Risk Factors Comparison 2024-02-29 to 2023-02-27 Form: 10-K

Legend: **New Text** ~~Removed Text~~ Unchanged Text Moved Text Section

Summary of Risk Factors We are subject to a variety of risks and uncertainties, including, without limitation risks related to (i) our businesses and ~~underlying regulations governing~~ our operations, (ii) **our structure** ~~changes in the regulatory~~ and ~~permitting environment,~~ (iii) ~~environmental risks, (iv)~~ tax matters ~~and (v) COVID- 19~~ , each of which could have an adverse effect on our financial condition, results of operations and cash available for distribution to our unitholders. ~~Additional discussion~~ **The following summarizes certain** of these risks **:** ~~, and other risks that we face, can be found below. ● COVID- 19 and certain developments in global petroleum markets have had, and may from time to time continue to have, material adverse consequences for general economic, financial and business conditions.~~ ● We may not have sufficient cash from operations to enable us to pay distributions on our Series A preferred units or our Series B preferred units (collectively, our " preferred units ") or maintain distributions on our common units at current levels. ● **A significant decrease in price or demand for the products we sell or a significant increase in the cost of our logistics activities could have an adverse effect on our financial condition, results of operations and cash available for distribution to our unitholders. ●** Certain of our financial results are subject to seasonality. **· The condition of credit markets may adversely affect our liquidity.** ● ~~Our~~ **Covenants and borrowing base limitations included in our debt instruments and our** debt levels may limit our flexibility in obtaining additional financing and in pursuing other business opportunities. ● Our risk management policies cannot eliminate all commodity risk, basis risk or the impact of unfavorable market conditions. In addition, any noncompliance with our risk management policies could result in significant financial losses. ● We are exposed to trade credit risk and risk associated with our trade credit support in the ordinary course of our ~~business~~ **businesses** ~~activities~~ . ● Higher prices, new technology and alternative fuels, such as electric, hybrid, battery powered, hydrogen or other alternative fuel- powered motor vehicles, ~~and~~ energy efficiency **and changing consumer preferences or driving habits** could reduce demand for our products. ● We depend upon marine, pipeline, rail and truck transportation services for ~~our logistics activities~~ **the petroleum products we purchase and sell** . ~~Implementation of regulations~~ **Regulations** and directives related to these transportation services as well as disruption in any of these transportation services could adversely affect our logistics activities. ● Changes in government usage mandates and tax credits could adversely affect the availability and pricing of ethanol and renewable fuels, which could negatively impact our sales. ● We may not be able to obtain state fund or insurance reimbursement of our environmental remediation costs. ● Our results can be adversely affected by unforeseen events, such as adverse weather, natural disasters, terrorism, **cyberattacks** ~~cyber attacks~~ , pandemics or other catastrophic events **. ● Our businesses, including our gasoline station and convenience store business, expose us to litigation which could result in an unfavorable outcome or settlement of one or more lawsuits where insurance proceeds are insufficient or otherwise unavailable** . ● Our businesses are subject to federal, state and municipal environmental and non- environmental regulations which could **significantly impact our operations, increase our costs and** have a material adverse effect on such businesses. ● ~~New, stricter environmental laws and other industry- related regulations or environmental litigation could significantly impact our operations and / or increase our costs. ●~~ Our **assets and** operations are subject to a series of risks arising from climate change. ● **A** ~~Cyber security breaches and other disruptions~~ - **disruption to our information technology systems, including cybersecurity,** could ~~compromise~~ **significantly limit** our ~~information and operations, and expose us to liability~~ -- **ability** ~~, which would cause our business and reputation~~ to **manage and** ~~suffer. ● We depend on unionized labor for the operation~~ **operate** ~~of certain of our terminals. Any work stoppages or labor disturbances at these terminals could disrupt~~ our businesses. ● Our general partner and its affiliates have conflicts of interest and limited fiduciary duties, which could permit them to favor their own interests to the detriment of our unitholders. ● Our tax treatment depends on our status as a partnership for federal income tax purposes. ● Unitholders may be required to pay taxes on their share of our income even if they do not receive any cash distributions from us. Risks Related to Our Business **We** ~~COVID- 19 and certain developments in global petroleum markets have had, and may from time to time continue to have, material adverse consequences for general economic, financial and business conditions, and could materially and adversely affect our business, financial condition and results of operation and those of our customers, suppliers and other counterparties. Although the impact of COVID- 19 has significantly declined to date, there is continuing uncertainty surrounding the ongoing impacts of COVID- 19 to the national and state economies. Prolonged periods of economic distress and / or disparate periods of economic recovery could have an adverse effect on our financial condition, results of operation and cash available for distribution to our unitholders. These events could also continue to have or cause adverse effects on the financial condition of our counterparties, suppliers of goods and services we purchase, and purchasers of the goods and services we sell, resulting in further disruption to and decline in our business activities resulting in an adverse impact to our financial condition and results of operations in the future. Any of the foregoing events or conditions, or other unforeseen consequences of COVID- 19 and certain developments in global petroleum markets, could significantly adversely affect our business and financial condition and the business and financial condition of our customers, suppliers and counterparties. The ultimate extent of the impact of COVID- 19 on our business, financial condition and results of operations depends in large part on future developments which are uncertain and cannot be predicted with any certainty at this time. That uncertainty includes the geographic regions so impacted, the extent of such impact within specific boundaries of those areas, the impact to the local, state and national economies and whether COVID- 19 has caused a structural shift in such economies such that current levels of economic activity represent a new normal. 23We~~ may not have sufficient cash from operations to enable us to pay distributions on our preferred units or maintain distributions on our common units at current levels following establishment of cash reserves and payment of fees and expenses, including payments to our general partner. We may not have sufficient available cash each quarter to pay distributions on our preferred units and maintain distributions on our common units at current levels. The amount of cash we can distribute on our 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: ● competition from other companies that sell refined petroleum products, gasoline blendstocks, renewable fuels and crude oil and convenience store items and sundries; ● demand for refined petroleum products, gasoline blendstocks, renewable fuels and crude oil in the markets we serve; ● absolute price levels, as well as the volatility of prices, of refined petroleum products, gasoline blendstocks, renewable fuels, RINs and crude oil in both the spot and futures markets; ● supply, extreme weather and logistics disruptions; ● seasonal variation in temperatures which affects demand for home heating oil and residual oil to the extent that it is used for space heating; ● the level of our operating costs, including payments to our general partner; and ● prevailing economic conditions. In addition, the actual amount of cash we have available for distribution will depend on other factors such as: ● the level of capital expenditures we make; **24** ● the restrictions contained in our credit agreement and the indentures governing our senior notes, including financial covenants, borrowing base limitations and advance rates; ● distributions paid on our preferred units; ● redemptions of some or all of our preferred units; ● our debt service requirements; ● the cost of acquisitions; ● fluctuations in our working capital needs; ● our ability to borrow under our credit agreement to make distributions to our unitholders; and ● the amount of cash reserves established by our general partner. ~~24The~~ -- **The** amount of cash we have available for distribution to unitholders depends on our cash flow and does not depend solely on profitability. The amount of cash we have available for distribution depends primarily on our cash flow, including borrowings, and does not depend solely on profitability. Our cash flow will be affected by non- cash items. As a result, we may make cash distributions during periods when we record losses and may not make cash distributions during periods when we record net income. We commit substantial resources to pursuing acquisitions and expending capital for growth projects, although there is no certainty that we will successfully complete any acquisitions or growth projects or receive the economic results we anticipate from completed acquisitions or growth projects. We are continuously engaged in discussions with potential sellers and lessors of existing (or suitable for development) terminalling, storage, logistics and / or marketing assets, including gasoline stations, convenience stores and related businesses, and also consider organic growth projects. Our growth largely depends on our ability to make accretive acquisitions and / or accretive development projects. We may be unable to execute such accretive transactions for a number of reasons, including the following: (1) we are unable to identify attractive transaction candidates or negotiate acceptable terms; (2) we are unable to obtain financing for such transactions on economically acceptable terms; or (3) we are outbid by competitors. Many of these transactions involve numerous regulatory, environmental, commercial and legal uncertainties beyond our control ~~. Required approvals~~ , **which** ~~permits and licenses~~ may ~~not be obtained, may be delayed or may be obtained with conditions that~~ materially alter the expected return associated with the underlying ~~projects~~ **transaction** . **We** ~~In addition, we~~ may consummate transactions that we believe will be accretive but that ultimately may not be accretive ~~. If any of these events were to occur, our future growth~~ and ~~ability to increase or maintain distributions on our common units could be limited. We can give no assurance that our transaction efforts will be successful or that any such efforts will be completed on terms that are favorable to us. Even if we consummate acquisitions or pursue and complete growth projects that we believe will be accretive, they~~ may **even** ~~in fact~~ result in ~~no increase or even~~ a decrease in cash ~~available for distribution to our unitholders~~ . Any such transactions involves potential risks, including: ● performance from the acquired assets and businesses or completed growth projects that is below the forecasts we used in evaluating the ~~acquisition~~ **transaction** ; ● mistaken assumptions about price, demand, market growth, volumes, revenues and costs, including synergies; ● a project that is behind schedule or in excess of budgeted costs; ● a significant increase in our indebtedness and working capital requirements; ● an inability to hire, train or retain qualified personnel to manage and operate the businesses or assets; **25** ● 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; ● mistaken assumptions about the overall costs of equity or debt; ● the assumption of substantial unknown or 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; ● limitations on rights to indemnity from the seller **of the acquired assets and businesses** ; ~~25~~ ● customer or key employee loss from the acquired businesses; ● unforeseen difficulties operating in new and existing product areas or new and existing geographic areas; and ● diversion of our management' s and employees' attention from other business concerns. If any acquisitions we consummate or projects we pursue and complete do not generate **the** expected ~~increases in~~ **level of** cash available for distribution to our unitholders, our ability to increase or maintain distributions on our common units may be reduced **. We may not be able to realize expected returns or other anticipated benefits associated with our joint ventures. We are currently involved in two joint ventures. We may not always be in complete alignment with our unaffiliated joint venture counterparties due to, for example, conflicting strategic objectives, change in control, change in market conditions or applicable laws, or other events. We may disagree on governance matters with respect to the respective joint venture or the jointly- owned assets and may be outvoted by our respective joint venture counterparty. Our joint venture arrangements may also require us to expend additional resources that could otherwise be directed to other areas of our business. As a result of such challenges, the anticipated benefits associated with our joint ventures may not be achieved and could negatively impact our results of operations** . Our gasoline financial results in our GDSO segment can be lower in the first and fourth quarters of the calendar year due to seasonal fluctuations in demand. Due to the nature of our businesses and our reliance, in part, on consumer travel and spending patterns, we may experience more demand for gasoline during the late spring and summer months than during the fall and winter months. Travel and recreational activities are typically higher in these months in the geographic areas in which we operate, increasing the demand for gasoline. Therefore, our results of operations in gasoline can be lower in the first and fourth quarters of the calendar year. Our heating oil and residual oil financial results can be lower in the second and third quarters of the calendar year. Demand for some refined petroleum products, specifically home heating oil and residual oil for space heating purposes, is generally higher during November through March than during April through October. We obtain a significant portion of these sales during the winter months. Warmer weather conditions could adversely affect our results of operations and financial condition. Weather conditions generally have an impact on the demand for both home heating oil and residual oil. Because we supply distributors whose customers depend on home heating oil and residual oil for space heating purposes during the winter, warmer- than- normal temperatures during the first and fourth calendar quarters can decrease the total volume we sell and the gross profit realized on those sales. ~~A~~ **26A** significant decrease in price or demand for the products we sell or a significant increase in the cost of our logistics activities could have an adverse effect on our financial condition, results of operations and cash available for ~~distributions~~ - **distribution** to our unitholders. A significant decrease in price or demand for the products we sell or a significant increase in the cost of our logistics activities could reduce our revenues and, therefore, reduce our ability to make distributions to our unitholders or increase distributions to our common unitholders. Factors that could lead to a decrease in market demand for products we sell, including refined petroleum products, gasoline blendstocks, renewable fuels and crude oil **,** include: ● a recession or other adverse economic conditions or an increase in the market price or of an oversupply of refined petroleum products, gasoline blendstocks, renewable fuels and crude oil or higher taxes or other governmental or regulatory actions that increase, directly or indirectly, the cost of gasoline or other refined petroleum products, gasoline blendstocks, renewable fuels and crude oil; ● a shift by consumers to more fuel- efficient or alternative fuel vehicles, including hybrids, or an increase in fuel economy of vehicles, whether as a result of technological advances by manufacturers, governmental or regulatory actions or otherwise; and ● conversion from consumption of home heating oil or residual oil to natural gas and / or electric heat pumps and utilization of propane and / or natural gas (instead of heating oil) as primary fuel sources. ~~26Certain~~ -- **Certain** of our operating costs and expenses are fixed and do not vary with the volumes we store and distribute. Should we experience a reduction in our volumes stored, distributed and sold and in our logistics activities, such costs and expenses may not decrease ratably or at all. As a result, we may experience declines in our margin if ~~these~~ volumes decrease. Our businesses are influenced by the overall markets for refined petroleum products, gasoline blendstocks, renewable fuels, crude oil and propane and increases and / or decreases in the prices of these products may adversely impact our financial condition, results of operations and cash available for distribution to our unitholders and the amount of borrowing available for working capital under our credit agreement. Results from our purchasing, storing, terminalling, transporting, selling and blending operations are influenced by prices for refined petroleum products, gasoline blendstocks, renewable fuels, crude oil and propane, price volatility and the market for such products. Prices in the overall markets for these products may affect our financial condition, results of operations and cash available for distribution to our unitholders. Our margins can be significantly impacted by the forward product pricing curve, often referred to as the futures market. We typically hedge our exposure to petroleum product and renewable fuel price moves with futures contracts and, to a lesser extent, swaps. In markets where future prices are higher than current prices, referred to as contango, we may use our storage capacity to improve our margins by storing products we have purchased at lower prices in the current