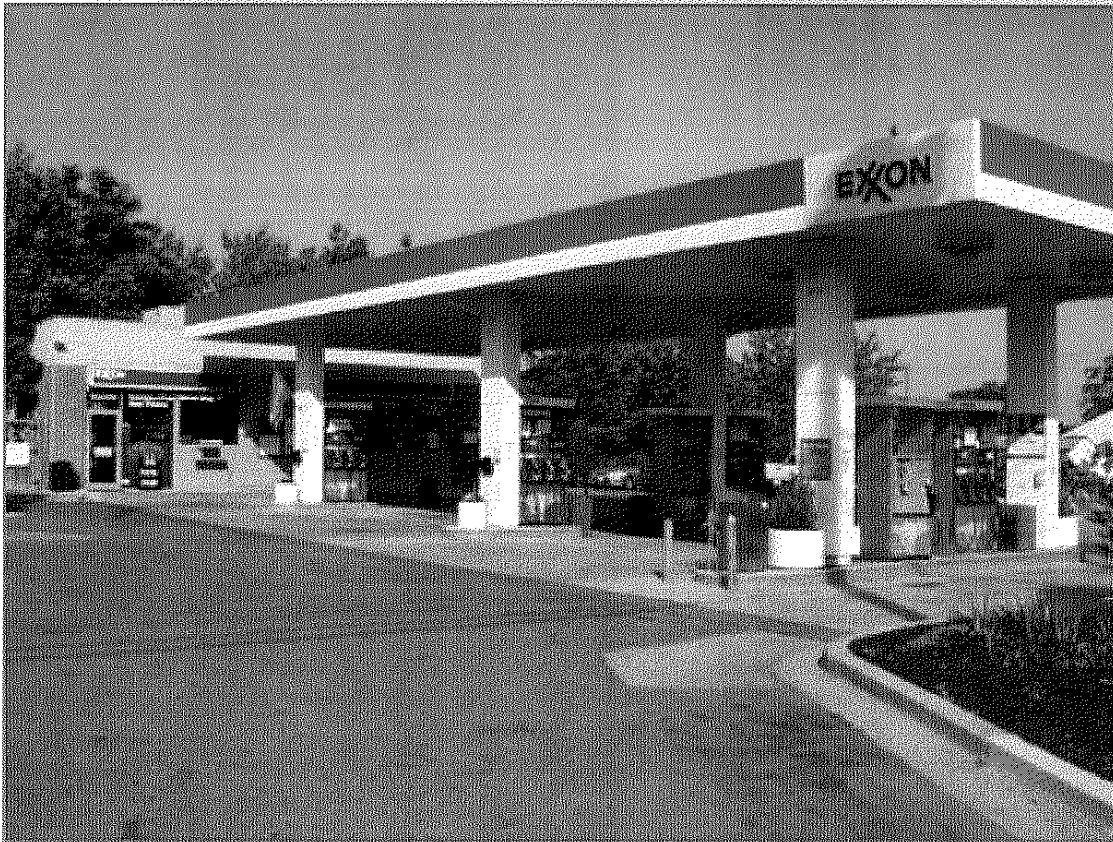


Listing Number 1823
Broker: Jim King
Phone: (410) 303-6378

Branded, Retail Gasoline Business

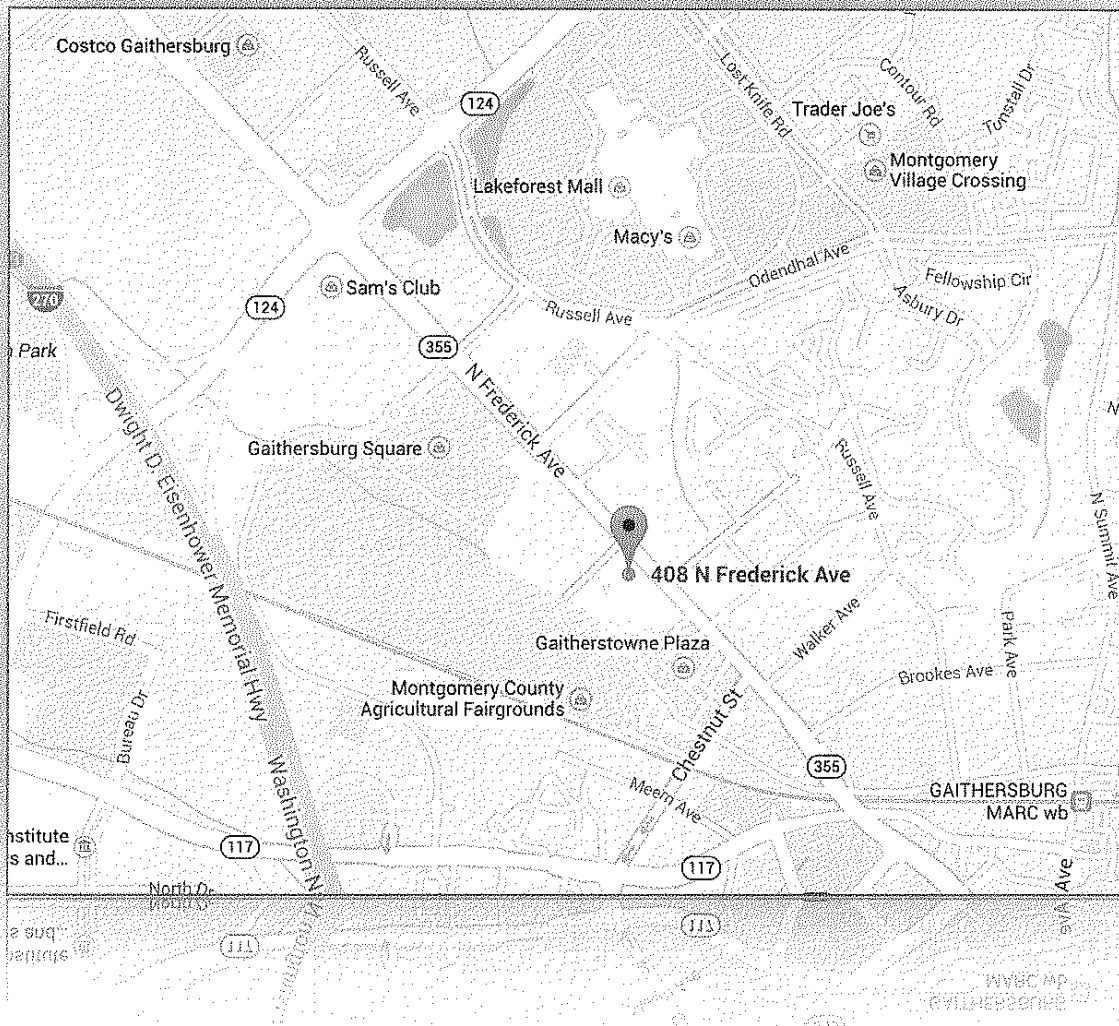


Gaithersburg Exxon
408 North Frederick Avenue,
Gaithersburg, Montgomery County
Maryland, 20877

The three most important factors in determining the desirability of a property or business are:

"location, location, location."

Harold Samuel



Whether buying a Gas Station is a correct move depends on a LOT of things: The location; the Brand; the location; the Cash Flow; the location; the Competition – both now and foreseeable Competition in the future; the location; the Supplier; the location; the Price; the location; whether it includes a C-Store or Repair Bays, the location...

Legal Disclaimer

King & King Business Advisors, (a King & King, LLC company), hereafter referred to as King & King, has been appointed the exclusive broker and transaction representatives for this Retail Gasoline, Vehicle Service & Repair, Car Rental business (hereafter referred to as "GE").

All questions and inquiries regarding this transaction should be directed to King & King. Employees of the Business shall not be contacted. By receiving this document you have been registered as a ("Recipient") of this brochure and understand the terms outlined herein.

The information in this brochure was provided by GE or its agents and from other sources believed to be reliable. Recipient understands that the information might contain "Forward-Looking Statements." No representation or warranty is made by King & King as to the completeness or accuracy of such information including financial information, financial pro forma or interpretation of such information by King & King or subsequent information which may be supplied.

This brochure is for the confidential use of the Recipient for the sole purpose of assisting in its evaluation of the potential acquisition of the Business. The Recipient agrees that any information contained in this brochure will not be used for any other purpose than to consider the acquisition of the Business.

Forward-Looking Statements

Such forward-looking statements are subject to a number of risks, assumptions and uncertainties that could cause the Business' actual results to differ materially from those projected in such forward-looking statements. These risks, assumptions and uncertainties include: the ability to complete systems within currently estimated time frames and budgets; the ability to compete effectively in a rapidly evolving and price competitive marketplace; changes in the nature of regulation in the United States and other countries; changes in business strategy; the successful integration of newly acquired businesses; the impact of technological change; and other risks referenced from time to time.

Contact:

James M. King, Principal, CBI, ACP

King & King, LLC (dba: King & King Business Advisors)

3300 Olney Sandy Spring Road, Olney, MD 20832

E-Mail: jking@kingandkingllc.com

Phone: 410-303-6378

Executive Summary

King & King have been retained by the owner(s) of this business to find a suitable buyer for all of the assets of this full service retail gasoline station with garage, MD Inspections, and car rentals.

Serving the community since 1975, the stations owners are proud of their commitment of providing excellent service. This is a family owned and operated business, with a reputation for honest and reliable service.

Business performs all major repairs. They also perform all 15,000, 30,000, and 60,000-mile factory recommended services. They are also proud to offer the complete quality line of BG products and services.

Station is convenient to Damascus, Darnestown, Flower Hill, Fox Chapel, Germantown, Kentlands, Milestone, Montgomery Village, North Potomac, Quince Orchard, Rockville, Shady Grove in Montgomery County, Maryland.

Business Owner:	Dilen, Inc Leonard & Nancye Shipe
Property Owner	Southside Oil, LLC Richmond, VA
Profit Centers	Retail gasoline and diesel fuel sales Vehicle service, repairs & MD Inspection State Certified Emission Repair Facility Hertz Car Rentals ATM & Misc. Vending, Hot & Cold Drinks, etc.
Years in Business	39
Average Gross Sales (2011, 2012 & 2013)	\$5,559,744
Average Discretionary Income (2011, 2012 & 2013)	\$130,233
Current Fiscal Year Ends On	March 31, 2015

Transaction Requirements & Structure

Type of Sale.....Asset Sale

Asking Price.....\$395,000

Minimum Down Payment.....\$225,000

Buyer(s) must have the minimum down payment in verifiable available capital to be considered a viable purchase candidate.

Buyer(s) must have verifiable experience as an owner or manager of a retail gasoline station. Service garage experience is also important as the service garage is a significant revenue center.

All offers must be in the form of an Asset Sale & Purchase Agreement

Earnest Money Deposits shall be via wire transfer

Third party approvals required from Landlord, Fuel Supplier, and Hertz

Licenses Required - Business, Sales Tax, MD Inspection, etc.

Business Information

Broker of Record.....Jim King

Listing Number.....1823

Name of Business.....Dilen, Inc. (dba: Gaithersburg Exxon)

Business Type.....Full Service Retail Gasoline Station, Garage, Car Rental Franchise, MD Inspection

Owner Name.....Leonard and Nancye Shipe

Address.....408 N. Frederick Avenue, Gaithersburg, MD 20877

County.....Montgomery

Category.....Retail & Service

Owner's Net.....\$126,350

Gross Annual Sales 2013.....\$5,559,744

Asking Price.....\$395,000

Entity.....Corporation

Monthly Payroll:.....\$25,250 (includes owner as employee of corporation)

Lease.....\$12,000

Utilities \$1350 per month (average)

Building Size.....2,520 +/- square feet, land area is .60 acres

Employees.....9 employees. 4-full time and 5-part time (2 of the part timers work in Hertz

Equipment.....List to be provided to prospective purchaser during due diligence.

Store Hours.....Monday-Friday: 8:00am - 6:00pm Saturday: 8:00am - 12:00pm

Inventory.....To be determined to a certainty just prior to settlement

Reason for Sale.....Owner plans to retire after 39 years

Exhibit A

Three year GAAP/TAX Profit & Loss Statement (unadjusted)

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06/18/14

Accrual Basis

Gaithersburg Exxon
Profit & Loss
 April 2011 through March 2014

	Apr '11 - Ma...	Apr '12 - Ma...	Apr '13 - Ma...	TOTAL
Ordinary Income/Expense				
Income				
Hertz Income				
Rental Income	0.00	68,102.24	10,874.08	78,976.32
Commission	0.00	0.00	65,903.74	65,903.74
Hertz Income - Other	0.00	0.00	1,507.23	1,507.23
Total Hertz Income	0.00	68,102.24	78,285.05	146,387.29
Cig Income				
Cig Income	13.78	584.81	0.00	598.59
Cig Special Income	40,738.94	36,848.87	0.00	77,587.81
Rebate	0.00	381.00	1,565.20	1,946.20
Cig Income - Other	2,340.80	6,579.82	37,723.26	46,643.88
Total Cig Income	43,093.52	44,394.50	39,288.46	126,776.48
Exxon Gift Card	750.00	1,875.00	0.00	2,625.00
Gas Income				
Diesel Income	204,165.73	187,278.38	176,175.76	567,619.87
Fuel Rebate	1,483.02	0.00	0.00	1,483.02
Gas Income - Other	5,116,051.05	4,837,255.92	4,647,593.88	14,600,900.85
Total Gas Income	5,321,699.80	5,024,534.30	4,823,769.64	15,170,003.74
Labor/Service				
Service Income	349,706.25	346,155.27	328,878.39	1,024,739.91
Shop Supplies	20,828.09	19,111.68	17,935.33	57,875.10
Labor/Service - Other	0.00	1,004.42	1,547.90	2,552.32
Total Labor/Service	370,534.34	366,271.37	348,361.62	1,085,167.33
Oil Income				
Shop Oil	29,307.67	27,055.81	23,187.72	79,551.20
Transmission Fluid Shop	45.28	4.79	0.00	50.07
Oil Income - Other	0.00	634.22	6,440.45	7,074.67
Total Oil Income	29,352.95	27,694.82	29,628.17	86,675.94
Paper Supply Credit	0.00	-302.92	0.00	-302.92
Parts Income				
Parts Rebate	0.00	0.00	1,072.15	1,072.15
Accessory Income	4,185.76	3,506.80	1,465.94	9,158.50
BG Products	28,396.85	23,721.43	16,767.15	68,885.43
Tires	43,511.87	31,008.60	34,071.43	108,591.90
Parts Income - Other	234,893.82	206,555.75	290,064.28	731,513.85
Total Parts Income	310,988.30	264,792.58	343,440.95	919,221.83
Phone Card Income	908.00	540.00	120.00	1,568.00
Propane Income	0.00	2,094.42	2,962.70	5,057.12
Refund	0.00	0.00	54.25	54.25
Reimbursement				
Hertz Income	0.00	0.00	-65.40	-65.40
Reimbursement - Other	2,972.02	0.00	0.00	2,972.02
Total Reimbursement	2,972.02	0.00	-65.40	2,906.62
Sales Tax Discount	332.16	365.91	306.67	1,004.74
Soda Income	13,240.32	15,938.94	15,077.95	44,257.21
Store Incentive	0.00	0.00	1,375.00	1,375.00
Sublet	12,116.62	8,191.61	9,851.49	30,159.72
Vending Income	16,210.43	14,859.32	13,810.49	44,880.24
Total Income	6,122,198.46	5,839,352.09	5,706,267.04	17,667,817.59
Cost of Goods Sold				
Cost of Goods Sold	36,321.01	973.76	0.00	37,294.77
Cig COG	46,472.57	77,427.11	33,251.32	157,151.00
Fuel COG	5,126,199.85	4,852,539.47	4,640,990.99	14,619,730.31
Oil COG	13,479.72	23,349.32	20,284.66	57,113.70

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 Accrual Basis

Gaithersburg Exxon
Profit & Loss
 April 2011 through March 2014

	Apr '11 - Ma...	Apr '12 - Ma...	Apr '13 - Ma...	TOTAL
Parts COG				
Parts COG Discount	-207.99	-44.70	-1,438.61	-1,691.30
Parts COG - Other	179,536.38	205,494.62	195,069.84	580,100.84
Total Parts COG	179,328.39	205,449.92	193,631.23	578,409.54
Phone Cards COG	948.95	235.95	0.00	1,184.90
Propane COG	2,960.09	1,824.44	1,854.73	6,639.26
Service Discounts	6,336.30	7,456.82	7,143.97	20,937.09
Shop Materials COG	16,988.49	4,001.87	6,748.49	27,718.85
Soda COG	7,704.53	7,705.69	8,977.62	24,387.84
Vending COG	2,776.27	14,942.35	7,209.14	24,927.76
Total COGS	5,439,496.17	5,195,906.70	4,920,092.15	15,555,495.02
Gross Profit	682,702.29	643,445.39	786,174.89	2,112,322.57
Expense				
Other	0.00	0.00	700.00	700.00
Recruiting	0.00	0.00	125.00	125.00
Hertz				
Station Expense	0.00	0.00	2,749.85	2,749.85
rental reimbursement	0.00	0.00	12,833.21	12,833.21
Hertz Insurance	0.00	0.00	1,190.35	1,190.35
Supplies	0.00	0.00	171.51	171.51
Car Wash	0.00	78.00	508.90	586.90
Total Hertz	0.00	78.00	17,453.82	17,531.82
Advertising	3,529.25	4,348.87	4,635.24	12,513.36
Automobile Expense				
Fuel	0.00	0.00	1,200.00	1,200.00
Automobile Expense - Other	179.58	0.00	125.00	304.58
Total Automobile Expense	179.58	0.00	1,325.00	1,504.58
Bank Service Charges	0.00	321.92	12.67	334.59
cash over/short	-9.25	9,487.06	1,985.91	11,463.72
Contributions	100.00	189.00	215.77	504.77
Credit Card Fee	12,391.54	19,025.58	10,489.59	41,906.71
Day Labor	0.00	2,490.75	6,358.83	8,849.58
Depreciation Expense	3,239.00	140.00	0.00	3,379.00
drive-off	120.74	0.00	0.00	120.74
Dues and Subscriptions	3,181.90	3,936.59	4,259.87	11,378.36
Employee Benefits-Gas	5,620.11	0.00	204.46	5,824.57
Equipment				
Computer	0.00	0.00	678.59	678.59
Computer software	0.00	0.00	485.89	485.89
Snap-On Tools	0.00	0.00	158.95	158.95
Equipment - Other	0.00	0.00	1,390.10	1,390.10
Total Equipment	0.00	0.00	2,713.53	2,713.53
Equipment Rental	3,740.75	4,410.00	0.00	8,150.75
Fuel Credit Card Fee				
Gift Card	0.00	0.00	1,150.00	1,150.00
Safeway Fuel Fee	0.00	308.17	3,346.42	3,654.59
Fuel Credit Card Fee - Other	87,855.62	80,328.08	80,669.60	248,853.30
Total Fuel Credit Card Fee	87,855.62	80,636.25	85,166.02	253,657.89
Insurance				
Automobile Insurance	812.00	727.50	0.00	1,539.50
Health Insurance	8,075.00	9,760.03	6,146.68	23,981.71
Life insurance-Officer	203.70	722.25	54.00	979.95
Station Insurance	8,841.00	8,397.35	5,740.00	22,978.35
Insurance - Other	1,318.00	0.00	0.00	1,318.00
Total Insurance	19,249.70	19,607.13	11,940.68	50,797.51

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Accrual Basis

Gaithersburg Exxon
Profit & Loss
 April 2011 through March 2014

	Apr '11 - Ma...	Apr '12 - Ma...	Apr '13 - Ma...	TOTAL
Interest Expense				
Loan Interest	1,559.30	938.02	7,860.36	10,357.68
Interest Expense - Other	0.00	0.00	145.13	145.13
Total Interest Expense	1,559.30	938.02	8,005.49	10,502.81
Landscaping	1,716.50	900.00	2,125.23	4,741.73
Licenses and Permits	895.00	245.00	2,160.00	3,300.00
Miscellaneous	0.00	500.00	240.60	740.60
Office Supplies	3,977.59	3,679.87	1,193.00	8,850.46
Outside Labor	12,380.49	21,229.99	8,427.15	42,037.63
Payroll	6,295.95	0.00	0.00	6,295.95
Payroll Expenses				
Payroll - Hertz	42,218.47	43,139.39	43,993.87	129,351.73
Front Payroll	43,462.73	39,386.85	56,684.64	139,534.22
Shop Payroll	90,702.56	90,702.56	187,520.95	368,926.07
Payroll Expenses - Other	136,334.85	149,794.45	14,405.60	300,534.90
Total Payroll Expenses	312,718.61	323,023.25	302,605.06	938,346.92
Payroll Taxes	23,441.35	32,158.83	26,554.14	82,154.32
Postage and Delivery	236.02	185.20	23.07	444.29
Printing and Reproduction	0.00	0.00	1,167.01	1,167.01
Professional Fees	4,004.39	805.83	2,718.82	7,529.04
Reconciliation	0.00	0.00	2.41	2.41
Rent				
Mystery shopper program	155.00	360.00	440.00	955.00
Speedpass	0.00	390.00	4,680.00	5,070.00
Rent - Other	159,660.96	158,887.68	146,767.68	465,316.32
Total Rent	159,815.96	159,637.68	151,887.68	471,341.32
Repairs				
Building Repairs	6,761.91	450.54	3,940.94	11,153.39
Equipment Repairs	429.12	3,838.86	214.53	4,482.51
Repairs - Other	505.00	871.25	0.00	1,376.25
Total Repairs	7,696.03	5,160.65	4,155.47	17,012.15
Salaries				
Officer Salary	0.00	0.00	52,000.00	52,000.00
Salaries - Other	-6,295.95	0.00	0.00	-6,295.95
Total Salaries	-6,295.95	0.00	52,000.00	45,704.05
Small Tools	1,641.40	285.64	475.71	2,402.75
Supplies	0.00	0.00	2,063.93	2,063.93
Taxes				
Income Tax	0.00	0.00	1,198.09	1,198.09
Personal Property Tax	0.00	253.62	1,984.67	2,238.29
Taxes - Other	414.81	424.40	28.18	867.39
Total Taxes	414.81	678.02	3,210.94	4,303.77
Telephone	7,995.37	7,235.29	7,392.76	22,623.42
Tire Disposal	817.40	450.50	335.45	1,603.35
Tire Fee	243.33	179.72	0.00	423.05
Towing	2,633.09	2,398.00	1,681.00	6,712.09
Training	57.00	0.00	168.00	225.00
Travel & Ent				
Meals	32.49	0.00	0.00	32.49
Travel	0.00	3,056.41	0.00	3,056.41
Total Travel & Ent	32.49	3,056.41	0.00	3,088.90
Uniforms	6,241.52	3,887.33	4,178.57	14,307.42

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Accrual Basis

Gaithersburg Exxon
Profit & Loss
April 2011 through March 2014

	<u>Apr '11 - Ma...</u>	<u>Apr '12 - Ma...</u>	<u>Apr '13 - Ma...</u>	<u>TOTAL</u>
Utilities				
Gas and Electric	17,824.04	13,236.08	13,141.85	44,201.97
Utilities - Other	2,372.65	2,738.73	3,412.92	8,524.30
Total Utilities	<u>20,196.69</u>	<u>15,974.81</u>	<u>16,554.77</u>	<u>52,726.27</u>
Total Expense	<u>707,913.28</u>	<u>727,281.19</u>	<u>746,912.65</u>	<u>2,182,107.12</u>
Net Ordinary Income	-25,210.99	-83,835.80	39,262.24	-69,784.55
Other Income/Expense				
Other Income				
Interest Income	13.85	0.00	0.02	13.87
Other Income	1,813.00	0.00	0.00	1,813.00
Total Other Income	<u>1,826.85</u>	<u>0.00</u>	<u>0.02</u>	<u>1,826.87</u>
Other Expense				
Sales Tax	0.00	0.00	459.48	459.48
Total Other Expense	<u>0.00</u>	<u>0.00</u>	<u>459.48</u>	<u>459.48</u>
Net Other Income	<u>1,826.85</u>	<u>0.00</u>	<u>-459.46</u>	<u>1,367.39</u>
Net Income	<u><u>-23,384.14</u></u>	<u><u>-83,835.80</u></u>	<u><u>38,802.78</u></u>	<u><u>-68,417.16</u></u>

Exhibit B

Garage Year-to-Date Sales Summary

Gaithersburg Exxon

408 N. Frederick Ave.
Gaithersburg, MD. 20877

Phone - 301-926-1132 Fax - 301-869-0957

Sales Analysis for: 2014

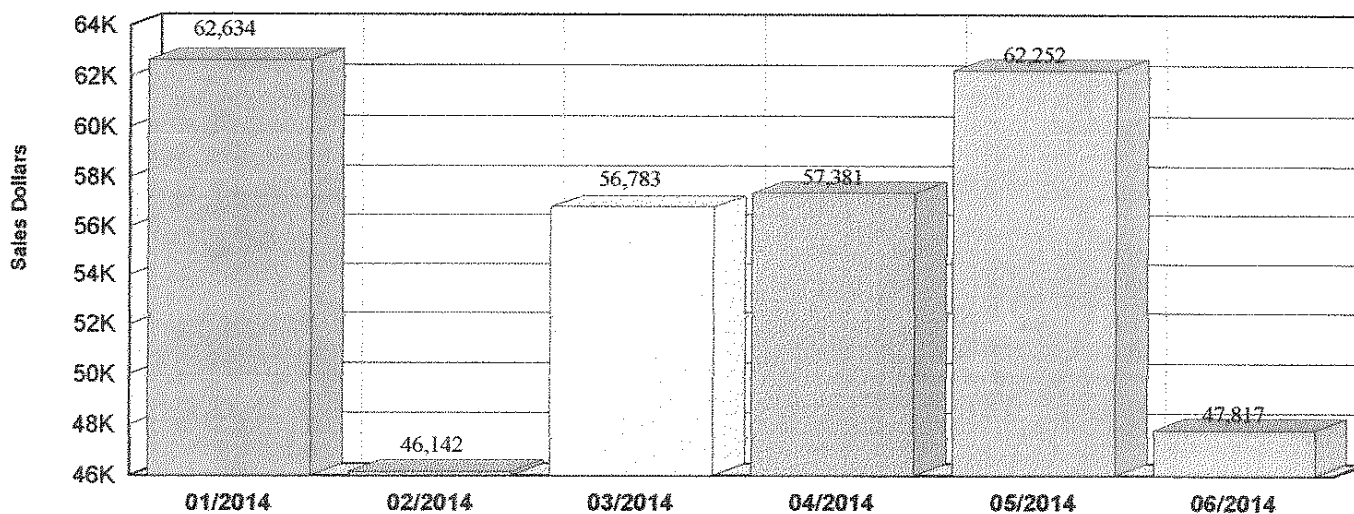
Report Date: 06/23/2014

<u>Month & Year</u>	<u>Avg. RO</u>	<u>Car Count</u>	<u>Sales Amount</u>	<u>Avg. Labor</u>	<u>Total Labor</u>	<u>Avg. Parts</u>	<u>Total Parts</u>
1/2014	292.68	214	62,634.08	122.67	26,252.12	149.09	31,905.52
2/2014	249.42	185	46,142.32	116.44	21,541.16	116.55	21,561.18
3/2014	260.47	218	56,783.28	119.30	26,008.26	124.43	27,125.13
4/2014	222.41	258	57,380.66	94.43	24,364.03	115.02	29,674.53
5/2014	234.91	265	62,252.39	104.53	27,700.98	115.30	30,553.36
6/2014	240.29	199	47,816.95	105.28	20,950.70	118.43	23,567.46

