Risk Factors Comparison 2024-02-27 to 2023-02-28 Form: 10-K

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Limited partner interests are inherently different from the capital stock of a corporation although many of the business risks to which we are subject are similar to those that would be faced by a corporation engaged in a similar business. Risk Factor Summary Below is a summary of our risk factors: • We may not have sufficient distributable cash from operations to enable us to pay our quarterly distributions. • If we are unable to make acquisitions on economically acceptable terms, our future growth and ability to increase distributions to unitholders will be limited, and any acquisitions are subject to substantial risks. • Volatility in crude oil and wholesale motor fuel costs affect our business, financial condition and results of operations and our ability to make distributions to unitholders. • Seasonality in wholesale motor fuel costs and sales, as well as merchandise sales, affect our business, financial condition and results of operations and our ability to make distributions to unitholders. • Both the wholesale motor fuel distribution and the retail motor fuel industries are characterized by intense competition and fragmentation. • Changes in credit or debit card expenses could reduce our gross profit, especially on motor fuel sold at company- operated retail sites. • New entrants or increased competition in the convenience store industry could result in reduced gross profits. • General economic, financial and political conditions that are largely out of our control could adversely affect our business, financial condition and results of operations and reduce our ability to make distributions to unitholders. • Changes in consumer behavior and travel as a result of changing economic conditions, labor strikes or otherwise could adversely affect our business, financial condition and results of operations and reduce our ability to make distributions to unitholders. • Broad- based business or economic disruptions caused by health crises could adversely affect our business, financial condition, results of operations or cash available for distribution to our unitholders. • A shortage of qualified labor could have a material adverse effect on our business and results of operations. • We are subject to extensive government laws and regulations concerning store merchandise items, operations, employees, environmental matters and product quality specifications of motor fuel that we distribute and sell. The cost of compliance with such laws and regulations may be material. • A significant decrease in demand for motor fuel, including increased consumer preference for alternative motor fuels or improvements in fuel efficiency, in the areas we serve would reduce our ability to make distributions to our unitholders. • Changes in U. S. trade policy, including the imposition of tariffs and the resulting consequences, may have a material adverse impact on our business, operating results and financial condition. • Increased attention to environmental, social and governance (" ESG ") matters and conservation measures may adversely impact our business. • Unfavorable weather conditions could adversely affect our business, financial condition and results of operations and reduce our ability to make distributions to unitholders. • We depend on four principal suppliers for the majority of our motor fuel **and one principal supplier for our merchandise** . • Negative events or developments associated with our branded suppliers could have an adverse impact on our revenues. • We rely on our suppliers to provide trade credit to adequately fund our ongoing operations. • We could be adversely affected by the creditworthiness and performance of our customers, suppliers and contract counterparties. • Pending or future litigation could adversely affect our financial condition and results of operations. • The dangers inherent in the storage and transport of motor fuel could cause disruptions and could expose us to potentially significant losses, costs or liabilities. • We depend on third- party transportation providers for the transportation of all of our motor fuel. • Our motor fuel sales are generated under contracts that must be renegotiated or replaced periodically. • We rely on our information technology systems and network infrastructure to manage numerous aspects of our business and could be adversely affected by the failure to protect sensitive customer, employee or vendor data. • Our debt levels and debt covenants may limit our flexibility in obtaining additional financing and in pursuing other business opportunities and our ability to make distributions to unitholders. • A continued increase in interest rates may cause the market price of our common units to decline and a significant increase in interest rates could adversely affect our ability to service our indebtedness. • We do not own all of the land on which our sites and certain facilities are located, which could result in increased costs and disruptions to our operations. • We may not be able to lease sites we own or sub- lease sites we lease on favorable terms. • We rely on DMI and Circle K to indemnify us for any costs or expenses that we incur for certain environmental liabilities and third- party claims. • The Topper Group controls us and may have conflicts of interest with us. Further, our General Partner and its affiliates, including the Topper Group, may have conflicts of interest with us and limited fiduciary duties and they may favor their own interests to the detriment of our unitholders and us. • The Topper Group or the Board may modify or revoke our cash distribution policy at any time at their discretion. Our Partnership Agreement does not require us to pay any distributions at all. • We rely on the employees of the Topper Group to provide key management services to our business pursuant to the Omnibus Agreement. • Our General Partner has limited liability regarding our obligations. • If we distribute a significant portion of our cash available for distribution to our partners, our ability to grow and make acquisitions could be limited. • Our Partnership Agreement replaces, eliminates and modifies, as applicable, the duties, including the fiduciary duties, of our General Partner, the Board or any committee thereof, and modifies the burden of proof in any action brought against the General Partner, the Board or any committee thereof. • Our General Partner' s affiliates, including the Topper Group, may compete with us. • Holders of our common units have limited voting rights. • Our General Partner interest or the control of our General Partner may be transferred to a third party without unitholder consent, and our General Partner has a call right that may require unitholders to sell their common units at an undesirable time or price. • The market price of our common units could be adversely affected by sales of substantial amounts of our common units in the public or private markets, including sales by the Topper Group or other large holders. • We may issue unlimited additional units without unitholder approval, which would dilute existing unitholder ownership interests, and our General Partner' s discretion in establishing cash reserves may reduce the amount of cash available for distribution to unitholders. • Our Partnership Agreement restricts the voting rights of unitholders owning 20 % or more of our common units. • Management fees and cost reimbursements due to our General Partner and the Topper Group for services provided to us or on our behalf will reduce cash available for distribution to our unitholders. • Our tax treatment depends in large part on our status as a partnership for U. S. federal income tax purposes. • We have subsidiaries that are treated as corporations for U. S. federal income tax purposes and are subject to entity- level U. S. federal, state and local income and franchise tax. • The tax treatment of publicly traded partnerships or an investment in our common units could be subject to potential legislative, judicial or administrative changes and differing interpretations, possibly on a retroactive basis. • Our unitholders are required to pay taxes on their share of income from us even if they do not receive any cash distributions from us. • Unitholders may be subject to limitation on their ability to deduct interest expense incurred by us. • Tax gain or loss on the disposition of our common units could be more or less than expected. • Tax- exempt organizations and non- U. S. persons face unique tax issues from owning common units that may result in adverse tax consequences to them. • Our unitholders are subject to state and local income taxes and return filing requirements in states and localities where they do not live as a result of investing in our common units. • We will treat each purchaser of our common units as having the same tax characteristics on a per- unit basis without regard to the actual common units purchased. • We prorate our items of income, gain, loss and deduction for U. S. federal income tax purposes and allocate them between transferors and transferees of our common units each month based upon the ownership of our common units on the first business day of each month and as of the opening of the applicable exchange on which our common units are listed, instead of on the basis of the date a particular common unit is transferred. • If a unitholder loans their common units to a short seller to cover a short sale of common units, they may be considered to have disposed of those common units for U. S. federal income tax purposes. • We have adopted certain valuation methodologies that may result in a shift of income, gain, loss and deduction between our General Partner and the unitholders. • If the IRS makes audit adjustments to our income tax returns for tax years beginning after 2017, it (and some states) may assess and collect any resulting taxes (including any applicable penalties and interest) directly from us, in which case we may require our unitholders and former unitholders to reimburse us for such taxes (including any applicable penalties or interest) or, if we are required to bear such payment, our cash available for distribution to our unitholders might be substantially reduced. Risks Relating to Our Industry and Our Business We may not have sufficient distributable cash from operations to enable us to pay our quarterly distribution following the establishment of cash available for distribution and payment of fees and expenses. We may not have sufficient cash each quarter to pay quarterly distribution at current levels or at all. The amount of cash we can distribute on our common units principally depends upon the amount of cash we generate from our operations, which will fluctuate from quarter to quarter based on, among other things: • demand for motor fuel products in the markets we serve, including seasonal fluctuations, and the margin per gallon we earn selling and distributing motor fuel; • the wholesale price of motor fuel and its impact on the payment discounts we receive; • **demand for merchandise and services in the markets we serve, including seasonal fluctuations, and the margin percentage we earn; •** seasonal trends in the industries in which we operate; • supply, and the impact that severe storms could have to our suppliers' and customers' operations; • competition from other companies that sell motor fuel products or operate retail sites in our targeted market areas; • the inability to identify and acquire suitable sites or to negotiate acceptable leases for such sites; • the potential inability to obtain adequate financing to fund our expansion; • the level of our operating costs, including payments to the Topper Group under the Omnibus Agreement; • prevailing economic conditions; • regulatory actions affecting the supply of or demand for motor fuel, our operations, our existing contracts or our operating costs; and • volatility of prices for motor fuel. In addition, the actual amount of cash we will have available for distribution will depend on other factors such as: • the level and timing of capital expenditures we make; • the **level and timing of sales of sites in connection with our real estate optimization plan; • the** restrictions contained in our credit facilities; • our debt service requirements and other liabilities; • the cost of acquisitions, if any; • fluctuations in our working capital needs; • our ability to borrow under ~~our~~ **the CAPL** ~~credit~~ **Credit** ~~facilities~~ **Facility** and access capital markets on favorable terms, or at all; and • the amount, if any, of cash reserves established by our General Partner in its discretion. Incurring additional debt may significantly increase our interest expense and financial leverage and issuing additional limited partner interests may result in significant unitholder dilution and would increase the aggregate amount of cash required to maintain the cash distribution rate, which could materially decrease our ability to pay distributions. Consequently, there is no guarantee that we will distribute quarterly cash distributions to our unitholders in any quarter. The amount of cash we have available for distribution to unitholders depends primarily on our cash flow rather than on our profitability, which may prevent us from making cash distributions, even during periods when we record net income. The amount of cash we have available for distribution depends primarily on our cash flow, and not solely on profitability, which will be affected by non- cash items. As a result, we may make cash distributions during periods when we record losses for financial accounting purposes and may not make cash distributions during periods when we record net income for financial accounting purposes. If we are unable to make acquisitions on economically acceptable terms, our future growth and ability to increase distributions to unitholders will be limited. Our strategy to grow our business and increase distributions to unitholders is dependent **in part** on our ability to make acquisitions that result in an increase in cash flow. Our growth strategy is based, in large part, on our expectation of ongoing divestitures of retail and wholesale fuel distribution assets by industry participants. We may be unable to make accretive acquisitions for any of the following reasons: • we are unable to identify attractive acquisition candidates or negotiate acceptable purchase contracts for them; • we are unable to raise financing for such acquisitions on economically acceptable terms, for example, if the market price for our common units declines; • we are outbid by competitors; or • we or the seller are unable to obtain any necessary consents. If we are unable to make acquisitions on economically acceptable terms, our future growth and ability to increase