
**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**
Washington, D.C. 20549

AMENDMENT NO. 1

TO

FORM S-1
REGISTRATION STATEMENT
UNDER
THE SECURITIES ACT OF 1933

Lehigh Gas Partners LP

(Exact name of registrant as specified in its charter)

Delaware (State or other jurisdiction of incorporation or organization)	5172 (Primary Standard Industrial Classification Code Number)	45-4165414 (I.R.S. Employer Identification Number)
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702 West Hamilton Street, Suite 203
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(610) 625-8000
(Address, including zip code, and telephone number, including
area code, of registrant's principal executive offices)

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**Approximate date of commencement of proposed sale to the public:
As soon as practicable after this Registration Statement becomes effective.**

If any of the securities being registered on this form are to be offered on a delayed or continuous basis pursuant to Rule 415 under the Securities Act of 1933, check the following box.

If this Form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering.

If this Form is a post-effective amendment filed pursuant to Rule 462(c) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering.

If this Form is a post-effective amendment filed pursuant to Rule 462(d) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering.

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer

Accelerated filer

Non-accelerated filer
(Do not check if a
smaller reporting company)

Smaller reporting company

CALCULATION OF REGISTRATION FEE

Title of each class of securities to be registered	Proposed maximum aggregate offering price (1)(2)	Amount of registration fee (3)
Common units representing limited partner interests	\$144,900,000	\$16,606

- (1) Includes common units issuable upon exercise of the underwriters' option to purchase additional common units.
- (2) Estimated solely for the purpose of calculating the registration fee pursuant to Rule 457(o).
- (3) The total registration fee includes \$13,752 that was previously paid for the registration of \$120,000,000 of proposed maximum offering price in the filing of the Registration Statement on May 11, 2012 and \$2,854 for the registration of an additional \$24,900,000 of proposed maximum aggregate offering price registered hereby.

The registrant hereby amends this registration statement on such date or dates as may be necessary to delay its effective date until the registrant shall file a further amendment which specifically states that this registration statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act of 1933 or until the registration statement shall become effective on such date as the Securities and Exchange Commission, acting pursuant to said Section 8(a), may determine.

The information in this preliminary prospectus is not complete and may be changed. We may not sell these securities until the registration statement filed with the Securities and Exchange Commission becomes effective. This preliminary prospectus is not an offer to sell these securities and we are not soliciting an offer to buy these securities in any jurisdiction where the offer or sale is not permitted.

Subject to Completion, Dated July 3, 2012

PRELIMINARY PROSPECTUS

Common Units
Representing Limited Partner Interests



Lehigh Gas Partners LP

This is our initial public offering. We are offering common units. We have applied to list our common units on the New York Stock Exchange under the symbol "LGP."

Prior to this offering, there has been no public market for our common units. We currently estimate that the initial public offering price will be between \$ and \$.

You should consider the risks which we have described in "Risk Factors" beginning on page 22.

These risks include the following:

- We may not have sufficient cash from operations to enable us to pay the minimum quarterly distribution following establishment of cash reserves and payment of fees and expenses, including payments to our general partner. The minimum quarterly distribution is an amount that must be paid to holders of our common units, including any arrearages, before any distributions may be made to holders of our subordinated units.
- Our general partner may modify or revoke our cash distribution policy at any time, which may result in no distributions being paid to our unitholders, regardless of the amount of cash available for distribution.
- A decline in demand for motor fuels could adversely affect our results of operations and cash available for distribution to our unitholders.
- The Topper Group indirectly controls our general partner, which has sole responsibility for conducting our business and managing our operations. Our general partner and its affiliates, including the Topper Group and Lehigh Gas Corporation, have conflicts of interest with us and limited fiduciary duties, and they may favor their own interests to the detriment of us and our unitholders.
- Holders of our common units have limited voting rights and are not entitled to elect our general partner or its directors, which could reduce the price at which the common units will trade.
- Unitholders will experience immediate and substantial dilution of \$ per common unit.
- There is no existing market for our common units, and a trading market that will provide you with adequate liquidity may not develop. The price of our common units may fluctuate significantly, and unitholders could lose all or part of their investment.
- Unitholders' share of our income will be taxable to them for U.S. federal income tax purposes even if they do not receive any cash distributions from us.
- Our tax treatment depends on our status as a partnership for U.S. federal income tax purposes. If the Internal Revenue Service were to treat us as a corporation for U.S. federal income tax purposes, or if our income were to otherwise be subject to a material amount of additional entity-level income, franchise or other taxation for U.S. federal, state or local tax purposes, then our cash available for distribution to our unitholders would be substantially reduced.