Totals: 1,339 333,009.68 \$146,817.25 \$164,387.18

Monthly averages for the year 2014

RO Amount & Count: \$248.70 223.17



Note: Labor and Part columns do not include Shop Supplies or Hazmat

Exhibit C

Garage Yearly Sales Summary 1996 - 2014

Gaithersburg Exxon

408 N. Frederick Ave.
 Gaithersburg, MD. 20877
 Phone - 301-926-1132 Fax - 301-869-0957

Yearly Sales Summary

Report Date: 06/23/2014

<u>Year</u>	<u>Sales Amount</u>	<u>Car Count</u>	<u>Avg. RO</u>
1996	0.00	1	0.00
1997	103.67	2	51.84
1998	200,769.41	1133	177.20
1999	759,998.16	3897	195.02
2000	812,035.99	3902	208.11
2001	829,007.33	3753	220.89
2002	825,595.87	3654	225.94
2003	876,449.17	3518	249.13
2004	802,549.96	3553	225.88
2005	837,665.43	3416	245.22
2006	804,704.67	2974	270.58
2007	789,694.58	2919	270.54
2008	842,096.87	2927	287.70
2009	775,024.12	3077	251.88
2010	865,160.97	3059	282.82
2011	851,224.92	3055	278.63
2012	810,854.76	2817	287.84
2013	753,572.26	2735	275.53
2014	333,009.68	1339	248.70

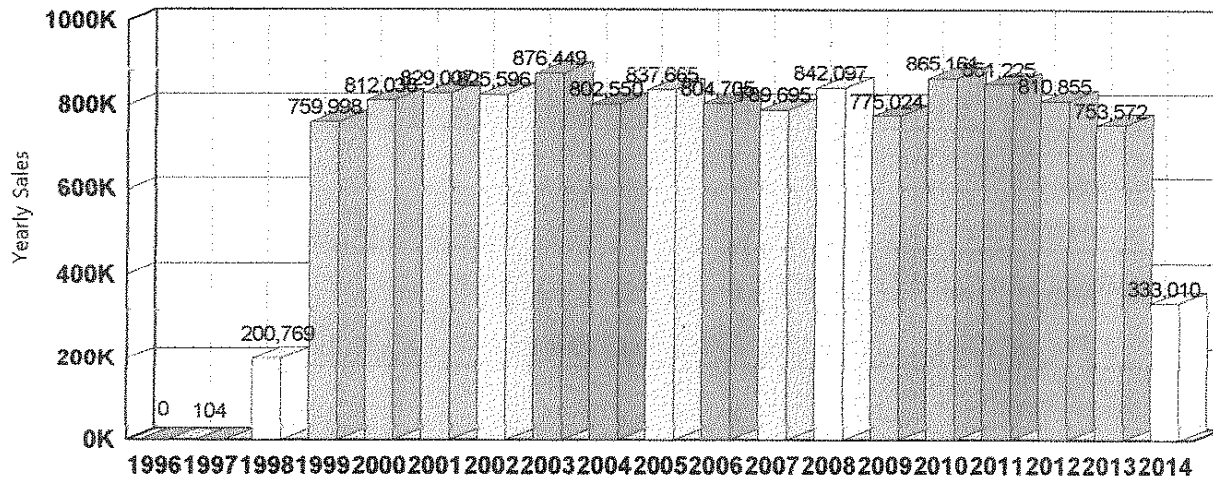


Exhibit D

Equipment List

Equipment List – Gaithersburg Exxon

- Smoke Machine
- 2 tire machines
- Wheel Balancer
- Parts washer
- A/C machine
- Battery charger
- Charging system tester
- Medtronic's battery tester
- Transmission flushing machine
- Power steering flushing machine
- Differential flushing machine
- Brake flushing machine
- Engine flushing machine
- 2 x 3 ton jacks with jack stands
- Transmission jack
- AAMCO brake lathe
- Wall mount and strut machine
- 2 x drink coolers
- 3 x computers
- Copier
- Fax machine
- Printer
- 4 x 10 lb lifts (3 less than 10 yrs old)
- 3 x overhead oil dispensers
- 5 x air reels
- Sidekick Welder
- Cutting torch with quick settling oxygen tank

Exhibit E

Federal & State Tax Return - Year End Date 03-31-2013

U.S. Corporation Income Tax Return
 For calendar year 2012 or tax year beginning 04-01, 2012, ending 03-31, 20 13
 Information about Form 1120 and its separate instructions is at www.irs.gov/form1120.

A Check if:

- 1a Consolidated return (attach Form 851)
- b Life/nonlife consolidated return
- 2 Personal holding co. (attach Sch. PH)
- 3 Personal service corp. (see instructions)
- 4 Schedule M-3 attached

TYPE OR PRINT

Name. No., street, and room or suite no. City/town, state, and ZIP code
DILEN INC
408 N FREDERICK AVE
GAITHERSBURG MD 20877-

B Employer identification no.

C Date incorporated
02-04-1980
D Total assets (see instructions)
\$ 173,465

E Check if: (1) Initial return (2) Final return (3) Name change (4) Address change

INCOME	1a	Gross receipts or sales	1a	5,839,352	
	b	Returns and allowances	1b		
	c	Balance. Subtract line 1b from line 1a	1c	5,839,352	
	2	Cost of goods sold (attach Form 1125-A)	2	5,195,907	
	3	Gross profit. Subtract line 2 from line 1c	3	643,445	
	4	Dividends (Schedule C, line 19)	4		
	5	Interest	5		
	6	Gross rents	6		
	7	Gross royalties	7		
	8	Capital gain net income (attach Schedule D (Form 1120))	8		
	9	Net gain or (loss) from Form 4797, Part II, line 17 (attach Form 4797)	9		
10	Other income (see instructions -- attach statement)	10			
11	Total income. Add lines 3 through 10	11	643,445		
DEDUCTIONS	12	Compensation of officers (see instructions -- attach Form 1125-E)	12	28,000	
	13	Salaries and wages (less employment credits)	13	295,023	
	14	Repairs and maintenance	14	5,161	
	15	Bad debts	15		
	16	Rents	16	159,638	#1
	17	Taxes and licenses	17	33,082	#2
	18	Interest	18	938	
	19	Charitable contributions LIMITED	19	0	
	20	Depreciation from Form 4562 not claimed on Form 1125-A or elsewhere on return (attach Form 4562)	20	140	
	21	Depletion	21		
	22	Advertising	22	4,349	
	23	Pension, profit-sharing, etc., plans	23		
	24	Employee benefit programs	24	9,760	
	25	Domestic production activities deduction (attach Form 8903)	25		
	26	Other deductions (attach statement)	26	190,087	#3
	27	Total deductions. Add lines 12 through 26	27	726,178	
	28	Taxable income before net operating loss deduction and special deductions. Subtract line 27 from line 11	28	-82,733	
NET OPERATING LOSS DEDUCTION	29a	Net operating loss deduction (see instructions)	29a	0	
	b	Special deductions (Schedule C, line 20)	29b		
	c	Add lines 29a and 29b	29c	0	
TAXES & PAYMENTS	30	Taxable income. Subtract line 29c from line 28 (see instructions)	30	-82,733	
	31	Total tax (Schedule J, Part I, line 11)	31	0	
	32	Total payments and refundable credits (Schedule J, Part II, line 21)	32		
	33	Estimated tax penalty (see instructions). Check if Form 2220 is attached <input type="checkbox"/>	33		
	34	Amount owed. If line 32 is smaller than the total of lines 31 and 33, enter amount owed	34	0	
	35	Overpayment. If line 32 is larger than the total of lines 31 and 33, enter amount overpaid	35	0	
	36	Enter amt. from line 35 you want: Credited to 2013 estimated tax <input checked="" type="checkbox"/> Refunded <input type="checkbox"/>	36	0	

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules & statements, and to the best of my knowledge and belief, it is true, correct, & complete. Declaration of preparer (other than taxpayer) is based on all information of which preparer has any knowledge.

Sign Here Signature of officer: _____ Date: _____ Title: **PRESIDENT**

Print/Type preparer's name: **JOSEPH DAVIS** Preparer's signature: **JOSEPH DAVIS** Date: **12-06-2013** Check if PTIN self-employed **P00115660**

Paid Preparer Use Only Firm's name: **JOSEPH M DAVIS CPA LLC** Firm's EIN: **52-2264265**
 Firm's address: **8221 TEAL DR SUITE 201** Phone no.: **(410) 819-3040**
EASTON MD 21601

May the IRS discuss this return with preparer shown below (see inst.)? Yes No

Schedule C Dividends and Special Deductions (see instructions)		(a) Dividends received	(b) %	(c) Special deductions (a) x (b)
1	Dividends from less-than-20%-owned domestic corporations (other than debt-financed stock)		70	
2	Dividends from 20%-or-more-owned domestic corporations (other than debt-financed stock)		80	
3	Dividends on debt-financed stock of domestic and foreign corporations		see instructions	
4	Dividends on certain preferred stock of less-than-20%-owned public utilities		42	
5	Dividends on certain preferred stock of 20%-or-more-owned public utilities		48	
6	Dividends from less-than-20%-owned foreign corporations and certain FSCs		70	
7	Dividends from 20%-or-more-owned foreign corporations and certain FSCs		80	
8	Dividends from wholly owned foreign subsidiaries		100	
9	Total. Add lines 1 through 8. See instructions for limitation			0
10	Dividends from domestic corporations received by a small business investment company operating under the Small Business Investment Act of 1958		100	
11	Dividends from affiliated group members		100	
12	Dividends from certain FSCs		100	
13	Dividends from foreign corporations not included on lines 3, 6, 7, 8, 11, or 12			
14	Income from controlled foreign corps. under subpart F (attach Form(s) 5471)			
15	Foreign dividend gross-up			
16	IC-DISC and former DISC dividends not included on lines 1, 2, or 3			
17	Other dividends			
18	Deduction for dividends paid on certain preferred stock of public utilities			
19	Total dividends. Add lines 1 through 17. Enter here and on page 1, line 4 ▶	0		
20	Total special deductions. Add lines 9, 10, 11, 12, and 18. Enter here and on page 1, line 29b ▶			0

Schedule J Tax Computation and Payment (see instructions)

Part I--Tax Computation

Table with 11 rows for tax computation. Includes items like 'Check if the corporation is a member of a controlled group', 'Income tax', 'Alternative minimum tax', 'Foreign tax credit', 'Total credits', and 'Total tax'. Values are mostly 0.

Part II--Payments and Refundable Credits

Table with 11 rows for payments and refundable credits. Includes items like '2011 overpayment credited to 2012', '2012 estimated tax payments', '2012 refund applied for on Form 4466', 'Total payments', and 'Total payments and credits'.

Schedule K Other Information (see instructions)

Table with 2 columns: 'Yes' and 'No'. Contains questions about accounting method (Accrual checked), business activity code (447100), business activity (RETAIL TRADE), product or service (GASOLINE STATIONS), and ownership percentages.

5 At the end of the tax year, did the corporation:
a Own directly 20% or more, or own, directly or indirectly, 50% or more of the total voting power of all classes of stock entitled to vote of any foreign or domestic corporation not included on Form 851, Affiliations Schedule? For rules of constructive ownership, see instructions. If "Yes," complete (i) through (iv) below. Yes No
 If "Yes," complete (i) through (iv) below. X

(i) Name of Corporation	(ii) Employer ID Number (if any)	(iii) Country of Incorporation	(iv) Percentage Owned in Voting Stock	

b Own directly an interest of 20% or more, or own, directly or indirectly, an interest of 50% or more in any foreign or domestic partnership (including an entity treated as a partnership) or in the beneficial interest of a trust? For rules of constructive ownership, see instructions. If "Yes," complete (i) through (iv) below. Yes No
 If "Yes," complete (i) through (iv) below. X

(i) Name of Entity	(ii) Employer ID Number (if any)	(iii) Country of Organization	(iv) Maximum Percentage Owned in Profit, Loss, or Capital	

6 During this tax year, did the corporation pay dividends (other than stock dividends and distributions in exchange for stock) in excess of the corporation's current and accumulated earnings and profits? (See sections 301 and 316.) Yes No
 If "Yes," file Form 5452, Corporate Report of Nondividend Distributions. X

7 If this is a consolidated return, answer here for the parent corporation and on Form 851 for each subsidiary. At any time during the tax year, did one foreign person own, directly or indirectly, at least 25% of (a) the total voting power of all classes of the corporation's stock entitled to vote or (b) the total value of all classes of the corporation's stock? Yes No
 For rules of attribution, see section 318. If "Yes," enter: X

(i) Percentage owned and (ii) Owner's country and (iii) Foreign-Owned U.S. Corporation or a Foreign Corporation Engaged in a U.S. Trade or Business. Enter the number of Forms 5472 attached
 Check this box if the corporation issued publicly offered debt instruments with original issue discount

8 If checked, the corp. may have to file Form 9281, Information Return for Publicly Offered Original Issue Discount Instruments.
 Enter the amount of tax-exempt interest received or accrued during the tax year \$ _____

9 Enter the number of shareholders at the end of the tax year (if 100 or fewer) 1
 If the corporation has an NOL for the tax year and is electing to forgo the carryback period, check here

10 If the corporation is filing a consolidated return, the statement required by Regulations section 1.1502-21(b)(3) must be attached or the election will not be valid.
 Enter available NOL carryover from prior tax years (do not reduce it by any deduction on ln 29a.) \$ _____ 14,699

11 Are the corporation's total receipts (line 1c plus lines 4 through 10 on page 1) for the tax year and its total assets at the end of the tax year less than \$250,000?
 If "Yes," the corporation is not required to complete Sch. L, M-1, and M-2 on page 5. Instead, enter total amount of cash distributions and book value of property distributions (other than cash) made during the tax year: \$ _____

12 Is the corporation required to file Schedule UTP (Form 1120), Uncertain Tax Position Statement (see instructions)?
 If "Yes," complete and attach Schedule UTP.

13 Did the corporation make any payments in 2012 that would require it to file Form(s) 1099?
13a If "Yes," did or will the corporation file required Forms 1099?
13b During this tax year, did the corporation have an 80% or more change in ownership, including a change due to redemption of its own stock?

14 During or subsequent to this tax year, but before the filing of this return, did the corporation dispose of more than 65% (by value) of its assets in a taxable, non-taxable, or tax deferred transaction?
14a Did the corporation receive assets in a section 351 transfer in which any of the transferred assets had a fair market basis or fair market value of more than \$1 million?
14b
14c

Schedule L Balance Sheets per Books		Beginning of tax year	End of tax year
		(a)	(b) (c) (d)
Assets			
1	Cash		
2a	Trade notes and accounts receivable	7,687	56,323
b	Less allowance for bad debts		
3	Inventories		41,214
4	U.S. government obligations		
5	Tax-exempt securities (see instructions)		
6	Other current assets (attach statement)		50,368 #4
7	Loans to shareholders		
8	Mortgage and real estate loans		
9	Other investments (attach statement)		
10a	Buildings and other depreciable assets	78,320	79,020
b	Less accumulated depreciation	(78,320)	(78,460)
11a	Depletable assets		560
b	Less accumulated depletion		
12	Land (net of any amortization)		
13a	Intangible assets (amortizable only)		
b	Less accumulated amortization		
14	Other assets (attach statement)		25,000 #5
15	Total assets	159,330	173,465
Liabilities and Shareholders' Equity			
16	Accounts payable		22,013
17	Mortgages, notes, bonds payable in less than 1 year		
18	Other current liabilities (attach statement)		85,041 #6
19	Loans from shareholders		
20	Mortgages, notes, bonds payable in 1 year or more		
21	Other liabilities (attach statement)		
22	Capital stock: a Preferred stock		
	b Common stock	5,000	5,000
23	Additional paid-in capital		23,970
24	Retained earnings -- Appropriated (attach stm.)		
25	Retained earnings -- Unappropriated		37,441
26	Adjustments to shareholders' equity (attach stm.)		
27	Less cost of treasury stock		
28	Total liabilities and shareholders' equity	159,330	173,465

Schedule M-1 Reconciliation of Income (Loss) per Books With Income per Return

Note: Schedule M-3 required instead of Schedule M-1 if total assets are \$10 million or more--see instructions

1	Net income (loss) per books	911
2	Federal income tax per books	-83,644
3	Excess of capital losses over capital gains	
4	Inc. subject to tax not recorded on books this year (itemize):	
5	Expenses recorded on books this year not deducted on this return (itemize):	
a	Depreciation	\$
b	Charitable contributions	\$ 189
c	Travel and entertainment	\$
6	OTHER	722
7	Add lines 1 through 5	911
8	Income recorded on books this year not included on this return (itemize):	
a	Depreciation	\$
b	Charitable contributions	\$
9	Add lines 7 and 8	911
10	Income (page 1, line 28) -- line 6 less line 9	-82,733

Schedule M-2 Analysis of Unappropriated Retained Earnings per Books (Line 25, Schedule L)

1	Balance at beginning of year	121,085
2	Net income (loss) per books	-83,644
3	Other increases (itemize):	
4	Add lines 1, 2, and 3	37,441
5	Distributions: a Cash	
	b Stock	
	c Property	
6	Other decreases (itemize):	
7	Add lines 5 and 6	
8	Balance at end of year (line 4 less line 7)	37,441

Form **1125-A**

(Rev. December 2012)

Department of the Treasury
Internal Revenue Service

Cost of Goods Sold

▶ Attach to Form 1120, 1120-C, 1120-F, 1120S, 1065, or 1065-B.

▶ Information about Form 1125-A and its instructions is at www.irs.gov/form1125a.

OMB No. 1545-2225

Name		Employer identification number
DILEN INC		[REDACTED]
1	Inventory at beginning of year	70,438
2	Purchases	5,166,683
3	Cost of labor	
4	Additional section 263A costs (attach schedule)	
5	Other costs (attach schedule)	
6	Total. Add lines 1 through 5	5,237,121
7	Inventory at end of year	41,214
8	Cost of goods sold. Subtract line 7 from line 6. Enter here and on Form 1120, page 1, line 2 or the appropriate line of your tax return (see instructions)	5,195,907

9a Check all methods used for valuing closing inventory:

- (i) Cost
- (ii) Lower of cost or market
- (iii) Other (Specify method used and attach explanation.) ▶

b Check if there was a writedown of subnormal goods. ▶

c Check if the LIFO inventory method was adopted this tax year for any goods (if checked, attach Form 970) ▶

d If the LIFO inventory method was used for this tax year, enter amount of closing inventory computed under LIFO. 9d

e If property is produced or acquired for resale, do the rules of section 263A apply to the entity (see instructions)? Yes No

f Was there any change in determining quantities, cost, or valuations between opening and closing inventory? If "Yes," attach explanation. Yes No

For Paperwork Reduction Act Notice, see instructions.

Form **1125-A** (Rev. 12-2012)

2012 SCHEDULE M-1 EXPLANATION ATTACHMENT

DILEN INC
██████████

Computation of Net Income (Loss) Per Books
Form 1120, Schedule M-1, Line 1

Income (loss) (Schedule M-1, line 10) carries from Form 1120, page 1, line 28	<u>-82,733</u>
Increases:	
Deductions on return not charged against book income (Schedule M-1, line 8)	_____
Income recorded on books not included on return (Schedule M-1, line 7)	_____
Decreases:	
Expenses recorded on books not included on return (Schedule M-1, line 5)	<u>911</u>
Income subject to tax not recorded on books (Schedule M-1, line 4)	_____
Excess capital losses over capital gains (Schedule M-1, line 3)	_____
Federal income tax per books (Schedule M-1, line 2)	_____
Computed net income (loss) per books (Schedule M-1, line 1)	<u>-83,644</u>

Depreciation and Amortization (Including Information on Listed Property)

Department of the Treasury
Internal Revenue Service (99)

▶ See separate instructions. ▶ Attach to your tax return.

Name(s) shown on return DILEN INC	Business or activity to which this form relates FOR FORM 1120	Identifying number [REDACTED]
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Part I Election To Expense Certain Property Under Section 179

Note: If you have any listed property, complete Part V before you complete Part I.

1 Maximum amount (see instructions)	1	
2 Total cost of section 179 property placed in service (see instructions)	2	
3 Threshold cost of section 179 property before reduction in limitation (see instructions)	3	
4 Reduction in limitation. Subtract line 3 from line 2. If zero or less, enter -0-	4	
5 Dollar limitation for tax year. Subtract line 4 from line 1. If zero or less, enter -0-. If married filing separately, see instructions	5	500,000
6		
(a) Description of property	(b) Cost (busn. use only)	(c) Elected cost
7 Listed property. Enter the amount from line 29		
8 Total elected cost of section 179 property. Add amounts in column (c), lines 6 and 7		
9 Tentative deduction. Enter the smaller of line 5 or line 8		
10 Carryover of disallowed deduction from line 13 of your 2011 Form 4562		
11 Business income limitation. Enter the smaller of business income (not less than zero) or line 5 (see instructions)		
12 Section 179 expense deduction. Add lines 9 and 10, but do not enter more than line 11		
13 Carryover of disallowed deduction to 2013. Add lines 9 and 10, less line 12		

Note: Do not use Part II or Part III below for listed property. Instead, use Part V.

Part II Special Depreciation Allowance and Other Depreciation (Do not include listed property.) (See instructions.)

14 Special depreciation allowance for qualified property (other than listed property) placed in service during the tax year (see instructions)	14	
15 Property subject to section 168(f)(1) election	15	
16 Other depreciation (including ACRS)	16	

Part III MACRS Depreciation (Do not include listed property.) (See instructions.)

Section A

17 MACRS deductions for assets placed in service in tax years beginning before 2012	17	
18 If you are electing to group any assets placed in service during the tax year into one or more general asset accounts, check here	<input type="checkbox"/>	

Section B -- Assets Placed in Service During 2012 Tax Year Using the General Depreciation System

(a) Classification of property	(b) Month and year placed in service	(c) Basis for depr. (business/investment use only -- see instructions)	(d) Recovery period	(e) Convention	(f) Method	(g) Depreciation deduction
19a 3-year property						
b 5-year property		700	05	HY	200 DB	140
c 7-year property						
d 10-year property						
e 15-year property						
f 20-year property						
g 25-year property			25 yrs.		S/L	
h Residential rental property			27.5 yrs.	MM	S/L	
i Nonresidential real property			27.5 yrs.	MM	S/L	
			39 yrs.	MM	S/L	

Section C -- Assets Placed in Service During 2012 Tax Year Using the Alternative Depreciation System

20a Class life					S/L	
b 12-year			12 yrs.		S/L	
c 40-year			40 yrs.	MM	S/L	

Part IV Summary (See instructions.)

21 Listed property. Enter amount from line 28	21	
22 Total. Add amounts from line 12, lines 14 through 17, lines 19 and 20 in column (g), and line 21. Enter here and on the appropriate lines of your return. Partnerships and S corporations -- see instructions	22	140
23 For assets shown above and placed in service during the current year, enter the portion of the basis attributable to section 263A costs	23	

For Paperwork Reduction Act Notice, see separate instructions.

Part V Listed Property (Include automobiles, certain other vehicles, certain computers, and property used for entertainment, recreation, or amusement.)

Note: For any vehicle for which you are using the standard mileage rate or deducting lease expense, complete **only** 24a, 24b, columns (a) through (c) of Section A, all of Section B, and Section C if applicable.

Section A -- Depreciation and Other Information (Caution: See the instructions for limits for passenger automobiles.)

24a Do you have evidence to support business/investment use claimed? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No		24b If "Yes," is the evidence written? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No						
(a) Type of property (list vehicles first)	(b) Date placed in service	(c) Busn./ investment use percentage	(d) Cost or other basis	(e) Basis for depr. (busn./investment use only)	(f) Recovery period	(g) Method/ Convention	(h) Depreciation deduction	(i) Elected section 179 cost
25 Special depreciation allowance for qualified listed property placed in service during the tax year and used more than 50% in a qualified business use (see instructions) 25								
26 Property used more than 50% in a qualified business use:								
CHEVY TAHO	11-01-2001	100.0%	22,731		05	DB200HY		
CHEVY AVAL	12-16-2004	100.0%	38,626	38,626	05	DB200HY		
		%						
27 Property used 50% or less in a qualified business use:								
		%				S/L-		
		%				S/L-		
		%				S/L-		
28 Add amounts in column (h), lines 25 through 27. Enter here and on line 21, page 1 28								
29 Add amounts in column (i), line 26. Enter here and on line 7, page 1 29								

Section B -- Information on Use of Vehicles

Complete this section for vehicles used by a sole proprietor, partner, or other "more than 5% owner," or related person. If you provided vehicles to your employees, first answer the questions in Section C to see if you meet an exception to completing this section for those vehicles.

	(a)		(b)		(c)		(d)		(e)		(f)	
	Vehicle 1	Vehicle 2	Vehicle 3	Vehicle 4	Vehicle 5	Vehicle 6	Vehicle 1	Vehicle 2	Vehicle 3	Vehicle 4	Vehicle 5	Vehicle 6
30 Total business/investment miles driven during the year (do not include commuting miles)	12000	12000										
31 Total commuting miles driven during the year												
32 Total other personal (noncommuting) miles driven												
33 Total miles driven during the year. Add lines 30 through 32	12000	12000										
34 Was the vehicle available for personal use during off-duty hours?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No
35 Was the vehicle used primarily by a more than 5% owner or related person?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No
36 Is another vehicle available for personal use?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No

Section C -- Questions for Employers Who Provide Vehicles for Use by Their Employees

Answer these questions to determine if you meet an exception to completing Section B for vehicles used by employees who are not more than 5% owners or related persons (see instructions).

37 Do you maintain a written policy statement that prohibits all personal use of vehicles, including commuting, by your employees?	Yes	No
38 Do you maintain a written policy statement that prohibits personal use of vehicles, except commuting, by your employees? See the instructions for vehicles used by corporate officers, directors, or 1% or more owners	Yes	No
39 Do you treat all use of vehicles by employees as personal use?	Yes	No
40 Do you provide more than five vehicles to your employees, obtain information from your employees about the use of the vehicles, and retain the information received?	Yes	No
41 Do you meet the requirements concerning qualified automobile demonstration use? (See instructions.)	Yes	No

Note: If your answer to 37, 38, 39, 40, or 41 is "Yes," do not complete Section B for the covered vehicles.

Part VI Amortization

(a) Description of costs	(b) Date amortization begins	(c) Amortizable amount	(d) Code section	(e) Amortization period or percentage	(f) Amortization for this year
42 Amortization of costs that begins during your 2012 tax year (see instructions):					
43 Amortization of costs that began before your 2012 tax year					43
44 Total. Add amounts in column (f). See the instructions for where to report					44

IRS e-file Signature Authorization for Form 1120

For calendar year 2012, or tax year beginning 04-01, 2012, ending 03-31, 2013

Department of the Treasury
Internal Revenue Service

▶ **Do not send to the IRS. Keep for your records.**

2012

▶ **Information about Form 8879-C and its instructions is at www.irs.gov/form1120.**

Name of corporation

DILEN INC

Employer identification number

[REDACTED]

Part I Tax Return Information (Whole dollars only)

1	Total income (Form 1120, line 11)	1	643,445
2	Taxable income (Form 1120, line 30)	2	-82,733
3	Total tax (Form 1120, line 31)	3	
4	Amount owed (Form 1120, line 34)	4	
5	Overpayment (Form 1120, line 35)	5	

Part II Declaration and Signature Authorization of Officer (Be sure to get a copy of the corporation's return)

Under penalties of perjury, I declare that I am an officer of the above corporation and that I have examined a copy of the corporation's 2012 electronic income tax return and accompanying schedules and statements and to the best of my knowledge and belief, it is true, correct, and complete. I further declare that the amounts in Part I above are the amounts shown on the copy of the corporation's electronic income tax return. I consent to allow my electronic return originator (ERO), transmitter, or intermediate service provider to send the corporation's return to the IRS and to receive from the IRS (a) an acknowledgment of receipt or reason for rejection of the transmission, (b) the reason for any delay in processing the return or refund, and (c) the date of any refund. If applicable, I authorize the U.S. Treasury and its designated Financial Agent to initiate an electronic funds withdrawal (direct debit) entry to the financial institution account indicated in the tax preparation software for payment of the corporation's federal taxes owed on this return, and the financial institution to debit the entry to this account. To revoke a payment, I must contact the U.S. Treasury Financial Agent at **1-888-353-4537** no later than 2 business days prior to the payment (settlement) date. I also authorize the financial institutions involved in the processing of the electronic payment of taxes to receive confidential information necessary to answer inquiries and resolve issues related to the payment. I have selected a personal identification number (PIN) as my signature for the corporation's electronic income tax return and, if applicable, the corporation's consent to electronic funds withdrawal.

