 Ontario Ltd. for his services to CCCL.

G. Injunction

The Plan and the Confirmation Order will provide that, except as otherwise set forth therein, all Persons who have held, hold or may hold Claims, Causes of Action or Equity Interests and their successors and assigns, and all other parties in interest, along with their respective present or former directors, officers, principals, employees, agents, professionals, representatives and affiliates, shall be permanently enjoined, from and after the Effective Date, from: (a) commencing or continuing in any manner any action or proceeding of any kind with respect to any such Claims, Causes of Action or Equity Interests against the Debtors, the Estates or the Estate Parties; (b) the enforcement, attachment, collection or recovery by any manner or means of a judgment, award, decree or order against the Debtors, the Estates or the Estate Parties on account of such Claims, Causes of Action or Equity Interests; (c) creating, perfecting or enforcing any encumbrance of any kind against the Debtors, the Estates or the Estate Parties or against the property or interests in the property of the Debtors, the Estates or the Estate Parties on account of any such Claims, Causes of Action or Equity Interests; (d) taking any action against, or interfering in any respect with, the Cash or property being distributed in accordance with the Plan or the Distributions being effectuated through the Plan (other than actions to enforce any rights or obligations under the Plan); (e) asserting any right of setoff or recoupment of any kind, directly or indirectly, against any obligation due the Debtors, the Estates or the Estate Parties, except as contemplated or allowed by the Plan; and (f) prosecuting or otherwise asserting any Claim, Cause of Action, right or interest that has been extinguished, discharged, released, settled or exculpated pursuant to the Plan or the Confirmation Order. Such injunction shall extend to all Persons protected by the discharge, release, settlement and exculpation provisions of the Plan and the Confirmation Order, as well as to the successors of such Persons and to the respective property and interests in property of such Persons.

H. Discharge and Release of the Debtors, the Estates and the Estate Parties

The Plan and Confirmation Order will provide that the rights afforded in the Plan and the treatment of all Claims in the Plan shall be in exchange for a complete satisfaction, discharge and release of Claims of any nature whatsoever, against the Debtors, the Estates, the Estate Parties or any of their assets or properties. Except as otherwise provided therein, on the Effective Date, all such Claims against the Debtors, the Estates or the Estate Parties, including without limitation Disallowed Claims, shall be satisfied, discharged and released in full, and all Persons or entities are precluded and enjoined from asserting against the Debtors, the Estates or the Estate Parties, their successors, or their assets or property any other or further Claims based upon any act, omission, transaction or other activity of any kind or nature that occurred before the Effective Date. The Confirmation Order shall be a judicial determination, as of the Effective Date, of the discharge of all such Claims pursuant to sections 524 and 1141 of the Bankruptcy Code.

I. Third Party Release

The Plan and the Confirmation Order will provide that, except as otherwise set

forth therein, on the Effective Date, each of the Releasing Parties (regardless of whether a Releasing Party is also a Released Party) absolutely, unconditionally and irrevocably releases and forever discharges each of the Released Parties from any and all Claims, Causes of Action, demands, damages, liabilities, losses, obligations, costs, fees and expenses of whatsoever nature, character and kind, whether known or unknown, whether disclosed or undisclosed, whether anticipated or unanticipated, whether asserted or unasserted, whether direct or indirect, whether contingent or liquidated, and whether existing at law, in equity or otherwise, which any of the Releasing Parties ever had, now has or may have in the future against any of the Released Parties arising out of, based upon or in any manner connected with any of the following: (a) the Debtors; (b) Chapter 11 Cases; (c) the WTC Contract; (d) the WTC Project; (e) the Plan; (f) the Disclosure Statement; (g) any agreement, understanding, contract, instrument or other document which existed prior to the Effective Date relating in any way to the Debtors, the Chapter 11 Cases, the WTC Contract, the WTC Project, the Plan or the Disclosure Statement; and (h) any transaction, event, circumstance, action, failure to act or occurrence of any kind or nature which occurred, existed, was taken, permitted or begun at any time prior to the Effective Date relating in any way to the Debtors, the Chapter 11 Cases, the WTC Contract, the WTC Project, the Plan or the Disclosure Statement; provided, however, that the foregoing release will not prohibit any Releasing Party from (i) seeking to enforce any obligation or liability arising under the Plan or the Confirmation Order, (ii) seeking to enforce any obligation or liability expressly preserved under the Plan or the Confirmation Order, or (iii) seeking to assert any Claim or Cause of Action solely arising out of or relating to acts or omissions occurring after the Effective Date; and provided, further, that nothing in Section 10.2(c) of the Plan shall be construed to release any Person from willful misconduct or intentional fraud as determined by Final Order; *and provided further*, that nothing in the Plan shall limit the liability of professionals to their clients pursuant to N.Y. Comp. Codes R. & Regs. tit. 22 § 1200.8 Rule 1.8(h)(1) (2009).

Under the Plan, “Estate Parties” means the Debtors and their successors and assigns, along with their respective present or former officers, directors, principals, employees, shareholders, members, attorneys, advisors, representatives, agents, guarantors, affiliates and related entities; provided, however, that the Estate Parties shall not include Aviva Insurance Company of Canada.

Under the Plan, “Releasing Parties” means, collectively, (i) the Estate Parties, (ii) the Committee, (iii) each holder of a Claim or Equity Interest that votes to accept the Plan, that is deemed to accept the Plan, that abstains from voting on the Plan, or that otherwise receives any benefit under the Plan, and (iii) to the fullest extent permissible under applicable law, each holder of a Claim or Equity Interest that votes to reject the Plan.

Under the Plan, the “Released Parties” means, collectively, (i) the Estate Parties and (ii) the Port Authority Parties.