distributions to unitholders will **likely** be limited. In addition, if we consummate any future acquisitions, our capitalization and results of operations may change significantly. We may also consummate acquisitions, which at the time of consummation we believe will be accretive, but ultimately may not be accretive and may in fact result in a decrease in distributable cash flow per unit as a result of incorrect assumptions in our evaluation of such acquisitions, unforeseen consequences, or other external events beyond our control. If any of these events occurred, our future growth could be adversely affected. Any acquisitions are subject to substantial risks that could adversely affect our business, financial condition and results of operations and reduce our ability to make distributions to unitholders. Any acquisitions involve potential risks, including, among other things: • the validity of our assumptions about revenues, demand, capital expenditures and operating costs of the acquired business or assets, as well as assumptions about achieving synergies with our existing business; • the incurrence of substantial unforeseen environmental and other liabilities arising out of the acquired businesses or assets, including liabilities arising from the operation of the acquired businesses or assets prior to our acquisition, for which we are not indemnified or for which the indemnity is inadequate; • the costs associated with additional debt or equity capital, which may result in a significant increase in our interest expense and financial leverage resulting from any additional debt incurred to finance the acquisition, or the issuance of additional common units on which we will make distributions, either of which could offset the expected accretion to our unitholders from any such acquisition and could be exacerbated by volatility in the equity or debt capital markets; • a failure to realize anticipated benefits, such as increased available distributable cash flow, an enhanced competitive position or new customer relationships; • the inability to timely and effectively integrate the operations of recently acquired businesses or assets, particularly those in new geographic areas or in new lines of business; • unforeseen difficulties operating in new and existing product areas or new and existing geographic areas; • a decrease in our liquidity by using a significant portion of our available cash or borrowing capacity to finance the acquisition; • the incurrence of other significant charges, such as impairment of goodwill or other intangible assets, asset devaluation or restructuring charges; • performance from the acquired assets and businesses that is below the forecasts we used in evaluating the acquisition; • a significant increase in our working capital requirements; • competition in our targeted market areas; • customer or key employee loss from the acquired businesses and the inability to hire, train or retain qualified personnel to manage and operate such acquired businesses; and • diversion of our management' s attention from other business concerns. In addition, our ability to purchase or lease additional sites involves certain potential risks, including the inability to identify and acquire suitable sites or to negotiate acceptable leases or subleases for such sites and difficulties in adapting our distribution and other operational and management systems to an expanded network of sites. Our reviews of businesses or assets proposed to be acquired are inherently imperfect because it generally is not practicable to perform a perfect review of businesses and assets involved in each acquisition. Even a detailed review of assets and businesses may not necessarily reveal existing or potential problems, nor will it permit a buyer to become sufficiently familiar with the assets or businesses to fully assess their deficiencies and potential. For example, inspections may not always be performed on every asset, and environmental problems, such as groundwater contamination, are not necessarily observable even when an inspection is undertaken. Unitholders will not have the opportunity to evaluate the economic, financial and other relevant information that we will consider in determining the application of our funds and other resources toward the acquisition of certain businesses or assets. For ~~2022~~ **2023** , motor fuel revenues accounted for ~~92~~ **90** % of our total revenues and motor fuel gross profit accounted for ~~59~~ **55** % of total gross profit. Wholesale motor fuel costs are directly related to, and fluctuate with, the price of crude oil. Volatility in the price of crude oil, and subsequently wholesale motor fuel prices, is caused by many factors, including general political, regulatory and economic conditions, acts of war **, including as a result of the conflict in Ukraine or the war between Israel and Hamas** , terrorism or armed conflict, instability in oil producing regions, particularly in the Middle East and South America, and the value of U. S. dollars relative to other foreign currencies, particularly those of oil producing nations. In addition, the supply of motor fuel and our wholesale purchase costs could be adversely affected in the event of a shortage or oversupply of product, which could result from, among other things, interruptions of fuel production at oil refineries, new supply sources, sustained increases or decreases in global demand or the fact that our motor fuel contracts do not guarantee an uninterrupted, unlimited supply of motor fuel. Significant increases and volatility in wholesale motor fuel costs could result in lower gross profit dollars, as an increase in the retail price of motor fuel could impact consumer demand for motor fuel and convenience merchandise and could result in lower wholesale motor fuel gross profit dollars. As the market prices of crude oil, and, correspondingly, the market prices of wholesale motor fuel, experience significant and rapid fluctuations, we attempt to pass along wholesale motor fuel price changes to our customers through retail price changes; however, we are not always able to do so immediately. The timing of any related increase or decrease in sales prices is affected by competitive conditions in each geographic market in which we operate. As such, our revenues and gross profit for motor fuel can increase or decrease significantly and rapidly over short periods of time and potentially adversely impact our business, financial condition, results of operations and ability to make distributions to our unitholders. The volatility in crude oil and wholesale motor fuel costs and sales prices makes it extremely difficult to forecast future motor fuel gross profits or predict the effect that future wholesale costs and sales price fluctuations will have on our operating results and financial condition. Oil prices, wholesale motor fuel costs, motor fuel sales volumes, motor fuel gross profits and merchandise sales often experience seasonal fluctuations. For example, consumer demand for motor fuel typically increases during the summer driving season and typically falls during the winter months. Travel, recreation and construction are typically higher in these months in the geographic areas in which we operate, increasing the demand for motor fuel and merchandise that we sell. Therefore, our revenues are typically higher in the second and third quarters of our fiscal year. A significant change in any of these factors, including a significant decrease in consumer demand (other than typical seasonal variations), could materially affect our motor fuel and merchandise volumes, motor fuel gross profit and overall customer traffic, which in turn could have a material adverse effect on our business, financial condition, results of operations and cash available for distribution to our unitholders. Both the wholesale motor fuel distribution and the retail motor fuel industries are characterized by intense competition and fragmentation, and our failure to effectively compete could adversely affect our business, financial condition and results of operations and reduce our ability to make distributions to unitholders. The markets for distribution of wholesale motor fuel and the sale of retail motor fuel are highly competitive and fragmented, which results in narrow margins. We have numerous competitors, and some may have significantly greater resources and name recognition than we do. We rely on our ability to provide value added reliable services and to control our operating costs to maintain our margins and competitive position. If we were to fail to maintain the quality of our services, any or all of our wholesale customers could choose alternative distribution sources and expected retail customers could purchase from other retailers, each decreasing our margins. Furthermore, major integrated oil companies may decide to distribute their own products in direct competition with us, or large wholesale customers may attempt to buy directly from the major integrated oil companies. The occurrence of any of these events could have a material adverse effect on our business, results of operations and our ability to make distributions to our unitholders. A significant portion of sales at our company- operated retail sites typically involve payment using credit or debit cards. We are assessed fees as a percentage of transaction amounts and not as a fixed dollar amount or percentage of our gross profits. Higher motor fuel prices result in higher credit and debit card expenses, and an increase in credit or debit card use or an increase in fees have a similar effect. Therefore, credit and debit card fees charged on motor fuel purchases that are more expensive as a result of higher motor fuel prices are not necessarily accompanied by higher gross profits. In fact, such fees may cause lower gross profits. Lower gross profits on motor fuel sales caused by higher fees may decrease our overall gross profit and could have a material adverse effect on our business, financial condition, results of operations and cash available for distribution to our unitholders. At our company operated retail sites, we compete with numerous other convenience store chains, independent convenience stores, supermarkets, drugstores, discount warehouse clubs, motor fuel service stations, mass merchants, fast food operations and other similar retail outlets. In addition, several non-traditional retailers, including supermarkets and club stores, compete directly with convenience stores. An increase in competition from such competitors, or the entrance of additional competitors, could result in reduced gross profits and have a material adverse effect on our business, financial condition or results of operations. Recessionary economic conditions, higher interest rates, higher motor fuel and other energy costs, inflation, increases in commodity prices, higher levels of unemployment, higher consumer debt levels, higher tax rates and other changes in tax laws or other economic factors may affect consumer spending or buying habits, and could adversely affect the demand for motor fuel and convenience items we will sell at our retail sites. Unfavorable economic conditions, higher motor fuel prices and unemployment levels can affect consumer confidence, spending patterns and miles driven, with many customers “ trading down ” to lower priced products in certain categories when unfavorable conditions exist. These factors could lead to sales declines in both motor fuel and general merchandise, and in turn could have an adverse impact on our business, financial condition and results of operations. A tightening of credit in the financial markets or an increase in interest rates may make it more difficult for wholesale customers and suppliers to obtain financing and, depending on the degree to which it occurs, may cause a material increase in ~~the~~ nonpayment or other nonperformance by our customers and suppliers. Even if our credit review and analysis mechanisms work properly, we may experience financial losses in our dealings with these third parties. A material increase in ~~the~~ nonpayment or other nonperformance by our wholesale customers and / or suppliers could adversely affect our business, financial condition, results of operations and cash available for distribution to our unitholders. Examples of other general economic, financial and political risks include: • a general or prolonged decline in, or shocks to, regional or broader macro- economics; • regulatory changes that could impact the markets in which we operate, which could reduce demand for our goods and services or lead to pricing, currency, or other pressures; and • deflationary economic pressures, which could hinder our ability to operate profitably in view of the challenges inherent in making corresponding deflationary adjustments to our cost structure. The nature of these types of risks, which are often unpredictable, makes them difficult to plan for, or otherwise mitigate, and they are generally uninsurable, which compounds their potential impact on our business. Any such event could have a material adverse effect on our business, financial condition, results of operations and cash available for distributions to our unitholders. Terrorist attacks and threatened or actual war or armed conflict may adversely affect our business. Our business is affected by general economic conditions and fluctuations in consumer confidence and spending, which can decline as a result of numerous factors outside of our control. Terrorist attacks or threats, whether within the United States or abroad, rumors or threats of war, actual conflicts involving the United States or its allies, or military or trade disruptions impacting our suppliers or our customers may adversely impact our operations. Specifically, strategic targets such as energy related assets may be at greater risk of future terrorist attacks than other targets in the United States. These occurrences could have an adverse impact on energy prices, including prices for motor fuels, and an adverse impact on our operations. Any or a combination of these occurrences could have a material adverse effect on our business, financial condition, results of operations and cash available for distribution to our unitholders. In the retail motor fuel industry, customer traffic is generally driven by consumer preferences and spending trends, growth rates for commercial truck traffic and trends in travel and weather. Changes in economic conditions generally, or in the regions in which we operate, could adversely affect consumer spending patterns and travel in our markets. In particular, weakening economic conditions may result in decreases in miles driven and discretionary consumer spending and travel, which affect spending on motor fuel and convenience items. In addition, changes in the types of products and services demanded by consumers