IN THE UNITED STATES BANKRUPTCY COURT
FOR THE EASTERN DISTRICT OF NORTH CAROLINA
RALEIGH DIVISION

IN RE:	CHAPTER 11
SHOTWELL LANDFILL, INC.	**CASE NO. 13-02590-8-SWH**
CAPITOL RECYCLING, LLC	**CASE NO. 13-07567-8-SWH**
CAPITOL WASTE TRANSFER, LLC	**CASE NO. 13-07568-8-SWH**
DEBRIS REMOVAL PARTNERS, LLC	**CASE NO. 13-07570-8-SWH**
SHOTWELL TRANSFER STATION II, INC.	**CASE NO. 13-07572-8-SWH**
KING'S GRADING, INC.	**CASE NO. 13-07573-8-SWH**
Debtors.	

DISCLOSURE STATEMENT PURSUANT TO SECTION 1125 OF THE BANKRUPTCY CODE

Raleigh, North Carolina
April 15, 2015

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THIS DISCLOSURE STATEMENT CONTAINS INFORMATION THAT MAY BEAR UPON YOUR DECISION TO ACCEPT OR REJECT THE DEBTORS' PROPOSED FIRST AMENDED CONSOLIDATED CHAPTER 11 PLAN, FILED MARCH 30, 2015. PLEASE READ THIS DOCUMENT WITH CARE.

Note Regarding Consolidation: Under the Plan, although the six Debtors will remain separate entities, each Debtor will be liable to make all payments called for by the Plan, regardless of which of the six Debtors originally had liability on the claim.

SUMMARY

The following summary is qualified in its entirety by the more detailed information appearing elsewhere in this Disclosure Statement and in the Debtors' First Amended Consolidated Chapter 11 Plan, filed with the Bankruptcy Court on March 30, 2015, (the "Plan"). All capitalized terms contained in this summary as well as elsewhere in this Disclosure Statement shall, unless otherwise defined herein, have the meaning ascribed to such capitalized terms in Article I, "DEFINITIONS", of the Plan. The words "herein", "hereof" and "hereunder" and other words of similar import used in the Disclosure Statement and in the Plan shall refer to the Plan as a whole and not to any particular article, section, subsection or clause contained herein or in the Plan. Wherever from the context it appears appropriate, each term stated in either the singular or the plural includes the singular and the plural, and pronouns stated in the masculine, feminine or neuter gender shall include the masculine, feminine, and the neuter.

The Debtors have prepared this Disclosure Statement in connection with their solicitation of acceptances or rejections of the Plan, which was filed with the Bankruptcy Court in connection with the Debtors' Chapter 11 cases. The Plan was proposed by the Debtors.

Except as expressly indicated, the portions of this Disclosure Statement describing the Debtors, their businesses, and the Plan have been prepared from information, materials, and reports furnished by the Debtors. No representations concerning the Debtors or the Plan are authorized by the Debtors other than as set forth in this Disclosure Statement. Any representations or inducements made by any other person to secure your vote other than those contained herein should not be relied upon.

Great effort has been taken by the Debtors to be accurate in this Disclosure Statement in all material respects, but the Debtors are not able to warrant or represent that the information contained herein is without inaccuracy. The Debtors believe, however, that the contents of this Disclosure Statement are complete and accurate.

The Bankruptcy Court may set a date for a hearing to consider whether, pursuant to Section 1125 of the Bankruptcy Code, this Disclosure Statement should be approved as containing information of a kind and in sufficient detail to enable a hypothetical, reasonable investor, typical of each of the classes of Creditors being solicited, to make an informed judgment whether to vote or accept or reject the Plan. Such approval by the Bankruptcy Court does not constitute a recommendation of the Plan by the Bankruptcy Court. The Bankruptcy Court will hold a hearing on confirmation of the Plan, at which time the Bankruptcy Court will consider objections to confirmation, if any.

The Confirmation Hearing may be adjourned from time to time without notice other than the announcement of an adjourned date at the hearing. Objections to confirmation of the Plan, if any, must be in writing and served and filed as described below under the caption, "III. CONFIRMATION."

DEBTORS SHALL MAKE PAYMENTS AS CALLED FOR BY THE PLAN THROUGH CONTINUED OPERATIONS OF THE DEBTORS' BUSINESSES. THE PLAN PROPOSES TO PAY ALL ALLOWED CLAIMS IN FULL OVER TIME.