J. Exculpation

The Plan and Confirmation Order will provide that the Exculpated Parties and their property and Professionals who provided services to the Estates during these Chapter

11 Cases, and all direct or indirect predecessors-in-interest to any of the foregoing Persons, will not have or incur any liability to any Person for any act taken or omission occurring on or after the Petition Date in connection with or related to the Estates, including but not limited to (i) the commencement and administration of the Chapter 11 Cases, (ii) the operation of the Debtors during the pendency of the Chapter 11 Cases, (iii) formulating, preparing, disseminating, implementing, confirming, consummating or administering the Plan (including soliciting acceptances or rejections thereof); (iv) the Disclosure Statement or any contract, instrument, release or other agreement or document entered into or any action taken or omitted to be taken during the administration of the Chapter 11 Cases or in connection with the Plan; or (v) any Distributions made pursuant to the Plan. Nothing in this section shall (i) be construed as a release of such Person's fraud, gross negligence, malpractice or willful misconduct with respect to the matters set forth in Section 10.2(c) of the Plan, or (ii) limit the liability of the Debtors' Professionals to their respective clients pursuant to DR 6-102 of the Code of Professional Responsibility.

K. Post-Confirmation Jurisdiction of the Court

Notwithstanding confirmation of the Plan or occurrence of the Effective Date, the Court shall retain such jurisdiction as is legally permissible, including, without limitation, for the following purposes:

- a) To determine the allowability, classification, or priority of Claims upon objection by the Debtors and the validity, extent, priority and nonavoidability of consensual and nonconsensual liens and other encumbrances;
- b) To issue injunctions or take such other actions or make such other orders as may be necessary or appropriate to restrain interference with the Plan or its execution or implementation by any Person, to construe and to take any other action to enforce and execute the Plan, the Confirmation Order, or any other order of the Court, to issue such orders as may be necessary for the implementation, execution, performance and consummation of the Plan and all matters referred to herein, and to determine all matters that may be pending before the Court in the Chapter 11 Cases on or before the Effective Date with respect to any Person;
- c) To protect the property of the Estates from claims against, or interference with, such property, including actions to quiet or otherwise clear title to such property or to resolve any dispute concerning liens, security interest or encumbrances on any property of the Estates;
- d) To determine any and all applications for allowance of Professional Fee Claims;
- e) To determine any Priority Tax Claims, Other Priority Claims, Administrative Claims or any other request for payment of claims or expenses entitled to priority under section 507(a) of the Bankruptcy Code;

- f) To resolve any dispute arising under or related to the implementation, execution, consummation or interpretation of the Plan and the making of Distributions hereunder;
- g) To determine any and all motions related to the rejection, assumption or assignment of executory contracts or unexpired leases, or to determine any motion to reject an executory contract or unexpired lease pursuant to Part IX of the Plan;
- h) To determine all applications, motions, adversary proceedings, contested matters, actions, and any other litigated matters instituted in the Chapter 11 Cases, including any remands;
- i) To modify the Plan under section 1127 of the Bankruptcy Code, remedy any defect, cure any omission, or reconcile any inconsistency in the Plan or the Confirmation Order so as to carry out their intent and purpose;
- j) To issue orders in aid of consummation of the Plan and the Confirmation Order notwithstanding any otherwise applicable non-bankruptcy law, with respect to any Person, to the full extent authorized by the Bankruptcy Code;
- k) To determine any tax liability pursuant to section 505 of the Bankruptcy Code;
- l) To enter and implement such orders as may be appropriate in the event the Confirmation Order is for any reason stayed, revoked, modified or vacated;
- m) To resolve any disputes concerning whether a Person had sufficient notice of the Chapter 11 Cases, any Bar Date, the hearing to consider approval of the Disclosure Statement or the Confirmation Hearing or for any other purpose;
- n) To resolve any dispute or matter arising under or in connection with any order of the Court, whether entered in the Chapter 11 Cases or after the Confirmation Date;
- o) To resolve any disputes concerning any release of a Person hereunder whether or not such Person is a Debtor or the injunction against acts, employment of process or actions against such Person;
- p) To approve any Distributions, or objections thereto, under the Plan;
- q) To approve any Claims settlement entered into or offset exercised;
- r) To enter a Final Order closing the Chapter 11 Cases; and
- s) To determine such other matters, and for such other purposes, as may be provided in the Confirmation Order or as may be authorized under provisions of the Bankruptcy Code.

VIII. CONFIRMATION OF THE PLAN

A. Introduction

The Bankruptcy Code requires the Court to determine whether a plan of reorganization complies with the technical requirements of chapter 11 of the Bankruptcy Code. It further requires that a debtor or plan proponent's disclosures concerning such plan have been adequate and have included information concerning all payments made or promised in connection with the plan.

To confirm the Plan, the Court must find that all of these and certain other requirements have been met. Thus, even if the requisite vote is achieved for each Class of Impaired Claims, the Court must make independent findings respecting the Plan's conformity with the requirements of the Bankruptcy Code before it may confirm the Plan. Some of these statutory requirements are discussed below.

B. Conditions to Confirmation and Effective Date

The Plan may not be confirmed unless the Disclosure Statement has been approved by the Court. The Effective Date may not occur, and thus the Plan will not become effective, unless the Confirmation Order becomes a Final Order.

If the Plan is confirmed, the Debtor expects the Effective Date to occur not later than thirty (30) days after the Confirmation Date.

C. Voting Procedures and Standards

Holders of Claims in Classes that are Impaired under the Plan (but not deemed to reject the Plan by virtue of receiving no Distributions thereunder) will receive a Ballot with this Disclosure Statement for the acceptance or rejection of the Plan. Any Claim or Equity Interest whose legal, contractual or equitable rights are altered, modified or changed by the proposed treatment under the Plan or whose treatment under the Plan is not provided for in section 1124 of the Bankruptcy Code is considered Impaired. Instructions on how to complete a Ballot and the deadline for voting on the Plan are contained in the solicitation materials accompanying this Disclosure Statement and the Plan.