	Per Common Unit	Total
Initial public offering price	\$	\$
Underwriting discounts (1)	\$	\$
Proceeds (before expenses) to us	\$	\$

(1) Excludes a structuring fee equal to % of the gross proceeds of this offering payable to Raymond James & Associates, Inc. Please read "Underwriting" beginning on page 204 of this prospectus.

The underwriters may purchase up to an additional _____ common units from us at the public offering price, less the underwriting discount, within 30 days from the date of this prospectus to cover over-allotments.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or determined if this prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

The underwriters expect to deliver the common units to the purchasers on or about _____, 2012.

RAYMOND JAMES

The date of this prospectus is _____, 2012.

The following map illustrates the geographic locations as of June 1, 2012 of the sites that we own, lease from an affiliate of Getty Realty Corp. ("Getty") and lease from third parties other than Getty:

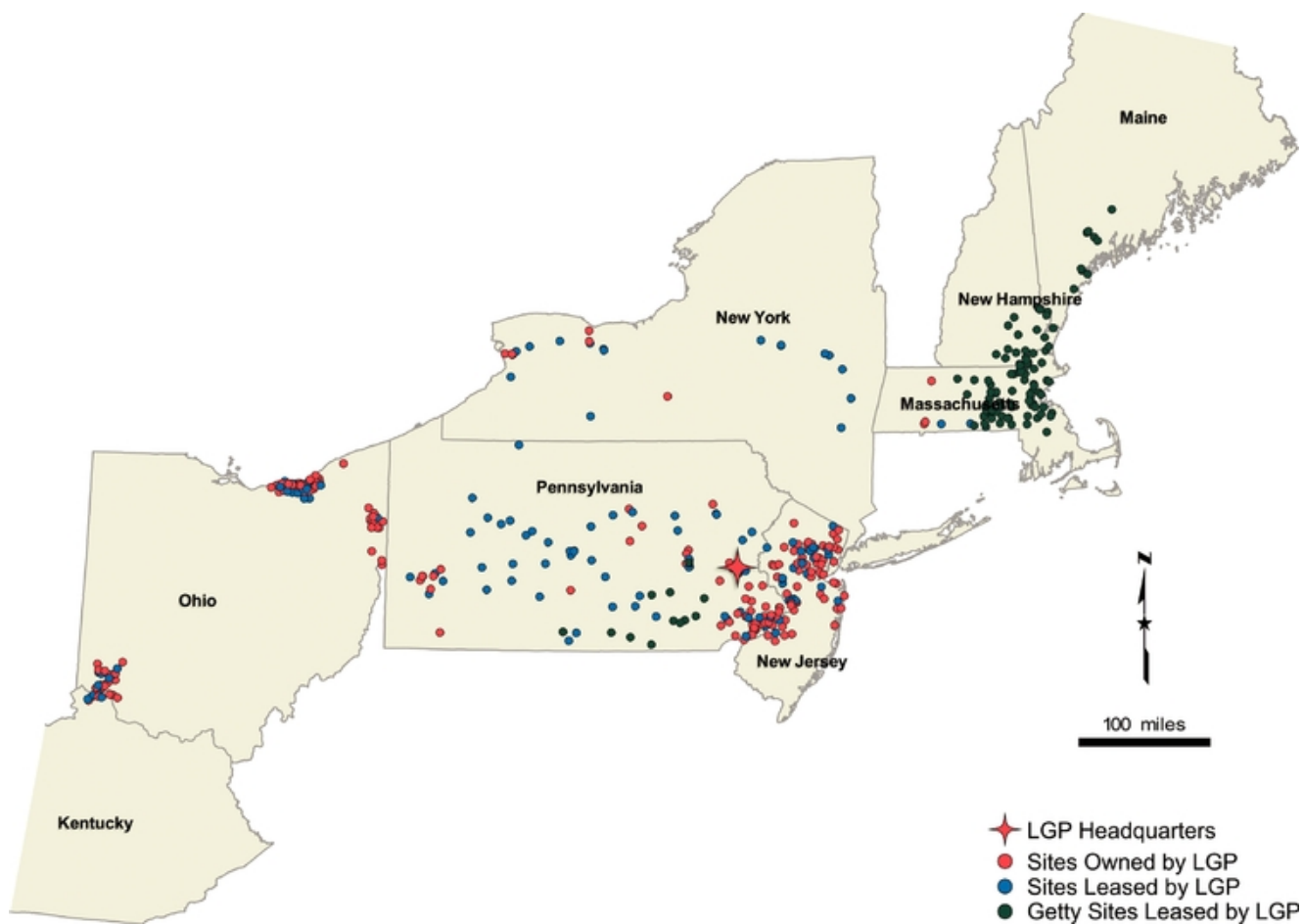


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You should rely only on the information contained in this prospectus, any free writing prospectus prepared by or on behalf of us or any other information to which we have referred you in connection with this offering. We have not, and the underwriters have not, authorized any other person to provide you with different information. If anyone provides you with different or inconsistent information, you should not rely on it. We are not, and the underwriters are not, making an offer to sell these securities in any jurisdiction where an offer or sale is not permitted. You should assume that the information appearing in this prospectus is accurate as of the date on the front cover of this prospectus only. Our business, financial condition, results of operations and prospects may have changed since that date.

Until _____, 2012 (25 days after the date of this prospectus), all dealers that buy, sell or trade our common units, whether or not participating in this offering, may be required to deliver a prospectus. This is in addition to the dealers' obligation to deliver a prospectus when acting as underwriters and with respect to their unsold allotments or subscriptions.