Officer's PIN: check one box only

I authorize JOSEPH M DAVIS CPA LLC to enter my PIN 73745 as my signature
ERO firm name **do not enter all zeros**
 on the corporation's 2012 electronically filed income tax return.

As an officer of the corporation, I will enter my PIN as my signature on the corporation's 2012 electronically filed income tax return.

Officer's signature ▶ _____ Date ▶ _____ Title ▶ PRESIDENT

Part III Certification and Authentication

ERO's EFIN/PIN. Enter your six-digit EFIN followed by your five-digit self-selected PIN. 525977 21601
do not enter all zeros

I certify that the above numeric entry is my PIN, which is my signature on the 2012 electronically filed income tax return for the corporation indicated above. I confirm that I am submitting this return in accordance with the requirements of **Pub. 3112**, IRS e-file Application and Participation, and **Pub. 4163**, Modernized e-File (MeF) Information for Authorized IRS e-file Providers for Business Returns.

ERO's signature ▶ JOSEPH DAVIS Date ▶ 12-06-2013

ERO Must Retain This Form -- See Instructions
Do Not Submit This Form to the IRS Unless Requested To Do So

2012 DETAIL STATEMENTS

DILEN INC
XXXXXXXXXX

PAGE 1

STATEMENT #1 - RENT (FM 1120/1120C LN 16/14)

RENT - REAL PROPERTY.....	159,638
TOTAL CARRIED TO FM 1120/1120C LN 16/14.....	159,638

STATEMENT #2 - TAXES & LICENSES (1120/H/1120C 17/12/15)

PAYROLL TAX.....	32,159
OTHER TAXES.....	678
LICENSES.....	245
TOTAL CARRIED TO 1120/H/1120C 17/12/15.....	33,082

STATEMENT #3 - OTHER DEDUCTIONS (1120/H/1120C 26/15/23)

CREDIT CARD FEES.....	19,025
DAY LABOR.....	2,491
FUEL CARD FEES.....	80,636
HERTZ CAR WASH.....	78
LANDSCAPING.....	900
MISC.....	500
TIRE DISPOSAL.....	450
TIRE FEE.....	180
TOWING.....	2,398
AUTO INSURANCE.....	728
STATION INSURANCE.....	8,397
BANK CHARGES.....	322
CASH SHORTAGES.....	9,487
DUES/SUBSCRIPTIONS.....	3,936
LEASES.....	4,410
LEGAL & PROFESSIONAL.....	806
OFFICE SUPPLIES.....	3,680
OUTSIDE SERVICES.....	21,230
POSTAGE.....	185
TELEPHONE.....	7,235
TOOLS.....	286
TRAVEL.....	3,056
UNIFORMS.....	3,696
UTILITIES.....	15,975
TOTAL CARRIED TO 1120/H/1120C 26/15/23.....	190,087

STATEMENT #4 - OTHER CURRENT ASSETS (1120/1120C LINE 6/4)

	BEGINNING	ENDING
DEPOSIT.....	3,000	0
EMPLOYEE ADVANCES.....	900	0
SECURITY DEPOSIT.....	25,000	0

2012 DETAIL STATEMENTS

DILEN INC
XXXXXXXXXX

CREDIT CARD RECEIVABLE.....	0	48,657
HOUSE CHARGES.....	0	1,194
MISC REC.....	0	152
SAFEWAY PROG REC.....	0	365
TOTAL CARRIED TO 1120/1120C LINE 6/4.....	28,900	50,368

STATEMENT #5 - OTHER ASSETS (1120/1120C SC L LINE 14/12)

	BEGINNING	ENDING
GOODWILL.....	1,000	0
SECURITY DEPOSIT.....	0	25,000
TOTAL CARRIED TO 1120/1120C SC L LINE 14/12.	1,000	25,000

STATEMENT #6 - OTHER CURRENT LIABILITIES (1120/1120C LN 18/16)

	BEGINNING	ENDING
ACCRUED LIABILITIES.....	0	80,842
PAYROLL LIABILITIES.....	3,921	4,199
SALES TAX.....	2,319	0
TOTAL CARRIED TO 1120/1120C LN 18/16.....	6,240	85,041

STATEMENT #7 - OTHER EXPEN NOT DEDUC THIS YR (1120/1120C M1 LINE 5C)

OFFICERS LIFE INSURANCE.....	722
TOTAL CARRIED TO 1120/1120C M1 LINE 5C.....	722

2012 NOL DEDUCTION SUMMARY STATEMENT

DILEN INC
[REDACTED]

NET OPERATING LOSSES AVAILABLE IN 2012.	14,699
TAXABLE INCOME (BEFORE NOL DEDUCTION, AFTER SPECIAL DEDNS) . .	-82,733
TOTAL NET OPERATING LOSS DEDUCTION (LIMITED TO TAXABLE INCOME)	0
NET OPERATING LOSSES CARRIED FORWARD TO 2013	97,432

2012 NOL DEDUCTION STATEMENT

DILEN INC
[REDACTED]

CARRYOVER GENERATED FOR TAX YEAR 2011 . . . \$ 14,699

TOTAL AMOUNT ABSORBED \$

AVAILABLE FOR CARRYOVER TO 2012 \$ 14,699

2012 NET OPERATING LOSS WORKSHEET

DILEN INC

NET OPERATING LOSS INFORMATION

A.	CARRYOVER YEAR	2012
B.	NOL YEAR	2011
C.	NOL AMOUNT	14,699
D(1).	CARRYOVERS FROM YEARS BEFORE BOTH A & B	0
D(2).	CARRYBACKS FROM YEARS BEFORE B	0

COMPUTATION OF MODIFIED TAXABLE INCOME

1.	TAXABLE INCOME FOR YEAR A	-82,733
2.	AMOUNT FROM D(1)	0
3.	SUBTRACT LINE 2 FROM LINE 1	-82,733
4.	ALLOWED CONTRIBUTIONS USING AMOUNT ON LINE 3	0
5.	AMOUNT FROM D(2)	0
6.	DIVIDEND RECEIVED DEDUCTION	0
7.	ADD LINES 4, 5, AND 6	0
8.	MODIFIED TAXABLE INCOME (LINE 3 - LINE 7)	0
9.	NOL ON LINE C ABSORBED THIS YEAR	0
10.	NOL ON LINE C CARRIED OVER TO SUBSEQUENT YEAR.	14,699

2012 CHARITABLE CONTRIBUTION CARRYOVER TO 2013 WORKSHEET

DILEN INC
XXXXXXXXXX

Keep for your records

1. Total all available charitable contributions 1. 289
2. Charitable contribution deducted in 2012 2. _____
3. Expired Charitable contributions 3. _____
4. I.R.C. Section 170(d)(2)(B) adjustment 4. _____
5. Charitable contribution carryover to 2013 5. 289

Year	Total Available Contribution	Amount Deducted 2012	Tentative Carryover	Amount converted to NOL per IRC Sec 170(d)(2)(B) Adjustment	Carryover to 2013
2007					
2008					
2009					
2010					
2011	100		100		100
2012	189		189		189
Total:	289		289		289

2012 CHARITABLE CONTRIBUTION CARRYOVER STATEMENT

DILEN INC
██████████

CARRYOVER GENERATED FOR TAX YEAR 2011 . . . \$ 100

TOTAL AMOUNT ABSORBED \$

AVAILABLE FOR CARRYOVER TO 2012 \$ 100

2013 CARRYFORWARD INFORMATION

DILEN INC
XXXXXXXXXX

Keep for Your Records

2012 taxable state and local tax refund				
Sch D unused capital loss carryover	from 2007	_____	from 2010	_____
	from 2008	_____	from 2011	_____
	from 2009	_____	from 2012	_____
Charitable contribution carryover	from 2007	_____	from 2010	_____
	from 2008	_____	from 2011	100
	from 2009	_____	from 2012	189
Total of charitable carryforward if NOT using contribution worksheet				
2012 tax liability				
Overpayment amount applied to 2013				
Additional state taxes paid				
Form 8827: Minimum tax credit carryforward				
2012 alternative minimum tax				
Section 179 deduction carryover to 2013				
Net operating loss carryforward	from 1997	_____	from 2005	_____
	from 1998	_____	from 2006	_____
	from 1999	_____	from 2007	_____
	from 2000	_____	from 2008	_____
	from 2001	_____	from 2009	_____
	from 2002	_____	from 2010	_____
	from 2003	_____	from 2011	14,699
	from 2004	_____	from 2012	82,733
	Total of NOL carryforward if NOT using NOL worksheet			
AMT of net operating loss carryforward				

- If the NOL worksheet was used, each year's full amount of net operating loss, the year, and amounts absorbed will carry forward to next year's federal NOL carryforward worksheet.
- General business credit carryforward to 2013
- Form 6478, Form 8835, Section B, and Form 8844, are figured in Part II of their separate forms
- If there are Form(s) 6252 in this tax return, the gross profit ratio and prior payments received (including the current year payments) will carry forward from each Form 6252.
- Amounts at risk to be carried forward to next year are found at the bottom of Form 6198 for each amount at risk.

NOTE #1

2012 NOTES

GENERAL

NOTE #2

INTAKE

NOTE #3

PREP

NOTE #4

REVIEW

NOTE #5

CURRENT

FORM **MARYLAND CORPORATION**
500 INCOME TAX RETURN

OR FISCAL YEAR BEGINNING 04-01 2012, ENDING 03-31-13



2012
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Name DILEN INC		
Number and street 408 N FREDERICK AVE		
City / town GAITHERSBURG	State MD	ZIP code 20877-
Federal Employer ID No. (9 digits) [REDACTED]	Do not write in this space ME ▶ 03	
FEIN Applied for date YE ▶ 2013		
▶ Date of Organization or Incorporation (MMDDYY) 020480	▶ Business Activity Code No. (6 digits) 447100	



CHECK HERE IF: NAME OR ADDRESS HAS CHANGED INACTIVE CORPORATION FIRST FILING OF CORP. FINAL RETURN
 THIS TAX YEAR'S BEGINNING AND ENDING DATES ARE DIFFERENT FROM LAST YEAR'S DUE TO AN ACQUISITION OR CONSOLIDATION.
 SEE CORPORATION INSTRUCTIONS. ATTACH A COPY OF THE FEDERAL INCOME TAX RETURN THROUGH SCHEDULE M2

1 a Federal Taxable Income (Enter amount from Federal Form 1120 line 28 or Form 1120-C line 25c)
 See Instructions. Check applicable box:
 1120 1120-REIT 990T
 Other: _____ IF 1120S, FILE ON FORM 510 **1 a** -82,733
b Special Deductions (Federal Form 1120 line 29b or Form 1120-C line 26b) **1 b** _____
c Federal Taxable Income before net operating loss deduction (Subtract line 1b from 1a) ▶ **1c** -82,733

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MARYLAND ADJUSTMENTS TO FEDERAL TAXABLE INCOME
 (All entries must be positive amounts)

ADDITION ADJUSTMENTS

2 a Section 10-306.1 related party transactions ▶ **2a** _____
b Decoupling Modification Addition adjustment
 (Enter code letter(s) from instructions) ▶ **b** _____
c Total Maryland Addition Adjustments to Federal Taxable Income (Add lines 2a and 2b) **2c** _____

SUBTRACTION ADJUSTMENTS

3 a Section 10-306.1 related party transactions ▶ **3a** _____
b Dividends for domestic corporation claiming foreign tax credits
 (Federal form 1120/1120C Schedule C line 15) ▶ **b** _____
c Dividends from related foreign corporations
 (Federal form 1120/1120C Schedule C line 13 and 14) ▶ **c** _____
d Decoupling Modification Subtraction adjustment
 (Enter code letter(s) from instructions) ▶ **d** 919
e Total Maryland Adjustments to Federal Taxable Income
 (Add lines 3a through 3d) **3e** 919

4 Maryland Adjusted Federal Taxable Income before NOL deduction is applied
 (Add lines 1c and 2c, and subtract line 3e) **4** -83,652
5 Enter Federal NOL Carry-forward available from previous tax years (including FDSC Carry forward)
 on a separate company basis (Enter NOL as a positive amount) ▶ **5** _____
6 Maryland Adjusted Federal Taxable Income (If line 4 is less than or equal
 to zero, enter amount from line 4)
 (If line 4 is greater than zero, subtract line 5 from line 4 and enter result.
 If result is less than zero, enter zero) **6** -83,652

MARYLAND ADDITION MODIFICATIONS
 (All entries must be positive amounts)

7 a State and local income tax ▶ **7a** _____
b Dividends and interest from another state, local or federal tax
 exempt obligation ▶ **b** _____
c Net operating loss modification recapture
 (Do not enter NOL carryover. See instructions) ▶ **c** _____
d Domestic Production Activities Deduction ▶ **d** _____
e Deduction for Dividends paid by captive REIT ▶ **e** _____
f Other additions (Enter code letter(s) from
 instructions and attach schedule) ▶ **f** _____
g Total Addition Modifications (Add lines 7a through 7f) **7g** _____



125000103

Name **DILEN INC**

FEIN **[REDACTED]**

MARYLAND SUBTRACTION MODIFICATIONS
 (All entries must be positive amounts)

- 8 a Income from US Obligations ▶ 8a _____
- b Other Subtractions (Enter code letter(s) from instructions and attach schedule.) ▶ b _____
- c Total Subtraction Modifications (Add lines 8a and 8b) 8c _____

NET MARYLAND MODIFICATIONS

- 9 Total Maryland Modifications (Subtract line 8c from 7g. If less than zero, enter negative amount) 9 _____
- 10 Maryland Modified Income (Add lines 6 and 9) 10 **-83,652**

APPORTIONMENT OF INCOME
 (To be completed by multistate corporations whose apportionment factor is less than 1, otherwise skip to line 13)

- 11 Maryland apportionment factor (from page 3 of this form) (If factor is zero, enter .000001) ▶ 11 _____
- 12 Maryland apportionment income (Multiply line 10 by line 11) 12 _____
- 13 Maryland taxable income (from line 10 or line 12, whichever is applicable) 13 _____
- 14 Tax (Multiply line 13 by 8.25%) 14 _____

- 15a Estimated tax paid with Form 500D, Form MW506NRS and/or credited from 2011 overpayment ▶ 15a _____
- b Tax paid with an extension request (Form 500E) ▶ b _____
- c Nonrefundable business income tax credits from Part W, Line 29 of Form 500CR (Attach Form 500CR) ▶ c _____
- d Refundable business income tax credits from Part Y, Line 6 of Form 500CR (Attach Form 500CR) ▶ d _____
- e Heritage Structure Rehabilitation tax credit (Attach Form 502H) Sustainable Communities tax credit (Attach Form 502S)
 Check here if non-profit ▶ e _____
- f Nonresident tax paid on behalf of the corporation by pass-through entities (Attach Maryland Schedule K-1) ▶ f _____
- g Total payments and credits (Add lines 15a through 15f) 15g _____

- 16 Balance of tax due (If line 14 exceeds line 15g, enter the difference) ▶ 16 _____
- 17 Overpayment (If line 15g exceeds line 14, enter the difference) ▶ 17 _____
- 18 Interest and/or penalty from Form 500UP _____ or late payment interest _____ Total ▶ 18 _____
- 19 Total balance due (Add lines 16 and 18, or if line 18 exceeds line 17 enter the difference) 19 _____
- 20 Amount of overpayment to be applied to estimated tax for 2013 (not to exceed the net of line 17 less line 18) ▶ 20 _____
- 21 Amount of overpayment TO BE REFUNDED (Add lines 18 and 20, and subtract the total from line 17) ▶ 21 _____

DIRECT DEPOSIT OF REFUND (See instructions) Please be sure the account information is correct.

In order to comply with banking rules, please check here if this refund will go to an account outside the United States. If checked, see instructions.

- 22 For the direct deposit option, complete the following information clearly and legibly:
 - a Type of account: ▶ checking savings
 - b Routing number (9 Digits) ▶ _____
 - c Account number ▶ _____

INFORMATIONAL PURPOSES ONLY (LINES 23 & 24)

- 23 NOL generated in Current Year -- Carryforward 20 Years and back 2 Years (if line 6 is less than zero, enter on line 23) 23 **-83,652**
- 24 NAM generated in Current Year -- Carried Forward/Back with the Loss on Line 23 per Section 10-205(e) (if line 6 is less than zero AND line 9 is greater than zero, enter the amount from line 9 on line 24) 24 _____



125000203

Name DILEN INC

FEIN [REDACTED]

SCHEDULE A -- COMPUTATION OF APPORTIONMENT FACTOR (Applies only to multistate corporations -- see instructions)		Column 1 TOTALS WITHIN MARYLAND	Column 2 TOTALS WITHIN AND WITHOUT MARYLAND	Column 3 DECIMAL FACTOR (Column 1 ÷ Column 2 rounded to six places)
NOTE: Special apportionment formulas are required for rental/leasing, financial institutions, transportation & manufacturing companies.				
1A. Receipts	a. Gross receipts or sales less returns and allowances ▶			
	b. Dividends			
	c. Interest			
	d. Gross rents			
	e. Gross royalties			
	f. Capital gain net income			
	g. Other income (Attach schedule)			
	h. Total receipts (Add lines 1A(a)-1A(g), for Columns 1 and 2) ▶			
1B. Receipts	Enter the same factor shown on line 1A, Column 3. Disregard this line if special apportionment formula used			
2. Property	a. Inventory			
	b. Machinery and equipment			
	c. Buildings			
	d. Land			
	e. Other tangible assets (Attach schedule)			
	f. Rent expense capitalized (multiplied by eight)			
	g. Total property (Add lines 2a through 2f, for Col. 1 & 2) ▶			
3. Payroll	a. Compensation of officers			
	b. Other salaries and wages			
	c. Total payroll (Add lines 3a & 3b, for Columns 1 & 2) ▶			
4. Total of factors	(Add entries in Column 3)			
5. Maryland apportionment factor	Divide line 4 by four for three-factor formula, or by the number of factors used if special apportionment formula required. (If factor is zero, enter .000001 on line 11 page 2)			

SCHEDULE B -- ADDITIONAL INFORMATION REQUIRED (Attach a separate schedule if more space is necessary)

- Telephone number of corporation tax department: (301) 926-1132X
- If a multistate operation, provide the following:
 - Address of principal place of business in Maryland (if other than indicated on page 1): _____
 - Brief description of operations in Maryland: _____
- Has the Internal Revenue Service made adjustments (for a tax year in which a Maryland return was required) that were not previously reported to the Maryland Revenue Administration Division? Yes No
 If "yes," indicate tax year(s) here: _____ and submit an amended return(s) together with a copy of the IRS adjustment report(s) under separate cover.
- Did corp. file employer withholding tax returns/forms with Maryland Revenue Administration Division for the last calendar year? Yes No
- Is this entity part of a federal consolidated filing? Yes No
- Is this entity a multistate corporation that is a member of a unitary group? Yes No
- Is this entity a multistate manufacturer with more than 25 employees? If so, complete and attach Form 500MC to your Form 500 Yes No

SIGNATURE AND VERIFICATION: Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements and to the best of my knowledge and belief it is true, correct and complete. If prepared by a person other than taxpayer, the declaration is based on all information of which the preparer has any knowledge. Check here if you authorize your tax preparer to discuss this return with us.

 Officer's signature Date Preparer's PTIN (required by law) P00115660 Preparer's signature JOSEPH DAVIS

 Title Preparer's name, address and telephone number
PRESIDENT JOSEPH DAVIS
8221 TEAL DR SUITE 201

Make checks payable and mail to:
 Comptroller of Maryland, Revenue Administration Division
 110 Carroll Street, Annapolis, Maryland 21411-0001
 (Write federal employer identification number on check using blue or black ink.)

FORM **MARYLAND DECOUPLING**
500DM MODIFICATION



2012

12500N003

OR FISCAL YEAR BEGINNING 04-01-2012 2012, ENDING 03-31-2013

Name of taxpayer(s) DILEN INC	Taxpayer identification number [REDACTED]
----------------------------------	--

Use this form only if the Maryland return is affected by the use (for any tax year) of any of the following federal provisions from which Maryland has decoupled (Decoupled Provisions):

- Special Depreciation Allowance under the federal Job Creation and Worker Assistance Act of 2002 (JCWAA) as increased and extended under the federal Jobs and Growth Tax Relief Reconciliation Act of 2003 (JGTRRA); and subsequent federal legislation, including the American Recovery and Reinvestment Act of 2009 (ARRA).
- Carryover of a net operating loss (NOL) under IRC Section § 172 without regard to an election under IRC Section 172(b)(1)(H) for a carryback period of up to 5 years.
- Federal Section 179 depreciation deductions, taken for a tax year beginning on or after January 1, 2003. For Maryland tax purposes, a taxpayer is only allowed to expense up to \$25,000, reduced dollar-for-dollar by the amount over \$200,000, of the cost of Section 179 property that is purchased and put in service for a trade or business for the tax year. For vehicles placed in service after May 31, 2004, Maryland has also decoupled from the higher depreciation deduction for certain heavy duty SUV allowed under IRC Section 280F.
- Deferral of recognition of income from discharge of indebtedness under the ARRA.
- Deferral of deduction for original issue discount in debt for debt exchanges under the ARRA.

Read instructions and complete the worksheet below.

	Column 1 Federal Return as Filed	Column 2 Federal Return without Decoupled Provisions	Column 3 Difference Increase/ Decrease (-)
1. Depreciation Deductions Subtract the amount in Column 2 from the amount in Column 1 and enter in Column 3. If less than 0, enter as a negative amount (-)	140.00	1059.00	-919.00
2. NOL Deductions Subtract the amount in Column 2 from the amount in Column 1 and enter in Column 3. If less than 0, enter as a negative amount (-)			
3. Original Issue Discounts Subtract the amount in Column 1 from the amount in Column 2 and enter in Column 3. If less than 0, enter as a negative amount (-)			
4. Discharge of Business indebtedness Subtract the amount in Column 1 from the amount in Column 2 and enter in Column 3. If less than 0, enter as a negative amount (-)			
5. Other Changes (See instructions)			
6. Net Decoupling Modification Net the amounts on lines 1 through 5 of Column 3. This is the Decoupling Modification. Enter here and include as a positive number on the appropriate line of the Maryland return being filed. Also enter the applicable letter code(s) in the boxes provided on the return. See table below.			-919.00
7. Decoupling from PTE. Enter code letter dp. (See instructions)			

Return Filed	If line 6 above is positive enter on the line for:	Use the following code if there is an amount above on:				If line 6 above is negative enter on the line for:	Use the following code if there is an amount above on:			
		Line 1 only	Line 2 only	Line 4 only	Multiple Lines		Line 1 only	Line 2 only	Line 4 only	Multiple Lines
500	Addition Adjustments	e	f	cd	dm	Subtraction Adjustments	j	k	cd	dm
502	Other Additions	l	m	cd	dm	Other Subtractions	bb	cc	cd	dm
504	Other Additions	No code required				Other Subtractions	No code required			
505	Other Additions	j	k	cd	dm	Other Subtractions	bb	cc	cd	dm
500X	Total Addition Modifications	No code required				Total Subtraction Modifications	No code required			
502X	Additions To Income	No code required				Subtractions from Income	No code required			
505X	Additions To Income	No code required				Subtractions from Income	No code required			



12101B003

For fiscal year beginning 04-01 2012, ending 03-31-2013

Name of corporation or pass-through entity DILEN INC			Federal employer identification number [REDACTED]	
Present address (number and street) 408 N FREDERICK AVE	City or town GAITHERSBURG	State MD	ZIP code 20877-	

Part I Tax Return Information (whole dollars only)

1. Amount of overpayment to be applied to 2013 estimated tax (Corporations only)	▶	[]
2. Amount of overpayment to be refunded (Corporations only)	▶	[] REFUND
3. Total amount due	▶	[]

Part II Declaration

Check appropriate box to consent to: Direct Deposit of refund or Electronic Funds Withdrawal (direct debit)

4a. Type of account Checking Savings

4b. Routing number []

4c. Account number []

4d. Direct debit settlement date [] (Enter the date you want the payment withdrawn from the account.)

4e. Direct debit amount []

I consent that the corporation's refund be directly deposited as designated above, and declare that the information shown is correct. By consenting, I also agree to disclose to the Maryland State Treasurer's Office certain income tax information including name, amount of refund and the above bank information. This disclosure is necessary to effect direct deposit.

I authorize the State of Maryland and its designated financial agent to initiate an electronic funds withdrawal payment entry to the financial institution account indicated for payment of the Maryland taxes owed by the corporation or pass-through entity and the financial institution to debit the entry to this account. Upon confirmation of consent during the filing the corporation or pass-through entity state return, this authorization is to remain in full force and effect, and I may not terminate the authorization. I also authorize the financial institutions involved in the processing of this electronic payment of taxes to receive confidential information necessary to answer inquiries and resolve issues related to the payment.

I do not want direct deposit of the refund or an electronic funds withdrawal (direct debit) of the balance due.

Under penalties of perjury, I declare that I am an officer, general partner or managing member of the above corporation or of the pass-through entity. I have compared the information contained on my electronic return with the information that I provided to my electronic return originator or entered on-line and that the name(s), address and amounts described above agree with the amounts shown on the corresponding lines of my 2012 Maryland electronic income tax return. To the best of my knowledge and belief, the return is true, correct and complete. I consent that the return, including accompanying schedules and statements, be sent to the Maryland Revenue Administration Division by my electronic return originator or by the electronic return software provider.

Please Sign Here ▶ _____ ▶ PRESIDENT ▶ _____
Corporate officer, general partner or managing member's signature Title Date

Please wait ten (10) days after the receipt of a valid acknowledgement before calling 410-260-7980 from Central Maryland, or 1-800-638-2937 from elsewhere, about the refund.

Part III Declaration of Electronic Return Originator (paid preparer)

I declare that I have reviewed the return of the corporation or pass-through entity and that the entries on this form are complete and correct to the best of my knowledge. I have obtained the signature of the corporate officer, general partner or managing member, before submitting the return to the Maryland Revenue Administration Division, have provided that official with a copy of all forms and information to be filed with the Maryland Revenue Administration Division, and have followed all other requirements described in the Maryland Business E-File Handbook. This declaration is to be retained at the site of the electronic return originator.