The following procedures for allowance of Claims for purposes of voting on the Plan shall apply to votes upon the Plan:

(a) Disputed Filed Claims. With regard to a Claim that is the subject of an objection filed at least twenty (20) days prior to the Ballot Deadline, such Claim will be disallowed provisionally for voting purposes, except to the extent and in the manner that (i) the Debtor against whom the Claim is asserted agrees that the Claim should be allowed for voting purposes in its objection to such Claim; or (ii) such Claim is allowed temporarily for voting purposes in accordance with Bankruptcy Rule 3018.

(b) Claims Estimated for Voting Purposes. With respect to a Claim that has

been estimated or otherwise allowed for voting purposes by order of the Court, the amount and classification of such Claim will be that set by the Court.

(c) Wholly Unliquidated Claims. A Claim recorded in the Schedules or in the Clerk's records as wholly unliquidated, contingent and/or undetermined will be accorded one vote, valued at one dollar, for the purposes of section 1126(c) of the Bankruptcy Code, unless the Claim is disputed as set forth in (a) above.

(d) Late Claims. With respect to a Claim as to which a proof of claim has not been timely filed (i.e., was filed after the Bar Date), the voting amount of such Claim (subject to any applicable limitations set forth below) will be equal to the amount listed, if any, in respect of such Claim in the Schedules, to the extent such Claim is not listed as contingent, unliquidated, or disputed, unless the Claim is disputed as set forth in (a) above. If such Claim is either not listed in the Schedules, or is listed as contingent, unliquidated or disputed, then the Claim respecting such proof of claim will be disallowed provisionally for voting purposes.

(e) Duplicate Claim. A creditor will not be entitled to vote its Claim to the extent such Claim duplicates or has been superseded by another Claim of such creditor.

(f) Undisputed Scheduled Claims. With respect to a Claim that appears on the Schedules as undisputed, noncontingent and liquidated, and as to which no objection has been filed at least twenty (20) days prior to the Ballot Deadline, the amount and classification of such Claim shall be that specified in the Schedules unless superseded by an undisputed proof of claim.

(g) Court Determined Claims. With respect to a Claim for which an order has been entered reducing, reclassifying or allowing, the amount and classification of the Claim shall be that specified in such order.

The Ballots of creditors will be tabulated in accordance with the following procedures:

(i) For the purpose of voting on the Plan, the Balloting Agent will be deemed to be in constructive receipt of any Ballot timely delivered to the address set forth above as designated for the receipt of Ballots cast on the Plan;

(ii) Any Ballot received by the Balloting Agent after the Ballot Deadline shall not be counted;

(iii) Pursuant to Bankruptcy Rule 3018(a), whenever a holder of a Claim submits more than one Ballot voting the same Claim prior to the Ballot Deadline, the last such Ballot sent and received shall count unless such holder has sufficient cause within the meaning of Bankruptcy Rule 3018(a) to submit, or the Debtor against whom the Claim is asserted consents to the submission of, a superseding Ballot;

(iv) If a Ballot does not include a Claim amount, the Ballot shall be deemed filed in the amount of a filed Claim, and if no Claim has been filed, in the amount of the

Claim as specified in the Schedules, as long as the Claim is listed in the Schedules as undisputed, non-contingent or liquidated; otherwise, the Ballot shall not be counted;

(v) If a holder of a Claim casts simultaneous duplicative Ballots voted inconsistently, then such Ballots shall not be counted;

(vi) The authority of the signatory of each Ballot to complete and execute the Ballot shall be presumed;

(vii) Any Ballot that is not signed shall not be counted;

(viii) Any Ballot received timely by the Balloting Agent by electronic communication (i.e. email) shall be counted but signed Ballots received by the Balloting Agent by facsimile will not be counted;

(ix) A holder of a Claim must vote all of its Claims within a particular Class under the Plan either to accept or reject the Plan and may not split its vote. Accordingly, a Ballot that partially rejects and partially accepts the Plan, or that indicates both a vote for and against the Plan, will not be counted; and

(x) Any Ballot that is timely received and executed but does not indicate whether the holder of the relevant Claim is voting for or against the Plan shall not be counted.

IF A BALLOT IS DAMAGED OR LOST OR IF YOU HAVE ANY QUESTIONS CONCERNING VOTING PROCEDURES, YOU MAY CONTACT THE BALLOTING AGENT.

A VOTE MAY BE DISREGARDED IF THE COURT DETERMINES, AFTER NOTICE AND A HEARING, THAT SUCH ACCEPTANCE OR REJECTION WAS NOT MADE OR SOLICITED OR PROCURED IN GOOD FAITH OR IN ACCORDANCE WITH THE PROVISIONS OF THE BANKRUPTCY CODE.

Any Impaired Class of Claims that fails to achieve the requisite “accepted” vote will be deemed to have rejected the Plan.

D. Acceptance

The Bankruptcy Code defines acceptance of a plan by an Impaired Class of Claims as acceptance by holders of at least two-thirds in dollar amount, and more than one-half in number, of Claims of that Class that actually vote. Acceptance of the Plan need only be solicited from holders of Claims whose Claims are Impaired and not deemed to have rejected the Plan. Except in the context of a “cram down” (i.e., confirmation of a plan that has not been accepted by all impaired classes), as a condition to confirmation of the Plan, the Bankruptcy Code requires that, with certain exceptions, each Class of Impaired Claims accepts the Plan.

The Plan is predicated on the Voting Classes voting to accept the Plan. In the event the requisite vote is not obtained, the Debtors have the right, assuming that at least one Class of Impaired Claims has accepted the Plan, to request confirmation of the Plan pursuant to section 1129(b) of the Bankruptcy Code. Section 1129(b) permits confirmation of a plan notwithstanding rejection by one or more Classes of Impaired Claims or Impaired Equity Interests if the Court finds that the plan does not discriminate unfairly and is “fair and equitable” with respect to the rejecting class or classes. This procedure is commonly referred to in bankruptcy parlance as “cram down.” If the Voting Classes vote to reject the Plan, the Debtors will seek a cram down of any such Class at the Confirmation Hearing.