JOINT OBLIGATION OF DEBTORS TO MAKE PAYMENTS UNDER THE PLAN: Under the Plan, although the six Debtors will remain separate entities (with separate equity interests), each Debtor will be liable to make all payments called for by the Plan, regardless of which of the six Debtors originally had liability on the claim. This can be described as a form of "Substantive Consolidation," although that term is not defined by the Bankruptcy Code and is used in different ways by different practitioners. By having each Debtor liable for all Plan payments, it is possible that creditors of any particular Debtor could be prejudiced by having their particular Debtor saddled with the Plan obligations of all of the other Debtors. Given the joint manner in which the six Debtors have historically operated (including the regular transfer of funds between companies, the payment of debts based upon cash availability rather than obligor, and the periodic writing off of intercompany debt), the Debtors believe that a plan paying all debts in full, over time, regardless of which entity owes the debt, is appropriate.

The Plan classifies Claims separately in accordance with requirements and provisions of the Bankruptcy Code and provides different treatment for each class of Claims. The Plan proposes that Claims shall be classified as follows:

Class 1 – Allowed Administrative Expense Claims
Class 2 – Allowed Priority Tax Claims and Allowed Secured Tax Claims
Class 3 – Allowed Claims of LSCG Fund 18, LLC
Class 4 – Allowed Secured Claim of Caterpillar Financial Services Corporation
Class 5 – Allowed Secured Claim of Caterpillar Financial Commercial Account Corp.
Class 6 – Allowed Secured Claim of Ford Motor Credit
Class 7 – Allowed Secured Claim of TT&E Iron & Metal, Inc.
Class 8 – Allowed Secured Claim of North State Bank
Class 9 – Allowed Small Unsecured Claims
Class 10 – Allowed General Unsecured Claims
Class 11 – Allowed Equity Interests

A Ballot to be used for voting to accept or reject the Plan has been enclosed with all copies of this Disclosure Statement mailed to Creditors who are impaired by provisions of the Plan. Any Claim with respect to which the legal, contractual, or equitable rights are altered, modified, or changed by the proposed treatment under the Plan is considered "impaired." The Debtors believe that Classes 2, 3, 4, 5, 6, 7, 8, 9, and 10 are impaired. After carefully reviewing this Disclosure Statement and its exhibits, please indicate your vote on the enclosed Ballot. Only the votes of classes of creditors whose claims are impaired by the Plan will be counted in connection with confirmation of the Plan.

In determining acceptance of the Plan, votes will be counted only if submitted by a creditor whose claim is scheduled by the Debtors as undisputed and non-contingent and liquidated, or who, prior to Confirmation, has filed with the Court a proof of claim that has not been disallowed, disqualified or suspended prior to computation of the vote on the Plan.

To be counted, your Ballot must be received at the address listed below within the time frame set by the order of the Bankruptcy Court conditionally approving this Disclosure Statement.

William P. Janvier
JANVIER LAW FIRM, PLLC
1101 Haynes Street, Suite 102
Raleigh, N.C. 27604

If you have any questions with respect to filling out your Ballot, you may contact the Debtors' attorney at the above address.

The foregoing is a summary. This Disclosure Statement should be read in its entirety by Creditors before voting on the Plan.

INTRODUCTION

Shotwell Landfill, Inc., Capitol Recycling, LLC, Capitol Waste Transfer, LLC, Debris Removal Partners, LLC, Shotwell Transfer Station II, Inc., and King's Grading, Inc., debtors and debtors-in-possession in this Chapter 11 case ("Debtors"), submit this Disclosure Statement pursuant to Section 1125 of the Bankruptcy Code in connection with the solicitation of acceptances or rejections of the Debtor's Chapter 11 Plan dated March 27, 2015, and filed March 30, 2015. All six of the debtors-in-possession shall collectively be called the "Debtors" in this Disclosure Statement. The purpose of this Disclosure Statement is to provide adequate information to enable Creditors to make an informed judgment as to whether or not to vote in favor of the Plan. A previous disclosure statement dated May 16, 2014,was served by the Debtors. A "redline" showing changes made as part of this Disclosure Statement is attached hereto as **Exhibit A.**

The Bankruptcy Code requires, as a condition to confirmation of a Chapter 11 plan under Section 1129(a) of the Bankruptcy Code, that each class of claims or interests which is impaired under such plan shall have accepted the plan. Under Section 1126(c) of the Bankruptcy Code, a class of claims has accepted a plan if such plan has been accepted by creditors that hold at least two-thirds (2/3) in dollar amount and more than one-half (1/2) in number of the allowed claims of such held by creditors that have voted to accept or reject such plan. Under Section 1126(d) of the Bankruptcy Code, a class of equity interests has accepted a plan if such plan has been accepted by holders of such interests that hold at least two-thirds (2/3) in amount of the allowed interests of such class held by holders of such interest that have voted to accept or reject such plan.

Section 1129(b) of the Bankruptcy Code permits the confirmation of a plan notwithstanding the nonacceptance of such plan by some of the classes of claims or interests impaired thereunder if (a) at least one impaired class of Claims votes to accept the plan and (b) the Bankruptcy Court finds that, with respect to the nonaccepting class or classes, the plan does not discriminate unfairly and is fair and equitable.