market for delivery to customers at higher prices in the future. In markets where future prices are lower than current prices, referred to as backwardation, inventories can depreciate in value and hedging costs are more expensive. For this reason, in these backward markets, we attempt to reduce our inventories in order to minimize these effects. Our inventory management is dependent on the use of hedging instruments which are managed based on the structure of the forward pricing curve. Daily market changes may impact periodic results due to the point- in- time valuation of these positions. Volatility in petroleum markets may impact our results. When prices for the products we sell rise, some of our customers may have insufficient credit to purchase supply from us at their historical purchase volumes, and their customers, in turn, may adopt conservation measures which reduce consumption, thereby reducing demand for product. Furthermore, when prices increase rapidly and dramatically, we may be unable to promptly pass our additional costs on to our customers, resulting in lower margins which could adversely affect our results of operations. Higher prices for the products we sell may (1) diminish our access to trade credit support and / or cause it to become more expensive and (2) decrease the amount of borrowings available for working capital under our credit agreement as a result of total available commitments, borrowing base limitations and advance rates thereunder. ~~When~~ **27When** prices for the products we sell decline, our exposure to risk of loss in the event of nonperformance by our customers of our forward contracts may be increased as they and / or their customers may breach their contracts and purchase the products we sell at the then lower market price from a competitor. We have contractual obligations for certain transportation...... available for distribution to our unitholders. Historical prices for certain products we sell have been volatile and significant changes in such prices in the future may adversely affect our financial condition, results of operations and cash available for distribution to our unitholders. Historical prices for certain products we sell have been volatile. General political conditions, acts of war such as the ~~conflict~~ **conflicts** in Ukraine **and the Middle East** , terrorism and instability in oil producing regions, particularly in the United States, Canada, Middle East, Russia, Africa and South America, could significantly impact crude oil supplies and crude oil and refined petroleum product costs. Significant increases and volatility in wholesale gasoline costs could result in significant ~~32increases~~ -- **increases** in the retail price of motor fuel products and in lower margins per gallon. Increases in the retail price of motor fuel products could impact consumer demand for motor fuel. This volatility makes it extremely difficult to predict the impact future wholesale cost fluctuations will have on our operating results and financial condition. Dramatic increases in crude oil prices squeeze fuel margins because fuel costs typically increase faster than these increased costs can be passed along to customers. Higher fuel prices trigger higher credit card expenses, because credit card fees are calculated as a percentage of the transaction amount, not as a percentage of gallons sold. A significant change in any of these factors could materially impact our customers' needs, motor fuel gallon volumes, gross profit and overall customer traffic, which in turn could have a material adverse effect on our financial condition, results of operations and cash available for distribution to our unitholders. **We have** ~~do not vary with volumes transported.Should we experience a reduction in our logistics activities,costs associated with our~~ contractual obligations for ~~related~~ **certain** transportation assets ~~may not~~ **such as railcars,barges and pipelines.A decline in**

demand for the products we sell could result in a decrease ~~ratably~~ **in the utilization of** ~~or~~ **our transportation assets** ~~at all.As a result~~ , **which could negatively impact** our financial condition,results of operations and cash available for distribution to our unitholders ~~may be negatively impacted~~ .The condition of credit markets may adversely affect our liquidity.In the past,world financial markets experienced a severe reduction in the availability of credit.Possible negative impacts in the future could include a decrease in the availability of borrowings under our credit agreement,increased counterparty credit risk on our derivatives contracts and our contractual counterparties could require us to provide collateral.In addition,we could experience a tightening of trade credit from our suppliers. ~~Our~~ **27Our** debt levels may limit our flexibility in obtaining additional financing and in pursuing other business opportunities.As of December 31, ~~2023~~ **2022** ~~,adjusted to give effect to the issuance of the 2032 Notes and the use of proceeds therefrom in January 2024~~ ,our total debt,including amounts outstanding under our credit agreement and senior notes,was approximately $ ~~1~~ **993** . ~~59~~ **4** ~~billion~~ **million** . **We** ~~Effective February 8,2024,we~~ have the ability to incur additional debt,including the capacity to borrow up to $ 1.55 billion under our credit agreement,subject to limitations in our credit agreement.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 existing and future credit and debt arrangements will require us to meet financial tests that may affect our flexibility in planning for and reacting to changes in our businesses,including possible acquisition opportunities; ~~28~~ ● we will need a substantial portion of our cash flow to make principal and 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 businesses; **and** ● our debt level may limit our flexibility in responding to changing businesses and economic conditions ~~;and ● our debt may increase our cost of borrowing~~ .Our ability to service our indebtedness depends upon,among other things,our financial and operating performance,which will 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 or eliminating 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 effect any of these remedies on satisfactory terms or at all.A significant increase in interest rates could adversely affect our ability to service our indebtedness.The interest rates on our credit agreement are variable;therefore,we have exposure to movements in interest rates.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.We may not be able to obtain funding on acceptable terms or at all,which could have a material adverse effect on our financial condition,results of operations and cash available for distribution to our unitholders.Disruptions,volatility or otherwise distress in financial markets and overall economic conditions have in the past made and could in the future make it difficult to obtain funding.Activists concerned about the potential effects of climate change have,in certain instances,directed their attention at sources of funding for energy companies whose businesses are related to the use of fossil fuels.This could also make it more difficult to secure funding.As a result,the cost of raising money in the debt and equity capital markets could increase while the availability of funds from those markets could diminish.The cost of obtaining money from the credit markets could increase as many lenders and institutional investors increase interest rates,enact tighter lending standards and reduce and,in some cases,cease to provide funding to certain types of borrowers. ~~In~~ **28In** addition,we may be unable to obtain adequate funding under our credit agreement because (i) one or more of our lenders may be unable to meet its funding obligations or (ii) our borrowing base under our credit agreement,as redetermined from time to time,may decrease as a result of price fluctuations,counterparty risk,advance rates and borrowing base limitations and customer nonpayment or nonperformance.Due to these factors,we cannot be certain that funding will be available if needed and to the extent required or requested on acceptable terms.If funding is not available when needed,or is available only on unfavorable terms,we may be unable to maintain our businesses as currently conducted,enhance our existing businesses,complete acquisitions or otherwise take advantage of business opportunities or respond to competitive pressures,any of which could have a material adverse effect on our financial condition,results of operations and cash available for distribution to our unitholders. ~~29Operating~~ -- **Operating** and financial restrictions and covenants in our credit agreement and the indentures governing our senior notes and borrowing base requirements in our credit agreement may restrict our business and financing activities.The operating and financial restrictions and covenants in our credit agreement and the indentures governing our senior notes and any future financing agreements ~~and borrowing base requirements in our credit agreement~~ could restrict our ability to finance **future** operations or capital needs or to engage,expand or pursue our business activities.For example,our credit agreement restricts our ability to:● grant liens;● make certain loans or investments;● incur additional indebtedness or guarantee other indebtedness;● make any material change to the nature of our businesses or undergo a fundamental change;● make any material dispositions;● acquire another company;● enter into a merger,consolidation,sale- leaseback transaction,joint venture transaction or purchase of assets;● make distributions if any potential default or event of default occurs;or ● modify borrowing base components and advance rates.In addition,the indentures governing our senior notes limit our ability to,among other things:● incur additional indebtedness;● make distributions to equity owners;● make certain investments;● restrict distributions by our subsidiaries;● create liens;● sell assets; ~~or~~ **or29** ● merge with other entities. **Our ability** ~~In addition,our credit agreement requires us~~ to comply with **the** ~~specified financial ratios and~~ covenants and ~~borrowing base limitations.Our ability to comply with the covenants and~~ restrictions ~~and limitations~~ contained in our credit agreement and indentures 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 ~~and restrictions~~ may be impaired.If we violate any of the restrictions,covenants,ratios or tests in our credit agreement or indentures,a significant portion of our indebtedness 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 ~~30these~~ -- **these** accelerated payments.In addition,our obligations under our credit agreement are secured by substantially all of our assets,and if we are unable to repay our indebtedness under our credit agreement,the lenders could seek to foreclose on such assets.Restrictions in our credit agreement and indentures limit our ability to pay distributions upon the occurrence of certain events.Our credit agreement and indentures limit our ability to pay distributions upon the occurrence of certain events.For example, **each of** our credit agreement and the indentures limits our ability to pay distributions upon the occurrence of the following events,among others:● failure to pay any principal,interest,fees or other amounts when due;● failure to perform or otherwise comply with the covenants in the credit agreement,the indentures or in other loan documents to which we are a borrower;and ● a bankruptcy or insolvency event involving us,our general partner or any of our subsidiaries.Any subsequent refinancing of our current debt or any new debt could have similar restrictions.For more information regarding our credit agreement and indentures,please read Part II,Item 7," Management' s Discussion and Analysis of Financial Condition and Results of Operations — Liquidity and Capital Resources — Credit Agreement " and Note 9 of Notes to Consolidated Financial Statements.We can borrow money under our credit agreement to pay distributions,which would reduce the amount of credit available to operate our businesses.Our partnership agreement allows us to borrow under our credit agreement to pay distributions.Accordingly,we can make distributions on our units even though cash generated by our operations may not be sufficient to pay such distributions.For more information,please read Part II,Item 7," Management' s Discussion and Analysis of Financial Condition and Results of Operations — Liquidity and Capital Resources " and Note 9 of Notes to Consolidated Financial Statements.The enactment of derivatives legislation could have an adverse effect on our ability to use derivative instruments to reduce the effect of commodity price,interest rate and other risks associated with our businesses.On July 21,2010,new comprehensive financial reform legislation,known as the Dodd- Frank Wall Street Reform and Consumer Protection Act (the " Act "),was enacted that establishes federal oversight and regulation of the over- the- counter derivatives market and entities,such as us,that participate in that market.The Act requires the Commodity Futures Trading Commission (" CFTC "),the SEC and other regulators to promulgate rules and regulations implementing the new legislation. **In January 2021,the CFTC finalized new rules that placed limits on positions in certain core futures and equivalent swaps contracts for,or linked to,certain physical commodities,subject to exceptions for certain bona fide hedging transactions.** The **compliance date for certain portions of the new rules was January 1,2022 while the compliance date for other portions of the new rules was January 1,2023.We currently do not expect the new rules will have a material impact on us.30The** CFTC has designated certain interest rate swaps and credit default swaps for mandatory clearing and exchange trading.To the extent we engage in such transactions or transactions that become subject to such rules in the future,we will be required to comply or take steps to qualify for an exemption to such requirements.Although we expect to qualify for the end-user exception to the mandatory clearing requirements for swaps entered to hedge our commercial risks,the application of the mandatory clearing and trade execution requirements to other market participants,such as swap dealers,may change the cost and availability of the swaps that we use for hedging.If our swaps do not qualify for the commercial end- user exception,or the cost of entering into uncleared swaps becomes prohibitive,we may be required to clear such transactions.The ultimate effect of the rules and any additional regulations on our businesses is uncertain at this time.In addition,the Act requires that regulators establish margin rules for uncleared swaps.Banking regulators and the CFTC have adopted final rules establishing minimum margin requirements for uncleared swaps.Although we expect to qualify for the end- user exception from such margin requirements for swaps entered into to hedge our commercial ~~31risks~~ -- **risks** ,the application of such requirements to other market participants,such as swap dealers,may change the cost and availability of the swaps that we use for hedging.If any of our swaps do not qualify for the commercial end- user exception,posting of initial or variation margin could impact our liquidity and reduce cash available for capital expenditures,therefore reducing our ability to execute hedges to reduce risk and protect cash flows ~~.The CFTC has finalized rules that place limits on positions in certain core futures and equivalent swaps contracts for,or linked to,certain physical commodities,subject to exceptions for certain bona fide hedging transactions.We currently do not expect such rules will have a material impact on us~~ .The CFTC has also adopted a final rule regarding aggregation of positions,under which a party that controls the trading of,or owns 10 % or more of the equity interests in,another party will have to aggregate the positions of the controlled or owned party with its own positions for purposes of determining compliance with position limits unless an exemption applies.The CFTC' s aggregation rules are now in effect,though CFTC staff have granted relief — until August 12,2025 or the effective date of any codifying rulemaking — from various conditions and requirements in the final aggregation rules.With the implementation of the final aggregation rules and upon the effectiveness of the final CFTC position limits rule,our ability to execute our hedging strategies described above could be limited.The full impact of the Act and related regulatory requirements upon our businesses will not be known until all of the related regulations are implemented.The Act and any new regulations could significantly increase the cost of derivative contracts (including from swap recordkeeping and reporting requirements and through requirements to post collateral which could adversely affect our available liquidity),materially alter the terms of derivative contracts,reduce the availability of some derivatives to protect against risks we encounter and reduce our ability to monetize or restructure our existing derivative contracts.If we reduce our use of derivatives as a result of the Act and regulations,our results of operations may become more volatile and our cash flows may be less predictable,which could adversely affect our ability to plan for and fund capital expenditures.Any of these consequences could have material adverse effect on our financial condition,results of operations and cash available for ~~distribution~~ **distributions** to our unitholders.In addition,the European Union and other non- U.S.jurisdictions are implementing regulations with respect to the derivatives market.To the extent we transact with counterparties in foreign jurisdictions,we may become subject to such regulations.Our risk management policies cannot eliminate all commodity risk,basis risk or the impact of unfavorable market conditions,each of which can adversely affect our financial condition,results of operations and cash available for distribution to our unitholders.In addition,any noncompliance with our risk management policies could result in significant financial losses.While our hedging policies are designed to minimize commodity risk,some degree of exposure to unforeseen fluctuations in market conditions remains.For example,we change our hedged position daily in response to movements in our inventory.If we overestimate or underestimate our sales from inventory,we may be unhedged for the amount of the overestimate or underestimate.Also,significant increases in the costs of the products we sell can materially increase our costs to carry inventory.We use our credit facility as our primary source of financing