Electronic Return Originator Use Only	Originator's signature	▶	JOSEPH M DAVIS CPA LLC	Date	12-06-2013	EFIN	525977
	Firm's name (or yours if self-employed) and address	▶	JOSEPH M DAVIS CPA LLC 8221 TEAL DR SUITE 201 EASTON MD	ZIP code	21601	Phone	410-819-3040

2012 MARYLAND SECTION 179 EXPENSE AND DEPRECIATION ADJUSTMENT

DILEN INC

Description	Date Placed in Service	Cost	Federal Current Sec 179 Expense	Maryland Current Sec 179 Expense	Difference	Federal Current Special Depr. Allowance	Federal Current Depreciation	Maryland Current Depreciation	Difference
TRANS FLUSH	08-01-1999	4600	0	0	0	0	0	0	0
COOLANT FLU	08-01-1999	3000	0	0	0	0	0	0	0
TIRE MACHI	11-20-2000	2800	0	0	0	0	0	0	0
DESK JET	07-17-2000	157	0	0	0	0	0	0	0
CHARGE TEST	02-26-2002	1953	0	0	0	0	0	0	0
COMPUTER	10-18-2006	1582	0	0	0	0	0	0	0
EQUIPMENT	06-17-2011	2871	0	0	0	0	919	919	-919
CHEVY TAHO	11-01-2001	22731	0	0	0	0	0	0	0
CHEVY AVALA	12-16-2004	38626	0	0	0	0	0	0	0
SECURITY SY	02-25-2013	700	0	0	0	0	140	140	0
TOTAL			0	0	0	0	140	1059	-919
					DEPRECIATION ADJUSTMENT (0 PLUS -919):				-919
					SEC 179 ADJUSTMENT (0 LESS 0):				0
					TOTAL MODIFICATION:				-919

* Indicates Asset was disposed of this year. ^ Indicates Asset has current or prior section 179 expense.

2012 MARYLAND DEPRECIATION SCHEDULE

DILEN INC

DESCRIPTION	DATE	METHOD -- LIFE	COST	PRIOR 179	CURRENT 179	PR SPEC ALLOW	CURR SPEC ALLOW	BASIS	PRIOR DEPR	CURRENT DEPR	ACCUM DEPR	ADJ	
												BASIS	DEPR
FORM 1120													
VEHICLES													
CHEVY TAHOE	11-01-01	200DBHY-5	22731	22731	0	0	0	0	0	0	0	0	0
CHEVY AVALANCHE	12-16-04	200DBHY-5	38626	0	0	0	0	38626	38626	0	38626	0	0
OFFICE													
DESK JET	07-17-00	200DBHY-5	157	157	0	0	0	0	0	0	0	0	0
COMPUTER	10-18-06	200DBHY-5	1582	0	0	0	0	1582	1582	0	1582	0	0
EQUIPMENT													
COOLANT FLUSH M	08-01-99	200DBHY-5	3000	0	0	0	0	3000	3000	0	3000	0	0
TRANS FLUSH MAC	08-01-99	200DBHY-7	4600	0	0	0	0	4600	4600	0	4600	0	0
TIRE MACHINE	11-20-00	200DBHY-5	2800	2800	0	0	0	0	0	0	0	0	0
CHARGE TESTER	02-26-02	200DBHY-5	1953	0	0	0	0	1953	1953	0	1953	0	0
EQUIPMENT	06-17-11	200DBHY-5	2871	0	0	0	0	2871	574	919	1493	1378	1378
SECURITY SYSTEM	02-25-13	200DBHY-5	700	0	0	0	0	700	0	140	140	560	560
10 ASSETS		TOTALS:	79020	25688	0	0	0	53332	50335	1059	51394	1938	1938
UNASSIGNED													
0 ASSETS		TOTALS:	0	0	0	0	0	0	0	0	0	0	0
10 ASSETS		GRAND TOTALS:	79020	25688	0	0	0	53332	50335	1059	51394	1938	1938

Exhibit F

Federal & State Tax Return - Year End Date 03/31/2012

U.S. Corporation Income Tax Return
For calendar year 2011 or tax year
beginning **APRIL 1, 2011**, ending **MARCH 31, 2012**

OMB No. 1546-0123

2011

- A Check if:**
- 1a Consolidated return (attach Form 851)
 - b Life/nonlife consolidated return
 - 2 Personal holding co. (attach Sch. PH)
 - 3 Personal service corp. (see instructions)
 - 4 Schedule M-3 attached

TYPE OR PRINT

Name
DILEN, INC

Number, street, and room or suite no. If a P.O. box, see instructions.
408 N. FREDERICK AVENUE

City or town, state, and ZIP code
GAITHERSBURG, MD 20877

B Employer identification number
[REDACTED]

C Date incorporated
04/01/1980

D Total assets (see instructions)
\$ 159,330.

E Check if: (1) Initial return (2) Final return (3) Name change (4) Address change

Income	1a Merchant card and third-party payments. For 2011, enter -0-	1a	0.
	b Gross receipts or sales not reported on line 1a (see instructions)	1b	6,207,734.
	c Total. Add lines 1a and 1b	1c	6,207,734.
	d Returns and allowances plus any other adjustments (see instructions)	1d	
	e Subtract line 1d from line 1c	1e	6,207,734.
	2 Cost of goods sold from Form 1125-A, line 8 (attach Form 1125-A)	2	5,492,253.
	3 Gross profit. Subtract line 2 from line 1e	3	715,481.
	4 Dividends (Schedule C, line 19)	4	
	5 Interest SEE STATEMENT 1	5	14.
	6 Gross rents	6	
	7 Gross royalties	7	
8 Capital gain net income (attach Schedule D (Form 1120))	8		
9 Net gain or (loss) from Form 4797, Part II, line 17 (attach Form 4797)	9		
10 Other income (attach schedule)	10		
11 Total income. Add lines 3 through 10	11	715,495.	
Deductions (See instructions for limitations on deductions.)	12 Compensation of officers from Form 1125-E, line 4 (attach Form 1125-E)	12	
	13 Salaries and wages (less employment credits)	13	306,423.
	14 Repairs and maintenance	14	7,696.
	15 Bad debts	15	
	16 Rents	16	176,315.
	17 Taxes and licenses SEE STATEMENT 2	17	31,047.
	18 Interest	18	1,559.
	19 Charitable contributions SEE STATEMENT 3 AND SEE STATEMENT 4	19	0.
	20 Depreciation from Form 4562 not claimed on Form 1125-A or elsewhere on return (attach Form 4562)	20	3,239.
	21 Depletion	21	
	22 Advertising	22	3,529.
	23 Pension, profit-sharing, etc., plans	23	
	24 Employee benefit programs	24	6,624.
	25 Domestic production activities deduction (attach Form 8903)	25	
	26 Other deductions (attach schedule) SEE STATEMENT 5	26	193,762.
	27 Total deductions. Add lines 12 through 26	27	730,194.
	28 Taxable income before net operating loss deduction and special deductions. Subtract line 27 from line 11	28	-14,699.
Tax, Refundable Credits, and Payments	29a Net operating loss deduction (see instructions)	29a	
	b Special deductions (Schedule C, line 20)	29b	
	c Add lines 29a and 29b	29c	
	30 Taxable income. Subtract line 29c from line 28 (see instructions)	30	-14,699.
31 Total tax (Schedule J, Part I, line 11)	31	0.	
32 Total payments and refundable credits (Schedule J, Part II, line 21)	32		
33 Estimated tax penalty (see instructions). Check if Form 2220 is attached <input type="checkbox"/>	33		
34 Amount owed. If line 32 is smaller than the total of lines 31 and 33, enter amount owed	34	0.	
35 Overpayment. If line 32 is larger than the total of lines 31 and 33, enter amount overpaid	35		
36 Enter amount from line 35 you want: Credited to 2012 estimated tax <input checked="" type="checkbox"/> Refunded <input type="checkbox"/>	36		

Sign Here

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than taxpayer) is based on all information of which preparer has any knowledge.

Signature of officer: **DANIEL SUISSA** Date: **3/26/12** Title: **PRESIDENT**

May the IRS discuss this return with the preparer shown below? Yes No

Paid Preparer Use Only

Print/type preparer's name: **DANIEL SUISSA** Preparer's signature: [Signature] Date: **3/26/12** Check if self-employed PTIN: **P00085622**

Firm's name: **HEYMANN, SUISSA & STONE, P.C.** Firm's EIN: **52-1518885**

Firm's address: **1 CHURCH STREET, STE 600 ROCKVILLE, MD 20850** Phone no: **240-499-3600**

Schedule C Dividends and Special Deductions (see instructions)	(a) Dividends received	(b) %	(c) Special deductions (a) x (b)
1 Dividends from less-than-20%-owned domestic corporations (other than debt-financed stock)		70	
2 Dividends from 20%-or-more-owned domestic corporations (other than debt-financed stock)		80	
3 Dividends on debt-financed stock of domestic and foreign corporations		see instructions	
4 Dividends on certain preferred stock of less-than-20%-owned public utilities		42	
5 Dividends on certain preferred stock of 20%-or-more-owned public utilities		48	
6 Dividends from less-than-20%-owned foreign corporations and certain FSCs		70	
7 Dividends from 20%-or-more-owned foreign corporations and certain FSCs		80	
8 Dividends from wholly owned foreign subsidiaries		100	
9 Total. Add lines 1 through 8			
10 Dividends from domestic corporations received by a small business investment company operating under the Small Business Investment Act of 1958		100	
11 Dividends from affiliated group members		100	
12 Dividends from certain FSCs		100	
13 Dividends from foreign corporations not included on lines 3, 6, 7, 8, 11, or 12			
14 Income from controlled foreign corporations under subpart F (attach Form(s) 5471)			
15 Foreign dividend gross-up			
16 IC-DISC and former DISC dividends not included on lines 1, 2, or 3			
17 Other dividends			
18 Deduction for dividends paid on certain preferred stock of public utilities			
19 Total dividends. Add lines 1 through 17. Enter here and on page 1, line 4			
20 Total special deductions. Add lines 9, 10, 11, 12, and 18. Enter here and on page 1, line 29b			

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Schedule J Tax Computation and Payment (see instructions)

Part I - Tax Computation

1	Check if the corporation is a member of a controlled group (attach Schedule O (Form 1120))		
2	Income tax. Check if a qualified personal service corporation (see instructions)		0.
3	Alternative minimum tax (attach Form 4626)		
4	Add lines 2 and 3		0.
5a	Foreign tax credit (attach Form 1118)	5a	
b	Credit from Form 8834, line 30 (attach Form 8834)	5b	
c	General business credit (attach Form 3800)	5c	
d	Credit for prior year minimum tax (attach Form 8827)	5d	
e	Bond credits from Form 8912	5e	
6	Total credits. Add lines 5a through 5e	6	
7	Subtract line 6 from line 4	7	0.
8	Personal holding company tax (attach Schedule PH (Form 1120))	8	
9a	Recapture of investment credit (attach Form 4255)	9a	
b	Recapture of low-income housing credit (attach Form 8611)	9b	
c	Interest due under the look-back method-completed long-term contracts (attach Form 8697)	9c	
d	Interest due under the look-back method-income forecast method (attach Form 8866)	9d	
e	Alternative tax on qualifying shipping activities (attach Form 8902)	9e	
f	Other (see instructions - attach schedule)	9f	
10	Total. Add lines 9a through 9f	10	
11	Total tax. Add lines 7, 8, and 10. Enter here and on page 1, line 31	11	0.

Part II - Payments and Refundable Credits

12	2010 overpayment credited to 2011	12	
13	2011 estimated tax payments	13	
14	2011 refund applied for on Form 4466	14	()
15	Combine lines 12, 13, and 14	15	
16	Tax deposited with Form 7004	16	
17	Withholding (see instructions)	17	
18	Total payments. Add lines 15, 16, and 17	18	
19	Refundable credits from:		
a	Form 2439	19a	
b	Form 4136	19b	
c	Form 3800, line 17c and Form 8827, line 8c	19c	
d	Other (attach schedule - see instructions)	19d	
20	Total credits. Add lines 19a through 19d	20	
21	Total payments and credits. Add lines 18 and 20. Enter here and on page 1, line 32	21	

Schedule K Other Information (see instructions)

1	Check accounting method: a <input type="checkbox"/> Cash b <input checked="" type="checkbox"/> Accrual c <input type="checkbox"/> Other (specify) ▶	Yes	No
2	See the instructions and enter the:		
a	Business activity code no. ▶ 447100		
b	Business activity ▶ GAS STATION		
c	Product or service ▶ GAS STATION		
3	Is the corporation a subsidiary in an affiliated group or a parent-subsidiary controlled group? If "Yes," enter name and EIN of the parent corporation ▶		X
4	At the end of the tax year:		
a	Did any foreign or domestic corporation, partnership (including any entity treated as a partnership), trust, or tax-exempt organization own directly 20% or more, or own, directly or indirectly, 50% or more of the total voting power of all classes of the corporation's stock entitled to vote? If "Yes," complete Part I of Schedule G (Form 1120) (attach Schedule G)		X
b	Did any individual or estate own directly 20% or more, or own, directly or indirectly, 50% or more of the total voting power of all classes of the corporation's stock entitled to vote? If "Yes," complete Part II of Schedule G (Form 1120) (attach Schedule G)	X	

Schedule K Other Information continued (see instructions)

	Yes	No
5 At the end of the tax year, did the corporation:		
a Own directly 20% or more, or own, directly or indirectly, 50% or more of the total voting power of all classes of stock entitled to vote of any foreign or domestic corporation not included on Form 851 , Affiliations Schedule? For rules of constructive ownership, see instructions		X
If "Yes," complete (i) through (iv) below.		

(i) Name of Corporation	(ii) Employer Identification Number (if any)	(iii) Country of Incorporation	(iv) Percentage Owned in Voting Stock

	Yes	No
b Own directly an interest of 20% or more, or own, directly or indirectly, an interest of 50% or more in any foreign or domestic partnership (including an entity treated as a partnership) or in the beneficial interest of a trust? For rules of constructive ownership, see instructions		X
If "Yes," complete (i) through (iv) below.		

(i) Name of Entity	(ii) Employer Identification Number (if any)	(iii) Country of Organization	(iv) Maximum Percentage Owned in Profit, Loss, or Capital

6 During this tax year, did the corporation pay dividends (other than stock dividends and distributions in exchange for stock) in excess of the corporation's current and accumulated earnings and profits? (See sections 301 and 316.)		X
If "Yes," file Form 5452 , Corporate Report of Nondividend Distributions.		
If this is a consolidated return, answer here for the parent corporation and on Form 851 for each subsidiary.		
7 At any time during the tax year, did one foreign person own, directly or indirectly, at least 25% of (a) the total voting power of all classes of the corporation's stock entitled to vote or (b) the total value of all classes of the corporation's stock?		X
For rules of attribution, see section 318. If "Yes," enter:		
(i) Percentage owned ▶ _____ and (ii) Owner's country ▶ _____		
(c) The corporation may have to file Form 5472 , Information Return of a 25% Foreign-Owned U.S. Corporation or a Foreign Corporation Engaged in a U.S. Trade or Business. Enter the number of Forms 5472 attached ▶ _____		
8 Check this box if the corporation issued publicly offered debt instruments with original issue discount	<input type="checkbox"/>	
If checked, the corporation may have to file Form 8281 , Information Return for Publicly Offered Original Issue Discount Instruments.		
9 Enter the amount of tax-exempt interest received or accrued during the tax year ▶ \$ _____		
10 Enter the number of shareholders at the end of the tax year (if 100 or fewer) ▶ <u>1</u>		
11 If the corporation has an NOL for the tax year and is electing to forego the carryback period, check here ▶ <input type="checkbox"/>		
<small>If the corporation is filing a consolidated return, the statement required by Regulations section 1.1502-21(b)(3) must be attached or the election will not be valid.</small>		
12 Enter the available NOL carryover from prior tax years (do not reduce it by any deduction on line 29a.) ▶ \$ _____		
13 Are the corporation's total receipts (line 1c plus lines 4 through 10 on page 1) for the tax year and its total assets at the end of the tax year less than \$250,000?		X
If "Yes," the corporation is not required to complete Schedules L, M-1, and M-2 on page 5. Instead, enter the total amount of cash distributions and the book value of property distributions (other than cash) made during the tax year. ▶ \$ _____		
14 Is the corporation required to file Schedule UTP (Form 1120), Uncertain Tax Position Statement (see instructions)?		X
If "Yes," complete and attach Schedule UTP.		
15a Did the corporation make any payments in 2011 that would require it to file Form(s) 1099 (see instructions)?		
b If "Yes," did or will the corporation file all required Forms 1099?		

Schedule L Balance Sheets per Books	Beginning of tax year		End of tax year	
	(a)	(b)	(c)	(d)
Assets				
1 Cash		89,315.		50,212.
2a Trade notes and accounts receivable	6,030.		7,687.	
b Less allowance for bad debts	()	6,030.	()	7,687.
3 Inventories		60,206.		70,438.
4 U.S. government obligations				
5 Tax-exempt securities				
6 Other current assets (att. sch.) STMT 6		28,000.		28,900.
7 Loans to shareholders				1,093.
8 Mortgage and real estate loans				
9 Other investments (att. sch.)				
10a Buildings and other depreciable assets	79,926.		78,320.	
b Less accumulated depreciation	(79,835.)	91.	(78,320.)	0.
11a Depletable assets				
b Less accumulated depletion	()		()	
12 Land (net of any amortization)				
13a Intangible assets (amortizable only)				
b Less accumulated amortization	()		()	
14 Other assets (att. sch.) STMT 7		1,000.		1,000.
15 Total assets		184,642.		159,330.
Liabilities and Shareholders' Equity				
16 Accounts payable		9,389.		12,005.
17 Mortgages, notes, bonds payable in less than 1 year				
18 Other current liabilities (att. sch.) STMT 8		5,420.		6,240.
19 Loans from shareholders		13,933.		
20 Mortgages, notes, bonds payable in 1 year or more		15,000.		15,000.
21 Other liabilities (att. sch.)				
22 Capital stock: a Preferred stock				
b Common stock	5,000.	5,000.	5,000.	5,000.
23 Additional paid-in capital				
24 Retained earnings - Appropriated (attach schedule)				
25 Retained earnings - Unappropriated		135,900.		121,085.
26 Adjustments to shareholders' equity (attach schedule)				
27 Less cost of treasury stock		()		()
28 Total liabilities and shareholders' equity		184,642.		159,330.

Schedule M-1 Reconciliation of Income (Loss) per Books With Income per Return
 Note: Schedule M-3 required instead of Schedule M-1 if total assets are \$10 million or more - see instructions

1 Net income (loss) per books	-14,815.	7 Income recorded on books this year not included on this return (itemize):	
2 Federal income tax per books		Tax-exempt interest \$	
3 Excess of capital losses over capital gains			
4 Income subject to tax not recorded on books this year (itemize):		8 Deductions on this return not charged against book income this year (itemize):	
5 Expenses recorded on books this year not deducted on this return (itemize):		a Depreciation \$	
a Depreciation \$		b Charitable contributions \$	
b Charitable contributions \$ 100.			
c Travel and entertainment \$ 16.			
	116.	9 Add lines 7 and 8	
6 Add lines 1 through 5	-14,699.	10 Income (page 1, line 28) - line 6 less line 9	-14,699.

Schedule M-2 Analysis of Unappropriated Retained Earnings per Books (Line 25, Schedule L)

1 Balance at beginning of year	135,900.	5 Distributions: a Cash	
2 Net income (loss) per books	-14,815.	b Stock	
3 Other increases (itemize):		c Property	
		6 Other decreases (itemize):	
4 Add lines 1, 2, and 3	121,085.	7 Add lines 5 and 6	
		8 Balance at end of year (line 4 less line 7)	121,085.

Alternative Minimum Tax - Corporations

2011

▶ See separate instructions.
▶ Attach to the corporation's tax return.

Name **DILEN, INC** Employer identification number **[REDACTED]**

Note: See the instructions to find out if the corporation is a small corporation exempt from the alternative minimum tax (AMT) under section 55(e).

1	Taxable income or (loss) before net operating loss deduction	1	-14,699.
2	Adjustments and preferences:		
a	Depreciation of post-1986 property	2a	-163.
b	Amortization of certified pollution control facilities	2b	
c	Amortization of mining exploration and development costs	2c	
d	Amortization of circulation expenditures (personal holding companies only)	2d	
e	Adjusted gain or loss	2e	
f	Long-term contracts	2f	
g	Merchant marine capital construction funds	2g	
h	Section 833(b) deduction (Blue Cross, Blue Shield, and similar type organizations only)	2h	
i	Tax shelter farm activities (personal service corporations only)	2i	
j	Passive activities (closely held corporations and personal service corporations only)	2j	
k	Loss limitations	2k	
l	Depletion	2l	
m	Tax-exempt interest income from specified private activity bonds	2m	
n	Intangible drilling costs	2n	
o	Other adjustments and preferences	2o	
3	Pre-adjustment alternative minimum taxable income (AMTI). Combine lines 1 through 2o	3	-14,862.
4	Adjusted current earnings (ACE) adjustment:		
a	ACE from line 10 of the ACE worksheet in the instructions	4a	-14,862.
b	Subtract line 3 from line 4a. If line 3 exceeds line 4a, enter the difference as a negative amount (see instructions)	4b	0.
c	Multiply line 4b by 75% (.75). Enter the result as a positive amount	4c	
d	Enter the excess, if any, of the corporation's total increases in AMTI from prior year ACE adjustments over its total reductions in AMTI from prior year ACE adjustments (see instructions). Note: You must enter an amount on line 4d (even if line 4b is positive)	4d	
e	ACE adjustment. • If line 4b is zero or more, enter the amount from line 4c • If line 4b is less than zero, enter the smaller of line 4c or line 4d as a negative amount	4e	0.
5	Combine lines 3 and 4e. If zero or less, stop here; the corporation does not owe any AMT	5	-14,862.
6	Alternative tax net operating loss deduction (see instructions)	6	
7	Alternative minimum taxable income. Subtract line 6 from line 5. If the corporation held a residual interest in a REMIC, see instructions	7	
8	Exemption phase-out (if line 7 is \$310,000 or more, skip lines 8a and 8b and enter -0- on line 8c):		
a	Subtract \$150,000 from line 7 (if completing this line for a member of a controlled group, see instructions). If zero or less, enter -0-	8a	
b	Multiply line 8a by 25% (.25)	8b	
c	Exemption. Subtract line 8b from \$40,000 (if completing this line for a member of a controlled group, see instructions). If zero or less, enter -0-	8c	
9	Subtract line 8c from line 7. If zero or less, enter -0-	9	
10	Multiply line 9 by 20% (.20)	10	
11	Alternative minimum tax foreign tax credit (AMTFTC) (see instructions)	11	
12	Tentative minimum tax. Subtract line 11 from line 10	12	
13	Regular tax liability before applying all credits except the foreign tax credit	13	
14	Alternative minimum tax. Subtract line 13 from line 12. If zero or less, enter -0-. Enter here and on Form 1120, Schedule J, line 3, or the appropriate line of the corporation's income tax return	14	

JWA For Paperwork Reduction Act Notice, see the instructions.

Form 4626 (2011)

* SEE ALSO

STMT 9

Adjusted Current Earnings (ACE) Worksheet

▶ See ACE Worksheet Instructions.

1 Pre-adjustment AMTI. Enter the amount from line 3 of Form 4626		1	-14,862.
2 ACE depreciation adjustment:			
a	AMT depreciation	2a	3,402.
b ACE depreciation:			
(1)	Post-1993 property	2b(1)	3,402.
(2)	Post-1989, pre-1994 property	2b(2)	
(3)	Pre-1990 MACRS property	2b(3)	
(4)	Pre-1990 original ACRS property	2b(4)	
(5)	Property described in sections 168(f)(1) through (4)	2b(5)	
(6)	Other property	2b(6)	
(7)	Total ACE depreciation. Add lines 2b(1) through 2b(6)	2b(7)	3,402.
c ACE depreciation adjustment. Subtract line 2b(7) from line 2a		2c	
3 Inclusion in ACE of items included in earnings and profits (E&P):			
a	Tax-exempt interest income	3a	
b	Death benefits from life insurance contracts	3b	
c	All other distributions from life insurance contracts (including surrenders)	3c	
d	Inside buildup of undistributed income in life insurance contracts	3d	
e	Other items (see Regulations sections 1.56(g)-1(c)(6)(iii) through (ix) for a partial list)	3e	
f Total increase to ACE from inclusion in ACE of items included in E&P. Add lines 3a through 3e		3f	
4 Disallowance of items not deductible from E&P:			
a	Certain dividends received	4a	
b	Dividends paid on certain preferred stock of public utilities that are deductible under section 247	4b	
c	Dividends paid to an ESOP that are deductible under section 404(k)	4c	
d	Nonpatronage dividends that are paid and deductible under section 1382(c)	4d	
e	Other items (see Regulations sections 1.56(g)-1(d)(3)(i) and (ii) for a partial list)	4e	
f Total increase to ACE because of disallowance of items not deductible from E&P. Add lines 4a through 4e		4f	
5 Other adjustments based on rules for figuring E&P:			
a	Intangible drilling costs	5a	
b	Circulation expenditures	5b	
c	Organizational expenditures	5c	
d	LIFO inventory adjustments	5d	
e	Installment sales	5e	
f Total other E&P adjustments. Combine lines 5a through 5e		5f	
6 Disallowance of loss on exchange of debt pools		6	
7 Acquisition expenses of life insurance companies for qualified foreign contracts		7	
8 Depletion		8	
9 Basis adjustments in determining gain or loss from sale or exchange of pre-1994 property		9	
10 Adjusted current earnings. Combine lines 1, 2c, 3f, 4f, and 5f through 9. Enter the result here and on line 4a of Form 4626		10	-14,862.

Cost of Goods Sold

(December 2011)

Department of the Treasury
Internal Revenue Service

▶ **Attach to Form 1120, 1120-C, 1120-F, 1120-S, 1065, and 1065-B.**

Name **DILEN, INC** Employer identification number **[REDACTED]**

1	Inventory at beginning of year	1	60,206.
2	Purchases	2	5,502,485.
3	Cost of labor	3	
4	Additional section 263A costs (attach statement)	4	
5	Other costs (attach statement)	5	
6	Total. Add lines 1 through 5	6	5,562,691.
7	Inventory at end of year	7	70,438.
8	Cost of goods sold. Subtract line 7 from line 6. Enter here and on Form 1120, page 1, line 2 or the appropriate line of your tax return (see instructions)	8	5,492,253.

9 a Check all methods used for valuing closing inventory:

- (i) Cost
- (ii) Lower of cost or market
- (iii) Other (Specify method used and attach explanation) ▶ _____

b Check if there was a writedown of subnormal goods

c Check if the LIFO inventory method was adopted this tax year for any goods (if checked, attach Form 970)

d If the LIFO inventory method was used for this tax year, enter amount of closing inventory computed under LIFO 9d

e If property is produced or acquired for resale, do the rules of Section 263A apply to the corporation? Yes No

f Was there any change in determining quantities, cost, or valuations between opening and closing inventory? Yes No
If "Yes," attach explanation.

Depreciation and Amortization
(Including Information on Listed Property) OTHER
▶ See separate instructions. ▶ Attach to your tax return.

DILEN, INC

OTHER DEPRECIATION

Part I Election To Expense Certain Property Under Section 179 Note: If you have any listed property, complete Part V before you complete Part I.

1	Maximum amount (see instructions)	1	500,000.
2	Total cost of section 179 property placed in service (see instructions)	2	
3	Threshold cost of section 179 property before reduction in limitation	3	2,000,000.
4	Reduction in limitation. Subtract line 3 from line 2. If zero or less, enter -0-	4	
5	Dollar limitation for tax year. Subtract line 4 from line 1. If zero or less, enter -0-. If married filing separately, see instructions	5	
6	(a) Description of property	(b) Cost (business use only)	(c) Elected cost
7	Listed property. Enter the amount from line 29	7	
8	Total elected cost of section 179 property. Add amounts in column (c), lines 6 and 7	8	
9	Tentative deduction. Enter the smaller of line 5 or line 8	9	
10	Carryover of disallowed deduction from line 13 of your 2010 Form 4562	10	
11	Business income limitation. Enter the smaller of business income (not less than zero) or line 5	11	
12	Section 179 expense deduction. Add lines 9 and 10, but do not enter more than line 11	12	
13	Carryover of disallowed deduction to 2012. Add lines 9 and 10, less line 12	▶ 13	

Note: Do not use Part II or Part III below for listed property. Instead, use Part V.