The Debtors are soliciting acceptance or rejection of the Plan by all Creditors whose Claims are impaired under the Plan. (See "III. CONFIRMATION" for a complete description of the requirements for acceptance of the Plan.)

The Bankruptcy Court may schedule a hearing to consider whether this Disclosure Statement contains information of a kind and in sufficient detail to enable a hypothetical, reasonable person, typical of a Creditor of each of the Classes set forth in the Plan to make an informed judgment whether to vote to accept or reject the Plan. Approval of this Disclosure Statement by the Bankruptcy Court does not constitute a ruling as to the fairness or merits of the Plan.

No statement or information concerning the Debtors (particularly as to the liquidation of the Debtors, as to the results of operations or the financial condition of the Debtors, or as to

distributions to be made under the Plan) or any of the respective assets or businesses of the Debtors is authorized other than as set forth in this Disclosure Statement, and no other such statement of information should be relied upon in determining how to vote with respect to the Plan.

The Bankruptcy Court, pursuant to Section 1128 of the Bankruptcy Code, will schedule a hearing to consider the confirmation of the Plan and objections to confirmation, if any. The Confirmation Hearing will be set by a separate order and may be adjourned from time to time by the Bankruptcy Court without further notice except for an announcement of the adjourned date made at the Confirmation Hearing. Objections to confirmation of the Plan, if any, must be made in writing and filed and served as described below under the caption "III. CONFIRMATION."

I. GENERAL INFORMATION

A. Events leading to the Chapter 11 Case.

Shotwell Landfill, Inc. operates a landfill located in Wendell, North Carolina. Branch Banking and Trust Company, a former creditor with a lien on certain, but not all, of the Debtors' assets, declined to renew its loans with the Debtors. Shotwell Landfill, Inc. was forced to turn to Chapter 11 for relief. Branch Banking and Trust Company sold its debt to LSCG Fund 18, LLC ("LSCG"). At the request of LSCG, Capitol Recycling, LLC, Capitol Waste Transfer, LLC, Debris Removal Partners, LLC, Shotwell Transfer Station II, Inc., and King's Grading, Inc. also entered into Chapter 11 bankruptcy. The relationship between the debtor entities is described in the Motion to Consolidate filed by the Debtors on December 10, 2013, and attached hereto as part of **Exhibit B**.

B. Intentions Regarding Potential Actions

1. Avoidance Actions: Sections 544, 547, 548, and 550 of the Bankruptcy Code allow debtors, under certain circumstances, to recover transfers of money and property made prior to the filing of bankruptcy. A summary of transfers made by each Debtor to David King, Shelly King, and Katie Kessing (together, the "King Relatives") during the ninety (90) day, one (1) year, and four (4) year periods prior to the bankruptcy filings is attached hereto as **Exhibit C**. A summary of transfers made by each Debtor to other Debtors (the "Intercompany Transfers") during the ninety (90) day, one (1) year, and four (4) year periods prior to the bankruptcy filings is attached hereto as **Exhibit D**. A summary of transfers made by each Debtor to other parties during the ninety (90) day period prior to the bankruptcy filings is attached hereto as **Exhibit E**. The Debtors have not undertaken a detailed analysis of which transfers may be avoidable and recoverable, because the Debtors do not intend to seek recovery of any such transfers. The Debtors believe that they have adequate means to pay all of their debts in full over time without seeking such recoveries, and do not believe the expenditure of funds to seek such recoveries would be warranted.

2. Amounts owed Debtors by David King: Prior to the filing of the bankruptcy petitions, David King and Shelly King received funds from the Debtors in a variety of ways, including salary, draws, and loans. In prior years, certain of the Debtors wrote off loans owed by David King. The Debtors' records currently show that David King owes $285,675.64 to Shotwell Transfer Station II, Inc., and owes $887,098.40 to King's Grading, Inc. Other parties have asserted that substantially larger amounts are owed by David King and Shelly King. Regardless of how much is owed, the Debtors do not intend to seek recovery of any amounts from David King and Shelly King. The Debtors believe that they have adequate means to pay all of their debts in full over time without seeking such recoveries, and do not believe the expenditure of funds to seek such recoveries would be warranted. The Debtors also believe that collection of any amounts due from David and Shelly King would be very difficult. David King has filed his own, individual, Chapter 11 case which is pending before the United States Bankruptcy Court for the Eastern District of North Carolina, Case No. 14-06010-5-SWH.

3. The Debtors are investigating other potential actions against, among others, Waste Industries. The Debtor anticipates filing a motion to compromise and settle its dispute with Waste Industries under Bankruptcy Rule 9019 to be heard along with confirmation.