to carry inventory and may be limited to the amounts we can borrow to carry inventory.Basis risk is the inherent market price risk created when a commodity of certain grade or location is purchased,sold or exchanged as compared to a purchase,sale or exchange of a like commodity at a different time or place. ~~Transportation~~ **31Transportation** costs and timing differentials are components of basis risk.For example,we use the NYMEX to hedge our commodity risk with respect to pricing of energy products traded on the NYMEX.Physical deliveries under NYMEX contracts are made in New York Harbor.To the extent we take deliveries in other ports,such as Boston Harbor,we may have basis risk.In a backward market (when prices for future deliveries are lower than current prices),basis risk is created with respect to timing.In these instances,physical inventory generally loses value as basis declines over time.Basis risk cannot be entirely eliminated,and basis exposure,particularly in backward or other adverse market conditions,can adversely affect our financial condition,results of operations and cash available for distribution to our unitholders. ~~32We~~ **We** monitor processes and procedures to prevent unauthorized trading and to maintain substantial balance between purchases and sales or future delivery obligations.We can provide no assurance,however,that these steps will detect and / or prevent all violations of such risk management policies and procedures,particularly if deception or other intentional misconduct is involved.We are exposed to trade credit risk and risk associated with our trade credit support in the ordinary course of our business activities.We are exposed to risks of loss in the event of nonperformance by our customers,by counterparties of our forward and futures contracts,options and swap agreements and by our suppliers.Some of our customers,counterparties and suppliers may be highly leveraged and subject to their own operating and regulatory risks.The tightening of credit in the financial markets may make it more difficult for customers and counterparties to obtain financing and,depending on the degree to which it occurs,there may be a material increase in the nonpayment and nonperformance of our customers and counterparties.Even if our credit review and analysis mechanisms work properly,we may experience financial losses in our dealings with other parties.Any increase in the nonpayment or nonperformance by our customers and / or counterparties and the nonperformance by our suppliers could reduce our ability to make distributions to our unitholders.Additionally,our access to trade credit support could diminish and / or become more expensive.Our ability to continue to receive sufficient trade credit on commercially acceptable terms could be adversely affected by fluctuations in prices of petroleum products,renewable fuels and other products we sell or disruptions in the credit markets or for any other reason.Any of these events could adversely affect our financial condition,results of operations and cash available for distribution to our unitholders.We are exposed to performance risk in our supply chain.We rely upon our suppliers to timely produce the volumes and types of refined petroleum products,gasoline blendstocks,renewable fuels and crude oil for which they contract with us.In the event one or more of our suppliers does not perform in accordance with its contractual obligations,we may be required to purchase product on the open market to satisfy forward contracts we have entered into with our customers in reliance upon such supply arrangements.We may purchase refined petroleum products,gasoline blendstocks,renewable fuels and crude oil from a variety of suppliers under term contracts and on the spot market.In times of extreme market demand,we may be unable to satisfy our supply requirements.Furthermore,a portion of our supply comes from other countries,which could be disrupted by political events,natural disaster,logistical issues associated with delivery schedules or otherwise.In the event such supply becomes scarce,we may not be able to satisfy our supply requirements.If any of these events were to occur,we may be required to pay more for product that we purchase on the open **market,which could result in financial losses and adversely affect our financial condition,results of operations and cash available for distribution to our unitholders.** Our gasoline, convenience store and prepared food sales could be significantly reduced by a reduction in demand due to higher prices and inflation in general and new technologies and alternative fuel sources, such as electric, hybrid, battery powered, hydrogen or other alternative fuel- powered motor vehicles **and changing consumer preferences and driving habits** . Technological advances and alternative fuel sources, such as electric, hybrid, battery powered, hydrogen or other alternative fuel- powered motor vehicles, may adversely affect the demand for gasoline. We could face additional competition from alternative energy sources as a result of future government- mandated controls or regulations which promote the use of alternative fuel sources. A number of new legal incentives and regulatory requirements, and executive initiatives, including various government subsidies including the extension of certain tax credits for renewable energy, have made these alternative forms of energy more competitive. 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 food, sundries and other on- site services. In addition, higher prices and inflation in general could reduce the demand for gasoline and the products and services we offer at our convenience stores and adversely impact our sales. A reduction in our sales could have an adverse effect on our financial condition, results of operations and cash available for distribution to our unitholders. ~~Energy~~ **33Energy** efficiency, higher prices, new technology and alternative fuels could reduce demand for our heating oil and residual oil. Increased conservation and technological advances have adversely affected the demand for home heating oil and residual oil. Consumption of residual oil has steadily declined over the last ~~four~~ **several** decades. We could face additional competition from alternative energy sources as a result of future government- mandated controls or regulations further promoting the use of cleaner fuels. End users who are dual- fuel users have the ability to switch between residual oil and natural gas. Other end users may elect to convert to natural gas, electric heat pumps or other alternative fuels. During a period of increasing residual oil prices relative to the prices of natural gas, dual- fuel customers may switch and other end users may convert to natural gas. During periods of increasing home heating oil prices relative to the price of natural gas, residential users of home heating oil may also convert to natural gas, electric heat pumps or other alternative fuels. As described above, such switching or conversion could have an adverse effect on our financial condition, results of operations and cash available for distribution to our unitholders. Erosion of the value of major gasoline brands could adversely affect our gasoline sales and customer traffic. As a significant number of our retail gasoline stations and convenience stores are branded utilizing major gasoline brands, they may be dependent, in part, upon the continuing favorable reputation of such brands. Erosion of the value of major gasoline brands could have a negative impact on our gasoline sales, which in turn may cause our operations to be less profitable. We depend upon marine, pipeline, rail and truck transportation services for a substantial portion of our logistics activities in transporting the **petroleum** products we **purchase and** sell. ~~Implementation of regulations and directives related to these aforementioned services as well as disruption~~ **Disruption** in any of these transportation services could have an adverse effect on our financial condition, results of operations and cash available for distribution to our unitholders. Hurricanes, flooding and other severe weather conditions could cause a disruption in the transportation services we depend upon and could affect the flow of service. In addition, accidents, labor disputes between providers and their ~~33employees~~ -- **employees** and labor renegotiations, including strikes, lockouts or a work stoppage, shortage of railcars, trucks and barges, mechanical difficulties or bottlenecks and disruptions in transportation logistics could also disrupt our business operations. These events could result in service disruptions and increased costs which could also adversely affect our financial condition, results of operations and cash available for distribution to our unitholders. Other disruptions, such as those due to an act of terrorism or war, could also adversely affect our businesses. Changes in government usage mandates and tax credits could adversely affect the availability and pricing of ethanol and renewable fuels, which could negatively impact our sales. The EPA has implemented a RFS pursuant to the Energy Policy Act of 2005 and the Energy Independence and Security Act of 2007. The RFS program seeks to promote the incorporation of renewable fuels in the nation' s fuel supply and, to that end, sets annual quotas for the quantity of renewable fuels (such as ethanol) that must be blended into transportation fuels consumed in the United States. A RIN is assigned to each gallon of renewable fuel produced in or imported into the United States. We are exposed to volatility in the market price of RINs. We cannot predict the future prices of RINs. RIN prices are dependent upon a variety of factors, including EPA regulations related to the amount of RINs required and the total amounts that can be generated, the availability of RINs for purchase, the price at which RINs can be purchased, and levels of transportation fuels produced, all of which can vary significantly from quarter to quarter. For more information, please read Part I, Items 1. and 2. " Business and Properties — Regulation — Ethanol Market. " If sufficient RINs are unavailable for purchase or if we have to pay a significantly higher price for RINs, or if we are otherwise unable to meet the EPA' s RFS mandates, our results of operations and cash flows could be adversely affected. Future demand for ethanol will be largely dependent upon the economic incentives to blend based upon the relative value of gasoline and ethanol, taking into consideration the EPA' s regulations on the RFS program and oxygenate blending requirements. A reduction or waiver of the RFS mandate or oxygenate blending requirements could ~~adversely~~ **34adversely** affect the availability and pricing of ethanol, which in turn could adversely affect our future gasoline and ethanol sales. In addition, changes in blending requirements or broadening the definition of what constitutes a renewable fuel could affect the price of RINs which could impact the magnitude of the mark- to- market liability recorded for the deficiency, if any, in our RIN position relative to our RVO at a point in time. **Future** ~~Changes~~ **changes** proposed by EPA for the renewable volume obligations may increase the cost to consumers for transportation fuel, which could result in a decline in demand for fuels and lower revenues for our business. We may not be able to obtain state fund or insurance reimbursement of our environmental remediation costs. Where releases of products, including, without limitation, refined petroleum products, gasoline blendstocks, renewable fuels and crude oil have occurred, federal and state laws and regulations require that contamination caused by such releases be assessed and remediated to meet applicable standards. Our obligation to remediate this type of contamination varies, depending upon applicable laws and regulations and the extent of, and the facts relating to, the release. A portion of the remediation costs for certain products may be recoverable from the reimbursement fund of the applicable state and / or from third party insurance after any deductible or self- insured retention has been met, but there are no assurances that such reimbursement funds or insurance proceeds will be available to us. Potential exposure to products we handle at our facilities could subject us to product liability claims and complaints which could increase our litigation, operating and compliance costs and adversely affect our financial condition and results of operations. We may be subject to complaints or litigation arising out of alleged contamination and / or exposure to chemicals or other regulated materials, such as various perfluorinated compounds, including perfluorooctanoate, perfluorooctane sulfonate, perfluorohexane sulfonate, or other per- and polyfluoroalkyl substances, benzene and / or petroleum hydrocarbons, at or from our facilities. Such complaints or litigation could have a negative impact on our businesses. ~~34Future~~ -- **Future** consumer or other litigation could adversely affect our financial condition and results of operations. Our retail gasoline and convenience store operations are characterized by a high volume of customer traffic and by transactions involving an array of products. These operations carry a higher exposure to consumer litigation risk when compared to the operations of companies operating in many other industries. Consequently, we may become a party to individual personal injury or products liability and other legal actions in the ordinary course of our retail gasoline and convenience store business. Any such action could adversely affect our financial condition and results of operations. Additionally, we are occasionally exposed to industry- wide or class action claims arising from the products we carry or industry- specific business practices. Our defense costs and any resulting damage awards or settlement amounts may not be fully covered by our insurance policies. An unfavorable outcome or settlement of one or more of these lawsuits could have a material adverse effect on our financial condition, results of operations and cash available for ~~distributions~~ - **distribution to our unitholders** . We may incur costs or liabilities as a result of litigation or adverse publicity resulting from concerns over food quality, health or other issues that could cause customers to avoid our convenience stores. We may be the subject of complaints or litigation arising from food- related illness or injury in general which could have a negative impact on our businesses. Additionally, negative publicity, regardless of whether the allegations are valid, concerning food quality, food safety or other health concerns, employee relations or other matters related to our food preparation operations may materially adversely affect demand for our offerings and could result in a decrease in customer traffic to our convenience stores. We depend upon a small number of suppliers for a substantial portion of our convenience store merchandise inventory. A disruption in supply or an unexpected change in our relationships with our principal merchandise suppliers could have an adverse effect on our convenience store results of operations. We purchase convenience store merchandise inventory from a small number of suppliers for our directly operated convenience stores. A change of merchandise suppliers, a disruption in supply or a significant change in our ~~relationships~~ **35relationships** with our principal merchandise suppliers could have an adverse effect on our financial condition, results of operations and cash available for distribution to our unitholders. Governmental action and campaigns to discourage smoking and use of other products may have a material adverse effect on our ~~revenues~~ **financial condition, results of operations,** and ~~gross profit~~ **cash available for distribution to our unitholders** . Congress has given the FDA broad authority to regulate tobacco and nicotine products, and the FDA, states and some municipalities have enacted and are pursuing enaction of numerous regulations restricting the sale of such products. These governmental actions, as well as national, state and municipal campaigns to discourage smoking, tax increases, and imposition of regulations restricting the sale of flavored tobacco products, e- cigarettes and vapor products, have and could result in reduced consumption levels, higher costs which we may not be able to pass on to our customers, and reduced overall customer traffic. Also, increasing regulations related to and restricting the sale of flavored tobacco products, e- cigarettes and vapor products may offset some of the gains we have experienced from selling these types of products. These factors could materially affect the sale of this product mix which in turn could have an adverse effect on our financial condition, results of operations and cash available for distribution to our unitholders. Our **financial condition,** results ~~can~~ **of operations, and cash available for distribution to our unitholders may** be adversely affected by **global** ~~unforeseen events, such as adverse weather, natural disasters, terrorism, pandemics, or other catastrophic events which could have an~~ **and national health concerns** ~~adverse effect on our financial condition, results of operations, and cash available for distributions to our unitholders~~ . Global and national health concerns, such as the outbreak of a pandemic or contagious disease like COVID- 19, may adversely affect us by reducing demand for our products. Such a health concern could result in people traveling less and avoiding public spaces, such as convenience stores and other locales where food and sundries are sold, either due to self- imposed or government- mandated restrictions to halt the spread of disease, thereby resulting in a decrease in the demand for our products, including gasoline and other refined petroleum products, and a decrease in sales of food, sundries and other on- site services. Such an event may impair our suppliers' ability to provide the volumes and types of ~~35product~~ -- **product** and goods we sell. A disease outbreak could affect the health of our workforce or result in travel restrictions, in either case rendering employees unable to work or travel. While these factors and the impact of these factors are difficult to predict, any one or more of them could disrupt our business as we may be unable to continue business operations in a continuous manner consistent with the level and extent of business activities prior to the occurrence of an unexpected event or events, lower our revenues, increase our costs, or reduce our cash available for distribution to our unitholders. New entrants or increased competition in the convenience store industry could result in reduced gross profits. We compete with numerous other convenience store chains, independent convenience stores, supermarkets, drugstores, discount warehouse clubs, motor fuel service stations, mass merchants, quick service restaurants, other locales providing food services and other similar retail outlets. Several non- traditional retailers, including supermarkets and club stores, compete directly with convenience stores. We face intense competition in our purchasing, selling, gathering, blending, terminalling, transporting and storage. Competition from other providers of refined petroleum products, gasoline blendstocks, renewable fuels and crude oil that are able to supply our customers with those products and services at a lower price and have capital resources ~~many times~~ greater than ours could reduce our ability to make distributions to our unitholders. We are subject to competition from distributors and suppliers of refined petroleum products, gasoline blendstocks, renewable fuels and crude oil that may be able to supply our customers with the same or comparable products and gathering, blending, terminalling, transporting and storage services and logistics on a more competitive basis. We compete with terminal companies, major integrated oil companies and their marketing affiliates, wholesalers, producers and independent marketers of varying sizes, financial resources and experience. In our ~~Northeast market~~ **markets** , we compete in various product lines and for all customers of those various products lines. In the residual oil markets, however, where product is heated when stored and cannot be delivered long distances, we face less competition because of the strategic locations of our residual oil storage facilities. We also compete with natural gas suppliers and marketers in our home heating oil and residual oil product lines. ~~Bunkering requires facilities at ports to service vessels, and we compete with other providers of bunker fuels in those ports.