E. Confirmation and Consummation

At the Confirmation Hearing, the Court will determine whether the requirements of section 1129(a) of the Bankruptcy Code have been satisfied with respect to the Plan. Section 1129(a) of the Bankruptcy Code requires that, among other things, for a plan to be confirmed:

- The plan complies with the applicable provisions of the Bankruptcy Code.
- The debtor has complied with the applicable provisions of the Bankruptcy Code.
- The plan has been proposed in good faith and not by any means forbidden by law.
- Any payment made or to be made by the debtor under the plan for services or for costs and expenses in, or in connection with, the chapter 11 case, or in connection with the plan and incident to the case, has been approved by, or is subject to the approval of, the court as reasonable.
- The debtor has disclosed the identity and affiliations of any individual proposed to serve, after confirmation of the plan, as a director, officer, or voting trustee of the debtor, an affiliate of the debtor participating in the plan with the debtor, or a successor to the debtor under the plan. The appointment to, or continuance in, such office of such individual, must be consistent with the interests of creditors and equity security holders and with public policy and the Debtor must have disclosed the identity of any insider that the reorganized debtor will employ or retain, and the nature of any compensation for such insider.
- With respect to each class of impaired claims or interests, either each holder of a claim or interest of such class has accepted the plan, or will receive or retain under the plan on account of such claim or interest, property of a value, as of the effective date of the plan, that is not less than the amount that such holder would receive or retain if the debtor were liquidated on such date under chapter 7 of the Bankruptcy Code.
- Each class of claims or interests has either accepted the plan or is not impaired under the plan.
- Except to the extent that the holder of a particular claim has agreed to a different treatment of such claim, the plan provides that allowed administrative expenses and priority claims (other than tax claims) will be paid in full on the effective date and that priority tax claims will receive on account of such claims deferred cash payments, over a period not exceeding five (5) years after the order for relief in a case, of a value, as of the effective date, equal to the allowed amount of such claim.

- If a class of claims is impaired, at least one (1) impaired class of claims has accepted the plan, determined without including any acceptance of the plan by any insider holding a claim in such class.
- Confirmation of the plan is not likely to be followed by the liquidation, or the need for further financial reorganization, of the debtor or any successor to the debtor under the plan (unless such liquidation or reorganization is proposed in the plan).

Subject to receiving the requisite votes in accordance with section 1129(a)(8) of the Bankruptcy Code and the “cram down” of Classes not receiving any Distribution under the Plan, the Debtors believe that (i) the Plan satisfies all of the statutory requirements of chapter 11 of the Bankruptcy Code, (ii) the Debtors have complied or will have complied with all of the requirements of chapter 11, and (iii) the Plan has been proposed in good faith.

Set forth below is a more detailed summary of the relevant statutory confirmation requirements.

1. Best Interests of Holders of Claims and Interests

Even if the Plan is accepted by the holders of Claims entitled to vote on the Plan, the Bankruptcy Code requires that the Court, as a condition to confirming the Plan, find that the Plan is in the best interests of all holders of Claims and Equity Interests that are Impaired by the Plan and that have not accepted the Plan. The “best interests of creditors” test, as set forth in section 1129(a)(7) of the Bankruptcy Code, requires that the Court find either that all members of each impaired class have accepted the plan or that each holder of an allowed claim or interest in each impaired class of claims or interests will receive or retain under the plan on account of such claim or interest property of a value, as of the effective date of the plan, that is not less than the amount that such holder would so receive or retain if the debtor were liquidated under Chapter 7 of the Bankruptcy Code on such date.

To calculate the probable distribution to creditors if the Debtors were liquidated under Chapter 7 of the Bankruptcy Code, the Court must first determine the aggregate dollar amount that would be generated from the disposition of the Debtors’ assets if their Chapter 11 Cases were converted to Chapter 7 cases under the Bankruptcy Code. This “liquidation value” would consist primarily of the proceeds from liquidating the Debtors’ assets by a Chapter 7 trustee.

The amount of the liquidation value available to creditors would be reduced by the costs and expenses of liquidation, as well as by other administrative expenses and costs of both the Chapter 7 cases and the Chapter 11 Cases. Costs of a liquidation of the Debtors under chapter 7 of the Bankruptcy Code would include the compensation of the Chapter 7 trustee, as well as of counsel and other professionals retained by the trustee, asset disposition expenses, all unpaid expenses incurred by the Debtors in the Chapter 11 Cases (such as Administrative Claims and Professional Fee Claims) that are allowed in the Chapter 7 cases, and litigation costs.

The Debtors have prepared an analysis of the hypothetical results of an orderly liquidation of the assets of the Estates by a Chapter 7 trustee (the “Liquidation Analysis”), a copy

of which is annexed hereto as Exhibit 2.

The Liquidation Analysis described herein and annexed as Exhibit 2 contains a series of assumptions respecting the likely recovery in liquidation and the associated cases. The Liquidation Analysis is based on estimates and assumptions that, although developed and considered reasonable by the Debtors, are inherently subject to significant economic and competitive uncertainties beyond the control of the Debtors. The Liquidation Analysis is also based on assumptions with regard to liquidation decisions that are subject to change. Accordingly, there can be no assurance that the values reflected in the Liquidation Analysis would be realized if the Debtors were, in fact, to undergo such a liquidation.