C. Significant Events During Reorganization.

On April 19, 2013, Shotwell Landfill, Inc. filed for relief under Chapter 11 of Title 11 of the United States Code. On December 6, 2013, Capitol Recycling, LLC, Capitol Waste Transfer, LLC, Debris Removal Partners, LLC, Shotwell Transfer Station II, Inc., and King's Grading, Inc. filed for relief under Chapter 11 of Title 11 of the United States Code.

1. Appointment of Debtors as debtors-in-possession. Since each case was filed, each Debtor continued to handle their own finances as debtors-in-possession under Section 1107 and Section 1108 of the Bankruptcy Code.

2. Employment and Compensation of Attorney. Shotwell Landfill, Inc. filed an application for authorization of the Debtor to employ William P. Janvier of Janvier Law Firm, PLLC on April 24, 2013 which was subsequently allowed by order of the Bankruptcy Court. Capitol Recycling, LLC, Capitol Waste Transfer, LLC, Debris Removal Partners, LLC, Shotwell Transfer Station II, Inc., and King's Grading, Inc. filed applications for authorization of the Debtors to employ William P. Janvier of Janvier Law Firm, PLLC on December 10, 2013 which were subsequently allowed by order of the Bankruptcy Court. William P. Janvier is a Board certified Specialist in Business Bankruptcy.

3. Monthly Reports. Each Debtor has filed monthly reports with the Bankruptcy Administrator.

4. Consolidation. The Debtors filed a motion to administratively consolidate their cases on December 10, 2013. The court granted this motion by Order dated January 22, 2014. A copy of the Motion is attached to this Disclosure Statement as **Exhibit B.**

5. Trustee Motion. David Cook and LSCG Fund 18, LLC, filed an Emergency Motion to Appoint Trustee on October 31, 2013. A copy of that Motion was attached to the Disclosure Statement filed February 3, 2014. A Restated Motion to Appoint a Trustee was filed on May 1, 2014. The Debtors filed a Motion to Appoint Doug Gurkins as Court Appointed Restructuring Officer on May 13, 2014 By orders dated June 13, 2014, the Bankruptcy Court granted the Debtors' motion and denied the Motion to Appoint Trustee.

6. Mediation. The Bankruptcy Court ordered the Debtors and LSCG Fund 18, LLC to mediation on October 24, 2014. The mediation was successful and resulted in the proposed agreement with LSCG attached to the Plan.

7. Other Case Information. Copies of the pleadings and orders filed in the Debtors' bankruptcy case are available at Clerk's Office, United States Bankruptcy Court, Eastern District of North Carolina, 300 Fayetteville Street, 2nd Floor, Raleigh, N.C. 27601, or via the Internet at www.nceb.uscourts.gov.

D. Creditors' Committee.

A committee of unsecured creditors was appointed by Order dated March 13, 2014.

II. THE DEBTORS CHAPTER 11 PLAN

The Debtors' Plan proposes to pay all Allowed Claims in full over time.

The Plan is proposed by the Debtors. The Debtors have concluded that it would be in the best interests of creditors for all distributions, in respect of any and all Claims which have or may be asserted against the Debtors, to be made as provided in, and in accordance with the terms of, the Plan.

This Disclosure Statement is annexed to the Plan, together with the exhibits thereto, and the Plan forms a part of this Disclosure Statement. This Disclosure Statement is qualified in its entirety by reference to the more detailed provisions set forth in the Plan.

A. Summary of Classes and Treatment. The treatment of each class of creditors under the Plan is summarized as follows:

(a) Class 1 Claims - Allowed Administrative Expense Claims. Class 1 is composed of Allowed Administrative Expense Claims. Each Administrative Expense Claim that is an Allowed Administrative Expense Claim on the Effective Date shall be satisfied in full on the Effective Date, or as otherwise may be agreed by the holder of such Allowed Administrative Expense Claim. Each Administrative Expense Claim that is disputed on the Effective Date shall be satisfied within ten (10) Business Days after entry of a Final Order approving such Claim as

an Allowed Administrative Expense Claim, or as otherwise may be agreed by the holder of an Allowed Administrative Expense Claim.

Debtor anticipates Class 1 claims will be less than $150,000.00.

(b) Class 2 Claims – Allowed Priority Tax Claims and Allowed Secured Tax Claims. Class 2 Claims are comprised of Allowed Priority Tax Claims and Allowed Secured Tax Claims. Class 2 Claims shall be paid in full with interest at the rate set by Internal Revenue Code sections 6601 and 6621 in twenty four (24) equal monthly payments. The first such payment shall be due on the first day of the month following the Effective Date. However, if an Objection to Claim is filed, the first payment shall be made within ten (10) Business Days following the resolution of that Objection to Claim.