or labor strikes in the construction industry or other industries that employ customers who visit sites, may adversely affect our sales and gross profit. Additionally, negative publicity or perception surrounding motor fuel suppliers could adversely affect reputation and brand image, which may negatively affect our motor fuel sales and gross profit. Similarly, advanced technology and increased use of electric or hybrid cars or cars using alternative fuels would reduce demand for motor fuel. Our success depends on our ability to anticipate and respond in a timely manner to changing consumer demands and preferences while continuing to sell products and services that remain relevant to the consumer and thus generally have a positive impact **our** overall merchandise gross profit. Global health concerns, similar to the COVID- 19 Pandemic, could result in social, economic and labor instability that adversely affect employee, customer, vendor, distribution channel and other business partner relationships, and in so doing could adversely affect our business, financial condition, results of operations and cash flows. For example, federal, state and local governmental actions restricting the ability of our customers to essential travel only, **would** adversely ~~impacts~~ - **impact** consumption of fuel. Sustained limitation on travel, or a general reluctance to travel due to a health crisis, **would** adversely ~~impacts~~ - **impact** our fuel volumes. Sustained fuel volume decreases and less foot traffic would adversely impact our dealer operated locations which could potentially pose increased credit risks or trigger a default under our fuel supply and lease agreements. ~~We~~ **Also, we** do not have fleet operations but **rather** rely on common carriers to distribute and deliver our products. If these distribution channels are adversely impacted by a health crisis, delivery of our products could be jeopardized. We may incur costs related to the implementation of prescribed safety protocols related to a health crisis. For example, we may incur substantial costs in connection with staffing impacted stores and the closing and subsequent cleaning of impacted stores resulting from a continued spread of a health crisis. We may also temporarily lose the services of employees or experience interruptions in our business which could lead to inefficiencies, interruptions in our regular operations and potential reputational harm. If we do not respond appropriately to a health crisis, or if customers do not perceive our response to be adequate for a particular region or our business as a whole, we could suffer damage to our reputation, which could materially adversely affect our business, financial condition and results of operations in the future. There can be no assurances that these and other scenarios resulting from a health crisis will not have a material and adverse impact on our business, financial condition, results of operations or cash available for distribution to our unitholders. A continued prolonged shortage of qualified labor could have a material adverse effect on our business and results of operations. Due ~~in part~~ to ~~COVID- 19 and~~ general macroeconomic factors, the Topper Group has experienced labor shortages in certain geographies. Outside suppliers that we rely on have also experienced shortages of qualified labor. The future success of our operations depends on our ability, and the ability of third parties on which we rely, to identify, recruit, develop and retain qualified and talented individuals in order to supply and deliver our products. A continued prolonged shortage of qualified labor could decrease our ability to effectively operate our retail locations, which would negatively impact our business and could have a material adverse effect on our results of operations. A shortage would also likely result in increased costs from higher overtime, the need to hire temporary help to meet demand, higher wage rates to attract and retain employees, and higher costs to purchase raw materials or services from such third parties, all of which would negatively impact our results of operations. We are subject to extensive government laws and regulations concerning store merchandise items and operations, and the cost of compliance with such laws and regulations can be material. Our business and properties are subject to extensive local, state and federal governmental laws and regulations relating to, among other things, the sale of alcohol ~~,~~ **and** tobacco ~~and money orders,~~ and public accessibility requirements. The cost of compliance with these laws and regulations can have a material adverse effect on our operating results and financial condition. In addition, failure to comply with local, state ~~, provincial~~ and federal laws and regulations to which our operations **are** ~~will be~~ subject may result in penalties and costs that could adversely affect our business and our operating results. In certain areas where our retail sites are located, state or local laws limit the retail sites' hours of operation or their sale of alcoholic beverages, tobacco products, possible inhalants and lottery tickets, in particular to minors. Failure to comply with these laws could adversely affect our revenues and results of operations because these state and local regulatory agencies have the power to revoke, suspend or deny applications for and renewals of permits and licenses relating to the sale of these products or to seek other remedies, such as the imposition of fines or other penalties. Moreover, these laws may impact our sales volumes in general, as customers who purchase certain products such as alcoholic beverages typically buy other products when they shop. Laws that curtail the consumer' s ability to buy certain products at our retail sites may curtail consumer demand for other products that we sell. We are subject to extensive government laws and regulations concerning our employees, and the cost of compliance with such laws and regulations can be material. Regulations related to wages and other compensation affect our business. Any appreciable increase in applicable employment laws and regulations, including the statutory minimum wage, exemption levels or overtime regulations could result in an increase in labor costs and such cost increase, or the penalties for failing to comply with such statutory minimums, could adversely affect our business, financial condition, results of operations and cash available for distribution to our unitholders. In addition, we are directly and indirectly affected by new tax legislation and regulation and the interpretation of tax laws and regulations. This includes potential changes in tax laws or the interpretation of tax laws relating to incentive compensation. Changes in such legislation, regulation or interpretation could have an adverse effect on our incentive compensation structures, which could affect our ability to recruit, develop and retain talented executives and could have a material adverse effect on our business, financial condition, results of operations and cash available for distribution to our unitholders. Any changes in the employment, benefit plan, tax or labor laws or regulations described above or new regulations proposed from time to time, could have a material adverse effect on our employment practices, our business, financial condition, results of operations and cash available for distribution to our unitholders. We are subject to extensive federal, state and local environmental laws, and the cost of complying with such laws may be material. Our operations are subject to a variety of environmental laws and regulations, including those relating to emissions to the air (such as the federal Clean Air Act), discharges into water (such as the federal Clean Water Act), releases of hazardous and toxic substances and remediation of contaminated sites (such as the Comprehensive Environmental Response Compensation and Liability Act of 1980 (" CERCLA ")), and similar state and local laws and regulations. Under CERCLA, we may, as the owner or operator, be liable for the costs of removal or remediation of contamination at our current locations or our former locations, whether or not we knew of, or were responsible for, the presence of such contamination. In particular, as an owner and operator of motor fueling stations, we face risks relating to petroleum product contamination that other retail site operators not engaged in such activities would not face. The remediation costs and other costs required to clean up or treat contaminated sites could be substantial. Contamination on and from our current or former locations may subject us to liability to third parties or governmental authorities for injuries to persons, property or natural resources and may adversely affect our ability to sell or rent our properties or to borrow money using such properties as collateral. CERCLA also provides that persons who dispose of or arrange for the disposal or treatment of hazardous or toxic substances at third- party sites may also be liable for the costs of removal or remediation of such substances at these disposal sites although such sites are not owned by such persons. Our historic and current operation of many locations and the disposal of contaminated soil and groundwater wastes generated during cleanups of contamination at such locations could expose us to such liability. Pursuant to the Resource Conservation and Recovery Act of 1976, as amended, the EPA has established a comprehensive regulatory program for the detection, prevention, investigation and cleanup of leaking underground storage tanks. State or local agencies are often delegated the responsibility for implementing the federal program or developing and implementing equivalent state or local regulations. Compliance with existing and future environmental laws regulating such tanks and systems may require significant expenditures. We pay fees to state " leaking UST " trust funds in states where they exist. These state trust funds are expected to pay or reimburse us for remediation expenses related to contamination associated with USTs subject to their jurisdiction. Such payments are always subject to a deductible paid by us, specified per incident caps and specified maximum annual payments, which vary among the funds. Additionally, such funds may have eligibility requirements that not all of our current or anticipated sites will meet. To the extent state funds or other responsible parties do not pay or delay payments for remediation, we will be obligated to make these payments, which, in the aggregate, could have a material adverse effect on our business, financial condition, results of operations and cash available for distribution to our unitholders. We can give no assurance that these funds or responsible third parties are or will continue to remain viable. Motor fuel operations present risks of soil and groundwater contamination. In the future, we may incur substantial expenditures for remediation of contamination that has not been discovered at locations which we may acquire. We regularly monitor our facilities for environmental contamination and record liabilities on our financial statements to cover potential environmental remediation and compliance costs when probable to occur and reasonably estimable. However, we can make no assurance that the liabilities we have recorded are the only environmental liabilities relating to our current and former locations, that material environmental conditions not known to us do not exist, that future laws or regulations will not impose material environmental liability on us or that our actual environmental liabilities will not exceed our reserves. In addition, failure to comply with environmental regulations, including the Clean Air Act, the Clean Water Act or CERCLA, or an increase in regulations could have a material adverse effect on our business, financial condition, results of operations and cash available for distribution to our unitholders. Developments aimed at reducing greenhouse gas emissions' contribution to climate change may decrease the demand or increase the cost for our major product, petroleum- based motor fuel. Attitudes toward this product and its relationship to the environment may significantly affect our effectiveness in marketing our product and sales. Efforts to steer the public toward non- petroleum- based fuel dependent modes of transportation such as electric, hybrid, battery powered, hydrogen or other alternative fuel- powered motor vehicles may foster a negative perception toward motor fuel or increase costs for our product, thus affecting the public' s attitude toward our primary product. Further, changing consumer preferences or driving habits could lead to new forms of fueling destinations or potentially fewer customer visits to our sites, resulting in a decrease in gasoline sales and / or sales of merchandise and food at our company operated sites. In addition, higher prices could reduce the demand for gasoline and the products and services we offer at our convenience stores and adversely impact our sales. New technologies that increase fuel efficiency or offer alternative vehicle power sources or laws or regulations to increase fuel efficiency, reduce consumption or offer alternative vehicle power sources may result in decreased demand for petroleum- based motor fuel. A number of new legal incentives, regulatory requirements and executive initiatives, including the Clean Power Plan (" CPP "), the Affordable Clean Energy (" ACE ") rule that the Environmental Protection Agency (the " EPA ") has proposed to replace the CPP, and various government subsidies such as the extension of certain tax credits for renewable energy, have made these alternative forms of energy and electric vehicles more competitive. We may also incur increased costs for our product, which we may not be able to pass along to our customers. These developments could potentially have a material adverse effect on our business, financial condition, results of operations and cash available for distribution to our unitholders. The previous U. S. presidential administration indicated its intent to adopt a new approach to trade policy. For example, in 2018, the U. S. government reached a new trade agreement with the Canadian and Mexican governments ~~to~~ **that** ~~replace~~ **replaced** the North America Free Trade Agreement with the United States- Mexico- Canada Agreement. The U. S. also initiated tariffs on certain foreign goods and has raised the possibility of imposing significant, additional tariff increases or expanding the tariffs to capture other types of goods. In response, certain foreign governments imposed retaliatory tariffs on goods that their countries import from the U. S. Changes in U. S. trade policy, including due to the change in the U. S. presidential administration, could result in one or more foreign governments adopting responsive trade policies that make it more difficult or costly for us to do business in or import our products from those countries. This in turn could require us to increase prices to our customers, which may reduce demand, or, if we are unable to increase prices, result in lowering our margin on products sold. We cannot predict the extent to which the U. S. or other countries will impose quotas, duties, tariffs, taxes or other similar restrictions upon the import or export of our products in the future, nor can we predict future trade policy or the terms of any renegotiated trade agreements and their impact on our business. The adoption and expansion of trade restrictions, the occurrence of a trade war, or other governmental action related to tariffs or trade agreements or policies has the potential to adversely impact demand for our products, our costs, our customers, our suppliers, and the U. S. economy, which in turn could have a material adverse effect on our business, operating results and financial condition. **Increased attention to environmental, social and governance matters and conservation measures may adversely impact our business.