Part II Special Depreciation Allowance and Other Depreciation (Do not include listed property.)

14	Special depreciation allowance for qualified property (other than listed property) placed in service during the tax year	14	2,871.
15	Property subject to section 168(f)(1) election	15	
16	Other depreciation (including ACRS)	16	

Part III MACRS Depreciation (Do not include listed property.) (See instructions.)

Section A

17	MACRS deductions for assets placed in service in tax years beginning before 2011	17	368.
18	If you are electing to group any assets placed in service during the tax year into one or more general asset accounts, check here	▶ <input type="checkbox"/>	

Section B - Assets Placed in Service During 2011 Tax Year Using the General Depreciation System

(a) Classification of property	(b) Month and year placed in service	(c) Basis for depreciation (business/investment use only - see instructions)	(d) Recovery period	(e) Convention	(f) Method	(g) Depreciation deduction
19a 3-year property						
b 5-year property						
c 7-year property						
d 10-year property						
e 15-year property						
f 20-year property						
g 25-year property			25 yrs.		S/L	
h Residential rental property	/		27.5 yrs.	MM	S/L	
	/		27.5 yrs.	MM	S/L	
i Nonresidential real property	/		39 yrs.	MM	S/L	
	/			MM	S/L	

Section C - Assets Placed in Service During 2011 Tax Year Using the Alternative Depreciation System

20a	Class life				S/L	
b	12-year		12 yrs.		S/L	
c	40-year	/	40 yrs.	MM	S/L	

Part IV Summary (See instructions.)

21	Listed property. Enter amount from line 28	21	
22	Total. Add amounts from line 12, lines 14 through 17, lines 19 and 20 in column (g), and line 21. Enter here and on the appropriate lines of your return. Partnerships and S corporations - see instr.	22	3,239.
23	For assets shown above and placed in service during the current year, enter the portion of the basis attributable to section 263A costs	23	

Part V Listed Property (Include automobiles, certain other vehicles, certain computers, and property used for entertainment, recreation, or amusement.)

Note: For any vehicle for which you are using the standard mileage rate or deducting lease expense, complete only 24a, 24b, columns (a) through (c) of Section A, all of Section B, and Section C if applicable.

Section A - Depreciation and Other Information (Caution: See the instructions for limits for passenger automobiles.)

24a Do you have evidence to support the business/investment use claimed? Yes No 24b If "Yes," is the evidence written? Yes No

Table with 9 columns: (a) Type of property, (b) Date placed in service, (c) Business/investment use percentage, (d) Cost or other basis, (e) Basis for depreciation, (f) Recovery period, (g) Method/Convention, (h) Depreciation deduction, (i) Elected section 179 cost.

25 Special depreciation allowance for qualified listed property placed in service during the tax year and used more than 50% in a qualified business use 25

26 Property used more than 50% in a qualified business use: Table with 9 columns for property details and percentage.

27 Property used 50% or less in a qualified business use: Table with 9 columns for property details and percentage.

28 Add amounts in column (h), lines 25 through 27. Enter here and on line 21, page 1 28

29 Add amounts in column (i), line 26. Enter here and on line 7, page 1 29

Section B - Information on Use of Vehicles

Complete this section for vehicles used by a sole proprietor, partner, or other "more than 5% owner," or related person. If you provided vehicles to your employees, first answer the questions in Section C to see if you meet an exception to completing this section for those vehicles.

Table for Section B with columns (a) through (f) for Vehicle. Rows 30-36 include questions about miles driven, personal use, and availability.

Section C - Questions for Employers Who Provide Vehicles for Use by Their Employees

Answer these questions to determine if you meet an exception to completing Section B for vehicles used by employees who are not more than 5% owners or related persons.

Table for Section C with columns Yes/No. Rows 37-41 include questions about written policy statements and requirements.

Note: If your answer to 37, 38, 39, 40, or 41 is "Yes," do not complete Section B for the covered vehicles.

Part VI Amortization

Table with 6 columns: (a) Description of costs, (b) Date amortization begins, (c) Amortizable amount, (d) Code section, (e) Amortization period or percentage, (f) Amortization for this year.

42 Amortization of costs that begins during your 2011 tax year:

Table for line 42 with 6 columns for amortization details.

43 Amortization of costs that began before your 2011 tax year 43

44 Total. Add amounts in column (f). See the instructions for where to report 44

Form **4797**

Department of the Treasury
Internal Revenue Service (99)

Sales of Business Property

(Also Involuntary Conversions and Recapture Amounts
Under Sections 179 and 280F(b)(2))

▶ Attach to your tax return.

OMB No. 1545-0184

2011

Attachment
Sequence No. **27**

Name(s) shown on return

DILEN, INC

Identifying number

[REDACTED]

1 Enter the gross proceeds from sales or exchanges reported to you for 2011 on Form(s) 1099-B or 1099-S (or substitute statement) that you are including on line 2, 10, or 20 (see instructions) **1**

Part I Sales or Exchanges of Property Used in a Trade or Business and Involuntary Conversions From Other Than Casualty or Theft - Most Property Held More Than 1 Year

(a) Description of property	(b) Date acquired (mo., day, yr.)	(c) Date sold (mo., day, yr.)	(d) Gross sales price	(e) Depreciation allowed or allowable since acquisition	(f) Cost or other basis, plus improvements and expense of sale	(g) Gain or (loss) Subtract (f) from the sum of (d) and (e)
2						
STATEMENT 10				90,112.	90,112.	

- 3 Gain, if any, from Form 4684, line 39 **3**
- 4 Section 1231 gain from installment sales from Form 6252, line 26 or 37 **4**
- 5 Section 1231 gain or (loss) from like-kind exchanges from Form 8824 **5**
- 6 Gain, if any, from line 32, from other than casualty or theft **6**
- 7 Combine lines 2 through 6. Enter the gain or (loss) here and on the appropriate line as follows: **7**
Partnerships (except electing large partnerships) and S corporations. Report the gain or (loss) following the instructions for Form 1065, Schedule K, line 10, or Form 1120S, Schedule K, line 9. Skip lines 8, 9, 11, and 12 below.
Individuals, partners, S corporation shareholders, and all others. If line 7 is zero or a loss, enter the amount from line 7 on line 11 below and skip lines 8 and 9. If line 7 is a gain and you did not have any prior year section 1231 losses, or they were recaptured in an earlier year, enter the gain from line 7 as a long-term capital gain on the Schedule D filed with your return and skip lines 8, 9, 11, and 12 below.
- 8 Nonrecaptured net section 1231 losses from prior years (see instructions) **8**
- 9 Subtract line 8 from line 7. If zero or less, enter -0-. If line 9 is zero, enter the gain from line 7 on line 12 below. If line 9 is more than zero, enter the amount from line 8 on line 12 below and enter the gain from line 9 as a long-term capital gain on the Schedule D filed with your return (see instructions) **9**

Part II Ordinary Gains and Losses

10 Ordinary gains and losses not included on lines 11 through 16 (include property held 1 year or less):

(a) Description of property	(b) Date acquired (mo., day, yr.)	(c) Date sold (mo., day, yr.)	(d) Gross sales price	(e) Depreciation allowed or allowable since acquisition	(f) Cost or other basis, plus improvements and expense of sale	(g) Gain or (loss) Subtract (f) from the sum of (d) and (e)

- 11 Loss, if any, from line 7 **11** ()
- 12 Gain, if any, from line 7 or amount from line 8, if applicable **12**
- 13 Gain, if any, from line 31 **13**
- 14 Net gain or (loss) from Form 4684, lines 31 and 38a **14**
- 15 Ordinary gain from installment sales from Form 6252, line 25 or 36 **15**
- 16 Ordinary gain or (loss) from like-kind exchanges from Form 8824 **16**
- 17 Combine lines 10 through 16 **17**
- 18 For all except individual returns, enter the amount from line 17 on the appropriate line of your return and skip lines a and b below. For individual returns, complete lines a and b below:
 - a If the loss on line 11 includes a loss from Form 4684, line 35, column (b)(ii), enter that part of the loss here. Enter the part of the loss from income-producing property on Schedule A (Form 1040), line 28, and the part of the loss from property used as an employee on Schedule A (Form 1040), line 23. Identify as from "Form 4797, line 18a." See instructions **18a**
 - b Redetermine the gain or (loss) on line 17 excluding the loss, if any, on line 18a. Enter here and on Form 1040, line 14 **18b**

JWA For Paperwork Reduction Act Notice, see separate instructions.

Form **4797** (2011)

Form 4797 (2011)

Part III Gain From Disposition of Property Under Sections 1245, 1250, 1252, 1254, and 1255

19 (a) Description of section 1245, 1250, 1252, 1254, or 1255 property:	(b) Date acquired (mo., day, yr.)	(c) Date sold (mo., day, yr.)
A		
B		
C		
D		

These columns relate to the properties on lines 19A through 19D.		Property A	Property B	Property C	Property D
20	Gross sales price (Note: See line 1 before completing.)	20			
21	Cost or other basis plus expense of sale	21			
22	Depreciation (or depletion) allowed or allowable	22			
23	Adjusted basis. Subtract line 22 from line 21	23			
24	Total gain. Subtract line 23 from line 20	24			
25 If section 1245 property:					
a	Depreciation allowed or allowable from line 22	25a			
b	Enter the smaller of line 24 or 25a	25b			
26 If section 1250 property: If straight line depreciation was used, enter -0- on line 26g, except for a corporation subject to section 291.					
a	Additional depreciation after 1975	26a			
b	Applicable percentage multiplied by the smaller of line 24 or line 26a	26b			
c	Subtract line 26a from line 24. If residential rental property or line 24 is not more than line 26a, skip lines 26d and 26e	26c			
d	Additional depreciation after 1969 and before 1976	26d			
e	Enter the smaller of line 26c or 26d	26e			
f	Section 291 amount (corporations only)	26f			
g	Add lines 26b, 26e, and 26f	26g			
27 If section 1252 property: Skip this section if you did not dispose of farmland or if this form is being completed for a partnership (other than an electing large partnership).					
a	Soil, water, and land clearing expenses	27a			
b	Line 27a multiplied by applicable percentage	27b			
c	Enter the smaller of line 24 or 27b	27c			
28 If section 1254 property:					
a	Intangible drilling and development costs, expenditures for development of mines and other natural deposits, mining exploration costs, and depletion	28a			
b	Enter the smaller of line 24 or 28a	28b			
29 If section 1255 property:					
a	Applicable percentage of payments excluded from income under section 126	29a			
b	Enter the smaller of line 24 or 29a	29b			

Summary of Part III Gains. Complete property columns A through D through line 29b before going to line 30.

30	Total gains for all properties. Add property columns A through D, line 24	30	
31	Add property columns A through D, lines 25b, 26g, 27c, 28b, and 29b. Enter here and on line 13	31	
32	Subtract line 31 from line 30. Enter the portion from casualty or theft on Form 4684, line 33. Enter the portion from other than casualty or theft on Form 4797, line 6	32	

Part IV Recapture Amounts Under Sections 179 and 280F(b)(2) When Business Use Drops to 50% or Less
(see instructions.)

	(a) Section 179	(b) Section 280F(b)(2)
33	Section 179 expense deduction or depreciation allowable in prior years	33
34	Recaptured depreciation (see instructions)	34
35	Recapture amount. Subtract line 34 from line 33. See the instructions for where to report	35

Exhibit G

Federal & State Tax Return - Year End Date 03/31/2011

U.S. Corporation Income Tax Return

For calendar year 2010 or tax year

beginning APRIL 1, 2010, ending MARCH 31, 2011

2010

- A Check if:**
 1a Consolidated return (attach Form 851)
 b Life/nonlife consolidated return
 2 Personal holding co. (attach Sch. PH)
 3 Personal service corp. (see instructions)
 4 Schedule M-3 attached

Name
DILEN, INC
 Number, street, and room or suite no. If a P.O. box, see instructions
408 N. FREDERICK AVENUE
 City or town, state, and ZIP code
GAITHERSBURG, MD 20877

B Employer identification number
C Date incorporated
04/01/1980
D Total assets (see instructions)
\$ 184,642.

E Check if: (1) Initial return (2) Final return (3) Name change (4) Address change

Income	1 a Gross receipts or sales	5,559,744.	b Less returns and allowances		c Bal	1c	5,559,744.
	2 Cost of goods sold (Schedule A, line 8)				2	4,787,369.	
	3 Gross profit. Subtract line 2 from line 1c				3	772,375.	
	4 Dividends (Schedule C, line 19)				4		
	5 Interest				5		
	6 Gross rents				6		
	7 Gross royalties				7		
	8 Capital gain net income (attach Schedule D (Form 1120))				8		
	9 Net gain or (loss) from Form 4797, Part II, line 17 (attach Form 4797)				9	<578.>	
	10 Other income (attach schedule)				10		
	11 Total income. Add lines 3 through 10				11	771,797.	
Deductions (See instructions for limitations on deductions.)	12 Compensation of officers (Schedule E, line 4)				12	47,275.	
	13 Salaries and wages (less employment credits)				13	300,090.	
	14 Repairs and maintenance				14	3,183.	
	15 Bad debts				15		
	16 Rents				16	178,480.	
	17 Taxes and licenses		SEE STATEMENT 1		17	32,871.	
	18 Interest				18	1,001.	
	19 Charitable contributions				19		
	20 Depreciation from Form 4562 not claimed on Schedule A or elsewhere on return (attach Form 4562)				20	668.	
	21 Depletion				21		
	22 Advertising				22	2,921.	
	23 Pension, profit-sharing, etc., plans				23		
	24 Employee benefit programs				24	7,609.	
	25 Domestic production activities deduction (attach Form 8903)				25		
	26 Other deductions (attach schedule)		SEE STATEMENT 2		26	205,715.	
	27 Total deductions. Add lines 12 through 26				27	779,813.	
	28 Taxable income before net operating loss deduction and special deductions. Subtract line 27 from line 11				28	<8,016.>	
29 Less: a Net operating loss deduction	STATEMENT 3	29a	0.	29a			
	b Special deductions (Schedule C, line 20)	29b		29b			
30 Taxable income. Subtract line 29c from line 28 (see instructions)				30	<8,016.>		
31 Total tax (Schedule J, line 10)				31	0.		

Tax, Refundable Credits, and Payments	32 a 2009 overpayment credited to 2010	32a				
	b 2010 estimated tax payments	32b				
	c 2010 refund applied for on Form 4466	32c				
	d Tax deposited with Form 7004	32d				
	e Credits: (1) Form 2439	32e				
	(2) Form 4136	32f				
	g Refundable credits from Form 3800, line 19c, and Form 8827, line 8c	32g				
	33 Estimated tax penalty (see instructions). Check if Form 2220 is attached				33	
34 Amount owed. If line 32h is smaller than the total of lines 31 and 33, enter amount owed				34	0.	
35 Overpayment. If line 32h is larger than the total of lines 31 and 33, enter amount overpaid				35		
36 Enter amount from line 35 you want: Credited to 2011 estimated tax				36		

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than taxpayer) is based on all information of which preparer has any knowledge.

Sign Here
 Signature of officer: **DANIEL SUISSA** Date: **2/9/12** Title: **PRESIDENT**

Paid Preparer Use Only
 Print/type preparer's name: **DANIEL SUISSA** Preparer's signature: *[Signature]* Date: **2/9/12** Check if self-employed PTIN: **P00085622**
 Firm's name: **HEYMANN, SUISSA & STONE, P.C.** Firm's EIN: **52-1518885**
 Firm's address: **1 CHURCH STREET, STE 600** Phone no: **240-499-3600**
ROCKVILLE, MD 20850

Schedule A Cost of Goods Sold (see instructions)

1	Inventory at beginning of year	1	54,630.
2	Purchases	2	4,792,945.
3	Cost of labor	3	
4	Additional section 263A costs (attach schedule)	4	
5	Other costs (attach schedule)	5	
6	Total. Add lines 1 through 5	6	4,847,575.
7	Inventory at end of year	7	60,206.
8	Cost of goods sold. Subtract line 7 from line 6. Enter here and on page 1, line 2	8	4,787,369.

9a Check all methods used for valuing closing inventory:

(i) Cost

(ii) Lower of cost or market

(iii) Other (Specify method used and attach explanation.)

b Check if there was a writedown of subnormal goods

c Check if the LIFO inventory method was adopted this tax year for any goods (if checked, attach Form 970)

d If the LIFO inventory method was used for this tax year, enter percentage (or amounts) of closing inventory computed under LIFO 9d

e If property is produced or acquired for resale, do the rules of section 263A apply to the corporation? Yes No

f Was there any change in determining quantities, cost, or valuations between opening and closing inventory? Yes No
If "Yes," attach explanation

Schedule C Dividends and Special Deductions (see instructions)

	(a) Dividends received	(b) %	(c) Special deductions (a) x (b)
1 Dividends from less-than-20%-owned domestic corporations (other than debt-financed stock)		70	
2 Dividends from 20%-or-more-owned domestic corporations (other than debt-financed stock)		80	
3 Dividends on debt-financed stock of domestic and foreign corporations		see instructions	
4 Dividends on certain preferred stock of less-than-20%-owned public utilities		42	
5 Dividends on certain preferred stock of 20%-or-more-owned public utilities		48	
6 Dividends from less-than-20%-owned foreign corporations and certain FSCs		70	
7 Dividends from 20%-or-more-owned foreign corporations and certain FSCs		80	
8 Dividends from wholly owned foreign subsidiaries		100	
9 Total. Add lines 1 through 8			
10 Dividends from domestic corporations received by a small business investment company operating under the Small Business Investment Act of 1958		100	
11 Dividends from affiliated group members		100	
12 Dividends from certain FSCs		100	
13 Dividends from foreign corporations not included on lines 3, 6, 7, 8, 11, or 12			
14 income from controlled foreign corporations under subpart F (attach Form(s) 5471)			
15 Foreign dividend gross-up			
16 IC-DISC and former DISC dividends not included on lines 1, 2, or 3			
17 Other dividends			
18 Deduction for dividends paid on certain preferred stock of public utilities			
19 Total dividends. Add lines 1 through 17. Enter here and on page 1, line 4			
20 Total special deductions. Add lines 9, 10, 11, 12, and 18. Enter here and on page 1, line 29b			

Schedule E Compensation of Officers (see instructions for page 1, line 12)
Note: Complete Schedule E only if total receipts (line 1a plus lines 4 through 10 on page 1) are \$500,000 or more.

(a) Name of officer	(b) Social security number	(c) Percent of time devoted to business	Percent of corporation stock owned		(f) Amount of compensation
			(d) Common	(e) Preferred	
LEONARD E. SHIPE		1.000	100.00%		47,275.
2 Total compensation of officers					47,275.
3 Compensation of officers claimed on Schedule A and elsewhere on return					
4 Subtract line 3 from line 2. Enter the result here and on page 1, line 12					47,275.

COPY

Schedule J Tax Computation (see instructions)

1	Check if the corporation is a member of a controlled group (attach Schedule O (Form 1120))	<input type="checkbox"/>	
2	Income tax. Check if a qualified personal service corporation (see instructions)	<input type="checkbox"/>	0.
3	Alternative minimum tax (attach Form 4626)		
4	Add lines 2 and 3		0.
5a	Foreign tax credit (attach Form 1118)	5a	
b	Credit from Form 8834, line 29	5b	
c	General business credit (attach Form 3800)	5c	
d	Credit for prior year minimum tax (attach Form 8827)	5d	
e	Bond credits from Form 8912	5e	
6	Total credits. Add lines 5a through 5e	6	
7	Subtract line 6 from line 4	7	0.
8	Personal holding company tax (attach Schedule PH (Form 1120))	8	
9	Other taxes. Check if from: <input type="checkbox"/> Form 4255 <input type="checkbox"/> Form 8611 <input type="checkbox"/> Form 8697 <input type="checkbox"/> Form 8866 <input type="checkbox"/> Form 8902 <input type="checkbox"/> Other (attach schedule)	9	
10	Total tax. Add lines 7 through 9. Enter here and on page 1, line 31	10	0.

Schedule K Other Information (see instructions)

1	Check accounting method: a <input type="checkbox"/> Cash b <input checked="" type="checkbox"/> Accrual c <input type="checkbox"/> Other (specify) ▶
2	See the instructions and enter the: a Business activity code no. ▶ <u>447100</u> b Business activity ▶ <u>GAS STATION</u> c Product or service ▶ <u>GAS STATION</u>
3	Is the corporation a subsidiary in an affiliated group or a parent-subidiary controlled group? If "Yes," enter name and EIN of the parent corporation ▶
4	At the end of the tax year: a Did any foreign or domestic corporation, partnership (including any entity treated as a partnership), trust, or tax-exempt organization own directly 20% or more, or own, directly or indirectly, 50% or more of the total voting power of all classes of the corporation's stock entitled to vote? If "Yes," complete Part I of Schedule G (Form 1120) (attach Schedule G)
	b Did any individual or estate own directly 20% or more, or own, directly or indirectly, 50% or more of the total voting power of all classes of the corporation's stock entitled to vote? If "Yes," complete Part II of Schedule G (Form 1120) (attach Schedule G)
5	At the end of the tax year, did the corporation: a Own directly 20% or more, or own, directly or indirectly, 50% or more of the total voting power of all classes of stock entitled to vote of any foreign or domestic corporation not included on Form 851, Affiliations Schedule? For rules of constructive ownership, see instructions If "Yes," complete (i) through (iv).

Yes	No
	X
	X
X	
	X

(i) Name of Corporation	(ii) Employer Identification Number (if any)	(iii) Country of Incorporation	(iv) Percentage Owned in Voting Stock

JWA

Schedule K Continued

b Own directly an interest of 20% or more, or own, directly or indirectly, an interest of 50% or more in any foreign or domestic partnership (including an entity treated as a partnership) or in the beneficial interest of a trust? For rules of constructive ownership, see instructions
If "Yes," complete (i) through (iv).

Yes	No
	X

(i) Name of Entity	(ii) Employer Identification Number (if any)	(iii) Country of Organization	(iv) Maximum Percentage Owned in Profit, Loss, or Capital

6 During this tax year, did the corporation pay dividends (other than stock dividends and distributions in exchange for stock) in excess of the corporation's current and accumulated earnings and profits? (See sections 301 and 316.) If "Yes," file Form 5452, Corporate Report of Nondividend Distributions. If this is a consolidated return, answer here for the parent corporation and on Form 851 for each subsidiary.	X
7 At any time during the tax year, did one foreign person own, directly or indirectly, at least 25% of (a) the total voting power of all classes of the corporation's stock entitled to vote or (b) the total value of all classes of the corporation's stock? For rules of attribution, see section 318. If "Yes," enter: (i) Percentage owned ▶ _____ and (ii) Owner's country ▶ _____ (c) The corporation may have to file Form 5472, Information Return of a 25% Foreign-Owned U.S. Corporation or a Foreign Corporation Engaged in a U.S. Trade or Business. Enter the number of Forms 5472 attached ▶ _____	X
8 Check this box if the corporation issued publicly offered debt instruments with original issue discount ▶ <input type="checkbox"/> If checked, the corporation may have to file Form 6281, Information Return for Publicly Offered Original Issue Discount Instruments.	
9 Enter the amount of tax-exempt interest received or accrued during the tax year ▶ \$ _____	
10 Enter the number of shareholders at the end of the tax year (if 100 or fewer) ▶ <u>1</u>	
11 If the corporation has an NOL for the tax year and is electing to forego the carryback period, check here ▶ <input type="checkbox"/> If the corporation is filing a consolidated return, the statement required by Regulations section 1.1502-21(b)(3) must be attached or the election will not be valid.	
12 Enter the available NOL carryover from prior tax years (do not reduce it by any deduction on line 29a.) ▶ \$ <u>47,321.</u>	
13 Are the corporation's total receipts (line 1a plus lines 4 through 10 on page 1) for the tax year and its total assets at the end of the tax year less than \$250,000? If "Yes," the corporation is not required to complete Schedules L, M-1, and M-2 on page 5. Instead, enter the total amount of cash distributions and the book value of property distributions (other than cash) made during the tax year. ▶ \$ _____	X
14 Is the corporation required to file Schedule UTP (Form 1120), Uncertain Tax Position Statement (see instructions)? If "Yes," complete and attach Schedule UTP.	X

JWA

Schedule L	Balance Sheets per Books	Beginning of tax year		End of tax year	
		(a)	(b)	(c)	(d)
Assets					
1	Cash		110,765.		89,315.
2a	Trade notes and accounts receivable	170.		6,030.	
	b Less allowance for bad debts	()	170.	()	6,030.
3	Inventories		54,630.		60,206.
4	U.S. government obligations				
5	Tax-exempt securities				
6	Other current assets (att. sch.) STMT 4		3,342.		28,000.
7	Loans to shareholders		4,612.		
8	Mortgage and real estate loans				
9	Other investments (att. sch.)				
10a	Buildings and other depreciable assets	167,911.		79,926.	
	b Less accumulated depreciation	(166,574.)	1,337.	(79,835.)	91.
11a	Depletable assets				
	b Less accumulated depletion	()		()	
12	Land (net of any amortization)				
13a	Intangible assets (amortizable only)				
	b Less accumulated amortization	()		()	
14	Other assets (att. sch.) STMT 5		1,000.		1,000.
15	Total assets		175,856.		184,642.
Liabilities and Shareholders' Equity					
16	Accounts payable		2,326.		9,389.
17	Mortgages, notes, bonds payable in less than 1 year				
18	Other current liabilities (att. sch.) STMT 6		4,528.		5,420.
19	Loans from shareholders		5,086.		13,933.
20	Mortgages, notes, bonds payable in 1 year or more		15,000.		15,000.
21	Other liabilities (att. sch.)				
22	Capital stock: a Preferred stock				
	b Common stock	5,000.	5,000.	5,000.	5,000.
23	Additional paid-in capital				
24	Retained earnings - Appropriated (attach schedule)				
25	Retained earnings - Unappropriated		143,916.		135,900.
26	Adjustments to shareholders' equity (attach schedule)				
27	Less cost of treasury stock	()		()	
28	Total liabilities and shareholders' equity		175,856.		184,642.

Schedule M-1 Reconciliation of Income (Loss) per Books With Income per Return

Note: Schedule M-3 required instead of Schedule M-1 if total assets are \$10 million or more - see instructions

1	Net income (loss) per books	<8,016.>	7	Income recorded on books this year not included on this return (itemize):	
2	Federal income tax per books			Tax-exempt interest \$	
3	Excess of capital losses over capital gains				
4	Income subject to tax not recorded on books this year (itemize):				
5	Expenses recorded on books this year not deducted on this return (itemize):		8	Deductions on this return not charged against book income this year (itemize):	
	a Depreciation \$			a Depreciation \$	
	b Charitable contributions \$			b Charitable contributions \$	
	c Entertainment \$				
6	Add lines 1 through 5	<8,016.>	9	Add lines 7 and 8	
			10	Income (page 1, line 28) - line 6 less line 9	<8,016.>

Schedule M-2 Analysis of Unappropriated Retained Earnings per Books (Line 25, Schedule L)

1	Balance at beginning of year	143,916.	5	Distributions: a Cash	
2	Net income (loss) per books	<8,016.>		b Stock	
3	Other increases (itemize):			c Property	
			6	Other decreases (itemize):	
4	Add lines 1, 2, and 3	135,900.	7	Add lines 5 and 6	
			8	Balance at end of year (line 4 less line 7)	135,900.