Class 2 has filed proofs of claims in the amount of $22,922.40.

(c) Class 3 Claims – Allowed Claims of LSCG Fund 18, LLC. Class 3 is comprised of the Allowed Claims of LSCG Fund 18, LLC. Class 3 shall be treated as provided in the Settlement Agreement attached to the Plan. Creditors are urged to read the Settlement Agreement in its entirety. Among other things, the agreement gives LSCG a secured claim in the amount of $15,250,000 (which amount may increase upon default), allows LSCG to retain all liens, gives LSCG an expanded lien on all unencumbered assets, keeps the Court Restructuring Officer in place until LSCG is paid, provides that the LSCG debt will mature in three years, and provides for an orderly liquidation if the Debtor fails to pay LSCG at maturity.

(d) Class 4 Claims – Allowed Secured Claim of Caterpillar Financial Services Corporation. Class 4 is comprised of the Allowed Secured Claim of Caterpillar Financial Services Corporation. Class 4 shall retain its liens (Class 4 claims liens on the Debtors' Vermeer TG5000 Grind Plant, 2007 F750 Dump Truck, Peterbilt 357 Tractor, and two (2) Sterling LT9513 Trucks.) The Allowed Secured Claim of Class 4 shall be placed in current, non-default status and re-amortized over five (5) years with interest at the Secured Rate. The Debtors shall make monthly payments according to such amortization. Payments to Class 4 shall be made on the tenth day of the month, with the first such payment to be made on the tenth day of the first month following the Effective Date. However, if an Objection to Claim is filed, the first payment shall be made within ten (10) Business Days following the resolution of that Objection to Claim. Class 4 shall be required to send monthly statements to the Debtors showing the payment due and the application of previous payments.

Class 4 has filed proofs of claims in the amount of $150,114.00.

(e) Class 5 Claims – Allowed Secured Claim of Caterpillar Financial Commercial Account Corp. Class 5 is comprised of the Allowed Secured Claim of Caterpillar Financial Commercial Account Corp. Class 5 shall retain its liens. (Class 5 claims liens on the Debtors' 1998 Cat D250E Articulated Truck.) The Allowed Secured Claim of Class 5 shall be placed in current, non-default status and re-amortized over five (5) years with interest at the Secured Rate.

The Debtors shall make monthly payments according to such amortization. Payments to Class 5 shall be made on the tenth day of the month, with the first such payment to be made on the tenth day of the first month following the Effective Date. However, if an Objection to Claim is filed, the first payment shall be made within ten (10) Business Days following the resolution of that Objection to Claim. Class 5 shall be required to send monthly statements to the Debtors showing the payment due and the application of previous payments.

Class 5 has filed a proof of claim in the amount of $11,085.05.

(f) Class 6 Claims – Allowed Secured Claim of Ford Motor Credit. Class 6 is comprised of the Allowed Secured Claim of Ford Motor Credit. Pursuant to the terms of a Consent Order (Dkt. #140) entered on 10/24/13, the Debtor agreed to pay the $33,768.53 balance then due under its contract with Ford Credit for the financing of the Debtor's 2012 Ford F-350 truck over 60 months at 5.90% interest per annum via monthly payments of $651.71 each beginning on October 9, 2013 and continuing on the 9th day of each month thereafter until paid in full. The Consent Order also provides for the Debtor to reimburse Ford Credit for $325.00 in attorneys' fees in a single lump sum at the end of such 60 month period. The Debtor shall continue timely making such monthly payments as called for under the Consent Order, the terms of which are incorporated herein by reference as though fully set out. Ford Credit shall retain its lien on the vehicle until the all amounts called for under the Consent Order are paid in full. The default provisions and Ford Credit's self-help repossession remedies under the terms of its loan documents and applicable law relative to the vehicle shall remain in full force and effect notwithstanding any provisions to the contrary herein or elsewhere in the Debtor's Plan of Reorganization. Beginning with the first calendar month following the Effective Date, Ford Credit is authorized to once again send regular monthly statements to the Debtor for this account. If the Debtor defaults under the terms of its loan documents with Ford Credit after the Plan is confirmed, and the vehicle is repossessed and liquidated, any resulting deficiency claim will be paid as a general unsecured claim of the Plan upon Ford Credit's notification to the Debtor of the amount of such deficiency claim..