** Increasing attention to climate change, societal expectations on companies to address climate change and other ESG matters, investor and societal expectations regarding voluntary **or required** ESG disclosures, and consumer demand for alternative forms of energy may result in increased costs, reduced demand for our products, reduced profits, increased investigations and litigation, and negative impacts on our unit price and access to capital markets. Increasing attention to climate change and environmental conservation, for example, may result in reduced demand for fossil fuel products and additional governmental investigations and private litigation against us. To the extent that societal pressures or political or other factors are involved, it is possible that such liability could be imposed without regard to our causation of or contribution to climate change or asserted damage to the environment, or to other mitigating factors. Moreover, while we may create and publish voluntary disclosures regarding ESG matters from time to time, many of the statements in those voluntary disclosures may be based on expectations and assumptions. Such expectations and assumptions are necessarily uncertain and may be prone to error or subject to misinterpretation given the long timelines involved and the lack of an established single approach to identifying, measuring and reporting on many ESG matters. In addition, organizations that provide information to investors on corporate governance and related matters have developed ratings processes for evaluating companies on their approach to ESG matters. Such ratings are used by some investors to inform their investment and voting decisions. Unfavorable ESG ratings and recent activism directed at shifting funding away from companies with fossil fuel-related assets could lead to increased negative investor sentiment toward us and our industry and to the diversion of investment to other industries, which could have a negative impact on our unit price and our access to and costs of capital. Also, institutional lenders may decide not to provide funding for fossil fuel companies based on climate change related concerns, which could affect our access to capital. Our company operated retail sites are located in regions throughout the U. S. that are susceptible to certain severe weather events, such as hurricanes, flooding, severe thunderstorms, snowstorms, tornadoes and extreme heat and cold. Inclement weather conditions could damage our facilities ~~,~~ **or those of** our suppliers or could have a significant impact on consumer behavior, travel and retail site traffic patterns as well as our ability to operate our retail sites. We could also be affected by regional occurrences, such as energy shortages or increases in energy prices, fires or other natural disasters. Further, our ability to insure these locations and the related cost of such insurance coverage could have a material adverse effect on our business, financial condition, results of operations and cash available for distribution to our unitholders. Additionally, many studies have discussed the relationship between ~~GHG~~ **greenhouse gas** emissions and climate change. One consequence of climate change noted in many of these reports is the increased severity of extreme weather, such as increased hurricanes and floods. Such events could adversely affect our operations through water damage, powerful winds or increased costs for insurance. Climate change also continues to attract considerable public and scientific attention. Litigation has been filed against companies in the energy industry related to climate change. Should such suits succeed, we could face additional compliance costs or litigation risks. We could be adversely affected if we are not able to attract and retain a strong management team. We are dependent on our ability to attract and retain a strong management team. If, for any reason, we are not able to attract and retain qualified senior personnel, our business, financial condition, results of operations and cash flows could be adversely affected. We also are dependent on our ability to recruit qualified retail site and field managers. Failure to attract and retain these individuals at reasonable compensation levels could have a material adverse effect on our business, financial condition, results of operations and cash available for distribution to our unitholders. We depend on four principal suppliers for the majority of our motor fuel **and one principal supplier for our merchandise** . A disruption in supply or a change in our relationship with any one of them could adversely affect our business, financial condition and results of operations and reduce our ability to make distributions to unitholders. In ~~2022~~ **2023** , our wholesale business purchased approximately ~~81~~ **80** % of its motor fuel from four suppliers **and our retail business purchased approximately 49 % of its merchandise from one supplier** . A change of ~~motor fuel suppliers~~ **supplier** , a disruption in supply or a significant change in pricing with any of these suppliers could have a material adverse effect on our business, financial condition, results of operations and cash available for distribution to our unitholders. We believe that the success of our operations is dependent, in part, on the continuing favorable reputation, market value ~~,~~ and name recognition associated with the branded motor fuel sold through our wholesale ~~segment~~ and retail ~~segment~~ **segments** . Erosion of the value of those brands could have an adverse impact on the volumes of motor fuel we ~~distribute~~ **sell** , which in turn could have a material adverse effect on our business, financial condition, results of operations and ability to make distributions to our unitholders. Our business is impacted by the availability of trade credit to fund motor fuel purchases and inventory purchases of our retail sites. An actual or perceived downgrade in our liquidity or operations could cause our suppliers to seek credit support in the form of additional collateral, limit the extension of trade credit or otherwise materially modify their payment terms. Any material changes in payments terms, including payment discounts, or availability of trade credit provided by our principal suppliers, could have a material adverse effect on our business, financial condition, results of operations and cash available for distribution to our unitholders. We are exposed to risk related to the creditworthiness and performance of our customers, suppliers and contract counterparties. As of December 31, ~~2022~~ **2023** , we had outstanding accounts receivable totaling $ 32 million. This amount primarily consisted of vendor rebates due from our suppliers, credit card receivables, receivables arising from the sale of fuel and other products to independent franchised or licensed fuel station operators as well as amounts receivable from other industrial and commercial clients. Contracts with longer payment cycles or difficulties in enforcing contracts or collecting accounts receivable could lead to material fluctuations in our cash flows and could adversely impact our business, financial condition and results of operations. Pending or future litigation could adversely affect our financial condition and results of operations. Litigation and publicity concerning motor fuel or food quality, health and other issues could result in significant liabilities or litigation costs and cause consumers to avoid our retail sites. Retail site businesses can be adversely affected by litigation and complaints from customers or government agencies resulting from motor fuel or food quality, illness or other health or environmental concerns or operating issues stemming from one or more locations. Additionally, we may become a party to litigation pertaining to individual personal injury, off-specification motor fuel, product liability, consumer protection laws, contract disputes, wage and hour unemployment claims and other legal actions in the ordinary course of our business and we are occasionally exposed to industry- wide or class- action claims arising from the products we carry or industry- specific business practices. Adverse publicity about these allegations may negatively affect us, regardless of whether the allegations are true, by discouraging customers from purchasing motor fuel, merchandise or food at one or more of our retail sites. We could also incur significant liabilities if a lawsuit or claim results in a decision against us. Even if we are successful in defending such litigation, our litigation costs could be significant, and the litigation may divert time and money away from our operations and adversely affect our performance. Our defense costs and any resulting damage awards may not be fully covered by our insurance policies. We store motor fuel in storage tanks at our retail sites. These operations are subject to significant hazards and risks inherent in storing and transporting motor fuel. These hazards and risks include, but are not limited to, fires, explosions, traffic accidents, spills, discharges and other releases, any of which could result in distribution difficulties and disruptions, environmental pollution, governmentally imposed fines or cleanup obligations, personal injury or wrongful death claims and other damage to our properties and the properties of others. We are not fully insured against all risks incident to our business. We may be unable to maintain or obtain insurance of the type and amount we desire at reasonable rates. As a result of market conditions, premiums and deductibles for certain of our insurance policies have increased and could escalate further. In some instances, certain insurance could become unavailable or available only for reduced amounts of coverage. If we were to incur a significant liability for which we were not fully insured, it could have a material adverse effect on our business, financial condition, results of operations and cash available for distribution to our unitholders. We depend on third- party transportation providers for the transportation of all of our motor fuel. Thus, a significant change or shortage of drivers and / or providers or a significant change in our relationship or commercial terms with any of these providers could adversely affect our business, financial condition and results of operations and reduce our ability to make distributions to unitholders. All of the motor fuel we distribute is transported from motor fuel terminals to gas stations by third- party carriers. A change or shortage of transportation providers, a disruption in service or a significant change in our relationship or commercial terms with any of these transportation carriers could have a material adverse effect on our business, financial condition, results of operations and cash available for distribution to our unitholders. We are subject to federal, state and local laws and regulations that govern the product quality specifications of the motor fuel that we distribute and sell. Various federal, state and local agencies have the authority to prescribe specific product quality specifications to the sale of commodities. Changes in product quality specifications, such as reformulated fuels mandates, reduced sulfur content in refined petroleum products or other more stringent requirements for fuels, could reduce our ability to procure products and result in a decrease to our sales volume, require us to incur additional handling costs, and / or require the expenditure of capital. If we are unable to procure product or recover these costs through increased sales, our ability to meet our financial obligations could be adversely affected. Failure to comply with these regulations could result in substantial penalties. Our motor fuel sales are generated under contracts that must be renegotiated or replaced periodically. If we are unable to successfully renegotiate or replace these contracts, then our business, financial condition and results of operations and ability to make distributions to unitholders could be adversely affected. Our motor fuel sales are generated under contracts that must be periodically renegotiated or replaced. We may be unable to renegotiate or replace these contracts when they expire, and the terms of any renegotiated contracts may not be as favorable as the contracts they replace. Whether these contracts are successfully renegotiated or replaced is often times subject to factors beyond our control. Such factors include fluctuations in motor fuel prices, counterparty ability to pay for or accept the contracted volumes and a competitive marketplace for the services offered by us. If we cannot successfully renegotiate or replace our contracts or must renegotiate or replace them on less favorable terms, sales from these arrangements could decline, which could have a material adverse effect on our business, financial condition, results of operations and cash available for distribution to our unitholders. Further, we have contracts with certain multi- site lessee dealers that provide for the ability for each party to sever or recapture a certain number of sites from the contract. If sites are severed, we will seek to replace the dealer, but it is possible that the agreement with any new dealer may not provide for an equivalent fuel margin and / or rental income stream, which could have a material adverse effect on our business, financial condition, results of operations and cash available for distribution to our unitholders. It is also possible that we will operate the site until the dealer is replaced or indefinitely. We rely