If the Chapter 11 Cases were converted to Chapter 7 of the Bankruptcy Code, then the heavily negotiated settlement with the Port Authority would no longer be effective pursuant to its terms because of the Chapter 7 trustee's statutory inability to propose a plan that would include the required releases in favor of the Port Authority. In that regard, the terms of the Debtors' proposed settlement with the Port Authority provide for the Port Authority's payment of the sum of \$12,300,000 to the Debtors as the sponsor of the Debtors' Chapter 11 plan and also for its withdrawal of the multi-million dollar PA Claims against the Debtors in exchange for a release from the Debtors and all of their respective creditors of any and all claims arising out of and related to the WTC Project pursuant to a Chapter 11 plan. Since a Chapter 7 trustee cannot propose a Chapter 11 plan that would provide for releases to the Port Authority as a matter of law, a key element of the parties' bargained for consideration would not exist and the Port Authority would no longer be bound by the terms of the parties' settlement including, but not limited to, the payment of the WTC Claim Proceeds to the Debtors.

Instead, a Chapter 7 trustee would be appointed to liquidate the WTC Claim and any other assets of the Debtors' Estates. Given the protracted litigation and intensive efforts that lead to the Debtors' settlement with the Port Authority over a six (6) month period which included five (5) full days of mediation with a settlement figure that was recommended by the mediator, the Debtors contend that the Port Authority would be unwilling to settle with a Chapter 7 trustee for a sum equal or greater than the WTC Claim Proceeds. Instead, the Debtors believe that the Port Authority would either litigate the merits of the WTC Claim over a period of years and/or settle any litigation brought by the Chapter 7 trustee against the Port Authority for a fraction of the \$12.3 million agreed to be paid to the Debtors. The Debtors firmly believe that after the payment of the other additional legal expenses that would be incurred during a Chapter 7 case, and some portion of Debtors' Administrative Claims, there would be little or no recovery left over for the Debtors' general unsecured creditors.

Moreover, in a Chapter 7 case the pool of Claims against the Debtors would be increased by at least approximately \$5 million⁵ because the Port Authority's agreement to withdraw the PA

⁵ The estimated \$5 million increase in the pool of Claims in a Chapter 7 case assumes that a Chapter 7 trustee is successful in obtaining the disallowance of the PA Claim filed by the Port Authority against CCCI and reducing the PA Claim filed by the Port Authority against CCCL from \$83,385,094.23 to \$5,000,000 based on the theories previously advanced by the Debtors in these Chapter 11 Cases. The (continued)

Claims would be without effect. Under the Plan, on the other hand, the universe of Claims is significantly reduced because the Port Authority has agreed to withdraw the PA Claims as part of the settlement to be implemented through the Plan.

After considering the effects that the Debtors anticipate a Chapter 7 liquidation would have on the ultimate proceeds available for distribution to creditors in the Chapter 11 Cases, including (i) the costs and expenses of a liquidation under Chapter 7 arising from fees payable to a trustee and its professionals, (ii) the reduced value of the WTC Claim in the context of a lengthy and costly litigation with the Port Authority and/or the settlement of the WTC Claim at a significantly reduced value by a Chapter 7 trustee, and (iii) the increased size of the Claims pool in a Chapter 7 case, the Debtors expect that holders of Allowed Claims in each Class will receive a recovery as a result of the confirmation of the Plan and implementation of the global settlement with the Port Authority that is substantially greater than such holder would receive pursuant to the liquidation of the Debtors under Chapter 7.

The Debtors therefore believe that the liquidating Plan satisfies the “best interests of creditors” test with respect to all Classes of Claims because liquidation of the Debtors’ assets under Chapter 7 of the Bankruptcy Code would not generate a greater distribution to creditors than proposed under the Plan.

2. Financial Feasibility

Section 1129(a)(11) of the Bankruptcy Code requires that confirmation should not be likely to be followed by the liquidation, or the need for further financial reorganization, of a debtor or any successor to such debtor unless such liquidation or reorganization is proposed in the plan. This is the “feasibility” test that must be determined by the Bankruptcy Court.

There is no expectation that the Debtors demonstrate that confirmation of the Plan is not likely to be followed by liquidation or the need for further reorganization because the Plan is a liquidating plan. The Plan clearly complies with this requirement because the Debtors’ primary assets are comprised of the WTC Claim Proceeds which will be distributed on the Effective Date and, provided that the Plan is confirmed and consummated, the Estates will no longer exist to be subject to future reorganization or liquidation.

Therefore, since the Plan contemplates the liquidation of the Estates, for purposes of determining whether the Plan satisfies the feasibility requirement, the Debtors have analyzed their ability to meet their obligations under the Plan. Pursuant to the Plan, the WTC Claim Proceeds will be funded on the Effective Date and thereafter distributed by the Distribution Agent in accordance with the terms of the Plan. Given that the WTC Claim Proceeds are the primary source for funding the payments to be made under the Plan, an initial distribution of the payments to be made under the Plan will be made on or as soon as reasonably practicable

(continued)

overall Claims pool could be significantly greater if the Chapter 7 trustee was unsuccessful in these efforts.

following the Effective Date, with a subsequent distribution to be made following the resolution of any pending claim objections. The Claims asserted by Aviva against CCCI represent the only Claims that, if Allowed, will be exclusively satisfied from funds other than the WTC Claim Proceeds, and the recovery to Aviva on account of its Claims will be largely dependent on the value of the Collateral securing its Claims.

Accordingly, provided that the Port Authority makes payment of the WTC Claim Proceeds in accordance with the terms of the Plan, the overwhelming majority of the assets of the Estates will be distributed to holders of Allowed Claims and Equity Interests within a short period of time. After confirmation, the Debtors anticipate that they will be able to liquidate their assets and collect outstanding accounts receivable in order to make the remaining Distributions contemplated under the Plan. Based on the foregoing, the Debtors believe that the Plan satisfies section 1129(a)(11) of the Bankruptcy Code.

3. Acceptance by Impaired Classes

A class is “impaired” under a plan unless, with respect to each claim or interest in such class, the plan: (i) leaves unaltered the legal, equitable and contractual rights to which the claim or interest entitles the holder of such claim or interest; or (ii) notwithstanding any contractual provision or applicable law which entitles the holder of such claim or interest to demand or receive accelerated payment on account of a default, cures any default, reinstates the original maturity of the obligation, compensates the holder for any damages incurred as a result of reasonable reliance on such provision or law and does not otherwise alter the legal, equitable or contractual rights of such holder based upon such claim or interest. A class that is not impaired under a plan of reorganization is deemed to have accepted the plan and, therefore, solicitation of acceptances with respect to such class is not required.