(g) Class 7 Claims – Allowed Secured Claim of TT&E Iron & Metal, Inc. Class 7 is comprised of the Allowed Secured Claim of TT&E Iron & Metal, Inc. Class 7 shall retain its liens (Class 7 claims liens on Debtors' thirty-five (35) thirty-yard containers and two (2) Obrian Tarpers.) The Allowed Secured Claim of Class 7 shall be placed in current, non-default status and re-amortized over five (5) years with interest at the Secured Rate. The Debtors shall make monthly payments according to such amortization. Payments to Class 7 shall be made on the tenth day of the month, with the first such payment to be made on the tenth day of the first month following the Effective Date. However, if an Objection to Claim is filed, the first payment shall be made within ten (10) Business Days following the resolution of that Objection to Claim. Class 7 shall be required to send monthly statements to the Debtors showing the payment due and the application of previous payments.

Class 7 has filed a proof of claim in the amount of $138,267.33.

(h) Class 8 Claims – Allowed Secured Claim of North State Bank. Class 8 is comprised of the Allowed Secured Claim of North State Bank. The Debtors believe that these claims have been purchased by David Stallings. Class 8 shall retain its liens. (Class 8 claims liens on Debtors' 1997 CAT Backhoe Loader, 2002 Massey Ferguson Tractor, Hamm Smooth Drum Roller, 2000 Caterpillar Articulated Truck, 2005 Komatsu Dozer, and 2005 Komatsu Excavator/Trackhoe.) The Allowed Secured Claim of Class 8 shall be placed in current, non-default status and re-amortized over five (5) years with interest at the Secured Rate. The Debtors shall make monthly payments according to such amortization. Payments to Class 8 shall be made on the tenth day of the month, with the first such payment to be made on the tenth day of the first month following the Effective Date. However, if an Objection to Claim is filed, the first payment shall be made within ten (10) Business Days following the resolution of that Objection to Claim. Class 8 shall be required to send monthly statements to the Debtor showing the payment due and the application of previous payments.

Class 8 has filed a proof of claim in the amount of $13,617.13.

(i) Class 9 Claims – Allowed Small Unsecured Claims. Class 9 is comprised of all Allowed Unsecured Claims of less than $5,000.00. Class 9 shall be paid in full ninety (90) days after the Effective Date. However, if an Objection to Claim is filed, the payment shall be made within ten (10) Business Days following the resolution of that Objection to Claim.

Debtors anticipate Class 9 Claims will be less than $32,000.00.

The Plan, as filed, does not expressly provide for the payment of interest on Class 9 Claims. The Debtor intends to ask the court to clarify that interest on Class 9Claims will be paid at the Unsecured Rate (as defined in paragraph 1.37 of the Plan).

(j) Class 10 Claims – Allowed General Unsecured Claims. Class 10 is comprised of all Allowed Claims not treated elsewhere in the plan. The Allowed Claims of Class 10 shall bear interest at the rate of 3.25%. The Debtors shall pay $100,000.00 on the Effective Date to be split pro rata among Allowed Claims in Class 10. In addition, the Debtors shall pay quarterly installments of $45,000.00 to be split pro rata among Allowed Claims in Class 11 until paid in full. The first such payment to Class 10 shall be made on the tenth day of the third month following the Effective Date. However, if an Objection to any Claim potentially in Class 10is filed, then the first payment shall be made within ten (10) Business Days following the resolution of the last Objection to Claim.

Debtors anticipate Class 10 Claims will be less than $1,200,000. The Debtors have objected to the claims of James Barnes in the amount of $3,500,000 and $200,000. The Debtors believe that any rights James Barnes may have are in the nature of an executory contract. A hearing on the Barnes claim is scheduled to be heard with confirmation. On September 12, 2014, the Bankruptcy Court entered and Order estimating the Barnes claims for voting purposes at $350,000.

(k) Class 11 Interests – Allowed Equity Interests. The existing Allowed Equity Interests in the Debtors shall remain the same as pre-petition. Nothing in the Plan shall affect the enforceability of the undated Memorandum Agreement signed by David King, David Cook, and Southfield Partners, LLC.

B. Release of the Debtor. The confirmation of the Plan shall constitute waiver and release of the right to pursue litigation and causes of action against the Debtors.

C. Treatment of Leases. The confirmation of the Plan shall act as an acceptance of all scheduled leases and executory contracts, other than those rejected prior to confirmation of the Plan. All unscheduled leases and executory contracts shall be deemed rejected upon confirmation. All parties, including those with executory contracts, shall have thirty (30) days from the Effective Date to file proofs of claim for rejection damages.