on our information technology **(" IT")** systems and network infrastructure to manage numerous aspects of our business, and a disruption of these systems could adversely affect our business, financial condition and results of operations and reduce our ability to make distributions to unitholders. We depend on our ~~information technology ("~~ IT ~~")~~ systems and network infrastructure to manage numerous aspects of our business and provide analytical information to management. These systems are an essential component of our business and growth strategies, and a serious disruption to them could significantly limit our ability to manage and operate our business efficiently. These systems may be vulnerable to, among other things, damage and interruption from power loss or natural disasters, computer system and network failures, loss of telecommunications services, physical and electronic loss of data, security breaches and computer viruses, which could result in a loss of sensitive business information, systems interruption or the disruption of our business operations. To protect against unauthorized access or attacks, we have implemented infrastructure protection technologies and disaster recovery plans, but there can be no assurance that a technology systems breach or systems failure, which may nonetheless occur and go undetected, will not have a material adverse effect on our business, financial condition, results of operations and cash available for distribution to our unitholders. Our business and our reputation could be adversely affected by the failure to protect sensitive customer, employee or vendor data, whether as a result of cyber security attacks or otherwise, or to comply with applicable regulations relating to data security and privacy. In the normal course of our business as a motor fuel and merchandise retailer, we obtain large amounts of personal data, including banking information from our customers. While we have invested significant amounts in the protection of our IT systems and maintain what we believe are adequate security controls over individually identifiable customer, employee and vendor data provided to us, a breakdown or a breach in our systems that results in the unauthorized release of individually identifiable customer or other sensitive data could nonetheless occur. Cyber- attacks are rapidly evolving and becoming increasingly sophisticated. A successful cyber- attack resulting in the loss of sensitive customer, employee or vendor data could adversely affect our reputation, results of operations, financial condition and liquidity, and could result in litigation against us or the imposition of penalties. Moreover, a security breach could require that we expend significant additional resources to further upgrade the security measures that we employ to guard against cyber- attacks. Further, complying with continually evolving regulations associated with the protection of credit and debit card information is costly and taking these measures does not necessarily provide an offsetting financial benefit to us. Failure to comply with these regulations could subject us or our dealers to fines or other regulatory sanctions (potentially including discontinuing operations) and potentially to lawsuits. Additionally, if we acquire a company that has violated or is not in compliance with applicable data protection laws, we may incur significant liabilities and penalties as a result. The cost of compliance and the ramifications of non- compliance could have a material adverse effect on our business, financial condition, results of operations and cash available for distribution to our unitholders. **Any significant disruption to our service or access to our systems could adversely affect our business and results of operations. Further, a penetration of our systems or a third- party' s systems or other misappropriation or misuse of personal information could subject us to business, regulatory, litigation and reputation risk, which could have a negative effect on our business, financial condition and results of operations.** Our debt levels and debt covenants may limit our flexibility in obtaining additional financing and in pursuing other business opportunities. We have a significant amount of debt. As of December 31, ~~2022~~ **2023**, we had $ **756** ~~606. 1~~ million of total debt and $ ~~140~~ **164**. ~~1~~ **5** million of availability under our revolving CAPL ~~Credit Facility and $ 159. 0 million of total debt and $ 14. 2 million of availability under our JKM~~ Credit Facility. Our level of indebtedness could have important consequences to us, including the following: • our ability to obtain additional financing, if necessary, for working capital, capital expenditures, acquisitions or other purposes may be impaired, or such financing may not be available on favorable terms; • covenants contained in our credit facilities will require us to meet financial tests that may affect our flexibility in planning for and reacting to changes in our business, including possible acquisition opportunities; • we will need a substantial portion of our cash flow to make interest payments on our indebtedness, reducing the funds that would otherwise be available for operations, future business opportunities and distributions to unitholders; • our debt level will make us more vulnerable than our competitors with less debt to competitive pressures or a downturn in our business or the economy generally; and • our debt level may limit our flexibility in responding to changing business and economic conditions. Our ability to service our indebtedness will depend upon, among other things, our future financial and operating performance, which may be affected by prevailing economic conditions and financial, business, regulatory and other factors, some of which are beyond our control. If our operating results are not sufficient to service our current or future indebtedness, we will be forced to take actions, such as reducing distributions, reducing or delaying our business activities, acquisitions, investments and / or capital expenditures, selling assets, restructuring or refinancing our indebtedness, or seeking additional equity capital or bankruptcy protection. We may not be able to ~~affect~~ **take** any of these actions on satisfactory terms, or at all. Like all equity investments, an investment in our common units is subject to certain risks. Borrowings under the **CAPL** ~~credit~~ **Credit** ~~facilities~~ **Facility** bear interest at variable rates, subject to interest rate swap contracts we entered into to hedge future changes in variable rates. If market interest rates continue to increase, such variable-rate debt will create higher debt service requirements, which could adversely affect our cash flow and ability to make cash distributions. In exchange for accepting these risks, investors may expect to receive a higher rate of return than would otherwise be obtainable from lower- risk investments. Accordingly, as interest rates rise, the ability of investors to obtain higher risk-adjusted rates of return by purchasing government- backed debt securities may cause a corresponding decline in demand for riskier investments generally, including yield- based equity investments such as publicly traded limited partnership interests. Reduced demand for our common units resulting from investors seeking other more favorable investment opportunities may cause the trading price of our common units to decline. The interest rate on ~~our~~ **the CAPL** ~~credit~~ **Credit** ~~facilities~~ **Facility** is variable; therefore, we have exposure to movements in interest rates, subject to our interest rate swap contracts. A significant increase in interest rates could adversely affect our ability to service our indebtedness. The increased cost could make the financing of our business activities more expensive. These added expenses could have an adverse effect on our financial condition, results of operations and cash available for distribution to our unitholders. ~~LIBOR, the interest rate benchmark used as a reference rate on our variable rate credit facilities, began to be phased out after December 31, 2021, and the publication of certain remaining LIBOR settings is scheduled to cease after June 30, 2023. At this time, no consensus exists as to what rate or rates will become accepted alternatives to LIBOR, although the U. S. Federal Reserve, in connection with the Alternative Reference Rates Committee, a steering committee comprised of large U. S. financial institutions, has identified the Secured Overnight Financing Rate (" SOFR ") as its preferred replacement for U. S. dollar LIBOR. SOFR is a more generic measure than LIBOR and considers the cost of borrowing cash overnight, collateralized by U. S. Treasury securities. Given the inherent differences between LIBOR and SOFR or any other alternative benchmark rate that may be established, there are many uncertainties regarding a transition from LIBOR, including but not limited to the need to amend all contracts with LIBOR as the referenced rate and how this will impact the Partnership' s cost of variable rate debt.~~ The **CAPL** ~~Partnership will also need to consider new contracts and if they should reference an alternative benchmark rate or include suggested fallback language, as published by the Alternative Reference Rates Committee. The consequences of these developments with respect to LIBOR cannot be entirely predicted and span multiple future periods but could result in an increase in the cost of our variable rate debt, which may be detrimental to our financial position or operating results. Our credit~~ **Credit** ~~facilities~~ **Facility** ~~contain~~ **contains** operating and financial restrictions that may limit our business, financing activities and ability to make distributions to unitholders. The operating and financial restrictions and covenants in ~~our~~ **the CAPL** ~~credit~~ **Credit** ~~facilities~~ **Facility** and any future financing agreements could adversely affect our ability to finance future operations or capital needs or to engage, expand or pursue our business activities. For example, our credit facilities may restrict our ability to: • make distributions if any potential default or event of default occurs; • incur additional indebtedness, including the issuance of certain preferred equity interests, or guarantee other indebtedness; • grant liens or make certain negative pledges; • make certain advances, loans or investments; • make any material change to the nature of our business, including mergers, consolidations, liquidations and dissolutions; • make certain capital expenditures in excess of specified levels; • acquire another company; • enter into a sale-leaseback transaction or certain sales or leases of assets; • enter into certain affiliate transactions; or • make certain repurchases of equity interests. Our CAPL Credit Facility limits our ability to pay distributions upon the occurrence of the following events, among others: • failure to pay any principal when due or failure to pay any interest, fees or other amounts owed under our credit facility when due, subject to any applicable grace period; • failure of any representation or warranty in our credit agreement to be true and correct, and the failure of any representation or warranty in any other agreement delivered in connection with our credit facility to be true and correct in any material respect; • failure to perform or otherwise comply with the covenants in our credit facility or in other loan documents beyond the applicable notice and grace period; • any default in the performance of any obligation or condition beyond the applicable grace period relating to any other indebtedness of more than certain thresholds; • failure of the lenders to have a perfected first priority security interest in the collateral pledged by any loan party; • the entry of one or more judgments in excess of certain thresholds, to the extent any payments pursuant to the judgment are not covered by insurance; • a change in ownership or control of our General Partner or us; • a violation of the Employee Retirement Income Security Act of 1974, or " ERISA "; and • a bankruptcy or insolvency event involving us or any of our subsidiaries. Our ability to comply with the covenants and restrictions contained in our credit facilities may be affected by events beyond our control, including prevailing economic, financial and industry conditions. If market or other economic conditions deteriorate, our ability to comply with these covenants may be impaired. If we violate any of the restrictions, covenants, ratios or tests in our credit facilities, the debt issued under the credit facilities may become immediately due and payable, and our lenders' commitment to make further loans to us may terminate. We might not have, or be able to obtain, sufficient funds to make these accelerated payments. In addition, our obligations under our credit facilities will be secured by substantially all of our assets, and if we are unable to repay our indebtedness under our credit facilities, the lenders could seek to foreclose on such assets. We do not own all of the land on which our sites and certain facilities are located, and we lease a portion of such sites from third parties under long-term arrangements with various expiration dates. As such, we are subject to the possibility that we are unable to renew such leases or are only able to do so with increased costs or more onerous terms, which could have a material adverse effect on our business, financial condition, results of operations and cash available for distribution to our unitholders. We may not be able to lease sites we own or sub- lease sites we lease on favorable terms and any such failure could adversely affect our business, financial condition and results of operations and reduce our ability to make distributions to unitholders. We may lease and / or sub- lease certain sites to lessee dealers or commission agents where the rent expense is more than the lease payments. If we are unable to obtain tenants on favorable terms for sites we own or lease, the lease payments we receive may not be adequate to cover our rent expense for leased sites and may not be adequate to ensure that we meet our debt service requirements. We cannot provide any assurance that the margins on our wholesale distribution of motor fuels to these sites will be adequate to offset unfavorable lease terms. The occurrence of these events could have a material adverse effect on our business, financial condition, results of operations and cash available for distribution to our unitholders. We rely on DMI to indemnify us for any costs or expenses that we incur for environmental liabilities and third- party claims, regardless of when a claim is made, that are based on environmental conditions in existence prior to