4. Cram Down

THE DEBTORS RESERVE THE RIGHT TO CRAM DOWN THE PLAN AGAINST NON-ACCEPTING CLASSES OF HOLDERS OF CLAIMS OR EQUITY INTERESTS.

The Bankruptcy Code contains provisions for confirmation of a plan even if the plan is not accepted by all impaired classes, as long as at least one impaired class of claims has accepted the Plan. The “cram down” provisions of the Bankruptcy Code are set forth in section 1129(b) of the Bankruptcy Code. Under the “cram down” provisions, upon the request of a plan proponent the Court will confirm a plan despite the lack of acceptance by an impaired class or classes if the Court finds that (i) the plan does not discriminate unfairly with respect to each non-accepting impaired class, (ii) the plan is fair and equitable with respect to each non-accepting impaired class, and (iii) at least one impaired class has accepted the plan. These standards ensure that holders of junior interests, such as stockholders, cannot retain any interest in the debtor under a plan of reorganization that has been rejected by a senior class of impaired claims or interests unless such impaired claims or interests are paid in full.

As used by the Bankruptcy Code, the phrases “discriminate unfairly” and “fair and

equitable” have narrow and specific meanings unique to bankruptcy law. A plan does not discriminate unfairly if claims or interests in different classes but with similar priorities and characteristics receive or retain property of similar value under a plan. By establishing separate Classes for the holders of each type of Claim and by treating each holder of a Claim in each Class identically, the Plan has been structured so as to meet the “unfair discrimination” test of section 1129(b) of the Bankruptcy Code.

The Bankruptcy Code sets forth different standards for establishing that a plan is “fair and equitable” with respect to a dissenting class, depending on whether the class is comprised of secured or unsecured claims or interests. In general, section 1129(b) of the Bankruptcy Code permits confirmation notwithstanding non-acceptance by an impaired class if that class and all junior classes are treated in accordance with the “absolute priority” rule, which requires that the dissenting class be paid in full before any junior class may receive anything under the plan. In addition, case law surrounding section 1129(b) requires that no class senior to a non-accepting impaired class receives more than payment in full on its claims.

With respect to a class of unsecured claims that does not accept the Plan, either (i) each holder of an unsecured claim in the dissenting class receives or retains under such plan property of a value equal to the allowed amount of its unsecured claim, or (ii) the holders of claims or holders of interests that are junior to the claims of the holders of such unsecured claims will not receive or retain any property under the plan. Additionally, the holders of claims that are senior to the claims of the dissenting class of unsecured claims receive no more than payment in full on their claims under the plan. The Plan is designed to satisfy these standards.

If all the applicable requirements for confirmation of the Plan are met as set forth in sections 1129(a)(1) through (13) of the Bankruptcy Code, except that one or more of Classes of impaired Claims or Equity Interests have failed to accept the Plan pursuant to section 1129(a)(8) of the Bankruptcy Code, the Debtor will request that the Court confirm the Plan over the dissenting votes of such Classes in accordance with section 1129(b) of the Bankruptcy Code. The Debtors believe that the Plan satisfies the “cram down” requirements of the Bankruptcy Code. The Debtors may seek confirmation of the Plan over the objection of dissenting Classes, as well as over the objection of individual holders of Claims or Equity Interests who are members of an accepting Class.

5. Classification of Claims and Interests

The Debtors believe that the Plan meets the classification requirements of the Bankruptcy Code which require that a plan of reorganization place each claim or interest into a class with other claims or interests which are “substantially similar.” The Plan does not provide for the substantive consolidation of the Estates and the Claims asserted against each Debtor are therefore separately classified.

As to each of the Debtors, Other Priority Claims, Secured Claims and Equity Interests are separately classified based on the differing nature legal rights associated with each. The CCCI

Aviva Unsecured Claim is classified separately from the other CCCI General Unsecured Claims because Aviva has contractually agreed that it is not entitled to share in the WTC Claim Proceeds and therefore is limited in its recovery to funds other than the WTC Claim Proceeds.

The Harris CCCI Claim has been classified separately from other CCCI General Unsecured Claims because the Harris CCCI Claim is a “pass through” claim with a distinct set of rights against CCCI that is not similar to the payment rights held by the holders of Class 5B CCCI General Unsecured Claims. Courts within the Second Circuit have held that “classification is constrained by two straight forward rules: Dissimilar claims may not be classified together; similar claims may be classified separately only for a legitimate reason.” See *In re Quigley Co., Inc.*, 377 B.R. 110 (Bankr. S.D.N.Y. 2007) (citing *In re Drexel Burnham Lambert Group, Inc.*, 138 B.R. 723, 757 (Bankr. S.D.N.Y. 1992)). Claims are similar if they have “substantially similar rights to the debtor’s assets”. *Quigley*, 377 B.R. at 116 (quoting *Drexel Burnham Lambert Grp.*, 138 B.R. at 757). In addition, the Harris CCCI Claim has been classified separately from other CCCI General Unsecured Claims because Harris, unlike the other holders of General Unsecured Claims against CCCI, has asserted a perfected lien against the Port Authority’s ground lessee and has agreed to forego any rights with respect to such lien as partial consideration for the settlement between the Debtors and Harris implemented in the Plan. Moreover, Harris’ agreement to forego such lien rights in the state court action has an impact on the Estates based on the Port Authority’s indemnity rights against the Debtors under the WTC Contract. The Debtors therefore believe that the separate classification of the Harris CCCI Claim is consistent with section 1122(a) of the Bankruptcy Code.