~~ In various other geographic markets, particularly the unbranded gasoline and distillates markets, we compete with integrated refiners, merchant refiners and regional marketing companies. Our retail ~~gasoline~~ **36gasoline** stations compete with unbranded and branded retail gas stations as well as supermarket and warehouse stores that sell gasoline. Some of our competitors are substantially larger than us, have greater financial resources and control greater supplies of refined petroleum products, gasoline blendstocks, renewable fuels and crude oil than we do. If we are unable to compete effectively, we may lose existing customers or fail to acquire new customers, which could have a material adverse effect on our financial condition, results of operations and cash available for distribution to our unitholders. For example, if a competitor attempts to increase market share by reducing prices, our operating results and cash available for distribution to our unitholders could be adversely affected. We may not be able to compete successfully with these companies, and our ability to compete could be harmed by factors including price competition and the availability of alternative and less expensive fuels. We may not be able to renew or replace our leases or agreements for dedicated storage when they expire. The bulk terminals we own or lease or at which we maintain dedicated storage facilities play a key role in moving product to our customers. As of December 31, ~~2022~~ **2023** , we owned, operated and maintained dedicated storage facilities at ~~17~~ **42** bulk terminals, leased the entirety of one bulk terminal that we operated exclusively for our businesses, and maintained dedicated storage at six ~~facilities~~ **bulk terminals** at which we have terminalling agreements. These lease and terminalling agreements are subject to expiration at various times through 2028. If these lease and terminalling agreements are not renewed or we are unable to renew them at rates and on terms and conditions satisfactory us or we are otherwise unable to replace such dedicated storage as may be needed, it could have an adverse effect on our financial condition, results of operations and cash available for distribution to our unitholders. ~~36We~~ **We** may not be able to lease sites we own or lease and / or sub- lease sites we lease with respect to the sale of gasoline and / or related activities on favorable terms and any such failure could adversely affect our financial condition, results of operations and cash available for distribution to our unitholders. 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 / or may not be adequate to cover costs associated with ownership of that site. We may lease certain sites where the rent expense we pay is more than the lease payments we collect. We cannot provide any assurance that our gross margin from the sale of transportation fuels and related convenience store items at sites will be adequate to offset unfavorable lease terms. The occurrence of these events could adversely affect our financial condition, results of operations and cash available for distribution to our unitholders. Some of our sales are generated pursuant to contracts that must be renegotiated or replaced periodically. If we are unable to successfully renegotiate or replace these contracts, our financial condition, results of operations and cash available for distribution to our unitholders could be adversely affected. Most of our arrangements with our customers are renegotiated or replaced periodically. As these contracts expire, they must be 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 subject to factors beyond our control. Such factors include fluctuations in refined petroleum products, gasoline blendstocks, renewable fuels and crude oil prices, counterparty' s ability to pay for or accept contracted volumes and a competitive marketplace for the services **and products** offered by us. If we cannot successfully renegotiate or replace our contracts or if we renegotiate or replace them on less favorable terms, sales from these arrangements could decline, and our financial condition, results of operations and cash available for distribution to our unitholders could be adversely affected. Due to our **limited** ~~lack of~~ asset and geographic diversification, adverse developments in the terminals we use or in our operating areas would reduce our ability to make distributions to our unitholders. We rely primarily on sales generated from products distributed from terminals we own or control or to which we have access. Furthermore, ~~the majority~~ **a substantial portion** of ~~those~~ **our** assets and operations are located ~~in~~ **throughout** the Northeast. Due to our **limited** ~~lack of~~ diversification in asset type and location, an adverse development in these businesses or areas, including ~~adverse~~ **37adverse** developments due to catastrophic events or weather and corresponding decreases in demand for refined petroleum products, gasoline blendstocks, renewable fuels, crude oil and propane, could have a significantly greater impact on our results of operations and cash available for distribution to our unitholders than if we maintained more diverse assets and locations. Our operations are subject to operational hazards and unforeseen interruptions for which we may not be adequately insured. We are not fully insured against all risks incident to our businesses. Our operations are subject to operational hazards and unforeseen interruptions such as natural disasters, weather (including as the result of climate change), accidents, fires, explosions, hazardous materials releases, mechanical failures, disruptions in supply infrastructure or logistics and other events beyond our control. If any of these events were to occur, we could incur substantial losses because of personal injury or loss of life, severe damage to and destruction of property and equipment, and pollution or other environmental damage resulting in curtailment or suspension of our related operations. We primarily store gasoline and gasoline blendstocks, renewable fuels, crude oil and propane in underground and above ground storage tanks. Our operations are also subject to significant hazards and risks inherent in storing such products. These hazards and risks include fires, explosions, spills, discharges and other releases, any of which could result in distribution difficulties and disruptions, environmental pollution, governmentally- imposed fines or clean- up obligations, personal injury or wrongful death claims and other damage to our properties and the properties of others. Furthermore, 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 ~~37could~~ -- **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 are not fully insured, it could have a material adverse effect on our financial condition, results of operations and cash available for distribution to unitholders. ~~New, stricter environmental~~ **Environmental** laws and other industry- related regulations or environmental litigation could significantly impact our operations and / or increase our costs, which could adversely affect our results of operations and financial condition. Our operations are subject to federal, state and municipal laws and regulations regulating, among other matters, logistics activities, product quality specifications and other environmental matters. The trend in environmental regulation has been towards more restrictions and limitations on activities that may affect the environment over time. For example, President Biden signed an executive order calling for new or more stringent emissions standards for new, modified and existing oil and gas facilities, and the EPA has **finalized** ~~released both a proposed rule~~ **rules** ~~and a supplemental proposal~~ to that effect. Our businesses may be adversely affected by increased costs and liabilities resulting from such stricter laws and regulations. We try to anticipate future regulatory requirements that might be imposed and plan accordingly to remain in compliance with changing environmental laws and regulations and to minimize the costs of such compliance. **There can be no assurances as to the timing and type of such changes in existing laws or the promulgation of new laws or the amount of any required expenditures associated therewith.** Risks related to our environmental permits, including the risk of noncompliance, permit interpretation, permit modification, renewal of permits on less favorable terms, judicial or administrative challenges to permits by citizens groups or federal, state or municipal entities or permit revocation are inherent in the operation of our businesses as it is with other companies engaged in similar businesses. We may not be able to renew the permits necessary for our operations, or we may be forced to accept terms in future permits that limit our operations or result in additional compliance costs. ~~"~~ Our terminalling operations are subject to federal,state and municipal laws and regulations relating to environmental protection and operational safety that could require us to incur substantial costs.The risk of substantial environmental costs and liabilities is inherent in terminal operations,and we may incur substantial environmental costs and liabilities.Our terminalling operations involving the receipt,storage and delivery of primarily refined petroleum products,gasoline blendstocks,renewable fuels and crude oil are subject to stringent federal, ~~state~~ **38state** and municipal laws and regulations governing the discharge of materials into the environment,or otherwise relating to the protection of the environment,operational safety and related matters.Compliance with these laws and regulations increases our overall cost of business,including our capital costs to maintain and upgrade equipment and facilities.We utilize a number of terminals that are owned and operated by third parties who are also subject to these stringent federal,state and municipal environmental laws in their operations **.** ~~There~~ **Their** ~~can~~ **compliance with these requirements could increase the cost of doing business with these facilities. In addition, our operations could** be ~~no assurances~~ **adversely** affected if shippers of refined petroleum products,gasoline blendstocks,renewable fuels and crude oil incur additional costs or liabilities associated with regulations,including environmental regulations.These shippers could increase their charges to us or discontinue service altogether.Similarly,many of our suppliers face a trend of increasing environmental regulations,which could likewise restrict their ability to produce crude oil or fuels,or increase their costs of production,and thus impact the price of,and / or their ability to deliver,these products.Various governmental authorities,including the EPA,have the power to enforce compliance with these regulations and the permits issued under them,and violators are subject to administrative,civil and criminal penalties,including fines,injunctions or both.Joint and several liability may be incurred,without regard to fault or the legality of the original conduct,under federal and state environmental laws for the remediation of contaminated areas at our facilities and those where we do business.Private parties,including the owners of properties located near our terminal facilities and those with whom we do business,also may have the right to pursue legal actions against us to enforce ~~38compliance~~ -- **compliance** with environmental laws, ~~as~~ as **well as seek damages** ~~to the timing and type of such changes in existing laws or~~ **for** ~~the promulgation of new laws~~ **personal injury or property damage. We may also be held liable** ~~or~~ **for damages** ~~the amount of any required expenditures associated therewith. Climate change continues~~ to **natural resources** ~~attract considerable public and scientific attention~~ . In recent years environmental interest groups have filed suit against companies in the energy industry related to climate change. Should such suits succeed, we could face additional compliance costs or litigation risks. For more information, please read Part...... liable for damages to natural resources. The possibility exists that new, stricter laws, regulations or enforcement policies could significantly increase our compliance costs and the cost of any remediation that may become necessary, some of which may be material. Our insurance may not cover all environmental risks and costs or may not provide sufficient coverage in the event an environmental claim is made against us. We may incur increased costs because of stricter pollution control requirements or liabilities resulting from noncompliance with, or renewal of required operating or other regulatory permits. New environmental regulations, such as those related to the emissions of GHGs, might adversely affect the market for our products and activities, including the storage of refined petroleum products, gasoline blendstocks, renewable fuels and crude oil, as well as our waste management practices and our control of air emissions. Enactment of laws and passage of regulations regarding GHG emissions, or other actions to limit GHG emissions may reduce demand for fossil fuels and impact our businesses. Federal, state and municipal agencies also could impose additional safety regulations to which we would be subject. Because the laws and regulations applicable to our operations are subject to change, we cannot provide any assurance that compliance with future laws and regulations will not have a material effect on our results of operations. Additionally, the construction of new terminals or the expansion of an existing terminal involves numerous regulatory, environmental, political and legal uncertainties, most of which are not in our control. Delays, litigation, local concerns and difficulty in obtaining approvals for projects requiring federal, state or municipal permits could impact our ability to build, expand and operate strategic facilities and infrastructure, which could adversely impact growth and operational efficiency. **Please read Part I, Items 1. and 2. " Business and Properties — Regulation. "** Our **assets and** operations are subject to a series of risks arising from climate change. The threat of climate change continues to attract considerable attention ~~in the United States and in foreign countries~~ . In the United States, no comprehensive climate change legislation has been implemented at the federal level. However, President Biden has made action on climate change a priority of his administration, which includes certain potential initiatives for climate change legislation to be proposed and passed into law. For example, on August 16, 2022, President Biden signed into law the IRA which contains hundreds of billions of dollars in incentives for the development of renewable energy, clean fuels, electric vehicles and supporting infrastructure, and carbon capture and sequestration, among other provisions. Moreover, federal regulators and state and local governments have taken (or announced that they plan to take) actions that have or may ~~have~~ **39have** a significant influence on our operations. For example, following the finding that GHG emissions such as carbon dioxide and methane threaten the public health and welfare, the EPA has promulgated or adopted regulations to regulate GHG emissions from certain large stationary sources, require the monitoring and reporting of GHG emissions from certain sources, implement emissions standards for certain sources in the oil and gas sector, and (together with NHTSA), implement GHG emissions limits on vehicles manufactured for operation in the United States. Separately, President Biden ~~has already~~ issued a suite of executive orders that, among other things, recommitted the United States to the Paris Agreement, called for the revision of Trump Administration changes to the CAFE standards, and called for the issuance of methane- emission standards for new, modified, and existing oil and gas facilities, including in the transmission and storage segments. ~~In 2021 and 2022~~ **Over the past three years** , the EPA **has** proposed **and finalized** several federal regulations to try to fulfill these directives. In addition, it is possible federal legislation could be adopted in the future to restrict GHGs, as Congress has considered various proposals to reduce GHG emissions from time to time. Many states and regions have also adopted GHG initiatives. ~~For further information, please read Part I, Items 1. and 2. " Business and Properties — Regulation — Climate Change. "~~ Future international, federal and state initiatives to control GHG emissions could result in increased costs associated with refined petroleum products consumption, such as costs to install additional controls to reduce GHG emissions or costs