Alternative Minimum Tax - Corporations

2010

▶ See separate instructions.
 ▶ Attach to the corporation's tax return.

Name **DILEN, INC** Employer identification number [REDACTED]

Note: See the instructions to find out if the corporation is a small corporation exempt from the alternative minimum tax (AMT) under section 55(e).

1	Taxable income or (loss) before net operating loss deduction	1	<8,016.>
2 Adjustments and preferences:			
a	Depreciation of post-1986 property	2a	<302.>
b	Amortization of certified pollution control facilities	2b	
c	Amortization of mining exploration and development costs	2c	
d	Amortization of circulation expenditures (personal holding companies only)	2d	
e	Adjusted gain or loss	2e	<258.>
f	Long-term contracts	2f	
g	Merchant marine capital construction funds	2g	
h	Section 833(b) deduction (Blue Cross, Blue Shield, and similar type organizations only)	2h	
i	Tax shelter farm activities (personal service corporations only)	2i	
j	Passive activities (closely held corporations and personal service corporations only)	2j	
k	Loss limitations	2k	
l	Depletion	2l	
m	Tax-exempt interest income from specified private activity bonds	2m	
n	Intangible drilling costs	2n	
o	Other adjustments and preferences	2o	
3	Pre-adjustment alternative minimum taxable income (AMTI). Combine lines 1 through 2o	3	<8,576.>
4 Adjusted current earnings (ACE) adjustment:			
a	ACE from line 10 of the ACE worksheet in the instructions	4a	<8,576.>
b	Subtract line 3 from line 4a. If line 3 exceeds line 4a, enter the difference as a negative amount (see instructions)	4b	0.
c	Multiply line 4b by 75% (.75). Enter the result as a positive amount	4c	
d	Enter the excess, if any, of the corporation's total increases in AMTI from prior year ACE adjustments over its total reductions in AMTI from prior year ACE adjustments (see instructions). Note: You must enter an amount on line 4d (even if line 4b is positive)	4d	
e	ACE adjustment. • If line 4b is zero or more, enter the amount from line 4c • If line 4b is less than zero, enter the smaller of line 4c or line 4d as a negative amount	4e	0.
5	Combine lines 3 and 4e. If zero or less, stop here; the corporation does not owe any AMT	5	<8,576.>
6	Alternative tax net operating loss deduction (see instructions)	6	STATEMENT 7
7	Alternative minimum taxable income. Subtract line 6 from line 5. If the corporation held a residual interest in a REMIC, see instructions	7	
8 Exemption phase-out (if line 7 is \$310,000 or more, skip lines 8a and 8b and enter -0- on line 8c):			
a	Subtract \$150,000 from line 7 (if completing this line for a member of a controlled group, see instructions). If zero or less, enter -0-	8a	
b	Multiply line 8a by 25% (.25)	8b	
c	Exemption. Subtract line 8b from \$40,000 (if completing this line for a member of a controlled group, see instructions). If zero or less, enter -0-	8c	
9	Subtract line 8c from line 7. If zero or less, enter -0-	9	
10	Multiply line 9 by 20% (.20)	10	
11	Alternative minimum tax foreign tax credit (AMTFTC) (see instructions)	11	
12	Tentative minimum tax. Subtract line 11 from line 10	12	
13	Regular tax liability before applying all credits except the foreign tax credit	13	
14	Alternative minimum tax. Subtract line 13 from line 12. If zero or less, enter -0-. Enter here and on Form 1120, Schedule J, line 3, or the appropriate line of the corporation's income tax return	14	

Adjusted Current Earnings (ACE) Worksheet

▶ See ACE Worksheet Instructions.

1 Pre-adjustment AMTI. Enter the amount from line 3 of Form 4626		1	<8,576.>
2 ACE depreciation adjustment:			
a	AMT depreciation	2a	970.
b ACE depreciation:			
(1)	Post-1993 property	2b(1)	970.
(2)	Post-1989, pre-1994 property	2b(2)	
(3)	Pre-1990 MACRS property	2b(3)	
(4)	Pre-1990 original ACRS property	2b(4)	
(5)	Property described in sections 168(f)(1) through (4)	2b(5)	
(6)	Other property	2b(6)	
(7)	Total ACE depreciation. Add lines 2b(1) through 2b(6)	2b(7)	970.
c ACE depreciation adjustment. Subtract line 2b(7) from line 2a		2c	
3 Inclusion in ACE of items included in earnings and profits (E&P):			
a	Tax-exempt interest income	3a	
b	Death benefits from life insurance contracts	3b	
c	All other distributions from life insurance contracts (including surrenders)	3c	
d	Inside buildup of undistributed income in life insurance contracts	3d	
e	Other items (see Regulations sections 1.56(g)-1(c)(6)(ii) through (ix) for a partial list)	3e	
f Total increase to ACE from inclusion in ACE of items included in E&P. Add lines 3a through 3e		3f	
4 Disallowance of items not deductible from E&P:			
a	Certain dividends received	4a	
b	Dividends paid on certain preferred stock of public utilities that are deductible under section 247	4b	
c	Dividends paid to an ESOP that are deductible under section 404(k)	4c	
d	Nonpatronage dividends that are paid and deductible under section 1382(c)	4d	
e	Other items (see Regulations sections 1.56(g)-1(d)(3)(i) and (ii) for a partial list)	4e	
f Total increase to ACE because of disallowance of items not deductible from E&P. Add lines 4a through 4e		4f	
5 Other adjustments based on rules for figuring E&P:			
a	Intangible drilling costs	5a	
b	Circulation expenditures	5b	
c	Organizational expenditures	5c	
d	LIFO inventory adjustments	5d	
e	Installment sales	5e	
f Total other E&P adjustments. Combine lines 5a through 5e		5f	
6 Disallowance of loss on exchange of debt pools		6	
7 Acquisition expenses of life insurance companies for qualified foreign contracts		7	
8 Depletion		8	
9 Basis adjustments in determining gain or loss from sale or exchange of pre-1994 property		9	
10 Adjusted current earnings. Combine lines 1, 2c, 3f, 4f, and 5f through 9. Enter the result here and on line 4a of Form 4626		10	<8,576.>

**SCHEDULE G
(Form 1120)**

Department of the Treasury
Internal Revenue Service

**Information on Certain Persons Owning the
Corporation's Voting Stock**

▶ Attach to Form 1120.

OMB No. 1545-0123

2010

Name

DILEN, INC

Employer identification number (EIN)

[REDACTED] 5

Part I Certain Entities Owning the Corporation's Voting Stock. (Form 1120, Schedule K, Question 4a). Complete columns (i) through (v) below for any foreign or domestic corporation, partnership (including any entity treated as a partnership), trust, or tax-exempt organization that owns directly 20% or more, or owns, directly or indirectly, 50% or more of the total voting power of all classes of the corporation's stock entitled to vote (see instructions).

(i) Name of Entity	(ii) Employer identification Number (if any)	(iii) Type of Entity	(iv) Country of Organization	(v) Percentage Owned in Voting Stock

Part II Certain Individuals and Estates Owning the Corporation's Voting Stock. (Form 1120, Schedule K, Question 4b). Complete columns (i) through (iv) below for any individual or estate that owns directly 20% or more, or owns, directly or indirectly, 50% or more of the total voting power of all classes of the corporation's stock entitled to vote (see instructions).

(i) Name of Individual or Estate	(ii) Identifying Number (if any)	(iii) Country of Citizenship (see instructions)	(iv) Percentage Owned in Voting Stock
LEONARD E. SHIPE	[REDACTED]		100.00%

Depreciation and Amortization
 (Including Information on Listed Property) **OTHER**
 ▶ See separate instructions. ▶ Attach to your tax return.

Name(s) shown on return: **DILEN, INC**
 Business or activity to which this form relates: **OTHER DEPRECIATION**
 Identifying number: **[REDACTED]**

Part I Election To Expense Certain Property Under Section 179 Note: If you have any listed property, complete Part V before you complete Part I.

1	Maximum amount (see instructions)	1	500,000.
2	Total cost of section 179 property placed in service (see instructions)	2	
3	Threshold cost of section 179 property before reduction in limitation	3	2,000,000.
4	Reduction in limitation. Subtract line 3 from line 2. If zero or less, enter -0-	4	
5	Dollar limitation for tax year. Subtract line 4 from line 1. If zero or less, enter -0-. If married filing separately, see instructions	5	
6	(a) Description of property	(b) Cost (business use only)	(c) Elected cost
7	Listed property. Enter the amount from line 29	7	
8	Total elected cost of section 179 property. Add amounts in column (c), lines 6 and 7	8	
9	Tentative deduction. Enter the smaller of line 5 or line 8	9	
10	Carryover of disallowed deduction from line 13 of your 2009 Form 4562	10	
11	Business income limitation. Enter the smaller of business income (not less than zero) or line 5	11	
12	Section 179 expense deduction. Add lines 9 and 10, but do not enter more than line 11	12	
13	Carryover of disallowed deduction to 2011. Add lines 9 and 10, less line 12	13	

Note: Do not use Part II or Part III below for listed property. Instead, use Part V.

Part II Special Depreciation Allowance and Other Depreciation (Do not include listed property.)

14	Special depreciation allowance for qualified property (other than listed property) placed in service during the tax year	14	
15	Property subject to section 168(f)(1) election	15	
16	Other depreciation (including ACRS)	16	

Part III MACRS Depreciation (Do not include listed property.) (See instructions.)
Section A

17	MACRS deductions for assets placed in service in tax years beginning before 2010	17	668.
18	If you are electing to group any assets placed in service during the tax year into one or more general asset accounts, check here		<input type="checkbox"/>

Section B - Assets Placed in Service During 2010 Tax Year Using the General Depreciation System

(a) Classification of property	(b) Month and year placed in service	(c) Basis for depreciation (business/investment use only - see instructions)	(d) Recovery period	(e) Convention	(f) Method	(g) Depreciation deduction
19a 3-year property						
b 5-year property						
c 7-year property						
d 10-year property						
e 15-year property						
f 20-year property						
g 25-year property			25 yrs.		S/L	
h Residential rental property	/		27.5 yrs.	MM	S/L	
i Nonresidential real property	/		39 yrs.	MM	S/L	

Section C - Assets Placed in Service During 2010 Tax Year Using the Alternative Depreciation System

20a Class life					S/L	
b 12-year			12 yrs.		S/L	
c 40-year	/		40 yrs.	MM	S/L	

Part IV Summary (See instructions.)

21	Listed property. Enter amount from line 28	21	
22	Total. Add amounts from line 12, lines 14 through 17, lines 19 and 20 in column (g), and line 21. Enter here and on the appropriate lines of your return. Partnerships and S corporations - see Instr.	22	668.
23	For assets shown above and placed in service during the current year, enter the portion of the basis attributable to section 263A costs	23	

Part V Listed Property (Include automobiles, certain other vehicles, certain computers, and property used for entertainment, recreation, or amusement.)

Note: For any vehicle for which you are using the standard mileage rate or deducting lease expense, complete only 24a, 24b, columns (a) through (c) of Section A, all of Section B, and Section C if applicable.

Section A - Depreciation and Other Information (Caution: See the instructions for limits for passenger automobiles.)

24a Do you have evidence to support the business/investment use claimed? Yes No 24b If "Yes," is the evidence written? Yes No

Table with columns (a) Type of property, (b) Date placed in service, (c) Business/investment use percentage, (d) Cost or other basis, (e) Basis for depreciation, (f) Recovery period, (g) Method/Convention, (h) Depreciation deduction, (i) Elected section 179 cost.

25 Special depreciation allowance for qualified listed property placed in service during the tax year and used more than 50% in a qualified business use 25

26 Property used more than 50% in a qualified business use: Table with columns for percentage and cost.

27 Property used 50% or less in a qualified business use: Table with columns for percentage and S/L.

28 Add amounts in column (h), lines 25 through 27. Enter here and on line 21, page 1 28

29 Add amounts in column (i), line 26. Enter here and on line 7, page 1 29

Section B - Information on Use of Vehicles

Complete this section for vehicles used by a sole proprietor, partner, or other "more than 5% owner," or related person. If you provided vehicles to your employees, first answer the questions in Section C to see if you meet an exception to completing this section for those vehicles.

Table for Section B with columns (a) through (f) Vehicle. Rows 30-36 include questions about miles driven and personal use.

Section C - Questions for Employers Who Provide Vehicles for Use by Their Employees

Answer these questions to determine if you meet an exception to completing Section B for vehicles used by employees who are not more than 5% owners or related persons.

Table for Section C with columns Yes No. Rows 37-41 include questions about written policies and requirements.

Note: If your answer to 37, 38, 39, 40, or 41 is "Yes," do not complete Section B for the covered vehicles.

Part VI Amortization

Table for Part VI with columns (a) Description of costs, (b) Date amortization begins, (c) Amortizable amount, (d) Code section, (e) Amortization period or percentage, (f) Amortization for this year. Rows 42-44 include amortization details.

Sales of Business Property

(Also Involuntary Conversions and Recapture Amounts
 Under Sections 179 and 280F(b)(2))
 Attach to your tax return.

2010

Attachment
 Sequence No. **27**

Name(s) shown on return

Identifying number

DILEN, INC

1 Enter the gross proceeds from sales or exchanges reported to you for 2010 on Form(s) 1099-B or 1099-S (or substitute statement) that you are including on line 2, 10, or 20 (see instructions) **1**

Part I Sales or Exchanges of Property Used in a Trade or Business and Involuntary Conversions From Other Than Casualty or Theft - Most Property Held More Than 1 Year

(a) Description of property	(b) Date acquired (mo., day, yr.)	(c) Date sold (mo., day, yr.)	(d) Gross sales price	(e) Depreciation allowed or allowable since acquisition	(f) Cost or other basis, plus improvements and expense of sale	(g) Gain or (loss) Subtract (f) from the sum of (d) and (e)
2						
3 Gain, if any, from Form 4684, line 42						3
4 Section 1231 gain from installment sales from Form 6252, line 26 or 37						4
5 Section 1231 gain or (loss) from like-kind exchanges from Form 8824						5
6 Gain, if any, from line 32, from other than casualty or theft						6
7 Combine lines 2 through 6. Enter the gain or (loss) here and on the appropriate line as follows:						7
Partnerships (except electing large partnerships) and S corporations. Report the gain or (loss) following the instructions for Form 1065, Schedule K, line 10, or Form 1120S, Schedule K, line 9. Skip lines 8, 9, 11, and 12 below.						
Individuals, partners, S corporation shareholders, and all others. If line 7 is zero or a loss, enter the amount from line 7 on line 11 below and skip lines 8 and 9. If line 7 is a gain and you did not have any prior year section 1231 losses, or they were recaptured in an earlier year, enter the gain from line 7 as a long-term capital gain on the Schedule D filed with your return and skip lines 8, 9, 11, and 12 below.						
8 Nonrecaptured net section 1231 losses from prior years (see instructions) SEE STATEMENT 8						8
9 Subtract line 8 from line 7. If zero or less, enter -0-. If line 9 is zero, enter the gain from line 7 on line 12 below. If line 9 is more than zero, enter the amount from line 8 on line 12 below and enter the gain from line 9 as a long-term capital gain on the Schedule D filed with your return (see instructions)						9

Part II Ordinary Gains and Losses

10 Ordinary gains and losses not included on lines 11 through 16 (include property held 1 year or less):

Property	Gain or (loss)	Gain or (loss)	Gain or (loss)
EQUIPMENT	VARIES	123110	87,407.
			87,985.
			<578.>

11 Loss, if any, from line 7	11	()
12 Gain, if any, from line 7 or amount from line 8, if applicable	12	
13 Gain, if any, from line 31	13	
14 Net gain or (loss) from Form 4684, lines 34 and 41a	14	
15 Ordinary gain from installment sales from Form 6252, line 25 or 36	15	
16 Ordinary gain or (loss) from like-kind exchanges from Form 8824	16	
17 Combine lines 10 through 16	17	<578.>
18 For all except individual returns, enter the amount from line 17 on the appropriate line of your return and skip lines a and b below. For individual returns, complete lines a and b below:		
a If the loss on line 11 includes a loss from Form 4684, line 38, column (b)(ii), enter that part of the loss here. Enter the part of the loss from income-producing property on Schedule A (Form 1040), line 28, and the part of the loss from property used as an employee on Schedule A (Form 1040), line 23. Identify as from "Form 4797, line 18a." See instructions	18a	
b Redetermine the gain or (loss) on line 17 excluding the loss, if any, on line 18a. Enter here and on Form 1040, line 14	18b	

JWA For Paperwork Reduction Act Notice, see separate instructions.

Part III Gain From Disposition of Property Under Sections 1245, 1250, 1252, 1254, and 1255

19 (a) Description of section 1245, 1250, 1252, 1254, or 1255 property:	(b) Date acquired (mo., day, yr.)	(c) Date sold (mo., day, yr.)
A		
B		
C		
D		

These columns relate to the properties on lines 19A through 19D.		Property A	Property B	Property C	Property D
20 Gross sales price (Note: See line 1 before completing.)	20				
21 Cost or other basis plus expense of sale	21				
22 Depreciation (or depletion) allowed or allowable	22				
23 Adjusted basis. Subtract line 22 from line 21	23				
24 Total gain. Subtract line 23 from line 20	24				
25 If section 1245 property:					
a Depreciation allowed or allowable from line 22	25a				
b Enter the smaller of line 24 or 25a	25b				
26 If section 1250 property: If straight line depreciation was used, enter -0- on line 26g, except for a corporation subject to section 291.					
a Additional depreciation after 1975	26a				
b Applicable percentage multiplied by the smaller of line 24 or line 26a	26b				
c Subtract line 26a from line 24. If residential rental property or line 24 is not more than line 26a, skip lines 26d and 26e	26c				
d Additional depreciation after 1969 and before 1976	26d				
e Enter the smaller of line 26c or 26d	26e				
f Section 291 amount (corporations only)	26f				
g Add lines 26b, 26e, and 26f	26g				
27 If section 1252 property: Skip this section if you did not dispose of farmland or if this form is being completed for a partnership (other than an electing large partnership).					
a Soil, water, and land clearing expenses	27a				
b Line 27a multiplied by applicable percentage	27b				
c Enter the smaller of line 24 or 27b	27c				
28 If section 1254 property:					
a Intangible drilling and development costs, expenditures for development of mines and other natural deposits, mining exploration costs, and depletion	28a				
b Enter the smaller of line 24 or 28a	28b				
29 If section 1255 property:					
a Applicable percentage of payments excluded from income under section 126	29a				
b Enter the smaller of line 24 or 29a	29b				

Summary of Part III Gains. Complete property columns A through D through line 29b before going to line 30.

30 Total gains for all properties. Add property columns A through D, line 24	30	
31 Add property columns A through D, lines 25b, 26g, 27c, 28b, and 29b. Enter here and on line 13	31	
32 Subtract line 31 from line 30. Enter the portion from casualty or theft on Form 4684, line 37. Enter the portion from other than casualty or theft on Form 4797, line 6	32	

Part IV Recapture Amounts Under Sections 179 and 280F(b)(2) When Business Use Drops to 50% or Less
(see instructions.)

	(a) Section 179	(b) Section 280F(b)(2)
33 Section 179 expense deduction or depreciation allowable in prior years	33	
34 Recomputed depreciation (see instructions)	34	
35 Recapture amount. Subtract line 34 from line 33. See the instructions for where to report	35	

ALTERNATIVE MINIMUM TAX

Sales of Business Property

(Also Involuntary Conversions and Recapture Amounts Under Sections 179 and 280F(b)(2))

▶ Attach to your tax return.

OMB No. 1545-0164

2010

Attachment Sequence No. 27

Form 4797

Department of the Treasury Internal Revenue Service (99)

Name(s) shown on return

DILEN, INC

Identifying number



1 Enter the gross proceeds from sales or exchanges reported to you for 2010 on Form(s) 1099-B or 1099-S (or substitute statement) that you are including on line 2, 10, or 20 (see instructions) 1

Part I Sales or Exchanges of Property Used in a Trade or Business and Involuntary Conversions From Other Than Casualty or Theft - Most Property Held More Than 1 Year

(a) Description of property	(b) Date acquired (mo., day, yr.)	(c) Date sold (mo., day, yr.)	(d) Gross sales price	(e) Depreciation allowed or allowable since acquisition	(f) Cost or other basis, plus improvements and expense of sale	(g) Gain or (loss) Subtract (f) from the sum of (d) and (e)
2						
3 Gain, if any, from Form 4684, line 42						3
4 Section 1231 gain from installment sales from Form 6252, line 26 or 37						4
5 Section 1231 gain or (loss) from like-kind exchanges from Form 8824						5
6 Gain, if any, from line 32, from other than casualty or theft						6
7 Combine lines 2 through 6. Enter the gain or (loss) here and on the appropriate line as follows:						7
Partnerships (except electing large partnerships) and S corporations. Report the gain or (loss) following the instructions for Form 1065, Schedule K, line 10, or Form 1120S, Schedule K, line 9. Skip lines 8, 9, 11, and 12 below.						
Individuals, partners, S corporation shareholders, and all others. If line 7 is zero or a loss, enter the amount from line 7 on line 11 below and skip lines 8 and 9. If line 7 is a gain and you did not have any prior year section 1231 losses, or they were recaptured in an earlier year, enter the gain from line 7 as a long-term capital gain on the Schedule D filed with your return and skip lines 8, 9, 11, and 12 below.						
8 Nonrecaptured net section 1231 losses from prior years (see instructions) SEE STATEMENT 9						8
9 Subtract line 8 from line 7. If zero or less, enter -0-. If line 9 is zero, enter the gain from line 7 on line 12 below. If line 9 is more than zero, enter the amount from line 8 on line 12 below and enter the gain from line 9 as a long-term capital gain on the Schedule D filed with your return (see instructions)						9

Part II Ordinary Gains and Losses

10 Ordinary gains and losses not included on lines 11 through 16 (include property held 1 year or less):

(a) Description of property	(b) Date acquired (mo., day, yr.)	(c) Date sold (mo., day, yr.)	(d) Gross sales price	(e) Depreciation allowed or allowable since acquisition	(f) Cost or other basis, plus improvements and expense of sale	(g) Gain or (loss) Subtract (f) from the sum of (d) and (e)
EQUIPMENT	VARIES	123110	87,149.	87,985.		<836.>

11 Loss, if any, from line 7	11	()
12 Gain, if any, from line 7 or amount from line 8, if applicable	12	
13 Gain, if any, from line 31	13	
14 Net gain or (loss) from Form 4684, lines 34 and 41a	14	
15 Ordinary gain from installment sales from Form 6252, line 25 or 36	15	
16 Ordinary gain or (loss) from like-kind exchanges from Form 8824	16	
17 Combine lines 10 through 16	17	<836.>
18 For all except individual returns, enter the amount from line 17 on the appropriate line of your return and skip lines a and b below. For individual returns, complete lines a and b below:		
a If the loss on line 11 includes a loss from Form 4684, line 38, column (b)(ii), enter that part of the loss here. Enter the part of the loss from income-producing property on Schedule A (Form 1040), line 28, and the part of the loss from property used as an employee on Schedule A (Form 1040), line 23. Identify as from "Form 4797, line 18a." See instructions	18a	
b Redetermine the gain or (loss) on line 17 excluding the loss, if any, on line 18a. Enter here and on Form 1040, line 14	18b	

JWA For Paperwork Reduction Act Notice, see separate instructions.

Form 4797 (2010)

Part III Gain From Disposition of Property Under Sections 1245, 1250, 1252, 1254, and 1255

(a) Description of section 1245, 1250, 1252, 1254, or 1255 property:	(b) Date acquired	(c) Date sold
	(mo., day, yr.)	(mo., day, yr.)
A		
B		
C		
D		

These columns relate to the properties on lines 19A through 19D.		Property A	Property B	Property C	Property D
20	Gross sales price (Note: See line 1 before completing.)	20			
21	Cost or other basis plus expense of sale	21			
22	Depreciation (or depletion) allowed or allowable	22			
23	Adjusted basis. Subtract line 22 from line 21	23			
24	Total gain. Subtract line 23 from line 20	24			
25 If section 1245 property:					
a	Depreciation allowed or allowable from line 22	25a			
b	Enter the smaller of line 24 or 25a	25b			
26 If section 1250 property: If straight line depreciation was used, enter -0- on line 26g, except for a corporation subject to section 291.					
a	Additional depreciation after 1975	26a			
b	Applicable percentage multiplied by the smaller of line 24 or line 26a	26b			
c	Subtract line 26a from line 24. If residential rental property or line 24 is not more than line 26a, skip lines 26d and 26e	26c			
d	Additional depreciation after 1969 and before 1976	26d			
e	Enter the smaller of line 26c or 26d	26e			
f	Section 291 amount (corporations only)	26f			
g	Add lines 26b, 26e, and 26f	26g			
27 If section 1252 property: Skip this section if you did not dispose of farmland or if this form is being completed for a partnership (other than an electing large partnership).					
a	Soil, water, and land clearing expenses	27a			
b	Line 27a multiplied by applicable percentage	27b			
c	Enter the smaller of line 24 or 27b	27c			
28 If section 1254 property:					
a	Intangible drilling and development costs, expenditures for development of mines and other natural deposits, mining exploration costs, and depletion	28a			
b	Enter the smaller of line 24 or 28a	28b			
29 If section 1255 property:					
a	Applicable percentage of payments excluded from income under section 126	29a			
b	Enter the smaller of line 24 or 29a	29b			

Summary of Part III Gains. Complete property columns A through D through line 29b before going to line 30.

30	Total gains for all properties. Add property columns A through D, line 24	30	
31	Add property columns A through D, lines 25b, 26g, 27c, 28b, and 29b. Enter here and on line 13	31	
32	Subtract line 31 from line 30. Enter the portion from casualty or theft on Form 4684, line 37. Enter the portion from other than casualty or theft on Form 4797, line 6	32	

Part IV Recapture Amounts Under Sections 179 and 280F(b)(2) When Business Use Drops to 50% or Less
(see instructions.)

	(a) Section 179	(b) Section 280F(b)(2)
33	Section 179 expense deduction or depreciation allowable in prior years	33
34	Recomputed depreciation (see instructions)	34
35	Recapture amount. Subtract line 34 from line 33. See the instructions for where to report	35

Exhibit H

Lease



direct: 804.706.4702 x 314
tterry@southsideoil.com

July 10, 2012

Mr. Leonard E. Shipe
408 North Frederick Avenue
Gaithersburg, Maryland 20877

Dear Mr. Shipe:

This letter is to inform you that Southside Oil, LLC ("SSO") has agreed to waive a portion of the rent that would otherwise be due under the Lease Agreement dated July 15, 2012 (the "Lease") relating to the premises at 408 North Frederick Avenue, Gaithersburg, Maryland 20877. As you know, the rent chargeable under the Lease is \$14,801.00 per month. SSO has agreed to waive \$5,000 of such rent per month through September 30, 2012. It is a condition of this rent waiver that you fully executed the Motor Fuel Supply Agreement, Lease Agreement and Security Agreement all dated as of July 15, 2012, and that you agree to repay all of the waived rent should you sell your business at the premises prior to September 30, 2013.

If you are in agreement with these matters, please sign in the space provided below. Once you have signed below, this letter shall to serve to amend the Lease and Supply Agreement.

Thank you for your attention to this matter. If you have any questions, please feel free to contact Tim Seltzer of SSO if you would like to discuss these matters.