6. The Release Provisions Are Integral Components of the Plan

Section 1123(b)(6) of the Bankruptcy Code provides that a plan may include any other appropriate provision not inconsistent with the provisions of the Bankruptcy Code, which would include the release, exculpation and injunctive provisions contained in Article X of the Plan, as such provisions are not specifically addressed by other provisions of the Bankruptcy Code. As set forth in Section VII.G above, the Plan provides for, among other things, a release of the Port Authority Parties by various third parties, including any holder of a Claim or Equity Interest that receives any benefit under the Plan (the “Third Party Release”). The Third Party Release under the Plan is a critical component of the Debtors’ settlement with the Port Authority that forms the foundation of the Plan.

The Debtors have considered the factual circumstances and applicable legal principles that govern such release provisions and have determined that the proposed Third Party Release complies with established judicial standards in the Second Circuit.

The leading case in the Second Circuit governing third party releases is *Deutsche Bank AG v. Metromedia Fiber Network, Inc. (In re Metromedia Fiber Network, Inc.)*, 416 F.3d 136 (2d Cir. 2005). Under *Metromedia* and its progeny, consensual third party releases under a debtor’s chapter 11 plan are appropriate. See *Metromedia*, 416 F.3d at 142; *In re Adelpia Commc’ns Corp.*, 368 B.R. 140, 268 (Bankr. S.D.N.Y. 2007). Accordingly, as to each holder of a Claim or Equity Interest that votes to accept the Plan, or that is deemed to have accepted the

Plan, the Third Party Release is consensual and appropriate under applicable Second Circuit law.

As to any holder of a Claim or Equity Interest that votes to reject the Plan or otherwise does not manifest its consent to the Third Party Release, the Debtors submit that the “unique circumstances” present in these Chapter 11 Cases warrant the approval of the Third Party Release of the Port Authority Parties on a non-consensual basis. The success of these Chapter 11 Cases and the ability to propose a confirmable plan is premised entirely on the Port Authority’s agreement to fund the Plan with the WTC Claim Proceeds and withdraw the PA Claims. Absent the WTC Claim Proceeds, the Debtors’ other Available Cash would be insufficient to fund Administrative Claims let alone allow for any return to the General Unsecured Creditors. Accordingly, the settlement with the Port Authority is the cornerstone of the Plan, and the Third Party Release is a critical component of the settlement that enables the Debtors to put an end to these Chapter 11 Cases and provide a meaningful return to creditors.

In determining whether non-debtor releases were appropriate under the facts of the particular case, the Second Circuit in *Metromedia* highlighted the following considerations: (i) whether the estate received substantial consideration; (ii) the enjoined claims were ‘channeled’ to a settlement fund rather than extinguished; (iii) the enjoined claims would indirectly impact the debtor’s reorganization ‘by way of indemnity or contribution’; and (iv) the plan otherwise provided for the full payment of enjoined claims. 416 F.3d at 142. Applying these factors, courts have upheld third party release provisions. See, e.g., *JPMorgan Chase Bank, N.A. v. Charter Commc’ns Operating, LLC (In re Charter Commc’ns)*, 419 B.R. 221, 258 (Bankr. S.D.N.Y. 2009) (holding that third party releases satisfied the governing Second Circuit standard because the debtors were to receive substantial financial and non-financial consideration in exchange for the releases, there was an identity of interest between the debtors and the non-debtor releasees by indemnification agreements, and the case involved truly unusual circumstances rendering the third party releases important to the success of the plan).

The Debtors believe that the Third Party Release satisfies the Second Circuit standards based on the unique and unusual circumstances of these Chapter 11 Cases wherein the Port Authority’s payment of the WTC Claim Proceeds represents the only means available to fund a chapter 11 plan. Absent the settlement with the Port Authority, there will be no funds available for distribution to the creditors of the Debtors Estates in these Chapter 11 cases. The Estates have received substantial consideration from the Port Authority in exchange for the Third Party Release in the form of the agreement to pay the WTC Claim Proceeds and the agreement to withdraw the PA Claims on the Effective Date of the Plan. Moreover, based on the indemnity provisions of the WTC Contract and the CCCI Subcontract, the Port Authority would have an indemnity claim against CCCL, who would thereafter have an indemnity claim against CCCI, to the extent the Port Authority were to incur costs in connection with the defense of a Claim asserted by one of CCCI’s trade creditors. Accordingly, the Debtors would be subject to a contingent liability in the form of an indemnity claim on the part of the Port Authority if the Third Party Release provisions were not approved, which indemnity claim would impact the Debtors ability to confirm a chapter 11 plan. Under these circumstances, the Debtors submit that the Third Party Release is a critical component of the Plan that should be approved.

The Third Party Release was a material provision of the Debtors' settlement with the Port Authority, which was the result of exhaustive negotiations. Given the unique circumstances, the Third Party Release is fair and equitable, given for fair consideration and in the best interests of the Debtors and these Chapter 11 Cases. Moreover, the Debtors believe that the Third Party Release is not inconsistent with the Bankruptcy Code and, thus, the requirements of section 1123(b) of the Bankruptcy Code have been satisfied.

In addition, the Debtors believe that the release of the Estate Parties is warranted under the unique circumstances in these Chapter 11 Cases wherein CCCL has agreed to the voluntary contribution of one million (\$1,000,000) dollars in additional funds to CCCI's Estate to increase the funds available for distribution to creditors. CCCL has elected to pursue the Amalgamation for the purpose of generating additional funds for distribution to the creditors and Equity Holders of CCCL's Estate, however it has no obligation to undergo the Amalgamation with Coll-Form Inc., a non-debtor entity. Moreover, CCCL bears any risks associated with the Amalgamation, as the million (\$1,000,000) dollar transfer of additional funds to CCCI's Estate is not contingent on the Amalgamation. Accordingly, the Debtors submit that the Estate Parties are entitled to the releases set forth in the Plan.