D. Tax Consequences. Each Debtor is either a Limited Liability Company or a subchapter S Corporation. As such, each Debtor is a "pass-thru" entity, meaning each entity passes its income, losses, deductions, or credits to its owners. The Debtors do not believe that Confirmation of the Plan will result in any significant adverse tax consequences. **DISCLAIMER: NEITHER THE DEBTOR NOR THEIR COUNSEL ARE PROVIDING ANY OPINION OR ADVICE REGARDING THE TAX CONSEQUENCES OF THE PLAN. THE TAX CONSEQUENCES OF THE PLAN FOR HOLDERS OF CLAIMS AND INTERESTS MAY BE DIFFERENT. ALL HOLDERS OF CLAIMS AND INTERESTS ARE URGED TO CONSULT THEIR OWN ADVISORS AS TO THE OVERALL TAX IMPLICATIONS OF THE PLAN.**

E. Environmental and Permit Risks. The Debtor operates a "C&D" (Construction and Demolition) landfill. Operation of any landfill involves environmental risks. If not operated properly, landfills risk fines or other penalties, including permit revocation. The Debtor has engaged, and will continue to engage, engineers and other professionals to ensure that the landfill is operated properly and to minimize risks.

III. CONFIRMATION

A. Confirmation Hearing.

Section 1128 of the Bankruptcy Code requires the Bankruptcy Court after notice, to hold a confirmation hearing on the Plan at which time any party in interest may be heard in support of or opposition to confirmation. The Confirmation Hearing will be scheduled by the Bankruptcy Court by court order. The Confirmation Hearing may be adjourned from time to time without further notice except for an announcement made at the Confirmation Hearing. Any objection to confirmation must be made in writing and filed with: Clerk, U.S. Bankruptcy Court, Eastern District of North Carolina, Raleigh Division, 300 Fayetteville Street, Second Floor, PO Box 791, Raleigh, N.C. 27602 as indicated in the order establishing the date for the confirmation hearing.

B. Confirmation Standards.

In order for a plan of reorganization to be confirmed, the Bankruptcy Code requires among other things, that a plan be proposed in good faith, and that a plan comply with the applicable provisions of Chapter 11 of the Bankruptcy Code. Section 1129 of the Bankruptcy Code also imposes requirements that at least one class of claims accept a plan, that confirmation of the plan is not likely to be followed by the need for further financial reorganization, that a plan be in the best interests of creditors, and that a plan be fair and equitable with respect to each class of claims of interest which is impaired under the plan. The Bankruptcy Court shall confirm a plan only if it finds that all of the requirements enumerated in Section 1129 of the Bankruptcy Code have been met. The Debtors believe that the Plan satisfies all of the requirements for confirmation.

1. Best Interest Test. Before the Plan may be confirmed, the Bankruptcy Court must find (with certain exceptions) that the Plan provides, with respect to each Class, that each holder of a Claim or Equity Interest of such Class either (a) has accepted the Plan or (b) will receive or retain under the Plan on account of such Claim or Equity Interest, property of a value, as of the Effective Date, that is not less than the amount that such person would receive or retain if the Debtors were, on the Effective Date, liquidated under Chapter 7 of the Bankruptcy Code. The Debtors believe that their Plan satisfies this requirement because the Plan proposes to pay all creditors in full over time with interest. Within the last two years, at least three Appraisals and one non-appraiser valuation of the Debtors' most significant assets have been conducted. While the appraisals and valuations do not appraise exactly the same collection of assets, they do provide a general indication of value. Two of the appraisals were attached to the Disclosure Statement filed February 3, 2014. The four valuations are:

1. An appraisal conducted by Keystone Consulting Group for BB&T, dated June 7, 2012, which states a value of $24,000,000 (which includes the value of the landfill real estate, valued at $2,710,000).

2. An appraisal conducted by Integra Realty Resources for Bank of North Carolina, dated as of August 21, 2013, which states a value of $25,060,000 (which includes the value of the landfill real estate, valued at $1,300,000).

3. A non-appraiser valuation conducted by William R. Nelson, dated as of February 14, 2014, which states a value of $15,232,435.

4. An appraisal conducted by Leatherman Real Estate Services, LLC, dated as of March 19, 2014, which states a value of $28,080,000.

A "**Liquidation Analysis**," listing the assets owned by each Debtor, the Debtors' estimate of the value of those assets, and the amount creditors would likely receive in a liquidation (as well as the amounts creditors would receive under the Plan) is attached hereto as

Exhibit G. In the event of liquidation, the Debtors would most likely be sold as a going concern. Accordingly, the Debtors believe that the appraisals listed above provide the most meaningful indication of value likely to be received. Exhibit G is provided merely as additional information at the request of parties in interest to this case.