KEY REFERENCES

References in this prospectus to "our predecessor" refer to that portion of the business of Lehigh Gas Corporation, or "LGC," and its subsidiaries and affiliates that is being contributed to Lehigh Gas Partners LP, as further described in "—The Transactions." Unless the context requires otherwise, references in this prospectus to "our partnership," "Lehigh Gas Partners LP," "we," "our," "us," or like terms, when used in the context of the periods following the completion of this offering refer to Lehigh Gas Partners LP and its subsidiaries and, when used in the context of the periods prior to the completion of this offering, refer to that portion of the business of our predecessor, the wholesale distribution business of Lehigh Gas—Ohio, LLC and real property and leasehold interests that will be contributed to us by Joseph V. Topper, Jr., the Chief Executive Officer and the Chairman of the board of directors of our general partner, in connection with this offering as further described in "—The Offering" and "—The Transactions."

References to "our general partner" or "Lehigh Gas GP" refer to Lehigh Gas GP LLC, the general partner of Lehigh Gas Partners LP and a wholly owned subsidiary of LGC. References to "LGO" refer to Lehigh Gas—Ohio, LLC, an entity managed by Joseph V. Topper, Jr, the Chief Executive Officer and the Chairman of the board of directors of our general partner. All of LGO's wholesale distribution business will be contributed to us in connection with this offering. References to the "Lehigh Gas Group" refer to the combined businesses of our predecessor and LGO before the completion of this offering. References to the "Topper Group" refer to Joseph V. Topper, Jr., collectively with those of his affiliates and family trusts that have ownership interests in our predecessor. The Topper Group has a controlling ownership interest in LGC. Together with LGC, the Topper Group will hold a majority of the limited partner interests in us. Through its controlling ownership interest in LGC, the Topper Group will have an indirect, controlling ownership interest in our general partner following completion of this offering.