to purchase emissions reduction credits to comply with future emissions trading programs. ~~Please read Part I, Items 1. and 2. " Business and Properties — Regulation — Climate Change. "~~ Such increased costs could result in reduced demand for refined petroleum products and some customers switching to alternative sources of fuel which could have a material adverse effect on our financial condition, results of operations and cash available for ~~distributions~~ **distribution** to our unitholders. ~~39Climate~~ -- **Climate** change continues to attract considerable public and scientific attention. This attention has also resulted in increased political risks, including climate change related pledges made by certain candidates for public office. These have included promises to curtail oil and gas operations on federal land, such as through the cessation of leasing federal land for hydrocarbon development. During his time in office, President Biden has proposed several substantial actions on climate change including, among other things, proposing the increased use of zero- emission vehicles by the federal government, the elimination of subsidies provided to the fossil fuel industry, and increased emphasis on climate- related risk across governmental agencies and economic sectors. Other actions that could be pursued include more restrictive requirements for the development of midstream infrastructure. Additionally, litigation has been filed against companies in the energy industry related to climate change. Although the litigation is varied, many such suits allege that oil and gas companies have created public nuisances by producing fuels that contribute to climate change or allege that the companies have been aware of the adverse effects of climate change for some time but failed to adequately disclose those impacts to their investors and customers. Should such suits succeed, we could face additional costs or litigation risks. Additionally, in response to concerns related to climate change, companies in the fossil fuel sector may be exposed to increasing financial risks. Certain financial institutions, including investment advisors and certain sovereign wealth, pension, and endowment funds, may elect in the future to shift some or all of their investment into non- fossil fuel related sectors. There is also a risk that financial institutions may be required to adopt policies that have the effect of reducing the funding provided to the fossil fuel sector. ~~In late~~ **For example, in October** ~~2020~~ **2023** , the Federal Reserve ~~joined the Network for Greening the Financial System~~ , **Office** ~~a consortium~~ of **the Comptroller of the Currency and the Federal Deposit Insurance Corp. released a finalized set of principles guiding** financial ~~regulators focused~~ **institutions with $ 100 billion or more in assets** on ~~addressing climate- related risks in~~ the **management** ~~financial sector, and in January 2023 began a pilot exercise designed to analyze the impact~~ of ~~both~~ physical and transition risks ~~related to~~ **associated with** climate change ~~on specific assets of six U. S. banks' portfolios~~ . Actions like this could make it more difficult to secure funding. Separately, many scientists have concluded that increasing concentrations of GHG in the earth' s atmosphere may produce climate changes that have significant physical effects, such as increased frequency and severity of storms, droughts, and floods and other climatic events. If any of those effects were to occur in areas where our facilities are located, they could have an adverse effect on our assets and operations. **For further information, please read Part I, Items 1. and 2. " Business and Properties — Regulation — Climate Change. " 1Increasing attention to environmental, social and governance (" ESG ") matters may impact our business. Increasing attention to, and social expectations on, companies to address climate change and other environmental and social impacts, investor and societal explanations regarding voluntary ESG disclosures, and increased consumer demand for alternative forms of energy may result in increased costs, reduced demand for our 40products, 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 demand shifts for our 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 or contribution to the asserted damage, or other mitigating factors. Additionally, we may receive pressure from investors, lenders, or other groups to adopt more aggressive climate or other ESG- related goals, but we cannot guarantee that we will be able to implement such goals because of potential costs or technical or operational obstacles. In March 2022, the SEC released a proposed rule that would establish a framework for the reporting of climate risks, targets, and metrics. As proposed, the SEC climate rule would impose burdensome and potentially costly emissions and other data gathering and reporting requirements on our operations, including, but not limited to, those related to risks to the physical impacts of climate change (i. e., flooding, water stress, extreme temperatures) on our assets and operations. To the extent the rule imposes additional reporting obligations, we could face increased costs. Separately, the SEC has announced that it is scrutinizing existing climate- change related disclosures in public filings, increasing the potential for enforcement if the SEC were to allege an issuer' s climate disclosures are misleading, deceptive or deficient. Such agency action could also increase the potential for private litigation. Relatedly, California has enacted new laws requiring additional disclosure with respect to certain climate- related risks and GHG emissions reduction claims. Non- compliance with these new laws may result in the imposition of substantial fines or penalties. Other states are considering similar laws. Any new laws or regulations imposing more stringent requirements on our business related to the disclosure of climate- related risks may result in reputation harms among certain stakeholders if they disagree with our approach to mitigating climate- related risks, increased compliance costs resulting from the development of any disclosures, and increased costs of and restrictions on access to capital to the extent we do not meet any climate- related expectations of requirements of financial institutions. Relatedly, 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 may lead to increased negative investor sentiment toward us or our customers and to the diversion of investment or other industries which could have a negative impact on our unit price and / or our access to and costs of capital. Additionally, institutional lenders may decide not to provide funding for fossil fuel energy companies or the corresponding infrastructure projects based on climate change related concerns, which could affect our access to capital for potential growth projects. Moreover, to the extent ESG matters negatively impact our reputation, we may not be able to compete as effectively or recruit or retain employees, which may adversely affect our operations. Finally, public statements with respect to ESG matters, such as emissions reduction goals, other environmental targets, or other commitments addressing certain social issues, are becoming increasingly subject to heightened scrutiny from public and governmental authorities related to the risk of potential " greenwashing, " i. e., misleading information or false claims overstating**

potential ESG benefits. For example, in March 2021, the SEC established the Climate and ESG Task Force in the Division of Enforcement to identify and address potential ESG- related misconduct, including greenwashing. Certain non- governmental organizations and other private actors have also filed lawsuits under various securities and consumer protection laws alleging that certain ESG- statements, goals, or standards were misleading, false, or otherwise deceptive. Moreover, the Federal Trade Commission in August 2022 indicated its intent to issue revised " Green Guides " which will likely address greenwashing risks arising from ESG- related matters. As a result, we may face increased litigation risks from private parties and governmental authorities related to our ESG efforts. In addition, any alleged claims of greenwashing against us or others in our industry may lead to further negative sentiment and diversion of investments. Additionally, we could face increasing costs as we attempt to comply with and navigate further regulatory focus and scrutiny. ~~Our~~ **41Our** businesses involve the buying, selling, gathering, blending and shipping of refined petroleum products, gasoline blendstocks, renewable fuels and crude oil by various modes of transportation, which involves risks of derailment, accidents and liabilities associated with cleanup and damages, as well as potential regulatory changes that may adversely impact our businesses, financial condition or results of operations. Our operations involve the buying and selling, gathering and blending of refined petroleum products, gasoline blendstocks, renewable fuels and crude oil and shipping it to various markets including on railcars that we lease. The derailments of trains transporting such products in North America have caused various regulatory agencies and industry organizations, as well as federal, state and municipal governments, to focus attention on transportation by rail of flammable materials. Additional measures have been taken in both the United States ~~,~~ and Canada to regulate the transportation of these products. Please read Part I, Items 1. and 2. " Business and Properties — Regulation — Hazardous Materials Transportation. " Any changes to the existing laws and regulations, or promulgation of new laws and regulations, including any voluntary measures by the rail industry, that result in new requirements for the design, construction or operation of tank cars, including those used to transport crude oil or other products, may require us to make expenditures to comply with new standards that are material to our operations, and, to the extent that new regulations require design changes or other modifications of tank cars, we may incur significant constraints on transportation capacity during the period while tank cars are being retrofitted or newly constructed to comply with the new regulations. We cannot assure that the totality of costs incurred to comply with any new standards and regulations and any impacts on our operations will not be material to our businesses, financial condition or results of operations. In addition, any derailment of railcars or other events related to products that we have purchased or are shipping may result in claims being brought against us that may involve significant liabilities. Although we believe that we are adequately insured against such events, we cannot assure you that our policies will cover the entirety of any damages that may arise from such an event. ~~40We~~ **We** are subject to federal, state and municipal laws and regulations that govern the product quality specifications of the refined petroleum products, gasoline blendstocks, renewable fuels, crude oil and propane we purchase, store, transport and sell. Various federal, state and municipal government agencies have the authority to prescribe specific product quality specifications to the sale of commodities ~~. Our businesses include such commodities~~ **that we purchase, store, transport and sell** . Changes in product quality specifications, such as reduced sulfur content in refined petroleum products, or other more stringent requirements for fuels, could reduce our ability to procure product and adversely impact related sales volume, require us to incur additional handling costs and / or require the expenditure of capital. For instance, different product specifications for different markets could require additional storage. If we are unable to procure product or recover these costs through increased sales, we may not be able to meet our financial obligations. Failure to comply with these regulations could also result in substantial penalties. We are subject to federal, state and municipal environmental regulations which could have a material adverse effect on our retail operations business **and results of operations** . Our retail operations are subject to extensive federal, state and municipal laws and regulations, including those relating to the protection of the environment, waste management, discharge of hazardous materials, pollution prevention, as well as laws and regulations relating to public safety and health. Certain of these laws and regulations may require assessment or remediation efforts. Retail operations with USTs are subject to federal and state regulations and legislation. Compliance with existing and future environmental laws regulating USTs may require significant capital expenditures and increased operating and maintenance costs. The operation of USTs also poses certain other risks, including damages associated with soil and groundwater contamination. Leaks from USTs which may occur at one or more of our gas stations may impact soil or groundwater and could result in fines or civil liability for us. We may be required to make material expenditures to modify operations, perform site cleanups or curtail operations. ~~We~~ **42We** are subject to federal ~~and~~ **,** state **and municipal** non- environmental regulations which could have an adverse effect on our convenience store business and results of operations. Our convenience store business is subject to extensive governmental laws and regulations that include legal restrictions on the sale of alcohol, tobacco and lottery products, food labelling, food preparation, safety and health requirements and public accessibility. Furthermore, state and local regulatory agencies have the power to approve, revoke, suspend, or deny applications for and renewals of permits and licenses relating to the sale of alcohol, tobacco and lottery products or to seek other remedies. A violation of or change in such laws and / or regulations could have an adverse effect on our convenience store business and results of operations. Regulations related to wages also affect our businesses. Any increase in the statutory minimum wage would result in an increase in our labor costs and such cost increase could adversely affect our businesses, financial condition and results of operations. Any terrorist attacks aimed at our facilities and any global and domestic economic repercussions from terrorist activities and the government' s response could adversely affect our financial condition, results of operations and cash available for distribution to our unitholders. Since the September 11, 2001 terrorist attacks on the United States, the U. S. government has issued warnings that energy assets may be future targets of terrorist organizations. In addition to the threat of terrorist attacks, we face various other security threats, including ~~cyber security~~ **cybersecurity** threats to gain unauthorized access to sensitive information or systems or to render data or systems unusable; threats to the safety of our employees; threats to the security of our facilities, such as terminals and pipelines, and infrastructure or third- party facilities and infrastructure ~~.~~

~~These developments have subjected our operations to increased risks~~ . Although we utilize various procedures and controls to monitor these threats and mitigate our exposure to security threats, there can be no assurance that these procedures and controls will be sufficient in preventing ~~security~~ **such** threats from materializing. If any of these events were to materialize, they could lead to losses of sensitive information, ~~41critical~~ -- **critical** infrastructure, personnel or capabilities, essential to our operations and could have a material adverse effect on our reputation, financial position, results of operations, or cash flows. ~~Cyber security~~ **Cybersecurity** attacks in particular continue to evolve and include malicious software, attempts to gain unauthorized access to, or otherwise disrupt, pipeline control systems, attempts to gain unauthorized access to data, and other electronic security breaches that could lead to disruptions in critical systems, including pipeline control systems, unauthorized release of confidential or otherwise protected information and corruption of data. These events could damage our reputation and lead to financial losses from remedial actions, loss of business or potential liability. We incur costs for providing facility security and may incur additional costs in the future with respect to the receipt, storage and distribution of our products. Additional security measures could also restrict our ability to distribute refined petroleum products, gasoline blendstocks, renewable fuels, crude oil and propane. Any future terrorist attack on our facilities, or those of our customers, could have a material adverse effect on our financial condition, results of operations and cash available for distribution to our unitholders. Terrorist activity could lead to increased volatility in prices for home heating oil, gasoline and other products we sell, which could decrease our customers' demand for these products. Insurance carriers are required to offer coverage for terrorist activities as a result of federal legislation. We purchase this coverage with respect to our property and casualty insurance programs. This additional coverage resulted in additional insurance premiums which could increase further in the future. ~~Cyber security~~ **Cybersecurity** breaches and other disruptions could compromise our information and operations, and expose us to liability, which would cause our business and reputation to suffer. In the ordinary course of our business, in our data centers and on our networks, we collect and store sensitive data including, without limitation, our proprietary business information and that of our customers, suppliers and business partners, information with respect to potential ventures and transactions, and personally identifiable information of our employees, customers and business partners. The secure storage, processing, maintenance and transmission of this ~~information~~ **43information** is critical to our operations and business strategy. Despite our security measures and those of our vendors and suppliers, our information technology and infrastructure may be vulnerable to ransomware, malware or other **cyberattacks** ~~cyber attacks~~ by hackers, employee error or malfeasance, natural disasters, power loss, telecommunication failures or other disruptions, or as a result of similar disruptions experienced by our business partners, suppliers and / or vendors. While there have been incidents of security breaches and unauthorized access to our information technologies, we