2. Financial Feasibility. The Bankruptcy Code requires, as a condition to confirmation, that confirmation of a plan is not likely to be followed by the liquidation (unless the plan calls for liquidation) of the Debtors or the need for further financial reorganization. The Debtors anticipate that their operations will be sufficient to make the payments required under the Plan. The Debtors will present testimony and projections at the hearing to be held on Confirmation of the Plan which the Debtors believe will demonstrate the viability of their Plan. Debtors' projected income and expenses (including projected engineering costs, wetland mitigation costs, and plan payments) for the next 7 years are attached hereto as **Exhibit H. More concise projections, which were included within the appraisals, are attached as Exhibit I. Shotwell Landfill, Inc.'s ability to accept waste is limited by its franchise. Copies of franchise related documents were attached to the Disclosure Statement filed February 3, 2014.**

A material recycling (or recovery) facility ("MRF") is a facility that mechanically treats and/or separates out recyclable materials and prepares it for resale, and thereby avoids using space in the landfill. The Debtor is considering investing approximately $750,000.00 in a MRF to increase its reuse and recycling capabilities in order to be able to accept more waste. Currently, the Debtor is limited in the amount of waste it can accept into the landfill. The decision on whether or not to invest in the MRF will occur within the next three (3) years. The investment in the MRF, or lack thereof, will not affect the payment to creditors under the Plan.

The Plan calls for payment of the full remaining balance to LSCG within 3 years of the Effective Date. Given the valuations of the Debtors' assets, the Debtors believe that they should be able to refinance this debt within the three (3) year period. To the extent that the Debtors are unable to refinance the debt within that time, the Debtors believe that they will be able to sell some or all assets for an amount sufficient to pay the remaining claims in full.

3. Acceptance by Impaired Classes. The Bankruptcy Code requires as a condition of confirmation that each Class of Claims or Equity Interests that is impaired under the Plan accept such Plan, with the exception described in the following section. A Class of Claims has accepted the Plan if the Plan has been accepted by creditors (other than insiders) that hold at least two-thirds (2/3) in dollar amount and more than one-half (1/2) in number of the Allowed Claims of such Class who actually vote to accept or to reject the Plan.

A Class that is not impaired under a Plan is deemed to have accepted such Plan; solicitation of acceptances with respect to such Class is not required. A Class is impaired unless (i) the legal, equitable and contractual rights to which the Claim or Equity Interest entitles the holder of such Claim or Equity Interest are not modified, or (ii) with respect to Secured Claims, the effect of any default is cured and the original terms of the obligation are reinstated.

4. Confirmation Without Acceptance by All Impaired Classes. The Bankruptcy Code contains provisions that would enable the Bankruptcy Court to confirm the Plan, even though the Plan has not been accepted by all impaired Classes, provided that the Plan has been accepted by at least one impaired Class of Claims.

Section 1129(b)(1) of the Bankruptcy Code states: "Notwithstanding section 510(a) of this title, if all of the applicable requirements of subsection (a) of this section other than paragraph (8) are met with respect to a plan, the court, on request of the proponent of the plan, shall confirm the plan notwithstanding the requirements of such paragraph if the plan does not discriminate unfairly, and is fair and equitable, with respect to each class of claims or interests that is impaired under, and has not accepted, the plan."

The Debtors believe that the Plan meets the 1129(b) test because the Debtor's Plan will benefit all classes by providing more than would be received in a Chapter 7 liquidation. As a result, the Plan does not discriminate unfairly and is fair and equitable with respect to each Class of Claims or Equity Interest that is impaired by and does not accept the Plan. The Debtors believe that, if necessary, they will be able to meet the statutory standards set forth in the Bankruptcy Code with respect to the nonconsensual confirmation of the Plan.

C. Consummation.

The Plan will be consummated and distributions made if the Plan is confirmed pursuant to a Final Order of the Bankruptcy Court. It will not be necessary for the Debtors to await any required regulatory approvals from agencies or departments of the United States Government to consummate the Plan. The Plan will be implemented pursuant to its provisions and the provisions of the Bankruptcy Code.

IV. ALTERNATIVE TO THE PLAN

If the Plan is not confirmed and consummated, the Debtors may file a new Plan, or the case may be dismissed, or the Debtors may be liquidated under Chapter 7 of the Bankruptcy Code. Under Chapter 7 of the Bankruptcy Code, a trustee would be elected or appointed to liquidate the assets of the Debtors for distributions to Creditors in accordance with the priorities established by the Bankruptcy Code. Prior to and during the course of this case, informal and formal proposals have been made to acquire the Debtors' assets. Based on those proposals, the Debtors believe that the Debtors could be liquidated for a minimum of $17,000,000, and believe that higher values would be achievable. The Debtors' analysis of the probable recovery to Creditors and holders of Equity Interests upon a liquidation under Chapter 7 has been presented in the foregoing discussion regarding the "best interests" tests.

The Debtors recommend that holders of Claims vote to accept this Plan.

Dated: Raleigh, North Carolina
April 15, 2015

Respectfully submitted,

/s/ David King
David King, President
Shotwell Landfill, Inc.
Capitol Recycling, LLC
Capitol Waste Transfer, LLC
Debris Removal Partners, LLC
Shotwell Transfer Station II, Inc.
King's Grading, Inc.

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