IX. CERTAIN RISK FACTORS TO BE CONSIDERED

HOLDERS OF CLAIMS AGAINST THE DEBTORS SHOULD READ AND CONSIDER CAREFULLY THE FACTORS SET FORTH BELOW, AS WELL AS THE OTHER INFORMATION SET FORTH IN THIS DISCLOSURE STATEMENT, PRIOR TO VOTING TO ACCEPT OR REJECT THE PLAN. THESE RISK FACTORS SHOULD NOT, HOWEVER, BE REGARDED AS CONSTITUTING THE ONLY RISKS INVOLVED IN CONNECTION WITH THE PLAN AND ITS IMPLEMENTATION.

A. Risk That Distributions Will Be Less Than Estimated

The projected distributions and recoveries set forth in this Disclosure Statement are based on the Debtors' estimate of Allowed Claims and Cash available for Distribution. There can be no assurance that the estimates will prove accurate.

B. Bankruptcy Risks

1. Objection to Classifications

Section 1122 of the Bankruptcy Code provides that a plan may place a claim or an interest in a particular class only if such claim or interest is substantially similar to the other claims or interests of such class. The Debtors believe that the classification of Claims and Equity Interests under the Plan complies with the requirements set forth in the Bankruptcy Code. However, there can be no assurance that the Court would reach the same conclusion.

2. Risk of Non-Confirmation of the Plan

Even if the Voting Classes accept the Plan, the Plan might not be confirmed by the Court. Section 1129 of the Bankruptcy Code sets forth the requirements for confirmation and requires, among other things, that the confirmation of a plan of reorganization is not likely to be followed by the liquidation or the need for further financial reorganization unless such liquidation is proposed in the plan, and that the value of distributions to dissenting creditors and equity security holders not be less than the value of distributions such creditors and equity security holders would receive if the Debtors were liquidated under chapter 7 of the Bankruptcy Code. The Debtors believe that the Plan satisfies all the requirements for confirmation of a plan of reorganization under the Bankruptcy Code. There can be no assurance, however, that the Court would also conclude that the requirements for confirmation of the Plan have been satisfied.

X. TAX CONSEQUENCES

THE TAX CONSEQUENCES TO HOLDERS OF CLAIMS OR EQUITY INTERESTS MAY VARY BASED UPON THE INDIVIDUAL CIRCUMSTANCES OF EACH HOLDER. NO RULING HAS BEEN APPLIED FOR OR OBTAINED FROM THE INTERNAL REVENUE SERVICE WITH RESPECT TO ANY OF THE TAX ASPECTS OF THE PLAN AND NO OPINION OF COUNSEL HAS BEEN REQUESTED OR OBTAINED BY THE DEBTORS WITH RESPECT THERETO.

NOTHING HEREIN CONSTITUTES TAX ADVICE OR A TAX OPINION CONCERNING THE MATTERS DESCRIBED HEREIN. ACCORDINGLY, EACH HOLDER OF A CLAIM OR INTEREST IS STRONGLY URGED TO CONSULT WITH ITS OWN TAX ADVISOR REGARDING THE FEDERAL, STATE, LOCAL, FOREIGN OR OTHER TAX CONSEQUENCES OF THE PLAN.

XI. CONCLUSION

The Debtors believe that confirmation and implementation of the Plan will provide each creditor with a greater recovery than it would receive if the Debtors were to liquidate and distribute their assets under chapter 7, in which case there would likely be a delay in making distributions to creditors and creditors would likely receive significantly smaller distributions. Thus, the Debtors recommend confirmation and implementation of the Plan as the best possible outcome for creditors.

The Debtors urge holders of Impaired Claims to vote to accept the Plan and to evidence such acceptance by returning their Ballots so they will be received by the Ballot Deadline.

DATED: ~~July~~August __, 2016

COLLAVINO CONSTRUCTION
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Renzo Collavino, Authorized Agent

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Exhibit 1

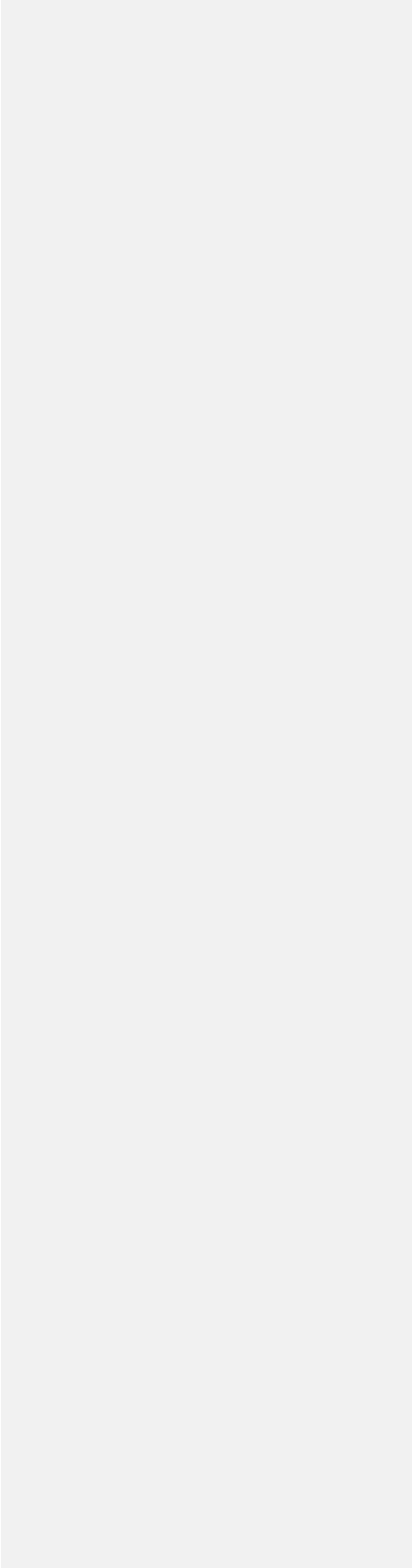


Exhibit 2