have not experienced any material impact to our operations or business as a result of ~~this~~ **these** ~~attack~~ **attacks** ; however, other similar incidents could have a significant negative impact on our systems and operations. Any such **cyberattack** ~~cyber attack~~ or breach or other disruption could compromise our networks and the information stored there could be accessed, publicly disclosed, lost or stolen. Any such access, disclosure or other loss of information or loss of access to information could result in legal claims or proceedings, liability under laws that protect the privacy of personal information, regulatory penalties, disruption of our operations, damage to our reputation, and loss of confidence in our ability to supply our products and services or maintain the security of information we collect and store, which could adversely affect our business. In addition, as technologies evolve, **cyberattacks** ~~cyber attacks~~ become increasingly sophisticated, and the regulatory framework for data privacy and security worldwide continues to evolve and develop, we may incur significant costs to modify, upgrade or enhance our security measures and we may face difficulties in fully anticipating or implementing adequate security measures or new or revised mandated processes or in generally mitigating potential harm. Further, any actual or perceived failure to comply with any new or existing laws, regulations and other obligations could result in fines, penalties or other liability. We are subject to various federal and state laws related to cybersecurity, privacy and data protection which can impact our operations and increase our costs. We are subject to various federal and state laws related to cybersecurity, privacy and data protection, including privacy laws in Virginia and Connecticut which ~~take~~ **took** effect during 2023. We monitor pending and proposed legislation and regulatory initiatives to ascertain their relevance to and potential impact on our business and develop strategies to address them, including any required change to our privacy and cybersecurity compliance program and policies. We see a trend toward privacy laws increasing in complexity and number, and we anticipate that our obligations will expand ~~42commensurately~~ -- **commensurately** . Further, any actual or perceived failure to comply with any new or existing laws, regulations and other obligations could result in fines, penalties or other liability. We depend on key personnel for the success of our businesses. We depend on the services of our senior management team and other key personnel. The loss of the services of any member of senior management or key employee could have an adverse effect on our financial condition, results of operations and cash available for distribution to our unitholders. We may not be able to locate or employ on acceptable terms qualified replacements for senior management or other key employees if their services were no longer available. Certain executive officers of our general partner perform services for one of our affiliates pursuant to a services agreement. Please read Part III, Item 13, " Certain Relationships and Related Transactions, and Director Independence — Services Agreement. " We depend on unionized labor for the operation of certain of our terminals. Any work stoppages or labor disturbances at these terminals could disrupt our businesses. Any work stoppages or labor disturbances by our unionized labor force at facilities with an organized workforce could have an adverse effect on our financial condition, results of operations and cash available for distribution to our unitholders. In addition, employees who are not currently represented by labor unions may seek representation in the future, and any renegotiation of collective bargaining agreements may result in terms that are less favorable to us. We rely on our information technology systems **, including cybersecurity,** to manage numerous aspects of our businesses, and a disruption of these systems could adversely affect our businesses. We depend on our information technology (" IT ") systems to manage numerous aspects of our businesses and to provide analytical information to management. Our IT systems are an essential component of our businesses and growth ~~strategies~~ **44strategies** , and a serious disruption to our IT systems could significantly limit our ability to manage and operate our businesses effectively. These systems are vulnerable to, among other things, damage and interruption from power loss or natural disasters, computer system and network failures, loss of telecommunication services, physical and electronic loss of data, cyber and other security breaches and computer viruses. While we believe we have adequate systems and controls in place, we are continuously working to install new, and upgrade existing, information technology systems and provide employee awareness around phishing, malware and other cyber risks in an effort to ensure that we are protected against cyber risks and security breaches. We have a disaster recovery plan in place, but this plan may not entirely prevent delays or other complications that could arise from an IT systems failure or disruption. Any failure or interruption in our IT systems could have a negative impact on our operating results, cause our businesses and competitive position to suffer and damage our reputation. In the normal course of our businesses, we may obtain personal data, including credit card information. While we believe we have adequate cyber and other 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 and have a material adverse effect on our reputation, operating results and financial condition. ~~43If~~ **If** we fail to maintain an effective system of internal controls, then we may not be able to accurately report our financial results or prevent fraud. As a result, current and potential unitholders could lose confidence in our financial reporting, which could harm our businesses and could adversely influence the trading price of our units. Effective internal controls are necessary for us to provide reliable financial reports, prevent fraud and operate successfully as a public company. If our efforts to maintain internal controls are not successful or if we are unable to maintain adequate controls over our financial processes and reporting in the future or if we are unable to comply with our obligations under Section 404 of the Sarbanes- Oxley Act of 2002, our operating results could be harmed or we may fail to meet our reporting obligations. Ineffective internal controls also could cause investors to lose confidence in our reported financial information, which could have a negative effect on the trading price of our units. Risks Related to our StructureOur general partner and its affiliates have conflicts of interest and limited fiduciary duties, which could permit them to favor their own interests to the detriment of our unitholders. As of February ~~21~~ **22** , ~~2023~~ **2024** , affiliates of our general partner, including directors and executive officers and their affiliates, owned ~~18~~ **19** . ~~6~~ **1** % of our common units and the entire general partner interest. Although our general partner has a fiduciary duty to manage us in a manner beneficial to us and our unitholders, the directors and officers of our general partner have a fiduciary duty to manage our general partner in a manner beneficial to its owners. Furthermore, certain directors and officers of our general partner are directors or officers of affiliates of our general partner. Conflicts of interest may arise between our general partner and its affiliates, on the one hand, and us and our unitholders, on the other hand. As a result of these conflicts, our general partner may favor its own interests and the interests of its affiliates over the interests of our unitholders. Please read " — Our partnership agreement limits our general partner' s fiduciary duties to unitholders and restricts the remedies available to unitholders for actions taken by our general partner that might otherwise constitute breaches of fiduciary duty. " These conflicts include, among others, the following situations: ● Our general partner is allowed to take into account the interests of parties other than us, such as affiliates of its members, in resolving conflicts of interest, which has the effect of limiting its fiduciary duty to our unitholders. ● Affiliates of our general partner may engage in competition with us under certain circumstances. Please read " — Certain members of the Slifka family and their affiliates may engage in activities that compete directly with us. " ● Neither our partnership agreement nor any other agreement requires owners of our general partner to pursue a business strategy that favors us. Directors and officers of our general partner' s owners have a ~~fiduciary~~ **45fiduciary** duty to make these decisions in the best interest of such owners which may be contrary to our interests. ● Some officers of our general partner who provide services to us devote time to affiliates of our general partner. ● Our general partner has limited its liability and reduced its fiduciary duties under the partnership agreement, while also restricting the remedies available to our unitholders for actions that, without these limitations, might constitute breaches of fiduciary duty. As a result of purchasing common units, common unitholders consent to some actions and conflicts of interest that might otherwise constitute a breach of fiduciary or other duties under applicable state law. Additionally, our partnership agreement provides that we, and the officers and directors of our general partner, do not owe any duties, including fiduciary duties, or have any liabilities to holders of our preferred units. ● Our general partner determines the amount and timing of asset purchases and sales, borrowings, issuances of additional partnership securities and reserves, each of which can affect the amount of cash available for distribution to our unitholders. ~~44~~ ● Our general partner determines the amount and timing of any capital expenditures and whether a capital expenditure is a maintenance capital expenditure, which reduces distributable cash flow, or a capital expenditure for acquisitions or capital improvements, which does not, and such determination can affect the amount of cash distributed to our unitholders. ● In some instances, 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 general partner determines which costs incurred by it and its affiliates are reimbursable by us. ● Our partnership agreement does not restrict our general partner from causing us to pay it or its affiliates for any services rendered on terms that are fair and reasonable to us or entering into additional contractual arrangements with any of these entities on our behalf. ● Our general partner intends to limit its liability regarding our contractual and other obligations. ● Our general partner may exercise its limited right to call and purchase common units if it and its affiliates own more than 80 % of the common units. ● Our general partner controls the enforcement of obligations owed to us by it and its affiliates. ● Our general partner decides whether to retain separate counsel, accountants or others to perform services for us. Please read Part III, Item 13, " Certain Relationships and Related Transactions, and Director Independence — Noncompetition. " Our partnership agreement limits our general partner' s fiduciary duties to unitholders and restricts the remedies available to unitholders for actions taken by our general partner that might otherwise constitute breaches of fiduciary duty. Our partnership agreement contains provisions that reduce the standards to which our general partner would otherwise be held by state fiduciary duty law. Our partnership agreement provides that we, and the officers and directors ~~of~~ **46of** our general partner, do not owe any duties, including fiduciary duties, or have any liabilities to holders of our preferred units. Additionally, our partnership agreement: ● permits our general partner to make a number of decisions in its individual capacity, as opposed to in its capacity as our general partner. This entitles our general partner to consider only the interests and factors that it desires, and it has no duty or obligation to give any consideration to any interest of, or factors affecting, us, our affiliates or any limited partner. Examples include the exercise of its limited call right, its voting rights with respect to the units it owns, its registration rights and its determination whether or not to consent to any merger or consolidation of us; ● provides that our general partner shall not have any liability to us or our unitholders for decisions made in its capacity as general partner so long as it acted in good faith, meaning it believed that the decision was in our best interests; ● generally provides that affiliated transactions and resolutions of conflicts of interest not approved by the conflicts committee of the board of directors of our general partner and not involving a vote of unitholders must be on terms no less favorable to us than those generally being provided to or available from unrelated third parties or be " fair and reasonable " to us and that, in determining whether a transaction or resolution is " fair and reasonable, " our general partner may consider the totality of the relationships between the parties involved, including other transactions that may be particularly advantageous or beneficial to us; ~~and45~~ -- **and** ● provides that our general partner and its officers and directors will not be liable for monetary damages to us, our limited partners or assignees for any acts or omissions unless there has been a final and non-appealable judgment entered by a court of competent jurisdiction determining that the general partner or those other persons acted in bad faith or engaged in fraud or willful misconduct. By purchasing a unit, a unitholder will become bound by the provisions of the partnership agreement, including the provisions described above. Unitholders have limited voting rights and are not entitled to elect our general partner or its directors or remove our general partner without the consent of the holders of at least 66 2 / 3 % of the outstanding common units (including common units held by our general partner and its affiliates), which could lower the trading price of our units. Unlike the holders of common stock in a corporation, unitholders have only limited voting rights on matters affecting our businesses and, therefore, limited ability to influence management' s decisions regarding our businesses. Unitholders have no right to elect our general partner or its board of directors on an annual or other continuing basis. The board of directors of our general partner is chosen entirely by its members and not by the unitholders. Furthermore, if the unitholders are dissatisfied with the performance of our general partner, they have limited ability to remove our general partner. The vote of the holders of at least 66 2 / 3 % of all outstanding common units (including common units held by our general partner and its affiliates) is required to remove our general partner. Although the holders of our preferred units are entitled to limited protective voting rights with respect to certain matters, our preferred units generally vote separately as a class along with any other series of parity securities that we may issue upon which like voting rights have been conferred and are exercisable. As a result, the voting rights of holders of our preferred units may be significantly diluted, and the holders of such other series of parity securities that we may issue may be able to control or significantly influence the outcome of any vote. As a result of these limitations, the prices at which our common units and our preferred units trade could diminish because of the absence or reduction of a takeover premium in the trading price. We may issue additional units without unitholder approval, which would dilute unitholders' ownership interests. Except in the case of the issuance of units that rank equal to or senior to our preferred units, we may issue an unlimited number of limited partner interests of any type without the approval of our unitholders. We are allowed to ~~issue~~ **47issue** additional preferred units and parity securities without any vote of the holders of our preferred units, except where the cumulative distributions on our preferred units or any parity securities are in arrears. The issuance by us of additional common units or other equity securities of equal or senior rank will have the following effects: ● our unitholders' proportionate ownership interest in us will decrease; ● the amount of cash available for distribution on each unit may decrease; ● the relative voting strength of each previously outstanding unit may be diminished; and ● the market price of the units may decline. We are prohibited from paying distributions on our common units if distributions on our preferred units are in arrears. The holders of our preferred units are entitled to certain rights that are senior to the rights of holders of our common units, such as rights to distributions and rights upon liquidation of the Partnership. If we do not pay the required distributions on our preferred units, we will be unable to pay distributions on our common units. Additionally, because ~~46distributions~~ -- **distributions** to our preferred units are cumulative, we will have to pay all unpaid accumulated preferred distributions before we can pay any distributions to our common unitholders. Also, because distributions to our common unitholders are not cumulative, if we do not pay distributions on our common units with respect to any quarter, our common unitholders will not be entitled to receive distributions covering any prior periods if we later commence paying distributions on our common units. The preferences and privileges of our preferred units could adversely affect the market price for our common units, or could make it more difficult for us to sell our common units in the future. Our preferred units are subordinated to our existing and future debt obligations and could be diluted by the issuance of additional units, including additional preferred units, and by other transactions. Our preferred units are subordinated to all of our existing and future indebtedness. The payment of principal and interest on our debt reduces cash available for distribution to our limited partners, including the holders of our preferred units. The issuance of additional units on parity with or senior to our preferred units (including additional preferred units) would dilute the interests of the holders of our preferred units, and any issuance of equal or senior ranking securities