the closing of the IPO at our Predecessor Entity' s sites. To the extent escrow accounts, insurance and / or payments from DMI are not sufficient to cover any such costs or expenses, our business, financial condition and results of operations and ability to make distributions to unitholders could be adversely affected. The Circle K Omnibus Agreement provides that DMI must indemnify us for any costs or expenses that we incur for environmental liabilities and third- party claims, regardless of when a claim is made, that are based on environmental conditions in existence prior to the closing of the IPO at our Predecessor Entity' s sites. Such indemnification survives the termination of the Circle K Omnibus Agreement. DMI is the beneficiary of escrow accounts created to cover the cost to remediate certain environmental liabilities. In addition, DMI maintains insurance policies to cover environmental liabilities and / or, where available, participates in state programs that may also assist in funding the costs of environmental liabilities. There are certain sites that were acquired by us in connection with the IPO with existing environmental liabilities that are not covered by escrow accounts, state funds or insurance policies. To the extent escrow accounts, insurance and / or payments from DMI are not sufficient to cover any such costs or expenses, our business, liquidity and results of operations could be adversely affected. We rely on Circle K to indemnify us for any costs or expenses that we incur for environmental liabilities and third- party claims, regardless of when a claim is made, that are based on environmental conditions in existence prior to the closing of the **various** asset ~~exchanges~~ - **exchange transactions** with Circle K ~~and the CST Fuel Supply Exchange~~ . To the extent escrow accounts, insurance and / or payments from Circle K are not sufficient to cover any such costs or expenses, our business, financial condition and results of operations and ability to make distributions to unitholders could be adversely affected. The ~~Asset Exchange Agreement and related~~ agreements **associated with the various asset exchange transactions** provide that Circle K must indemnify us for any costs or expenses that we incur for environmental liabilities and third- party claims, regardless of when a claim is made, that are based on environmental conditions in existence prior to the closing of the asset ~~exchanges~~ - **exchange transactions** with Circle K ~~and the CST Fuel Supply Exchange~~ . Such indemnification survives the termination of the Circle K Omnibus Agreement ~~. Circle K is the beneficiary of escrow accounts created to cover the cost to remediate certain environmental liabilities. In addition, Circle K maintains insurance policies to cover environmental liabilities and / or, where available, participates in state programs that may also assist in funding the costs of environmental liabilities~~ . To the extent escrow accounts, insurance and / or payments from Circle K are not sufficient to cover any such costs or expenses, our business, liquidity and results of operations could be adversely affected. Risks Inherent in our Structure The Topper Group controls the sole member of our General Partner, which has sole responsibility for conducting our business and managing our operations. Our General Partner and its affiliates, including the Topper Group, may have conflicts of interest with us and limited fiduciary duties and they may favor their own interests to the detriment of our unitholders and us. The Topper Group controls the sole member of our General Partner and therefore has the ability to appoint all of the directors of our Board. Although our General Partner has a legal duty to manage us in good faith, the General Partner and its executive officers (as employees of the Topper Group) have a fiduciary duty to manage our General Partner in a manner beneficial to its owner, the Topper Group. Furthermore, certain officers of our General Partner are directors of our Board or officers of affiliates of our General Partner. Therefore, conflicts of interest may arise between us and our unitholders, on the one hand, and our General Partner and its affiliates, including the Topper Group, on the other hand. In resolving these conflicts of interest, under the Partnership Agreement, our General Partner may favor its own interests and the interests of the Topper Group over our interests and the interests of our common unitholders. These conflicts include the following situations, among others: • our General Partner is allowed to take into account the interests of parties other than us, such as the Topper Group, in resolving conflicts of interest, which has the effect of limiting its fiduciary duty to our unitholders; • neither our Partnership Agreement nor any other agreement requires the Topper Group to pursue a business strategy that favors us; • officers of our General Partner who provide services to us may devote time to affiliates of our General Partner and may be compensated for services rendered to such affiliate; • our Partnership Agreement limits the liability of and reduces fiduciary duties owed by our General Partner and also restricts the remedies available to unitholders for actions that, without the limitations, might constitute breaches of fiduciary duty; • except in limited circumstances, our General Partner has the power and authority to conduct our business without unitholder approval; • our General Partner determines the amount and timing of asset purchases and sales, borrowings, issuances of additional partnership securities and the creation, reductions or increases of cash reserves, each of which can affect the amount of cash that is available for distribution to our unitholders; • our General Partner determines the amount and timing of any capital expenditures and whether a capital expenditure is classified as a maintenance capital expenditure, which reduces operating surplus. Such determination can affect the amount of cash available for distribution to our unitholders; • our General Partner may cause us to borrow funds in order to permit the payment of cash ~~distributions, even if the purpose or effect of the borrowing is to make incentive~~ distributions; • our Partnership Agreement permits us to distribute up to $ 15 million as operating surplus, even if it is generated from asset sales, non- working capital borrowings or other sources that would otherwise constitute capital surplus; • our Partnership Agreement does not restrict our General Partner from causing us to pay it or its affiliates for any services rendered to us or entering into additional contractual arrangements with its affiliates on our behalf; • our General Partner intends to limit its liability regarding our contractual and other obligations; • our General Partner may exercise its right to call and purchase our common units if it and its affiliates own more than 80 % of our common units; • our General Partner controls the enforcement of obligations that it and its affiliates owe to us; and • our General Partner decides whether to retain separate counsel, accountants or others to perform services for us. The Board has adopted a cash distribution policy pursuant to which we intend to distribute quarterly an amount at least equal to the minimum quarterly distribution of $ 0. 4375 per unit on all of our units to the extent we have sufficient cash from our operations after the establishment of reserves and the payment of our expenses. However, the Topper Group, as the owner of our General Partner, or the Board may change such policy at any time at their discretion and could elect not to pay distributions for one or more quarters. In addition, the CAPL Credit Facility includes specified restrictions on our ability to make distributions. Our Partnership Agreement does not require us to pay any distributions at all. Accordingly, investors are cautioned not to place undue reliance on the permanence of our distribution policy in making an investment decision. Any modification or revocation of our cash distribution policy could substantially reduce or eliminate the amounts of distributions to our unitholders. The amount of distributions we make, if any, and the decision to make any distribution at all, will ultimately be determined by the Topper Group as the owner of all of the membership interests in the sole member of our General Partner, whose interests may differ from those of our common unitholders. We rely on the employees of the Topper Group to provide key management services to our business pursuant to the Omnibus Agreement. If our Omnibus Agreement were to be terminated, we may not be able to find suitable replacements to perform such services for us without interruption to our business or increased costs. Under our Omnibus Agreement, the Topper Group provides us with the personnel necessary to support our management, administrative and operating services, including accounting, tax, legal, internal audit, risk management and compliance, environmental compliance and remediation management oversight, treasury, information technology and other administrative functions, as well as the management and operation of our wholesale distribution and retail business. If our Omnibus Agreement is terminated, we may suffer interruptions to our business or increased costs to replace these services. The liability of the Topper Group and Couche- Tard is limited under our Omnibus Agreement and Circle K Omnibus Agreement and we have agreed to indemnify the Topper Group and Couche- Tard against certain liabilities, which may expose us to significant expenses. The Omnibus Agreement and the Circle K Omnibus Agreement provide that we must indemnify the Topper Group and Couche- Tard for certain liabilities, including any liabilities incurred by the Topper Group and Couche- Tard attributable to the operating and administrative services provided to us under the agreement, other than liabilities resulting from the Topper Group' s or Couche- Tard' s bad faith, fraud, or willful misconduct, as applicable. Our General Partner has limited liability under contractual arrangements between us and third parties so that the counterparties to such arrangements have recourse only against our assets, and not against our General Partner or its assets. Our General Partner may therefore cause us to incur indebtedness or other obligations that are nonrecourse to our General Partner. Our Partnership Agreement provides that any action taken by our General Partner to limit its liability is not a breach of our General Partner' s fiduciary duties, even if we could have obtained more favorable terms without the limitation on liability. In addition, we are obligated to reimburse or indemnify our General Partner to the extent that it incurs obligations on our behalf. Any such reimbursement or indemnification payments would reduce the amount of cash otherwise available for distribution to our unitholders. We may determine to distribute a significant portion of our cash available for distribution to our unitholders. In addition, we expect to rely primarily upon external financing sources, including commercial bank borrowings and the issuance of debt and equity securities, to fund our acquisitions and expansion capital expenditures. To the extent we are unable to finance growth externally, distributing a significant portion of our cash available for distribution may impair our ability to grow. In addition, if we distribute a significant portion of our cash available for distribution, our growth may lag behind the growth of businesses that reinvest all of their cash to expand ongoing operations. To the extent we issue additional units in connection with any acquisitions or expansion capital expenditures, the payment of distributions on those additional units may increase the risk that we will be unable to maintain or increase our per unit distribution level. There are no limitations in our Partnership Agreement or our CAPL Credit Facility on our ability to issue additional common units, provided there is no default under the CAPL Credit Facility. The incurrence of additional commercial borrowings or other debt to finance our growth strategy would result in increased interest expense, which, in turn, may impact the cash available for distribution to our unitholders. Our Partnership Agreement contains provisions that modify the duties of the General Partner, including the fiduciary duties of the General Partner, and restricts the remedies available to unitholders for actions taken by our General Partner that might otherwise constitute breaches of fiduciary duty under Delaware partnership law. For example, our Partnership Agreement: • provides that whenever our General Partner, the Board or any committee of the Board makes a determination or takes, or declines to take, any other action in its capacity as the general partner of the Partnership, our General Partner is required to make such determination, or take or decline to take such other action, in good faith, and will not be subject to any higher standard under any Delaware Act (as defined below), or any other law, rule or regulation, or at equity; • provides that any determination, act or failure to act by our General Partner will be deemed in good faith unless such party believed such determination, other action or failure to act, given the totality of the circumstance, was averse to the interests of the Partnership; • in any proceeding brought by the Partnership, any limited partner, or any Person who acquires an interest in a Partnership interest or any other Person who is bound by the Partnership Agreement, challenging such action, determination or failure to act, the Person bringing or prosecuting such proceeding shall have the burden of proving that such determination, action or failure to act was not in good faith; • provides that whenever the General Partner makes a determination or takes or declines to take any other action in its individual capacity as opposed to in its capacity as the general partner of the Partnership, whether under the Partnership Agreement or any other agreement contemplated thereby, then the General Partner, or any affiliate thereof, is entitled to the fullest extent permitted by law, to make such determination or to take or decline to take such other action free of any fiduciary duty, duty of good faith, obligation imposed by Delaware Act, law, rule or in equity to the Partnership, any limited partner or any Person who acquires an interest in a Partnership interest or any other Person who is bound by the Partnership Agreement. Examples of decisions that our General Partner may make in its individual capacity include: • how to allocate business opportunities among us and its affiliates; • whether to exercise its call right; and • whether or not to consent to any merger or consolidation of the