Sincerely,

Thomas M. Terry
General Counsel
Southside Oil, LLC

ACKNOWLEDGED AND AGREED:

Leonard E. Shipe
July __, 2012

cc: Mr. Tim Seltzer

#28808

LEASE AGREEMENT

Face Pages

DATE: July 15, 2012
COMPANY: SOUTHSIDE OIL, LLC
1011 Boulder Springs Drive, Suite 100, Richmond, VA 23225
LESSEE: LEONARD E. SHIPE
PREMISES: 408 North Frederick Avenue, Gaithersburg, Maryland 20877 (the "Premises")

The provisions of this Lease Agreement (the "Lease") are set forth in the "Terms and Conditions" (commencing on page 1) and Exhibit A (Maintenance Schedule). For the convenience of the parties, the information on pages i and ii of this Lease (the "Face Pages") shall be incorporated by reference within the corresponding numbered paragraphs of the "Terms and Conditions."

LICENSOR: ExxonMobil Oil Corporation ("Exxon" Gasoline)

1. **TERM:** The term of this Lease shall commence on July 15, 2012, and shall terminate on June 30, 2015 (subject to adjustment as set forth in the Terms and Conditions).
2. **RENT:** The rent payable during the term of this Lease shall be as follows:

Period	Monthly Rent	Annual Rent
07.15.12 – 06.30.13	\$ 14,801	\$ 177,613
07.01.13 – 06.30.14	15,245	182,942
07.01.14 – 06.30.15	15,702	188,430

9. **USE:** The Premises shall be used as a retail outlet for the sale of gasoline and other petroleum products, and for the sale of merchandise and services customarily associated with the following type or types of business operations:

- Convenience Store
- Car Wash
- Automobile Repairs

9. **MINIMUM HOURS OF OPERATION:** The Premises shall, at a minimum, be open for business during the following hours: Twenty-four (24) hours per day.

23. **SECURITY DEPOSIT:** The Security Deposit shall be \$25,000, which Security Deposit also will be used in connection with the Supply Agreement (as defined below), and Company is in possession of such Security Deposit.

30. **KEY MANAGEMENT PERSON:** If Lessee is a business entity, or a joint Lessee, the Key Management Person for Lessee is Leonard E. Shipe.

COMPANY: SOUTHSIDE OIL, LLC

Witness

By: _____(SEAL)
Donald P. Bassell, CFO

LESSEE: LEONARD E. SHIPE

Witness

By: _____(SEAL)
Leonard E. Shipe

Terms and Conditions

Company hereby leases to Lessee the premises at the address described on the Face Pages hereto, together with all rights-of-way, easements, driveways and pavement, curb and street-front privileges thereunto belonging and together with all the buildings, improvements and equipment thereon or connected therewith, including the property and equipment now located thereon, together with any additions, replacements or substitutions thereto (hereinafter collectively referred to as the "Premises") subject to all easements, rights-of-way and other encumbrances, whether of record or not, previously granted by Company or its predecessor in title or interest, and subject to Company's right to grant easements, rights-of-way and similar encumbrances to third parties affecting the Premises without Lessee's consent. Company also sells gasoline, diesel and/or kerosene to Lessee at the Premises pursuant to a Motor Fuel Supply Agreement of even date herewith (the "Supply Agreement"). The following terms and conditions shall apply to this Lease.

1. **TERM:** Subject to the other terms and provisions hereof, this Lease shall be for the period set forth on the Face Pages. Notwithstanding anything in this Lease to the contrary, upon the sale of Lessee's business, Company shall have the option to terminate this Lease and the Supply Agreement.

2. **RENT:**

(a) Lessee shall pay as monthly rent to Company the amounts set forth on the Face Pages (to be prorated for periods of less than a month), plus any sales tax imposed on this rental amount and on any of the other rental considerations specified below. Rent for each month shall be due and payable in four (4) equal installments which shall be drafted from Lessee's designated payment account on or the seventh (7th), fourteenth (14th), twenty-first (21st) and twenty-eighth (28th) day of each month, unless Company gives Lessee written notice of a different time or schedule of payment, in which event rent shall be due in accordance with such notice.

(b) Company may also charge, and Lessee shall pay, late fees, finance charges and/or NSF fees, as Company may from time to time specify and as are permitted by law, for any financial institution debits that are not honored by Lessee's bank or financial institution, or that are otherwise returned or reversed by Lessee's bank or financial institution.

(c) Lessee shall pay, as additional rent, all water, sewer gas, electrical current and other utility charges, as when such charges become due, except that charges for the current period shall be prorated for the period of Lessee's possession.

(d) Excepting only those obligations of Company that are specifically set forth in this Agreement, including, without limitation, Company's obligations with respect to real estate taxes, and Company's maintenance obligations as reflected in Exhibit A hereto, entitled "Maintenance Schedule," which is hereby incorporated by reference, this Lease shall be deemed and

construed to be a "triple net lease," and Lessee shall pay Company absolutely net throughout the term, all rent as set herein free of any charges, assessments or impositions of any kind. In the event of a conflict between the text of this Lease and the Maintenance Schedule, the terms of the Maintenance Schedule shall control. Company shall not be expected or required to make any payments of any kind or be under any other obligation or liability under this Lease, except as otherwise expressly set forth in this Lease. Except as otherwise set forth in Exhibit A, Lessee's obligations shall include all replacement, repair and maintenance items.

3. EXTENSIONS AND RENEWALS:

(a) In consideration of the granting of this Lease, it is understood and agreed that there shall be no contractual obligation on the part of either party to extend or renew this Lease. However, if this Lease or Lessee's right to possession of the Premises should be extended or renewed either by operation of law or by Company's decision to exercise its right to extend this Lease under Section 3(b), it is understood and agreed that Company shall have the right to change the rent payable by Lessee by giving Lessee written notice of Company's intent to change the amount of rent Lessee is obligated to pay during any period or periods of such extension or renewal, specifying the effective date, the amount and other details of such change. Company's right to change rentals under this Section 3 shall be a recurring right, which may be exercised by Company at any time and from time to time, and is in addition to Company's right to adjust the rent under any other provisions of this Lease.

(b) In the event that this Lease expires and is not renewed either by operation of law or by negotiations between Lessee and Company, and if Lessee retains possession of the leased Premises from and after the date of such lease expiration, then Company shall have the right (in addition to its other rights), at its election, upon notice to Lessee, to consider such holding over as a month-to-month extension of the term of this Lease. Such extension shall be upon the same terms and provisions contained in this Lease, except that, at Company's election, Lessee shall pay Company as rental for the period of any month to month extension, an amount equal to twice the rent in effect on the Lease termination date.

4. UNDERLYING ESTATES AND ENCUMBRANCES:

(a) Where applicable, Lessee has been notified in writing prior to the commencement of the term of this Lease that (i) Company is not the owner of the Premises herein leased but holds the Premises under a master lease which expires on the date specified on the Face Pages, and (ii) such underlying master lease might expire and not be renewed or extended beyond its expiration date. It is understood and agreed that this Lease and the estate created hereby are subject to all of the terms, provisions and conditions of such underlying lease and that if such underlying Lease (or any extension or renewal thereof) expires or is terminated for any reason prior to the end of the term of this Lease and is not extended or renewed, then, and in that event, this Lease shall terminate (without any liability on the part of Company) upon the date such underlying lease (or any

extension or renewal thereof) expires or is terminated. Company shall be under no obligation to seek an extension or renewal of such underlying lease or to exercise any extension or renewal rights Company may have under such underlying lease.

(b) This Lease is subordinate to all present mortgages and all future mortgages executed by the Company encumbering the subject Premises herein. Lessee hereby agrees to execute any subordination papers or estoppel letters concerning the validity of this Lease, and such documents will be executed by Lessee forthwith upon demand of Company and at no expense to Company. If Lessee fails to sign the subordination documents or estoppel letters promptly following Company's demand, or if Lessee is unable or unavailable to execute them, then Lessee hereby appoints Company as its attorney-in-fact to execute such subordination documents or estoppel letters.

5. OPERATING EQUIPMENT; LICENSES AND PERMITS: Lessee agrees to use all car wash equipment, if any, and all other fixtures and operating equipment located at the Premises solely in the operation of Lessee's business at the Premises, and not to remove any such operating equipment from the Premises, unless and until this Lease is terminated. Company shall have the right at any time and from time to time make changes in the operating equipment, including, but not by way of limitation, the right (i) to replace any operating equipment, including, but not by way of make additions or changes to the operating equipment, including, but not limited to, the Electronic Point of Sale system, and (ii) to remove and recover possession of any operating equipment which Company and Lessee reasonably determine is not necessary for the operation of Lessee's business at the Premises. All other equipment desired to be used by Lessee for operation of its business shall be furnished by Lessee at Lessee's sole cost and expense, with Company's approval. Lessee shall, at Lessee's own expense, obtain all necessary permits, approvals, and licenses for such other equipment and shall provide Company with copies of such permits, approvals, and licenses. If, at the termination of this Lease, Lessee is indebted to Company under this or any other agreement, Company may purchase any of Lessee's equipment and fixtures located at the Premises from Lessee or, at Company's option, sell such equipment and fixtures to a third party for Lessee's account. If, at Company's request, Lessee fails to remove Lessee's property within thirty (30) days of termination of Lessee's tenancy, Lessee's property shall be deemed abandoned and shall become the property of Company. Company shall have the right to use such property or dispose of it at Lessee's expense.

6. VENDING MACHINES: Lessee agrees not to install, operate and maintain, or permit anyone else to install, operate and maintain, vending machines at the Premises otherwise than at locations or within areas, approved by Company in writing. Lessee shall keep the paved surface of the areas reserved for vending machines, if any, clean and free of ice and snow.

7. CAR WASH: In the event the Premises are now equipped, or in the event that at any future date Company shall equip the Premises, with car wash facilities, Lessee agrees to maintain and operate the car wash facilities under the following terms and conditions:

(a) Lessee agrees to perform all maintenance with respect to car wash equipment and to supply all tools, lubricants and materials necessary for maintenance or operation of car wash.

(b) Maintenance of the car wash building, exclusive of equipment, shall be as set forth in the Maintenance Schedule on Exhibit A to this Lease.

(c) Lessee shall be responsible for any and all damage to vehicles resulting from the car wash operation.

(d) In the event at any future date Company shall construct a car wash facility at the Premises, Lessee shall acquire all equipment necessary for the operation and maintenance of the car wash. Such equipment shall be approved by Company prior to purchase or lease by Lessee.

(e) If Lessee's occupancy of the Premises shall terminate, Lessee may remove any car wash equipment owned by Lessee, but shall be liable to Company for any damage to the Premises caused by such removal.

8. ASSIGNMENT; RIGHT OF FIRST REFUSAL:

(a) This Lease shall not be transferred or assigned by Lessee, and the Premises shall not be sublet by Lessee, in whole or in part, directly or indirectly, without Company's prior written consent, which consent shall not be unreasonably withheld. Any attempt by Lessee to assign this Lease or to sublet the Premises without Company's prior written consent shall be void and of no force and effect and shall be an event which makes termination of this Lease reasonable.

(b) Company may assign this Lease in whole or in part upon ten (10) days' prior written notice to Lessee.

(c) Lessee shall not sell its interest hereunder unless Lessee shall have first received a separate written bona fide offer from a third party to purchase such interest and shall have notified Company in writing of the party or parties making same, and the selling price, terms and conditions thereof, and shall have attached thereto a complete executed copy of such offer, together with such information relating to the character, financial ability, business experience and other qualifications of the proposed purchaser to operate the Premises as may reasonably be required by Company. Company or its assignee shall thereupon have the right to purchase Lessee's interest at the same price and on the same terms and conditions as are contained in the offer. Said right may be exercised by giving notice to Lessee at any time within sixty (60) days after Company's receipt of notice of the offer and all of such information requested by Company. Within thirty (30) days after such exercise, Company or its assignee and Lessee shall enter into an agreement covering the interest to be sold at the same price and upon the same terms and conditions as are contained in such offer. If Company or its assignee fails to exercise such right of first refusal, and for any reason Lessee shall not thereafter sell such interest to the party or parties making such offer on the terms of such offer,

Company's prior assignable right to purchase Lessee's interest shall apply to any new offer. The existence, exercise or non-exercise of Company's right of first refusal shall not operate to restrict Company's right to disapprove or withhold consent to the assignment or sale of Lessee's interests.

(d) If within the thirty (30) day period after receipt by Company of notice from Lessee of the offer to purchase Lessee's interest hereunder Company does not exercise the assignable right of first refusal provided in the above subparagraph, Company will notify Lessee in writing prior to the expiration of such period whether Company approves or disapproves of the proposed purchaser to become the Lessee hereunder.

9. **GENERAL COVENANTS:** Lessee agrees:

(a) to use and operate the Premises as a retail outlet for the sale of gasoline, petroleum products and other merchandise and services associated with the use(s) set forth on the Face Pages; and not to use the Premises or any part thereof for the parking (except as may be necessary for the permitted uses specified on the Face Pages), storage, rental or sale of motor vehicles, trailers or other equipment without Company's prior written consent;

(b) to ensure the continued volume of gasoline sales on the Premises and the continuation of service to the outlet's customers built up over a period of years prior to the Lease term, Lessee agrees to keep the Premises open for business and properly lighted during at least the minimum hours of operation set forth on the Face Pages. Deviations from such hours of operation shall be only with the prior written consent of Company; provided, however, that Lessee's failure to keep the Premises open shall not be considered a violation hereof or grounds for termination if such failure results from an act of God or adherence to governmental regulations;

(c) to make no unlawful or offensive use of the Premises; and except for obligations imposed solely upon Company hereunder, to comply with all statutes, ordinances, rules, orders, regulations, permits and requirements of federal, state and municipal governments and administrative bodies, including, without limitation, those governing the lead, oxygenate, sulfur or other content of gasoline, air, ground or water pollution, the use of required motor fuel dispensers and the posting of required notices on pump stands and dispensers of gasoline;

(d) to keep the Premises, including buildings, driveways and ramps in a clean, sanitary and orderly condition;

(e) to operate the business conducted on the Premises in a safe and orderly manner, allowing no fire hazards or unsanitary or dangerous conditions to exist;

(f) to keep all driveways, ramps and pump islands open for motor vehicle access and to keep all pumps available for use by customers;

- (g) to pay the rent herein specified at the time when the same is due;
- (h) to make no additions, changes or alterations to the structure of the buildings, improvements or driveways, to cause no additional improvements to be placed on the Premises (including without limitation, any payphones, ATMs, air dispensers, car vacuums, lottery machines or electric automobile fueling equipment), and to make no repairs at the expense of Company, without first obtaining Company's written consent;
- (i) to place no signs on the Premises which do not relate to the retail business conducted thereon without first obtaining Company's written consent, and, with respect to signs relating to the retail business conducted at the Premises, to place only signs that conform to all local zoning regulations and codes and to Licensor's standards, including no hand-written signs;
- (j) to not permit parked vehicles or equipment to block access to fuel dispensers at any time;
- (k) at its own cost and expense, to be responsible for, and shall bear the cost of each and every individual item of repair and/or replacement at the Premises, whether interior or exterior, structural or otherwise, excepting only those responsibilities specifically identified as Company's obligations in the Maintenance Schedule on Exhibit A hereto;
- (l) to gauge underground tanks daily in order to prevent or discover possible leakage or water contamination, to reconcile inventory records at least daily for an indication of possible leakage from tanks or piping, and to advise Company promptly in writing of any indication of contamination or leakage;
- (m) to monitor, at least on a monthly basis, and to maintain the operation of any leak detection wells or equipment installed at the location and advise Company promptly in writing of any failures or improper operation of such wells or equipment;
- (n) to quit and surrender peaceably and quietly to Company, its agent or attorney, possession of the Premises at the expiration or other termination of this Lease without further notice in as good order and condition, ordinary wear and tear and acts of God excepted, as when delivered to Lessee, and not to make or suffer any waste thereof, replacing or paying to Company the reasonable value of any damage to the Premises or equipment caused by negligence of or misuse by Lessee, Lessee's employees, agents, representatives or contractors;
- (o) in operating the Premises, to render appropriate, prompt and efficient services to Lessee's customers, to respond expeditiously to all complaints of such customers, making fair adjustments where appropriate, and to otherwise conduct Lessee's business in a fair and ethical manner;

(p) to maintain a complete supply of motor fuel, motor oils and other accessories normally handled by a retail motor fuel outlet;

(q) to maintain the restrooms in a clean, sanitary and well-lighted condition and adequately provided with necessary supplies;

(r) if the construction, maintenance and/or operation of the Premises is pursuant to a conditional use permit or other approval (hereinafter jointly called a "permit") by zoning board or other governmental agency, to use the Premises in accordance with all the requirements contained in such permit (If the Premises are subject to such a permit, a copy will be delivered to Lessee, and Lessee agrees to acknowledge receipt of the copy.); and

(s) not to sell or permit the sale of pornographic materials, illegal substances, prescription medications, drug paraphernalia or drugs at the Premises.

10. MAINTENANCE, REPAIR AND EXPENSES; COMPANY'S REMODELING:

(a) Lessee shall, at Lessee's expense: (i) maintain the Premises in accordance with the standards set forth herein; (ii) pay all water, gas, electricity, telephone and other utility bills and arrange for the transfer of all meters and accounts to Lessee's name; (iii) pay sewer charges and any waste collection fees imposed by the state, city or county; (iv) pay all premiums and contributions required by workmen's compensation, unemployment insurance, old age benefits and comply with all wage and hour laws for Lessee's employees employed at the Premises; and (v) pay all costs of dispensing all Product at the Premises.

(b) Company shall have the right of entry and access to the Premises to examine and inspect the Premises to ascertain Lessee's compliance with the terms and conditions of this Lease.

(c) Company shall have the right, but not the obligation, to perform any maintenance or repair which is the responsibility of Lessee under this Lease, in the event Lessee shall fail to perform such maintenance or repair within fifteen (15) days following notice by Company to Lessee. Lessee shall pay to Company the cost of such maintenance or repair upon billing for same.

(d) Subject to the requirements of any applicable law, Company shall have the right, but not the obligation, upon not less than thirty (30) days' prior written notice (or such lesser notice as may be reasonable under the circumstances) to Lessee, to reconstruct, remodel or make additions to the building, equipment or other facilities covered hereby. During the period of such reconstruction, remodeling or additions, Company shall reduce the rental due hereunder by an amount which, in its sole judgment, will adequately compensate Lessee for the restrictions in use of the Premises by Lessee resulting from such reconstruction, remodeling or additions.

(e) If Company shall become obligated by federal, state or local laws, rules or regulations to install or construct additional equipment, facilities or improvements on the Premises in order to permit continued operation thereon of a retail motor fuel outlet and related business (as specified in the Face Pages), and in Company's sole judgment the cost of such installation or construction would be uneconomical to Company, Company shall have the right, subject to the requirements of any applicable law, to terminate this Lease.

(f) Lessee agrees to inform Company in writing of any damage to the Premises or injuries to persons at the Premises, as soon as practicable, and in no event more than twenty-four (24) hours after the occurrence thereof.

(g) Company shall perform its obligations that are set forth in the Maintenance Schedule attached hereto as Exhibit A.

11. ACCEPTANCE OF PREMISES: LESSEE HAS INSPECTED THE PREMISES AND ALL BUILDINGS, IMPROVEMENTS AND EQUIPMENT AND HAS FOUND THEM TO BE IN GOOD WORKING ORDER. LESSEE ACCEPTS THE PREMISES AND ALL BUILDINGS, IMPROVEMENTS AND EQUIPMENT WITHOUT ANY WARRANTY BY COMPANY AT ANY TIME, EXPRESS OR IMPLIED, AS TO THEIR CONDITION OR FITNESS FOR ANY PURPOSE.

12. INDEMNITY: Lessee assumes the risk of and sole responsibility for and hereby agrees to indemnify, defend and hold harmless Company, its owners, employees, subsidiaries, affiliates, successors and assigns, against any and all claims for injury, death, loss or damage of any kind or character, to person or property, by whomsoever suffered or asserted, including but not limited to those resulting from or arising out of:

(a) the condition or use of the leased Premises, all buildings, improvements and equipment for which Lessee is responsible hereunder, or Lessee's operation thereon during the term of this Lease or any renewal or extension thereof, and whether due to any latent or patent defect, and except to the extent that such claims arise out of the condition of the Premises prior to the date of this Lease;

(b) the negligence or misconduct of Lessee, its agents, servants or employees, whether occurring on or off the Premises, or of any other person entering upon the Premises under the express or implied invitation of Lessee; or

(c) the failure by Lessee, its agents, servants or employees, to comply with any provision of this Lease.

13. INSURANCE:

(a) Lessee shall maintain, at its expense, commercial general liability insurance with a limit of not less than Two Million Dollars (\$2,000,000) per occurrence.

(b) Lessee shall also maintain insurance against loss or damage by fire, lightning and other risks from time to time included under so-called "all-risk coverage" in amounts sufficient to prevent Company or Lessee from becoming a coinsurer of any loss under the applicable policies but in any event in amounts not less than the full insurable value of the building(s), improvements, equipment and furnishings at the Premises. The term "full insurable value", as used herein, means actual replacement value, as reasonably determined from time to time by Company.

(c) The insurance specified above will name Company and Exxon Mobil Corporation as additional insureds and will be primary as to any other existing, valid and collectible insurance. The types and amounts insurance specified in the preceding subparagraphs are minimum insurance requirements only and may or may not adequately meet the entire insurance needs of Lessee. If Company requires, before Company delivers possession of the Premises to Lessee, Lessee shall furnish Company with certificates of such insurance which provide that coverage will not be cancelled or materially changed prior to thirty (30) days' advance written notice to Company. The insurance required hereunder in no way limits or restricts Lessee's obligation under Section 9 as to indemnification of Company. Further, the insurance to be carried shall be in no way limited by any limitation placed upon the indemnity therein given as a matter of law.

(d) Lessee must obtain the insurance specified above from a company or companies acceptable to Company; provided, however, that Company's approval of such company or companies may not be unreasonably withheld.

14. CASUALTY DAMAGE: If the Premises or any part thereof shall, during the term of this Lease or previous thereto, be damaged by fire, storm, explosion or other casualty, whether or not of the same class or kind enumerated, not caused by the negligence of or misuse by Lessee, Lessee's employees, agents, representatives or contractors, and Company shall elect to repair the same, reduction will be made in the rent corresponding to the time during which and the extent to which the Premises may have been untenable, but if the building or buildings should be so damaged that Company shall decide not to rebuild, either party may terminate this Lease as of the time such damage occurred and in such event, Lessee shall be obligated for rent due up to the time of such termination.

15. TAXES:

(a) Lessee shall bear the cost of: (i) all taxes levied or imposed on Lessee's property located at the Premises and on all personal property of Company that is included with the leased Premises; (ii) all taxes levied or imposed on Lessee's operations pursuant to this Lease, including the distribution, sale or delivery of the products handled at the leased Premises; and (iii) all air compressor and other inspection fees. Company shall be responsible for all real estate taxes

against the Premises. Personal property taxes shall be prorated, as appropriate, during the first and last year of the Lease.

(b) At Company's sole discretion, the payment of any or all of the taxes specified above may be prorated and added to the amount Lessee pays as monthly rent to Company, as set forth on the Face Pages. Company reserves the right to promptly adjust the amount of Lessee's monthly rental at the time of any increase in such taxes.

16. CONDEMNATION:

(a) If the entire Premises shall be taken by condemnation or sold to the condemning authority under threat thereof, this Lease shall terminate on the date of such taking or sale. If only a part of the Premises shall be so taken or sold, but the remainder of the Premises is not suitable for the operation of a retail motor fuel outlet and related business (as specified in the Face Pages), either party may terminate this Lease at any time within forty-five (45) days following such taking or sale without liability to the other party therefor. Any and all payments made for or arising from any such taking or for damages to the Premises resulting therefrom shall belong and be payable entirely to Company.

(b) Lessee waives any and all rights to damages in the event of condemnation, provided, however, that nothing herein shall be deemed to be a waiver of any condemnation damages which are awarded with respect to the business value of Lessee's leasehold interest in the Premises, and Company agrees that Lessee shall be entitled to receive and retain the full amount of any condemnation damage award or settlement granted with respect to the business value of Lessee's leasehold interest in the Premises.

17. TERMINATION:

(a) Subject to applicable law, this Lease shall automatically terminate:

(i) upon expiration of the term stated in the Face Pages;

(ii) under the circumstances of termination described in Section 4, if applicable;

(iii) upon assignment of the Lease or lease of the Premises contrary to Section 8; or

(iv) upon condemnation or sale to the condemning authority of the entire Premises, as described in Section 16.

(b) This Lease may be terminated by Company:

(i) if Lessee makes any material false or misleading statement or representation which induces Company to grant this Lease, or which is relevant to the relationship of the parties hereto;

(ii) if Lessee becomes insolvent or commits an act of bankruptcy or takes advantage of any law for the benefit of debtors or Lessee's creditors, or if a receiver is appointed for Lessee;

(iii) if the Premises are vacant, unattended or not operated as a retail motor fuel outlet and related business (as specified in the Face Pages) for seven (7) or more consecutive days (or such lesser period as may be unreasonable for the Premises to be closed under the circumstances), or if Lessee abandons the Premises, unless such vacation or abandonment is as a result of strikes, inability to obtain materials, failure of power, restrictive governmental laws or regulations, acts of God, incidences of terrorism, wars or riots, civil disturbances, floods, earthquakes, fire, explosions, epidemics, hurricanes, tornadoes, or other reasons of a similar or dissimilar nature which are beyond the reasonable control of Lessee;

(iv) if possession of the Premises by Lessee is interrupted by the act of any government or agency thereof;

(v) if Lessee fails to pay in a timely manner any sums within three days of the date such sums are due hereunder;

(vi) if Lessee defaults on any of its non-monetary obligations under this Lease, and such default continues uncured for a period of ten (10) days following notice thereof from Company; provided, however, that if the default cannot reasonably be cured within ten (10) days, Lessee shall not be in default of this Lease if Lessee commences to cure the default within the ten (10) day period and diligently and in good faith continues to cure the default for up to thirty (30) days following such notice;

(vii) if Lessee is an individual and is (A) declared incompetent to manage Lessee's property or affairs by any court or (B) if Lessee is mentally or physically disabled for three (3) months or more to the extent that Lessee is unable to provide for the continued proper operation of the Premises;

(viii) under the circumstances described as causes for termination by Company under this Lease;

(ix) upon the death of Lessee (if Lessee is an individual);

(x) if Lessee engages in fraud or criminal misconduct relevant to the

operation of the Premises;

(xi) If Lessee is convicted of a felony or of a misdemeanor involving fraud, moral turpitude or commercial dishonesty, whether or not the crime arose from Lessee's operation of the Premises;

(xii) Lessee's failure to personally supervise the operation of the business at the Premises;

(xiii) Lessee's violation of any conditional use permit or other special zoning requirements as referred to in Section 6(q);

(xiv) Lessee's failure to remove, within fifteen (15) days after the levy thereof, any lien, attachment, execution or encumbrance against the Premises, Lessee's interest therein or Lessee's business, arising from an act or default of Lessee; or

(xv) If Lessee is in default of the Supply Agreement, or in default of any other agreement between Company or an affiliate of Company and Lessee.

(c) Lessee shall surrender possession of the Premises immediately on expiration or termination of this Lease. The Premises shall be in the same condition as at the commencement of the term of this Lease, except for (i) normal wear and tear, and (ii) damage or destruction not caused by Lessee's negligent or willful acts or omissions. Prior to surrender of possession of the Premises, Lessee shall, if requested by Company, remove any additions, alterations or improvements Lessee may have made, or signs Lessee may have installed, as set forth in Section 6(h) and (i).

(d) Upon any termination or expiration of this Lease, Company may re-enter and repossess the Premises and remove all persons and property therefrom through any lawful means.