or additional indebtedness could affect our ability to pay distributions on, redeem or pay the liquidation preference on our preferred units. We cannot assure that we will be able to pay distributions on our preferred units regularly, and the agreements governing our indebtedness and redemptions of some or all of our preferred units may limit the cash available to make distributions on our preferred units. Pursuant to our partnership agreement, we distribute all of our " available cash " each quarter to our limited partners. Our partnership agreement defines " Available Cash " to generally mean, for each fiscal quarter, all cash and cash equivalents on hand on the date of determination of available cash with respect to such quarter, less the amount of any cash reserves established by our general partner to: ● provide for the proper conduct of our businesses; ● comply with applicable law or the terms of any of our debt instruments or other agreements; or ● provide funds for distributions to holders of our common units and preferred units for any one or more of the next four quarters. ~~As~~ **48As** a result, we do not expect to accumulate significant amounts of cash. Depending on the timing and amount of our cash distributions, these distributions could significantly reduce the cash available to us in subsequent periods to make distributions on our preferred units. Further, our existing debt agreements and redemptions of some or all of our preferred units also may limit our ability to pay distributions on our preferred units. Change of control conversion rights may make it more difficult for a party to acquire us or discourage a party from acquiring us. The change of control conversion feature of our preferred units may have the effect of discouraging a third party from making an acquisition proposal for us or of delaying, deferring or preventing certain of our change of control transactions under circumstances that otherwise could provide the holders of our common units and preferred units with the opportunity to realize a premium over the then- current market price of such equity securities or that unitholders may otherwise believe is in their best interests. The market price of our common units could be adversely affected by sales of substantial amounts of our common units, including sales by our existing unitholders. A substantial number of our securities may be sold in the future either pursuant to Rule 144 under the Securities Act or pursuant to a registration statement filed with the SEC. Rule 144 under the Securities Act provides that after a ~~47holding~~ -- **holding** period of six months, non- affiliates may resell restricted securities of reporting companies, provided that current public information for the reporting company is available. After a holding period of one year, non- affiliates may resell without restriction, and affiliates may resell in compliance with the volume, current public information and manner of sale requirements of Rule 144. Pursuant to our partnership agreement, members of the Slifka family have registration rights with respect to the common units owned by them. Sales by any of our existing unitholders of a substantial number of our common units, 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. An increase in interest rates may cause the market price of our units to decline. Like all equity investments, an investment in our common units is subject to certain risks. 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. One of the factors that influences the price of our preferred units is the distribution yield on our preferred units (as a percentage of the price of our preferred units) relative to market interest rates. An increase in market interest rates, which are currently at low levels relative to historical rates, may lead prospective purchasers of our preferred units to expect a higher distribution yield, and higher interest rates would likely increase our borrowing costs and potentially decrease funds available for distribution to our limited partners, including the holders of our preferred units. Accordingly, higher market interest rates could cause the market price of our preferred units to decrease. In addition, **as of** ~~on and after~~ August 15, 2023, our Series A preferred units ~~will~~ have a floating distribution rate set each quarterly distribution period at a percentage of the $ 25. 00 liquidation preference equal to ~~a~~ **(i) an annual** floating rate of ~~the~~ **a substitute or successor base rate that** ~~then~~ - **the** ~~- current~~ **calculation agent determines to be the most comparable to the** three- month LIBOR (**ii** ~~or if LIBOR is no longer available as otherwise provided for in our partnership agreement~~) plus a spread of 6. 774 % per annum. **For the successor base rate comparable to the three- month LIBOR, the calculation agent has selected the industry- accepted substitute which is the 3- month CME Term SOFR plus the applicable tenor spread of 0. 26161 %.** ~~The~~ **49The** per annum distribution rate that is determined on the relevant determination date will apply to the entire quarterly distribution period following such determination date even if LIBOR (or an alternative rate, as applicable) increases during that period. As a result, the holders of our Series A preferred units will be subject to risks associated with fluctuation in interest rates and the possibility that holders will receive distributions that are lower than expected. We have no control over a number of factors, including economic, financial and political events, that impact market fluctuations in interest rates, which have in the past and may in the future experience volatility. Our general partner has a limited 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 own 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 not less than their then- current market price. As a result, unitholders may be required to sell their common units at an undesirable time or price and may not receive any 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 limited 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 exercises its limited call right, the effect would be to take us private and, if the units were subsequently deregistered, we would no longer be subject to the reporting requirements of the Securities Exchange Act of 1934. ~~48Our~~ -- **Our** partnership agreement restricts the voting rights of unitholders owning 20 % or more of any class of our units. Our partnership agreement restricts unitholders' voting rights by providing that any units held by a person that owns 20 % or more of any class of units then outstanding, other than our general partner, its affiliates, their transferees and persons who acquired such units with the prior approval of the board of directors of our general partner, cannot vote on any matter. Our partnership agreement also contains provisions limiting the ability of unitholders to call meetings or acquire information about our operations, as well as other provisions limiting the unitholders' ability to influence the manner or direction of management. Cost reimbursements due to our general partner and its affiliates will reduce cash available for distribution to our unitholders. Prior to making any distribution on the common units, we reimburse our general partner and its affiliates for all expenses they incur on our behalf, which is determined by our general partner in its sole discretion. These expenses include all costs incurred by the general partner and its affiliates in managing and operating us, including costs for rendering corporate staff and support services to us. We are managed and operated by directors and executive officers of our general partner. In addition, the majority of our operating personnel are employees of our general partner. Please read Part III, Item 13, " Certain Relationships and Related Transactions, and Director Independence. ” The reimbursement of expenses and payment of fees, if any, to our general partner and its affiliates could adversely affect our ability to pay cash distributions to our unitholders. Unitholders may not have limited liability if a court finds that unitholder action constitutes control of our businesses. A general partner of a partnership generally has unlimited liability for the obligations of the partnership, except for those contractual obligations of the partnership that are expressly made without recourse to the general partner. Our partnership is organized under Delaware law, and we conduct business in a number of other states. The limitations on the liability of holders of limited partner interests for the obligations of a limited partnership have not been clearly established in some of the other states in which we do business. A unitholder could be liable for our obligations as if he were a general partner if: ● a court or government agency determined that we were conducting business in a state but had not complied with that particular state’ s partnership statute; ~~or~~ **or50** ● a unitholder’ s right to act with other unitholders to remove or replace the general partner, approve some amendments to our partnership agreement or take other actions under our partnership agreement constitute “ control ” of our businesses. Unitholders may have liability to repay distributions. Under certain circumstances, unitholders may have to repay amounts wrongfully returned or distributed to them. Under Delaware law, we may not make a distribution to 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. Purchasers of units who become limited partners are liable for the obligations of the transferring limited partner to make contributions to us that are known to the purchaser of units at the time it became a limited partner and for unknown obligations if the liabilities could be determined from the partnership agreement. Liabilities to partners on account of their partnership interests and liabilities that are non- recourse to us are not counted for purposes of determining whether a distribution is permitted. 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 the unitholders. Furthermore, there is no restriction in the partnership agreement on the ability of the members of our general partner from transferring their respective membership interests in ~~49our~~ -- **our** general partner to a third party. The new members of our general partner would then be in a position to replace the board of directors and officers of our general partner with their own choices and control the decisions taken by the board of directors and officers of our general partner. Certain members of the Slifka family and their affiliates may engage in activities that compete directly with us. Mr. Richard Slifka and his affiliates (other than us) are subject to noncompetition provisions in the omnibus agreement and business opportunity agreement. In addition, Mr. Eric Slifka’ s employment agreement contains noncompetition provisions. These agreements do not prohibit Messrs. Richard Slifka and Eric Slifka and certain affiliates of our general partner from owning certain assets or engaging in certain businesses that compete directly or indirectly with us. Please read Part III, Item 13, “ Certain Relationships and Related Transactions, and Director Independence — Noncompetition. ” Tax RisksOur tax treatment depends on our status as a partnership for U. S. federal income tax purposes and not being subject to a material amount of entity- level taxation. If the Internal Revenue Service, or IRS, were to treat us as a corporation for U. S. federal income tax purposes, or we become subject to entity level taxation for state tax purposes, our cash available for distribution to our unitholders would be substantially reduced. The anticipated after- tax economic benefit of an investment in our common units depends largely on our being treated as a partnership for U. S. federal income tax purposes. Despite the fact that we are organized as a limited partnership under Delaware law, we would be treated as a corporation for U. S. federal income tax purposes unless we satisfy a “ qualifying income ” requirement. Based upon our current operations and current Treasury Regulations, we believe we satisfy the qualifying income requirement. However, no ruling has been or will be requested regarding our treatment as a partnership for U. S. federal income tax purposes. Failing to meet the qualifying income requirement or a change in current law could cause us to be treated as a corporation for U. S. federal income tax purposes or otherwise subject us to taxation as an entity. If we were treated as a corporation for U. S. federal income tax purposes, we would pay U. S. federal income tax on our taxable income at the corporate tax rate. Distributions to our unitholders would generally be taxed again as corporate distributions, and no income, gains, losses or deductions would flow through to our unitholders. Because a tax ~~would~~ **51would** be imposed upon us as a corporation, our cash available for distribution to our unitholders would be substantially reduced. Therefore, treatment of us as a corporation would result in a material reduction in the anticipated cash flow and after- tax return to our unitholders, likely causing a substantial reduction in the value of our common units. Our partnership agreement provides that if a law is enacted or existing law is modified or interpreted in a manner that subjects us to taxation as a corporation or otherwise subjects us to additional amounts of entity level taxation for U. S. federal, state, municipal or foreign income tax purposes, the minimum quarterly distribution amount and the target distribution amounts may be adjusted to reflect the impact of that law or interpretation on us. At the state level, several states have been evaluating ways to subject partnerships to entity- level taxation through the imposition of state income, franchise or other forms of taxation. We currently own assets and conduct business in several states that impose a margin or franchise tax. In the future, we may expand our operations. Imposition of a similar tax on us in other jurisdictions that we may expand to could substantially reduce our cash available for distribution to our unitholders. The tax treatment of publicly traded partnerships or an investment in our units could be subject to potential legislative, judicial or administrative changes or differing interpretations thereof, possibly applied on a retroactive basis. The present U. S. federal income tax treatment of publicly traded partnerships, including us, or an investment in our units, may be modified by administrative, legislative or judicial changes or differing interpretations thereof at any time. From time to time, members of Congress have proposed and considered substantive changes to the existing U. S. federal income tax laws that would affect publicly traded partnerships, including proposals that would eliminate our ~~50ability~~ -- **ability** to qualify for partnership tax treatment. Recent proposals have provided for the expansion of the qualifying income exception for publicly traded partnerships in certain circumstances and other proposals have provided for the total elimination of the qualifying income exception upon which we rely for our partnership tax treatment **. Further, while unitholders of publicly**

traded partnerships are, subject to certain limitations, entitled to a deduction equal to 20 % of their allocable share of a publicly traded partnership' s " qualified business income, " this deduction is scheduled to expire with respect to taxable years beginning after December 31, 2025 . In addition, the Treasury Department has issued, and in the future may issue, regulations interpreting those laws that affect publicly traded partnerships. There can be no assurance that there will not be further changes to U. S. federal income tax laws or the Treasury Department' s interpretation of the qualifying income rules in a manner that could impact our ability to qualify as a partnership in the future. Any modification to the U. S. federal income tax laws or interpretations thereof may be applied retroactively and could make it more difficult or impossible for us to meet the exception for certain publicly traded partnerships to be treated as partnerships for U. S. federal income tax purposes. We are unable to predict whether any changes or other proposals will ultimately be enacted. In addition, there can be no assurance that there will not be any legislative, judicial or administrative changes in tax law generally that would negatively impact the value of an investment in our units. You are urged to consult with your own tax advisor with respect to the status of legislative, regulatory or administrative developments and proposals in tax law generally and their potential effect on your investment in our units. We have subsidiaries that are treated as corporations for U. S. federal income tax purposes and subject to corporate- level income taxes. As of December 31, ~~2022~~ **2023** , we conducted substantially all of our operations of our end- user business through six subsidiaries that are treated as corporations for U. S. federal income tax purposes. These corporations primarily engage in the retail sale of gasoline and / or operate convenience stores and collect rents on personal property leased to dealers and commissioned agents at other stations. We may elect to conduct additional operations through these corporate subsidiaries in the future. These corporate subsidiaries are subject to corporate- level taxes, which reduce the cash available for distribution to us and, in turn, to our 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 our unitholders would be further reduced. If the IRS were to contest the U. S. federal income tax positions we take, it may adversely impact the market for our ~~units~~ **52units** , and the costs of any such contest would reduce our cash available for distribution to our unitholders. We have not requested a ruling from the IRS with respect to our treatment as a partnership for U. S. federal income tax purposes. The IRS may adopt positions that differ from the positions we take. It may be necessary to resort to administrative or court proceedings to sustain some or all of the positions we take. A court may not agree with some or all of the positions we take. Any contest with the IRS may materially and adversely impact the market for our units and the price at which they trade. Moreover, the costs of any contest between us and the IRS will result in a reduction in our cash available for distribution to our unitholders and thus will be borne indirectly by our unitholders. If the IRS makes audit adjustments to our income tax returns ~~for tax years beginning after December 31, 2017~~ , it (and some states) may assess and collect any taxes (including any applicable penalties and interest) resulting from