Partnership or amendment to the Partnership Agreement. • provides that our General Partner and its officers and directors will not be liable for monetary damages to the Partnership or our limited partners resulting from any act or omission unless there has been a final and non- appealable judgment entered by a court of competent jurisdiction determining that our General Partner or its officers and directors, as the case may be, acted in bad faith or, in the case of a criminal matter, acted with knowledge that the conduct was criminal; • provides that the General Partner may consult with legal counsel, accountants, appraisers, management consultants, investment bankers and other consultants and advisers selected by it, and any act taken or omitted in reliance upon the advice or opinion (including an opinion of counsel) of such persons as to matters that the General Partner reasonably believes to be within such person' s professional or expert competence shall be conclusively presumed to have been done or omitted in good faith and in accordance with such advice or opinion; and • provides that our General Partner will not be in breach of its obligations under the Partnership Agreement or its fiduciary duties to us or our limited partners if a transaction with an affiliate or the resolution of a conflict of interest is: • approved by the independent conflicts committee of the Board, although our General Partner is not obligated to seek such approval; or • approved by the vote of a majority of the outstanding common units, excluding any common units owned by our General Partner and its affiliates. By purchasing a common unit, a unitholder is treated as having consented to the provisions in the Partnership Agreement, including the provisions discussed above. Our Partnership Agreement provides that our General Partner will be restricted from engaging in any business activities other than acting as our General Partner and those activities incidental to its ownership interest in us. Except as provided in the Omnibus Agreement, affiliates of our General Partner are not prohibited from engaging in other businesses or activities, including those that might be in direct competition with us. Pursuant to the terms of our Partnership Agreement, the doctrine of corporate opportunity, or any analogous doctrine, does not apply to our General Partner, the Topper Group or any of their affiliates, including their executive officers and directors. Any such person or entity that becomes aware of a potential transaction, agreement, arrangement or other matter that may be an opportunity for us will not have any duty to communicate or offer such opportunity to us. Any such person or entity will not be liable to us or to any limited partner for breach of any fiduciary duty or other duty by reason of the fact that such person or entity pursues or acquires such opportunity for itself, directs such opportunity to another person or entity or does not communicate such opportunity or information to us. This may create actual and potential conflicts of interest between us and affiliates of our General Partner and result in less than favorable treatment of our unitholders and us. Conflicts of interest may arise in the future between us and our unitholders, on the one hand, and the affiliates of our General Partner and the Topper Group, on the other hand. In resolving these conflicts, the Topper Group may favor its own interests over the interests of our unitholders. Holders of our common units have limited voting rights and are not entitled to elect our General Partner or the directors of the Board, which could reduce the price at which the common units will trade. Unlike the holders of common stock in a corporation, unitholders have only limited voting rights on matters affecting our business and, therefore, limited ability to influence management' s decisions regarding our business. Unitholders will have no right on an annual or ongoing basis to elect or remove the members of our Board. The Board, including the independent directors, is chosen entirely by the Topper Group, as a result of its ownership of all the membership interests in the sole member of our General Partner, and not by our unitholders. Unlike publicly traded corporations, we will not conduct annual meetings of our unitholders to elect directors or conduct other matters routinely conducted at annual meetings of stockholders of corporations. As a result of these limitations, the price at which the common units will trade could be diminished because of the absence or reduction of a takeover premium in the trading price. Even if holders of our common units are dissatisfied, they may not be able to remove our General Partner. If our unitholders are dissatisfied with the performance of our General Partner, they will have limited ability to remove our General Partner. The vote of the holders of at least 66 2 / 3 % of all outstanding common units voting together as a single class is required to remove our General Partner. As of February ~~23~~ **22** , ~~2023~~ **2024** , the Topper Group beneficially owned approximately 38. ~~5~~ **6** % of our outstanding common units. Our General Partner interest or the control of our General Partner may be transferred to a third party without unitholder consent. Our General Partner may transfer its General Partner interest to a third party in a merger or in a sale of all or substantially all of its assets without the consent of our unitholders. Furthermore, our Partnership Agreement does not restrict the ability of the Topper Group to transfer its membership interests in the sole member of our General Partner to a third party. The new members of our General Partner would then be in a position to replace the Board and executive officers of our General Partner with their own designees and thereby exert significant control over the decisions taken by the Board and executive officers of our General Partner. This effectively permits a " change of control " without the vote or consent of the unitholders. Our General Partner has a call right that may require unitholders to sell their common units at an undesirable time or price. If at any time our General Partner and its affiliates hold more than 80 % of the common units, our General Partner will have the right, but not the obligation, which it may assign to any of its affiliates or to us, to acquire all, but not less than all, of the common units held by unaffiliated persons at a price equal to the greater of (1) the average of the daily closing price of the common units over the 20 trading days preceding the date that is three days before notice of exercise of the call right is first mailed and (2) the highest per- unit price paid by our General Partner or any of its affiliates for common units during the 90- day period preceding the date such notice is first mailed. As a result, unitholders may be required to sell their common units at an undesirable time or price and may not receive any return or a negative return on their investment. Unitholders may also incur a tax liability upon a sale of their units. Our General Partner is not obligated to obtain a fairness opinion regarding the value of the common units to be repurchased by it upon exercise of the call right. There is no restriction in our Partnership Agreement that prevents our General Partner from issuing additional common units and exercising its call right. If our General Partner exercised its call right, the effect would be to take us private and, following the deregistering of the units, we would no longer be subject to the reporting requirements of the Exchange Act. As of February ~~23~~ **22** , ~~2023~~ **2024** , the Topper Group beneficially owned approximately 38. ~~5~~ **6** % of our outstanding common units. As of February ~~23~~ **22** , ~~2023~~ **2024** , we had 37, ~~937~~ **983** , ~~604~~ **154** common units outstanding. Sales by the Topper Group or other large holders of a substantial number of our common units in the public or private markets, or the perception that such sales might occur, could have a material adverse effect on the price of our common units or could impair our ability to obtain capital through an offering of equity securities. In addition, we have agreed to provide registration rights to the Topper Group. Under our Partnership Agreement and pursuant to a registration rights agreement that we have entered into, the Topper Group has registration rights relating to the offer and sale of any units that it holds, subject to certain limitations. We may issue unlimited additional units without unitholder approval, which would dilute existing unitholder ownership interests. Our Partnership Agreement does not limit the number of additional limited partner interests, including limited partner interests that rank senior to the common units that we may issue at any time without the approval of our unitholders. The issuance of additional common units or other equity interests of equal or senior rank could have the following effects: • our existing unitholders' proportionate ownership interest in us will decrease; • the amount of cash available for distribution on each unit may decrease; • the risk that a shortfall in the payment of the minimum quarterly distribution will be borne by our common unitholders will increase; • the ratio of taxable income to distributions may increase; • the relative voting strength of each previously outstanding unit may be diminished; • the claims of the common unitholders to our assets in the event of our liquidation may be subordinated and / or diluted; and • the market price of our common units may decline. Our General Partner' s discretion in establishing cash reserves may reduce the amount of cash available for distribution to unitholders. The Partnership Agreement requires our General Partner to deduct from operating surplus cash reserves that it determines are necessary to fund our future operating expenditures. The General Partner may reduce cash available for distribution by establishing cash reserves for the proper conduct of our business, to comply with applicable law or agreements to which we are a party or to provide funds for future distributions to partners. These cash reserves will affect the amount of cash available for distribution to unitholders. Our Partnership Agreement restricts unitholders' voting rights by providing that any units held by a person or group that owns 20 % or more of any class of units then outstanding, other than our General Partner and its affiliates, their transferees and persons who acquired such units with the prior approval of the Board, cannot vote on any matter. Management fees and cost reimbursements due to our General Partner and the Topper Group for services provided to us or on our behalf will reduce cash available for distribution to our unitholders. The amount and timing of such reimbursements will be determined by our General Partner. Prior to making any distribution on our common units, we will pay the Topper Group the management fee and reimburse our General Partner and the Topper Group for all out- of- pocket third- party expenses they incur and payments they make on our behalf, pursuant to the Omnibus Agreement. Our Partnership Agreement provides that our General Partner will determine in good faith the expenses that are allocable to us. In addition, pursuant to the Omnibus Agreement, the Topper Group will be entitled to reimbursement for certain expenses that they incur on our behalf. Our Partnership Agreement does not limit the amount of expenses for which our General Partner and the Topper Group may be reimbursed. The reimbursement of expenses and payment of fees, if any, to our General Partner and the Topper Group will reduce the amount of cash available to pay distributions to our unitholders. Unitholders may have liability to repay distributions and in certain circumstances may be personally liable for the obligations of the Partnership. Under certain circumstances, unitholders may have to repay amounts wrongfully returned or distributed to them. Under Section 17- 607 of the Delaware Revised Uniform Limited Partnership Act (the " Delaware Act "), we may not make a distribution to our unitholders if the distribution would cause our liabilities to exceed the fair value of our assets. Delaware law provides that for a period of three years from the date of the impermissible distribution, limited partners who received the distribution and who knew at the time of the distribution that it violated Delaware law will be liable to the limited partnership for the distribution amount. Liabilities to partners on account of their partnership interests and liabilities that are non- recourse to the Partnership are not counted for purposes of determining whether a distribution is permitted. It may be determined that the right, or the exercise of the right by the limited partners as a group, to (i) remove or replace our General Partner, (ii) approve some amendments to our Partnership Agreement or (iii) take other action under our Partnership Agreement constitutes " participation in the control " of our business. A limited partner that participates in the control of our business within the meaning of the Delaware Act may be held personally liable for our obligations under the laws of Delaware, to the same extent as our General Partner. This liability would extend to persons who transact business with us under the reasonable belief that the limited partner is a General Partner. Neither our Partnership Agreement nor the Delaware Act specifically provides for legal recourse against our General Partner if a limited partner were to lose limited liability through any fault of our General Partner. The NYSE does not require a publicly traded partnership like us to comply with certain of its corporate governance requirements. Our common units are listed on the NYSE. Because we are a publicly traded partnership, the NYSE does not require us to have, and we do not intend to have, a majority of independent directors on our Board or to establish and maintain a compensation committee or a nominating and corporate governance committee. Additionally, any future issuance of additional common units or other securities, including to our affiliates, will not be subject to the NYSE' s shareholder approval rules that apply to a corporation. Accordingly, unitholders will not have the same protections afforded to corporations (other than " controlled companies ") that are subject to all of the NYSE corporate governance requirements. Tax Risks Our tax treatment depends in large part on our status as a partnership for U. S. federal income tax purposes and our otherwise not being subject to a material amount of U. S. federal, state and local income or franchise tax. If the IRS were to treat us as a corporation for U. S. federal income tax purposes or if we were to otherwise be subject to a