18. NOTICES: All notices required or permitted to be given by this Lease shall be in writing and shall be deemed to be duly given if delivered personally or sent by certified mail to Company or to Lessee, as the case may be, at the addresses set forth on the Face Pages or to such other address as may be furnished by either party to the other in writing. The date of mailing shall be deemed the date of giving such notice, except for notice of a change of address, which must be received to be effective.

19. PRIOR LEASES: This Lease cancels and supersedes any prior lease between Company, as Company, and the above named Lessee, as Lessee, covering all or any part of the Premises covered by this Lease including, without limitation, the PMPA Franchise Agreement (CODO and DOSS) dated June 5, 2007, between Company, as successor in interest to ExxonMobil Oil Corporation, and Lessee, and all agreements and documents related thereto.

20. **WAIVER:** No waiver by either party of any breach of any of the covenants or conditions herein contained to be performed by the other party shall be construed as a waiver of any succeeding breach of the same or any other covenants or condition.

21. **LESSEE'S BUSINESS:** It is understood that Lessee operates an independent business. Nothing in this Lease shall be construed as reserving or granting to Company the right to exercise any control over Lessee's business or the manner in which same shall be conducted; rather, the control and direction of such business and operations shall be and remain in Lessee, subject only to Lessee's performance of the obligations of this Lease. Lessee agrees to display conspicuously on the Premises such signs as Company may provide to Lessee for the purpose of communicating to Lessee's customers that Lessee is an independent businessman. Company shall not be liable to Lessee or Lessee's employees, agents, patrons or invitees, or to any person whomsoever, for any injury to person or damage to property caused by the negligence or misconduct of Lessee, its agents, servants or employees, or of any person entering upon the Premises under the express or implied invitation of Lessee. Lessee has no authority to employ anyone as an employee or agent of Company for any purpose. Any person performing work at Lessee's request is an employee or agent of Lessee and not of Company.

22. **RELATIONSHIP OF PARTIES:** With respect to the Premises, it is the intention of Lessee and Company to create a landlord-tenant relationship only, and Company shall be entitled, in the event of a breach by Lessee of any of the terms, covenants or conditions contained in this Lease, to all the rights and remedies, both legal and equitable, available to a Company under applicable law, including, but not limited to, any summary proceedings that may be brought by Company for possession of leased property, the right to appointment of a receiver and the right to terminate, cancel or declare a forfeiture of this Lease.

23. **SECURITY DEPOSIT; WAIVER OF HOMESTEAD AND EXEMPTION RIGHTS:**

(a) Lessee has paid to Company the sum of Twenty-Five Thousand Dollars (\$25,000) as a security deposit. Any security deposit will be returned to Lessee at the termination or expiration of this Lease provided Lessee has complied with the provisions hereof and of the Supply Agreement. Said deposit shall not bear interest and may be commingled with any other funds of Company. In the event of a default by Lessee in the payment of any of its financial obligations to Company, Company shall be entitled to charge any unpaid amounts owing to it by Lessee against the security deposit held hereunder.

(b) Lessee hereby pledges and assigns to Company all the furniture, fixtures, goods and chattels of such Lessee, which shall or may be brought or put on such Premises as security for the payment of the rent herein reserved, and Lessee agrees that such lien may be enforced by distress foreclosure or otherwise at the election of Company, and does hereby agree to pay reasonable attorney's fees, together with all costs and charges therefor incurred or paid by Company.

(c) Lessee hereby waives and renounces for himself and family any and all homestead and exemption rights he may have now or hereafter, under or by virtue of the Constitution and laws of the state where the Premises are located or of any other state, or of the United States, as against the payment of such rental or any portion hereof, or any other obligation or damage that may accrue under the terms of this Lease.

24. COMPLIANCE WITH LAWS; SEVERABILITY OF PROVISIONS:

(a) Subject to applicable law and Company's obligations under this Lease, including, without limitation, the Maintenance Schedule attached hereto as Exhibit A, Lessee is solely responsible for compliance with all federal, state and local laws, regulations, ordinances and official orders relevant to Lessee's use of the Premises and the operation of Lessee's business. Lessee's responsibility includes, but is not limited to: obtaining and maintaining appropriate business licenses; reporting and paying when due all taxes associated with Lessee's business; compliance with laws dealing with posting of signs, notices and disclosures at the Premises; compliance with laws governing the maintenance, cleanliness and safety of the Premises (including equipment and improvements on the Premises); and compliance with laws relating to the hiring, compensation and discharge of persons employed in connection with Lessee's business.

(b) Lessee also recognizes that it is handling hazardous substances and agrees that, in receiving, storing, handling, offering for sale, selling, delivering for use, exchanging in trade or using itself products purchased from Company, Lessee will in all respects exercise the strictest care required by law and that it will comply with any and all of Company's applicable safety procedures as well as all federal, state and local laws, ordinances, regulations, rules and orders, as exist now, or as may hereinafter come into force, including but not limited to those governing dispensing equipment, pollution, the maximum sulfur content of motor fuel, the maximum lead content of motor fuel, the use and labeling of pump stands and dispensers of motor fuel, the use and labeling of product containers, the use, maintenance and labeling of product storage tanks, the prevention of spills, leaks, venting or other improper escape from product containers or storage tanks, and the method of cleanup or disposal of product which has leaked, spilled, vented or otherwise improperly escaped from containers or storage tanks; and Lessee further understands that it is an "operator" for purposes of 40 C.F.R. Parts 280-281 and any other applicable federal, state and/or local laws, regulations or ordinances related to the prevention of pollution from storage tanks or the taking of corrective action therefor.

(c) in the event that any spills, leaks, venting or other unintended discharge from product containers, pumps, piping or storage tanks ("facilities") requires corrective action for any reason or cause, Company is authorized to suspend immediately its supply and other obligations under this and any related contracts until such time as all required corrective action is completed, and Company is further authorized to enter the property at any time and remove all motor fuels from any or all storage tanks on the Premises and, in its sole discretion, remove storage tanks on the Premises

and related facilities owned by Company. Company shall be under no obligation to replace, repair or restore storage tanks removed pursuant to this Section, and such suspension of obligations and/or removal of storage tanks shall not constitute a default hereunder or give rise to any claims for damages or other compensation.

(d) Lessee shall be solely responsible for retaining and disposing of all hazardous waste and used petroleum products and other substances at the Premises, in strict compliance with applicable law. Company may, from time to time, when necessary or desirable to do so, establish procedures and standards for the handling and disposition of such waste products and substances, and Lessee shall fully comply with the same upon receipt of notice thereof from Company to Lessee.

(e) Lessee shall comply with the provisions and requirements of any program of Company designed to further ensure Lessee's and/or Company's compliance with such rules and regulations.

(f) Both parties expressly agree that it is the intention of neither party to violate statutory or common law and that if any sentence, paragraph, clause or combination of same is in violation of any law, such sentences, paragraphs, clauses or combinations of same shall be inoperative and the remainder of this Lease shall remain binding upon the parties hereto unless in either party's judgment, the remaining portions hereof are inadequate to define the rights and obligations of the parties, in which event such party shall have the right, upon making such determination, to terminate this Lease.

25. ACCELERATION OF RENT ON DEFAULT: The prompt payment of rent and the faithful observance of the other terms and conditions of this Lease are the conditions upon which this Lease is made and accepted, and any failure on the part of Lessee to comply with the terms of this Lease shall, at the option of Company and subject to any applicable law, cause an acceleration of all rent due during the entire term of the Lease, determined by multiplying the minimum rent times the number of months remaining, and shall terminate all of the rights of Lessee hereunder.

26. VACATION OF PREMISES: If Lessee shall abandon or vacate the Premises before the end of the term of this Lease, or shall suffer the rent to be in arrears, Company may, at its option, forthwith cancel this Lease or may enter such Premises as the agent of Lessee and re-let the Premises with or without any personal property that may be therein, as agent of the Lessee, at such price and upon such terms and for such duration of time as Company may determine, and receive the rent due by these presents, and if the full rental herein provided shall not be realized by Company over and above the expenses to Company in such re-letting, then Lessee shall pay any deficiency.

27. TIME OF ESSENCE: It is understood and agreed between the parties hereto that time is of the essence in this Lease and this applies to all terms and conditions contained herein.

28. WATER DAMAGE: It is expressly agreed and understood by and between the

parties to this Lease that Company shall not be liable for any damage or injury by water that may be sustained by Lessee or any other person, or for any other damage or injury resulting from the carelessness, negligence or improper conduct on the part of Lessee or any other tenant, or by Lessee's agents or employees, or by reason of the breakage, leakage or obstruction of the water, sewer or soil pipes, or other leakage in or about the Premises.

29. **NEW OR CHANGED REGULATIONS:** The parties are entering into this Lease in reliance on the regulations, laws and arrangements with governments or governmental instrumentalities (hereinafter called "regulations") in effect on the date of execution hereof by the parties. If the effect of any change in any regulation or of any new regulation (a) is not covered by any other provision of this Lease, and (b) in the affected party's judgment, either (i) has a material adverse effect upon the party or (ii) materially increases the risk to the party of performance under this Lease, the affected party may request renegotiation of the terms of this Lease, to be completed within sixty (60) days after written request therefor, failing which the affected party shall have the right, subject to the requirements of any applicable law, to terminate this Lease effective no less than thirty (30) days after the end of such sixty (60) day period.

30. **BUSINESS ENTITY OR JOINT DEALER:**

This Section shall apply if Lessee is a business entity or composed of more than one person (i.e., any combination of natural persons and business entities).

(a) **Joint and Several Obligations:** If Lessee is composed of more than one person, the obligations imposed hereunder shall be joint and several as to each such person, and all the obligations and grounds for termination specified in this Lease shall be deemed to apply to each such person with the same effect as though such person were the sole Lessee.

(b) **Corporate Authority:** If Lessee is a corporation, Lessee shall deliver to Company on execution of this Lease a certified copy of a resolution of its board of directors authorizing the execution of this Lease and designating the officers and agents who are authorized to receive personal delivery of notices hereunder directed to the corporation. Lessee may by notice to Company designate additional or other persons for receipt of personally delivered notices by Company.

(c) **Personal Obligations and Provisions:** If Lessee is a business entity, or a joint Lessee, Lessee shall designate a Key Management Person (subject to Company's prior approval) as identified on the Face Page to exercise primary management responsibility for Lessee's day-to-day operations at the Premises. Company may look to the Key Management Person in connection with the performance of Lessee's obligations hereunder. Lessee may change Lessee's Key Management Person upon Company's prior written approval.

31. **ATTORNEYS' FEES, COSTS, INTEREST:** In any litigation between the

parties pertaining to this Lease, the prevailing party will be entitled to recover from the other party reasonable attorney's fees and other legal costs the party incurs in order to secure, defend or protect the rights inuring to the prevailing party under this Lease, or to enforce the terms hereof. In addition, in the event Lessee is delinquent in paying any monies which are required to be paid to Company pursuant to this Lease, Lessee agrees that such monies shall bear interest from the date such monies were due to be paid at the rate of twelve percent (12%) per annum or the maximum legal rate, whichever is lower.

32. **ACCORD:** The parties to this Lease have discussed the provisions herein and find them mutually satisfactory, and further agree that in all respects the provisions are reasonable and of material significance to the relationship of the parties hereto and a failure to carry out same in good faith shall conclusively be deemed to be substantial.

33. **QUIET ENJOYMENT:** Except as provided for in this Lease and in Maryland law, Company covenants that Lessee shall quietly enjoy the Premises during the term hereof, provided the Lessee is not in default hereunder.

34. **GOVERNING LAW:** This Lease shall be interpreted and enforced in accordance with the laws of the state of Maryland, without reference to its choice of laws principles.

35. **ENTIRE AGREEMENT:** THIS LEASE CONTAINS THE ENTIRE AGREEMENT AND UNDERSTANDING BETWEEN COMPANY AND LESSEE PERTAINING TO THE SUBJECT MATTER OF THIS LEASE. THERE ARE NO ORAL REPRESENTATIONS, STIPULATIONS, WARRANTIES OR UNDERSTANDINGS RELATING THERETO WHICH ARE NOT FULLY SET FORTH HEREIN. No amendment, addition to, alteration, modification or waiver of any provision of this Lease shall be of any force or effect unless in writing and signed by Lessee and an authorized representative of Company.

37. **HEADINGS:** The headings of the paragraphs of this Lease are for convenience only and do not in any way limit, amplify or otherwise affect the covenants and agreements contained in this instrument.

38. **COUNTERPARTS; SIGNATURES:** This Lease may be executed in any number of counterparts, each of which shall be deemed an original but all of which shall constitute one and the same instrument. This Lease may be signed by facsimile or electronic signatures, and such signatures shall have the same force and effect as original signatures.

39. **ADDITIONAL PROVISIONS:** See the Maintenance Schedule, which is attached to this Lease as Exhibit A and incorporated herein by reference.

SIGNATURES ON FACE PAGES

EXHIBIT A: MAINTENANCE SCHEDULE

This Maintenance Schedule is a part of, and is incorporated into, the foregoing Lease Agreement. Pursuant to the Lease, the parties' maintenance, repair and replacement obligations are set forth below.

Legend:

- D Dealer Responsibility
- SSO Southside Oil Responsibility
- SSO* Joint responsibility: Southside Oil is responsible for 90% of the cost of the work scope, and the Dealer is responsible for a 10% deductible. The Dealer may incur a maximum of \$1,000 in deductible payments for any given calendar year.
- MCC Maintenance Call Center: Email: fbait@southsideoil.com or (804) 706-4702 Ext. 312

	<u>REPAIR</u>	<u>REPLACE</u>	<u>IF SSO RESP.</u>	<u>FOOT-</u>
	<u>RESP.</u>	<u>RESP.</u>	<u>CONTACT</u>	<u>NOTES</u>
I. BUILDING, CANOPY, AND CAR WASH				
A. STRUCTURE				
Cabinets	D	D		
Canopy	SSO	SSO	MCC	1
Doors				2
Overhead	D	SSO*	MCC	
Walkthrough	D	D		
Electric				
Above ground (incl. bulbs & ballasts replacement)	D	D		
Below ground (req. excavation)	SSO	SSO	MCC	
Panel/Upgrades	D	SSO or D	MCC	3
Extermination	(Dealer is responsible for extermination)			1
Floor tile and walk-off mats	D	D		
Glass	D	D		
Gutter & downspouts, bldg. (incl. clean-outs)	D	D		
Locks (incl. manual and electric on all doors)	D	D		
Painting & Washing	D	D		4
Pass-through drawer	D	D		
Plumbing				
Backflow devices (incl. certified)	D	D		
Fixtures	D	D		2

	REPAIR RESP.	REPLACE RESP.	IF SSO RESP. CONTACT	FOOT- NOTES
Sinks, Toilets, urinals, faucets, stoppages of faucets, flush mechanisms, floats, valves, etc.	D	D		
Floor drains (Dir. resp. for clean-outs)	SSO	SSO	MCC	
Water Piping				
Above ground	D	D		
Below ground (req. excavator)	SSO	SSO	MCC	
Restroom exhaust fans	D	D		
Roofs	D	SSO*	MCC	
Sewer System				
Holding Tanks (Dir. resp. for pump-outs)	SSO	SSO	MCC	
Main sewer line (Dir. resp. for blockages)	SSO	SSO	MCC	
Septic System (Dir. resp. for pump-outs)	SSO	SSO	MCC	
Shelving	D	D		
Walls				
Non-Structural repairs	D	D		
Structural repairs	SSO	SSO	MCC	
Window Frames	D	D		
B. EQUIPMENT				
Air conditioner				
Unit/Condenser	D	SSO*	MCC	
Ducts	D	D		
Car vacuum (Car wash and bay)	D	D		
Car wash Equipment	D	D		
Carwash reclaim pits (Dir. resp. for clean-outs)	SSO	SSO	MCC	
Cigarette intrusion detectors	D	D		
Cigarette racks (incl. installation)	D	D		
Fire extinguisher (incl. installation)	D	D		
Fire Suppression Systems (Dir. resp. for inspec.)	D	SSO		
Furnace, oil tanks, heaters, heat pump)	D	SSO*	MCC	
Filter replacement	D	D		
Ducts	D	D		
Lockbox	D	D		
Refrigeration Equipment				
Chest, freezer, reach-in cooler				
Southside Oil, LLC Owned	D	SSO*	MCC	
Dealer Owned	D	D		
Ice Maker and ice dispenser	D	D		
Walk-in cooler/Condenser	D	SSO*		
Restroom Furnishing				
Coat hooks, mirrors, shelves, soap dispensers, Toilet tissue dispenser, towel dispensers, etc.	D	D		
Safes and autobanks (incl. recombination and lock changes)	D	D		

	<u>REPAIR RESP.</u>	<u>REPLACE RESP.</u>	<u>IF SSO RESP. CONTACT</u>	<u>FOOT-NOTES</u>
Store Accessories	D	D		
Coffee makers, juice and soda dispensers, cup dispensers, ice dispensers, microwaves, etc.				3
Snack Shop/Bay Planning	D	D		
Customer record desk, laboratory backwall, overheated titeracks, salesroom backwall and module, stools, utility room shelving, etc.				
Waste Baskets	D	D		
Water cooler/fountain	D	D		
Water Heater	D	D		
II. SERVICE & DISPENSING EQUIPMENT				
Air compressor	D	SSO*	MCC	
Air Piping				
Above Ground	D	D		
Below Ground (req. excavation)	SSO	SSO	MCC	
Air/Water tower and islanders (incl. hoses, chucks, nozzles and bibs)	D	D		
Credit card imprinter	D	D		
Dispensers				
Dispensers (incl. filter replacement)	SSO	SSO	MCC	
CATS/CRINDS	SSO	SSO	MCC	5
Hoses, nozzles, swivels, retractors, breakaway cables and price signs required by law	D	D		
Calibrations	SSO	SSO	MCC	
Express Lube Equipment	D	D		
Intercoms (Self-service)	D	SSO	MCC	
Leak detectors	SSO	SSO	MCC	
Leak monitoring and secondary containment systems	SSO	SSO	MCC	
Lifts (Dlr. resp. for maint./repl. of oil)	D	SSO*	MCC	6
Lube Equipment	D	D		
Piping in front of walls (Visible)	D	D		
Piping behind walls	SSO	SSO	MCC	
Monitoring Wells	SSO	SSO	MCC	
POS Terminal	SSO	SSO	MCC	5
Submersible pumps	SSO	SSO	MCC	
Sump and grease traps (dlr. Resp. for clean-outs)	SSO	SSO	MCC	
Tanks: Product, waste oil and fuel oil				
Fill boxes (Dealer responsible for cleanout)	SSO	SSO	MCC	
Fill locks	D	D		
Overfill containment	SSO	SSO	MCC	
Piping (lines)	SSO	SSO	MCC	
Underground storage tanks	SSO	SSO	MCC	
Test tanks/lines	SSO	SSO	MCC	
Water/sludge pump out	SSO	SSO	MCC	

	<u>REPAIR RESP.</u>	<u>REPLACE RESP.</u>	<u>IF SSO RESP. CONTACT</u>	<u>FOOT-NOTES</u>
Waste oil and product tank gauge sticks, and water paste	D	D		
Water cans or buckets	D	D		
Work benches, gondolas, and desks	D	D		4

III. SIGNAGE

ID Signs (up to 25 feet off the ground)	D	SSO	MCC	6
Hi-rise signs (over 25 feet off the ground)	SSO	SSO	MCC	
Dealer-Owned Signs (Prices, snaplock, service, merchandise, IMU, POS, stamp and restroom signs, dealer name plate)	D	D		
Southside Oil Signs				
Building/canopy legends, Pegasus discs, IDU's	D	SSO		
Decals and no smoking signs	D	D		

IV. ISLAND AND YARD

Air Piping				
Above ground	D	D		
Below ground (req. excavation)	SSO	SSO		
Asphalt (Dir. resp. for sealcoating)				
Potholes	D			
Repaving/skin coat		SSO	MCC	
Concrete				
Patching	D			
Island/drive mat replacement	SSO	MCC		
Driveway signal system and hoses	D	D		
Electrical (Area light fixture and poles, disc island lights, low level lights, other light fixtures, canopy uplights and downlights)				7
Above ground	D	SSO	MCC	
Below ground (reg. excavation)	SSO	SSO	MCC	
Fence	D	D		
Landscaping and planting	D	D		
Security equipment (Cameras, mirrors, etc.)	D	D		
Sprinklers (incl. winterizing)	D	D		
Tire racks, portable	D	D		
Water piping				
Above ground (incl. faucets and bibs)	D	D		
Below ground	SSO	SSO	MCC	
Water well	D	SSO	MCC	
Yard drain (Dir. resp. for clean-outs)	SSO	SSO	MCC	

	<u>REPAIR RESP.</u>	<u>REPLACE RESP.</u>	<u>IF SSO RESP. CONTACT</u>	<u>FOOT-NOTES</u>
V. MISCELLANEOUS				
Divestments	SSO	SSO	MCC	
Environmental				
Spills, leaks, clean up, make safe, product recovery	SSO	SSO	MCC	
Vapor recovery piping system	SSO	SSO	MCC	5

FOOTNOTES

1. Dealer is responsible for preventative maintenance, including but not limited to, gutter/drain clean-outs, panel replacement and securing, replacement of missing screws, and caulking. Dealer is responsible for notifying Southside Oil of excessive pigeon waste. Southside Oil is responsible for removal of pigeon waste.
2. Dealer is responsible for notifying BDM (Business Development Manager) if a security enclosure or a walk-through door involving bullet-resistant glass needs replacement. Dealer is also responsible for the replacement of weather stripping on overhead and walk-through doors.
3. Upgrades to the electrical service and replacement of existing services will fall into the following schedule of responsibility:
 - A. Upgrades to existing services should be performed with building/configuration modifications.
 - (i) Southside Oil is responsible for upgrading the service at stations where Southside Oil performed a capital project and failed to update the service accordingly.
 - (ii) If the need for upgrade is the result of the dealer having increased the electrical demands at location, the dealer is responsible for updating the service.
 - B. Unusual circumstances will be investigated with Southside Oil making the final decision.
 - C. Southside Oil is responsible for replacing worn out electrical services.
4. Southside Oil is responsible for painting the canopy if and only if the canopy cannot be power washed. Canopy painting is considered to be discretionary maintenance and is subject to management approval after power washing has been attempted.
5. Call Gilbarco Help Desk 1-800-800-7498 for software questions/problems.
6. Dealer is responsible for the re-securing and re-lamping of all signs, the pinning of the rotating sign, and the replacement of the lamps ballasts in ID signs, price signs, Pegasus discs, and legends. Southside Oil is responsible for the replacement of bulbs, ballasts and fixtures in Hi-Rise ID signs.
7. Dealer is responsible for replacement of lamps and ballasts, and Southside Oil is responsible for replacement of lights fixtures and poles due to the normal wear and tear.

SECURITY AGREEMENT

THIS AGREEMENT, made as of July 15, 2012, by and between SOUTHSIDE OIL LLC, a Virginia limited liability company having its principal place of business at 1011 Boulder Springs Drive, Suite 100, Richmond, Virginia 23225 ("Distributor"); and LEONARD E. SHIP, an individual having his principal place of business at 408 North Frederick Avenue, Gaithersburg, Maryland 20877 ("Dealer"), provides as follows:

WITNESSETH:

WHEREAS, Distributor is a distributor of motor fuel and other petroleum products at a convenience store and retail gasoline facility located at 408 North Frederick Avenue, Gaithersburg, Maryland 20877 (the "Store"); and

WHEREAS, Dealer is desirous of obtaining motor fuel and other products from Distributor for purposes of resale, and Distributor is willing to furnish such products on consignment to Dealer, provided that any past indebtedness of Dealer to Distributor as well as any future deliveries of such products are adequately secured.

NOW, THEREFORE, in consideration of the mutual covenants herein set forth, and for other good and valuable consideration, the receipt of which is hereby acknowledged, the parties hereto agree as follows:

1. That Dealer hereby grants unto Distributor a security interest in the property of Dealer described below, hereinafter referred to as "Collateral," and any and all accessions thereto, to secure the payment of all outstanding indebtedness and also any liabilities now existing or hereafter arising of whatever nature, including but not limited to, all costs and expenses incurred in the collection of the indebtedness, including reasonable attorney's fees.
2. The Collateral covered by the security interest granted herein is described as follows:
 - (a) all inventory of Dealer at the Store, now owned or hereafter acquired;
 - (b) all accounts receivable of Dealer, now owned or hereafter acquired;
 - (c) all motor fuel and petroleum products supplied to Dealer at the Store by Distributor;
 - (d) all equipment of Dealer, now existing or hereafter acquired, at the Store; and
 - (e) all proceeds and products of any and all of the foregoing described property.
3. Dealer acknowledges and agrees that full legal and beneficial ownership and title to all gasoline and other petroleum fuels inventory shall remain with Distributor and not be merely a

retained security interest, notwithstanding the provisions of Section 2-401 of the Maryland Uniform Commercial Code, and furthermore, all gasoline and other petroleum fuels inventory shall not be deemed to be held by Dealer "on sale or return," notwithstanding the provisions of Section 2-326 of the Maryland Uniform Commercial Code. Upon the request of Distributor, Dealer shall assist Distributor in filing the appropriate UCC Financing Statement Forms UCC-1 and any amendments or other documents as may be reasonably necessary to evidence and protect Distributor's title to all gasoline and other petroleum fuels inventory held by Dealer on consignment.

4. As it is the mutual desire of both parties that Distributor continue to furnish Dealer with motor fuel and other petroleum products, it is further agreed between the parties that any and all future indebtedness of Dealer resulting from the extension of credit in the sale of such products by Distributor is covered by this Security Agreement. The obligations covered by this Security Agreement also include any and all future advances of whatever nature.

5. Dealer further agrees to join with Distributor at any time and from time to time in executing any separate agreement or agreements and performing any other act or thing which Distributor deems necessary to acquire and maintain the security interest granted herein. Dealer hereby expressly authorizes Distributor to prepare, execute and file any financial statements deemed necessary by Distributor, in accordance with the version of the Uniform Commercial Code in force in the jurisdiction in which Dealer's principal place of business is located.

6. Upon the happening of any of the following events or conditions, Distributor may, at its election, declare the entire amount of the indebtedness then outstanding due and payable at once:

(a) default in the payment or performance of any of the obligations or of any covenant or liability contained or referred to in any note or agreement between Distributor and Dealer evidencing or creating any of the obligations secured hereunder;

(b) the loss or destruction of the Collateral or any part thereof;

(c) Dealer's death, dissolution, termination of existence, insolvency, business failure, appointment of a receiver for any part of its property, assignment for the benefit of creditors or the commencement of any proceedings under any bankruptcy or insolvency laws by or against Dealer; or

(d) Distributor deems itself insecure for any reason.

Distributor shall have, upon any of the above-named events or conditions, the rights and remedies of a secured party under the version of the Uniform Commercial Code in force in the jurisdiction in which Dealer's place of business is located, including the right to enter any premises of Dealer, without legal process, and take possession of and remove the Collateral.

7. The rights and privileges of Distributor as described herein shall inure to the benefit of its successors and assigns, and all obligations of Dealer as described herein shall be binding upon its successors and assigns.

8. This Agreement may be executed in any number of counterparts, each of which shall be deemed an original but all of which shall constitute one and the same instrument. This Agreement may be signed by facsimile or electronic signatures, and such signatures shall have the same force and effect as original signatures.

IN WITNESS WHEREOF, this Security Agreement has been duly executed as of the day and year first above written.

Distributor:

SOUTHSIDE OIL, LLC

By: _____ (SEAL)
Donald P. Bassell, CFO

Witness

Dealer:

LEONARD E. SHIPE

By: _____ (SEAL)
Leonard E. Shipe

Witness