such audit adjustments directly from us, in which case our cash available for distribution to our unitholders might be substantially reduced and our current and former unitholders may be required to indemnify us for any taxes (including any applicable penalties and interest) resulting from such audit adjustments that were paid on such unitholders' behalf. Pursuant to the Bipartisan Budget Act of 2015, ~~for tax years beginning after December 31, 2017,~~ if the IRS makes an audit adjustment to our income tax return, it (and some states) may assess and collect any taxes (including any applicable penalties and interest) resulting from such audit adjustment directly from us. To the extent possible under these rules, our general partner may elect to either pay the taxes (including any applicable penalties and interest) directly to the IRS or, if we are eligible, issue a revised information statement to each unitholder and former unitholder with respect to an audited and adjusted return. Although our general partner may elect to have our unitholders and former unitholders take such audit adjustment into account and pay any resulting taxes (including applicable penalties or interest) in accordance with their interests in us during the tax year under audit, there can be no assurance that such ~~51election~~ -- **election** will be practical, permissible or effective in all circumstances. As a result, our current unitholders may bear some or all of the tax liability resulting from such audit adjustment, even if such unitholders did not own units in us during the tax year under audit. If, as a result of any such audit adjustment, we are required to make payments of taxes, penalties and interest, our cash available for distribution to our unitholders might be substantially reduced and our current and former unitholders may be required to indemnify us for any taxes (including any applicable penalties and interest) resulting from such audit adjustments that were paid on such unitholders' behalf. These rules are not applicable for tax years beginning on or prior to December 31, 2017. Even if our common unitholders do not receive any cash distributions from us, they will be required to pay taxes on their share of our taxable income. Because common unitholders are treated as partners to whom we allocate taxable income, which could be different in amount than the cash we distribute, common unitholders are required to pay any U. S. federal income taxes and, in some cases, state and local income taxes on their share of our taxable income even if they do not receive any cash distributions from us. For example, if we sell assets and use the proceeds to repay existing debt or fund capital expenditures, you may be allocated taxable income and gain resulting from the sale and our cash available for distribution would not increase. Similarly, taking advantage of opportunities to reduce our existing debt, such as debt exchanges, debt repurchases, or modifications of our existing debt could result in " cancellation of indebtedness income " being allocated to our common unitholders as taxable income without any increase in our cash available for distribution. Our common unitholders may not receive cash distributions from us equal to their share of our taxable income or even equal to the tax liability that results from that income. Tax gain or loss on the disposition of our common units could be more or less than expected. 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. Because distributions in excess of a common unitholder' s allocable share of our net taxable income decrease such unitholder' s tax basis in its common units, the amount, if any, of such prior excess distributions with respect to the common units a unitholder sells will, in effect, become taxable income to a unitholder if it sells such units at a price greater than its tax basis in those units, even if the price such unitholder receives is less than its original cost. In addition, because the amount realized includes a unitholder' s share of our nonrecourse liabilities, if a unitholder sells its common units, the unitholder may incur a tax liability in excess of the amount of cash received from the sale. ~~A~~ **53A** substantial portion of the amount realized from a unitholder' s sale of our common units, whether or not representing gain, may be taxed as ordinary income to such unitholder due to potential recapture items, including depreciation recapture. Thus, a common unitholder may recognize both ordinary income and capital loss from the sale of units if the amount realized on a sale of such units is less than such unitholder' s adjusted basis in the common units. Net capital loss may only offset capital gains and, in the case of individuals, up to $ 3, 000 of ordinary income per year. In the taxable period in which a unitholder sells its common units, such unitholder may recognize ordinary income from our allocations of income and gain to such unitholder prior to the sale and from recapture items that generally cannot be offset by any capital loss recognized upon the sale of units. Common unitholders may be subject to limitation on their ability to deduct interest expense incurred by us. 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. However, our deduction for " business interest " is limited to the sum of our business interest income and 30 % of our " adjusted taxable income. " For the purposes of this limitation, our adjusted taxable income is computed without regard to any business interest expense or business interest income. If our " business interest " is subject to limitation under these rules, our unitholders will be limited in their ability to deduct their share of any interest expense that has been allocated to them. As a result, common unitholders may be subject to limitation on their ability to deduct interest expense incurred by us which could negatively impact the value of an investment in our common units. You are urged to consult with your own tax advisor with respect to this potential limitation on the deductibility of interest expense and its impact on your investment in our common units. ~~52Tax -~~- **Tax** - exempt entities face unique tax issues from owning our common units that may result in adverse tax consequences to them. Investment in our common units by tax- exempt entities, such as employee benefit plans and individual retirement accounts (known as IRAs) raises issues unique to them. For example, virtually all of our income allocated to organizations that are exempt from U. S. federal income tax, including IRAs and other retirement plans, will be unrelated business taxable income and will be taxable to them. **Additionally, all or part of any gain recognized by such tax- exempt organization upon a sale or other disposition of our units may be unrelated business taxable income and may be taxable to them.** Tax- exempt entities should consult a tax advisor before investing in our common units. Non- U. S. Unitholders will be subject to U. S. taxes and withholding with respect to their income and gain from owning our units. Non- U. S. unitholders are generally taxed and subject to income tax filing requirements by the United States on income effectively connected with a U. S. trade or business. Income allocated to our common unitholders and any gain from the sale of our units will generally be considered to be " effectively connected " with a U. S. trade or business. As a result, distributions to a non- U. S. common unitholder will be subject to withholding at the highest applicable effective tax rate and a non- U. S. unitholder who sells or otherwise disposes of a unit will also be subject to U. S. federal income tax on the gain realized from the sale or disposition of that unit. In addition to the withholding tax imposed on distributions of effectively connected income, distributions to a non- U. S. unitholder will also be subject to a 10 % withholding tax on the amount of any distribution in excess of our cumulative net income. As we do not compute our cumulative net income for such purposes due to the complexity of the calculation and lack of clarity in how it would apply to us, we intend to treat all of our distributions as being in excess of our cumulative net income for such purposes and subject to such 10 % withholding tax. Accordingly, distributions to a non- U. S. unitholder will be subject to a combined withholding tax rate equal to the sum of the highest applicable effective tax rate and 10 %. Moreover, the transferee of an interest in a partnership that is engaged in a U. S. trade or business is generally required to withhold 10 % of the " amount realized " by the transferor unless the transferor certifies that it is not a foreign person. While the determination of a partner' s " amount realized " generally includes any decrease of a partner' s share of the partnership' s liabilities, the Treasury regulations provide that the " amount realized " on a transfer of an interest in a publicly traded partnership, such as our units, will generally be the amount of gross proceeds paid to the broker effecting the applicable transfer on behalf of the transferor, and thus will be determined without regard to any decrease in that ~~partner~~ **54partner** ' s share of a publicly traded partnership' s liabilities. For a transfer of interests in a publicly traded partnership that is effected through a broker ~~on or after January 1, 2023~~ , the obligation to withhold is imposed on the transferor' s broker. Current and prospective non- U. S. unitholders should consult their tax advisors regarding the impact of these rules on an investment in our units. We treat each purchaser of our common units as having the same tax benefits without regard to the common units actually purchased. The IRS may challenge this treatment, which could adversely affect the value of our common units. Because we cannot match transferors and transferees of common units, we have adopted certain methods for allocating depreciation and amortization deductions that may not conform to all aspects of existing Treasury Regulations. A successful IRS challenge to the use of these methods could adversely affect the amount of tax benefits available to our unitholders. It also could affect the timing of these tax benefits or the amount of gain from any sale of common units and could have a negative impact on the value of our common units or result in audit adjustments to a unitholder' s tax returns. We generally prorate our items of income, gain, loss and deduction between transferors and transferees of our common units each month based upon the ownership of our common units on the first day of each month, instead of on the basis of the date a particular common unit is transferred. The IRS may challenge this treatment, which could change the allocation of items of income, gain, loss and deduction among our unitholders. We generally prorate our items of income, gain, loss and deduction between transferors and transferees of our common units each month based upon the ownership of our common units on the first day of each month (the ~~53~~ " Allocation Date "), instead of on the basis of the date a particular common unit is transferred. Similarly, we generally allocate (i) certain deductions for depreciation of capital additions, (ii) gain or loss realized on a sale or other disposition of our assets, and (iii) in the discretion of the general partner, any other extraordinary item of income, gain, loss or deduction based upon ownership on the Allocation Date. Treasury Regulations allow a similar monthly simplifying convention, but such regulations do not specifically authorize all aspects of our proration method. If the IRS were to challenge our proration method, we may be required to change the allocation of items of income, gain, loss and deduction among our unitholders. A unitholder whose units are the subject of a securities loan (e. g., a loan to a " short seller " to cover a short sale of units) may be considered to have disposed of those units. If so, such unitholder would no longer be treated for tax purposes as a partner with respect to those units during the period of the loan and may recognize gain or loss from the disposition. Because there are no specific rules governing the U. S. federal income tax consequences of loaning a partnership interest, a unitholder whose units are the subject of a securities loan may be considered to have disposed of the loaned units. In that case, the unitholder may no longer be treated for tax purposes as a partner with respect to those units during the period of the loan to the short seller and the unitholder may recognize gain or loss from such disposition. Moreover, during the period of the loan, any of our income, gain, loss or deduction with respect to those units may not be reportable by the unitholder and any cash distributions received by the unitholder as to those units could be fully taxable as ordinary income. Unitholders desiring to assure their status as partners and avoid the risk of gain recognition from a securities loan are urged to consult a tax advisor to determine whether it is advisable to modify any applicable brokerage account agreements to prohibit their brokers from borrowing their units. We have adopted certain valuation methodologies in determining a unitholder' s allocations of income, gain, loss and deduction. The IRS may challenge these methodologies or the resulting allocations, which could adversely affect the value of our common units. In determining the items of income, gain, loss and deduction allocable to our unitholders, we must routinely determine the fair market value of our assets. Although we may, from time to time, consult with professional appraisers regarding valuation matters, we make many fair market value estimates using a methodology based on the market value of our common units as a means to measure the fair market value of our assets. The IRS may challenge these valuation ~~methods~~ **55methods** and the resulting allocations of income, gain, loss and deduction. A successful IRS challenge to these methods or allocations could adversely affect the timing or amount of taxable income or loss being allocated to our unitholders. It also could affect the amount of gain recognized from the sale of our common units, have a negative impact on the value of our common units or result in audit adjustments to our unitholders' tax returns without the benefit of additional deductions. Unitholders may be subject to state and local taxes and return filing requirements in jurisdictions where they do not live as a result of investing in our units. In addition to U. S. federal income taxes, our unitholders may be subject to other taxes, including foreign, state and local taxes, unincorporated business taxes and estate, inheritance or intangible taxes that are imposed by the various jurisdictions in which we conduct business or own property now or in the future, even if they do not live in any of those jurisdictions. Our unitholders will likely be required to file foreign, state and local income tax returns and pay state and local income taxes in some or all of these various jurisdictions. Further, our unitholders may be subject to penalties for failure to comply with those requirements. We currently own assets and conduct business in several states, some of which impose a personal income tax on individuals, corporations and other entities. As we make acquisitions or expand our businesses, we may own assets or conduct business in additional states that impose a personal income tax. It is our unitholders' responsibility to file all U. S. federal, state, municipal and non- U. S. tax returns and pay any taxes due in these jurisdictions. Unitholders should consult with their own tax advisors regarding the filing of such tax returns, the payment of such taxes, and the deductibility of any taxes paid. ~~54~~ **The treatment of income attributable to distributions on our preferred units as guaranteed payments for the use of capital creates a different tax treatment for the holders of our preferred units than the holders of our common units and such distributions are not eligible for the 20 % deduction for qualified business income. The tax treatment of distributions on our preferred units is uncertain. We will treat each of the holders of our preferred units as partners for tax purposes and will treat income attributable to distributions on our preferred units as a guaranteed payment for the use of capital that will generally be taxable to each of the holders of our preferred units as ordinary income. Holders of our preferred units will recognize taxable income from the accrual of such income (even in the absence of a contemporaneous cash distribution). Otherwise, except in the case of our liquidation, the holders of our preferred units are generally not anticipated to share in our items of income, gain, loss or deduction, nor will we allocate any share of our nonrecourse liabilities to the holders of our preferred units. If distributions on our preferred units were treated as payments on indebtedness for tax purposes, rather than as guaranteed payments for the use of capital, the distributions likely would be treated as payments of interest by us to each of the holders of our preferred units. Although we expect that much of the income we earn is generally eligible for the 20 % deduction for qualified business income for taxable years beginning before December 31, 2025, the Treasury Regulations provide that income attributable to a guaranteed payment for the use of capital is not eligible for the 20 % deduction for qualified publicly traded partnership income. As a result, income attributable to a guaranteed payment for use of capital recognized by holders of our preferred units is not eligible for the 20 % deduction for qualified business income. A holder of our preferred units will be required to recognize gain or loss on a sale of preferred units equal to the difference between the amount realized by such holder and such holder' s tax basis in the preferred units sold. The amount realized generally will equal the sum of the cash and the fair market value of other property such holder receives in exchange for such preferred units. Subject to general rules requiring a blended basis among multiple partnership interests, the tax basis of a preferred unit will generally equal the sum of the cash and the fair market value of other property paid by the holder of such preferred unit to acquire such preferred unit. Gain or loss recognized by a holder of preferred units on the sale or exchange of a preferred unit held for more than one year generally will be taxable as long- term capital gain or loss. Because holders of our preferred units will generally not be allocated a share of our items of depreciation, depletion or amortization, it is not anticipated that such holders will be required to recharacterize any 56**