material amount of additional entity level income, franchise or other taxation for U. S. federal, state or local tax purposes, then our cash available for distribution to our unitholders would be substantially reduced. The anticipated after- tax benefit of an investment in our common units depends largely on our being treated as a partnership for U. S. federal income tax purposes. First, a partnership is exempt from U. S. federal income tax, and the partnership' s income is instead allocated to the partners for inclusion on their tax returns. Second, under the Tax Cuts and Jobs Act, **for taxable years beginning after December 31, 2017, and before January 1, 2026,** the partner may also deduct from the partnership' s taxable income allocable to such partner an amount equal to 20 % of such qualified business income (subject to certain limits), resulting in a lower effective tax rate for the partner with respect to the partnership' s income. A publicly traded partnership, such as us, may be treated as a corporation, instead of being treated as a partnership, for U. S. federal income tax purposes unless 90 % or more of its gross income for every taxable year it is publicly traded consists of Qualifying Income. Based on our current operations we believe that we will be able to satisfy this requirement and, thus, be treated as a partnership, rather than a corporation, for U. S. federal income tax purposes. However, a **substantial** change in our business, or a change in current **U. S. federal income tax** law, could also cause us to be treated as a corporation for U. S. federal income tax purposes or otherwise subject us to entity- level taxation. If we were required to be treated as a corporation for U. S. federal income tax purposes or otherwise subject to entity- level taxation, then we would pay U. S. federal income tax on our taxable income at the corporate tax rate which, under current law, is 21 %. We would also likely pay state and local income tax at varying rates. Distributions to our unitholders would generally be taxed again as either a dividend (to the extent of our current and accumulated earnings and profits) and / or as taxable gain after recovery of a unitholder' s U. S. federal income tax basis in their units, and no income, gains, losses, deductions or credits would flow through to our unitholders. Because a U. S. federal income tax would be imposed upon us as a corporation, our cash available for distribution to our unitholders would be substantially reduced. Thus, treatment of us as a corporation would result in a material reduction in the anticipated cash flow and after- tax return to our unitholders. At the state level, were we to be subject to U. S. federal income tax, we would also be subject to the income tax provisions of many states. Moreover, because of widespread state budget deficits and other reasons, several states are evaluating ways to independently subject partnerships to entity- level taxation through the imposition of state income taxes, franchise taxes and other forms of taxation. Imposition of any additional such taxes on us or an increase in the existing tax rates would reduce the cash available for distribution to our unitholders. Our Partnership Agreement provides that if a law is enacted or existing law is modified or interpreted in a manner that results in us becoming subject to either: (a) entity- level taxation for U. S. federal, state, local and / or foreign income and / or withholding tax purposes to which we were not subject prior to such enactment, modification or interpretation, and / or (b) an increased amount of one or more of such taxes (including as a result of an increase in tax rates), then the minimum quarterly distribution amounts and the target distribution amounts may be adjusted (i. e., reduced) to reflect the impact of that law on us. We conduct a portion of our operations and business through one or more direct and indirect subsidiaries ~~(including LGWS)~~ that are treated as C corporations for U. S. federal income tax purposes. We may elect to conduct additional operations through these corporate subsidiaries in the future. These corporate subsidiaries are subject to corporate- level taxes ~~,~~ at the corporate tax rate, which is currently 21 % **for federal taxes** , and will also likely be subject to state (and possibly local) income tax at varying rates, on their taxable income. Any such entity level taxes will reduce the cash available for distribution to us and, in turn, to unitholders. If the IRS were to successfully assert that these corporations have more tax liability than we anticipate or legislation were enacted that increased the corporate tax rate, our cash available for distribution to unitholders would be further reduced. Distributions from any such C corporation will generally be taxed again to unitholders as dividend income to the extent of current and accumulated earnings and profits of such C corporation. The maximum U. S. federal income tax rate applicable to qualified dividend income that is allocable to individuals is 20 % **(plus an additional 3. 8 % Medicare tax on net investment income where applicable)** . An individual unitholders' share of dividend and interest income from ~~LGWS or other~~ C corporation subsidiaries would constitute portfolio income that could not be offset by the unitholders' share of our other losses or deductions. The present U. S. federal income tax treatment of publicly traded partnerships, including us, or of an investment in our common units may be modified by administrative, legislative or judicial changes or differing interpretations at any time. For example, from time to time, members of Congress propose and consider such substantive changes to the existing U. S. federal income tax laws that affect publicly traded partnerships. If implemented, these proposals or other similar proposals could eliminate the Qualifying Income exception upon which we rely for our treatment as a partnership for U. S. federal income tax purposes. Any modification to the U. S. federal income tax laws may be applied retroactively and could make it more difficult or impossible for us to be treated as a partnership for U. S. federal income tax purposes. We are unable to predict whether any of these changes or other proposals will ultimately be enacted. Any such changes could negatively impact the value of an investment in our common units. If the IRS contests the U. S. federal income tax positions we take, the market for our common units may be adversely impacted and the costs of any contest will reduce our cash available for distribution to our unitholders. We have not requested any ruling from the IRS with respect to our treatment as a partnership for U. S. federal income tax purposes or any other U. S. federal income tax matter affecting us. The IRS may adopt positions that differ from the conclusions of our counsel expressed in our disclosures or from the positions we take. It may be necessary to resort to administrative or court proceedings to sustain some or all of our counsel' s conclusions or the positions we take, and such positions may ultimately not be sustained. A court may not agree with some or all of our counsel' s conclusions or the positions we take. Any contest with the IRS may materially and adversely impact the market for our common units and the price at which they trade. In addition, the costs of any contest with the IRS, which will be borne indirectly by our unitholders and our General Partner, will result in a reduction in cash available for distribution. Our unitholders are required to pay taxes on their share of income from us even if they do not receive any cash distributions from us. A unitholder' s share of our taxable income, and its relationship to any distributions we make, may be affected by a variety of factors, including our economic performance, transactions in which we engage or changes in law and may be substantially different from any estimate we make in connection with a unit offering. Our unitholders are required to pay U. S. federal income taxes and, in some cases, state and local taxes, on their allocable share of our taxable income and gain even if they do not receive any cash distributions from us. Our unitholders may not receive cash distributions from us equal to their share of our taxable income or even equal to the actual tax due with respect to that income. A unitholder' s share of our taxable income, and its relationship to any distributions we make, may be affected by a variety of factors, including our economic performance, which may be affected by numerous business, economic, regulatory, legislative, competitive and political uncertainties beyond our control, and certain transactions in which we might engage. For example, we may engage in transactions that produce substantial taxable income allocations to some or all of our unitholders without a corresponding increase in cash distributions to our unitholders, such as a sale or exchange of assets, the proceeds of which are reinvested in our business or used to reduce our debt, or an actual or deemed satisfaction of our indebtedness for an amount less than the adjusted issue price of the debt. A unitholder' s ratio of its share of taxable income to the cash received by it may also be affected by changes in law. From time to time, in connection with an offering of our common units, we may state an estimate of the ratio of federal taxable income to cash distributions that a purchaser of our common units in that offering may receive in a given period. These estimates depend in part on factors that are unique to the offering with respect to which the estimate is stated, so the expected ratio applicable to other common units will be different, and in many cases less favorable, than these estimates. Moreover, even in the case of common units purchased in the offering to which the estimate relates, the estimate may be incorrect, due to the uncertainties described above, challenges by the IRS to tax reporting positions which we adopt, or other factors. The actual ratio of taxable income to cash distributions could be higher or lower than expected, and any differences could be material and could materially affect the value of our common units. In general, we are entitled to a deduction for interest paid or accrued on indebtedness properly allocable to our trade or business during our taxable year. Under the Tax Cuts and Jobs Act, for taxable years beginning after December 31, 2017, our deduction for " business interest " is limited to the sum of our business interest income and 30 % of our " adjusted taxable income. " For purposes of this limitation, our adjusted taxable income is computed without regard to any business interest expense or business interest income, and in the case of taxable years beginning before January 1, 2022, any deduction allowable for depreciation, amortization or depletion. **A pending federal bill, The Tax Relief for American Families and Workers Act of 2024 (H. R. 7024), would extend the ability to compute adjusted taxable income without regard to any deduction allowable for depreciation, amortization or depletion to taxable years beginning after January 1, 2022 and before January 1, 2026.** If a unitholder sells common units, the unitholder will recognize a gain or loss equal to the difference between the amount realized and that unitholder' s tax basis in those common units. Distributions per common unit in excess of a unitholder' s allocable share of our net taxable income result in a decrease in that unitholder' s tax basis in its common units. The amount of this decreased tax basis, with respect to the units sold will, in effect, become taxable income to that unitholder, if that unitholder sells such units at a price greater than that unitholder' s tax basis in those units, even if the sales price received is less than the original cost. Furthermore, a substantial portion of the amount realized, whether or not representing gain, may be taxed as ordinary income due to potential recapture of depreciation and amortization deductions and certain other items. In addition, because the amount realized includes a unitholder' s share of our non- recourse liabilities, if a unitholder sells units, that unitholder may incur a tax liability in excess of the amount of cash received from the sale. Investment in our common units by organizations that are exempt from U. S. federal income tax, such as employee benefit plans and individual retirement accounts and non- U. S. persons raises issues unique to them. For example, a substantial amount of our U. S. federal taxable income and gain constitute gross income from an unrelated trade or business and the amount thereof allocable to a tax- exempt organization would be taxable to such organization as unrelated business taxable income. Distributions to a non- U. S. person that holds our common units will be reduced by U. S. federal withholding taxes imposed at the highest applicable U. S. federal income tax rate and such non- U. S. person will be required to file U. S. federal income tax returns and pay U. S. federal income tax, to the extent not previously withheld, on his, her or its allocable share of our taxable income and gain. Under the Tax Cuts and Jobs Act, if a unitholder sells or otherwise disposes of a common unit, the transferee is required to withhold 10 % of the amount realized by the transferor unless the transferor certifies that it is not a foreign person, and we are required to deduct and withhold from the transferee amounts that should have been withheld by the transferee but were not withheld. The Department of the Treasury and the IRS have issued final regulations providing guidance on the application of these rules for transfers of certain publicly traded partnership interests, including transfers of our common units, that are generally applicable to transfers occurring on or after January 1, 2023. Under these regulations, the " amount realized " on a transfer of our common units will generally be the amount of gross proceeds paid to the broker effecting the applicable transfer on behalf of the transferor. Such broker will generally be responsible for the 10 % withholding obligation, and we will generally not be required to withhold from the transferee amounts that should have been withheld by the broker but were not withheld. Quarterly distributions made to our foreign unitholders on or after January 1, 2023 may also be subject to withholding under these rules to the extent a portion of a distribution is attributable to an amount in excess of our cumulative net income that has not previously been distributed. Any tax- exempt organization or non- U. S. person should consult its tax advisor before investing in our common units, including to discuss the potential impact of tax withholding on distributions on or sales or other taxable dispositions of our common units.