References to "lessee dealers" refer to third parties that operate sites that we own or lease and that we, in turn, lease such third-party sites to the lessee dealers; "independent dealers" refer to third parties that own their sites or lease their sites from a landlord other than us; and "sub-wholesalers" refer to third parties that elect to purchase motor fuels from us, on a wholesale basis, instead of purchasing directly from major integrated oil companies and refiners. We include a glossary of some of the terms used in this prospectus in Appendix B.

SUMMARY

This summary highlights information contained elsewhere in this prospectus. This summary does not contain all of the information that you should consider before investing in our common units. You should read the entire prospectus carefully, including the historical and pro forma financial statements and the notes to those financial statements included elsewhere in this prospectus. Unless indicated otherwise, the information presented in this prospectus assumes an initial public offering price of \$ [redacted] per common unit (the midpoint of the price range set forth on the cover page of this prospectus) and that the underwriters do not exercise their option to purchase additional common units. You should read "Risk Factors" for information about important risks that you should consider before buying our common units. Market and industry data and other statistical data used throughout this prospectus are based on independent industry publications, government publications and other published independent sources. Please read "Industry" for additional information on these sources.

Lehigh Gas Partners LP

Overview

We are a limited partnership formed to engage in the wholesale distribution of motor fuels, consisting of gasoline and diesel fuel, and to own and lease real estate used in the retail distribution of motor fuels. Since our predecessor was founded in 1992, we have generated revenues from the wholesale distribution of motor fuels at gas stations, truck stops and toll road plazas, which we refer to as "sites," and from real estate leases.

Our primary business objective is to make quarterly cash distributions to our unitholders and, over time, to increase our quarterly cash distributions. Initially, we intend to make minimum quarterly distributions of \$ [redacted] per unit per quarter (or \$ [redacted] per unit on an annualized basis), as further described in "Cash Distribution Policy and Restrictions on Distributions."

We generate cash flows from the wholesale distribution of motor fuels primarily by charging a per gallon margin that is either a fixed mark-up per gallon or a variable rate mark-up per gallon. We will enter into a 15-year supply agreement with LGO for the wholesale distribution of motor fuels to its sites. Our supply agreements with lessee dealers generally have three-year terms, and our supply agreements with independent dealers generally have ten-year terms. By delivering motor fuels through independent carriers on the same day we purchase the motor fuels from suppliers, we seek to minimize the commodity risks typically associated with the purchase and sale of motor fuels.

We generate cash flows from rental income primarily by collecting rent from lessee dealers and LGO pursuant to lease agreements. The lease agreements we have with lessee dealers had an average of 2.5 years remaining on the lease terms as of March 31, 2012. The lease agreements we have with LGO will each have a 15-year term. Our lease agreements with lessee dealers generally have three-year terms. We believe that consistent demand for motor fuels in the areas where we operate and the contractual nature of our rental income provide a stable source of cash flow.

For the year ended December 31, 2011, we distributed approximately 561 million gallons of motor fuels to 567 sites. For the three months ended March 31, 2012, we distributed approximately 129 million gallons of motor fuels to 575 sites. Over half of the sites to which we distribute motor fuels are owned or leased by us. In addition, we have agreements requiring the operators of these sites to purchase motor fuels from us. For the year ended December 31, 2011, we were one of the ten largest independent distributors by volume in the United States for ExxonMobil, BP, Shell and Valero. We also distribute Sunoco and Gulf-branded motor fuels.

Approximately 97% of the motor fuels we distributed in the year ended December 31, 2011 were branded.

As of March 31, 2012, we distributed motor fuels to the following classes of businesses:

- 187 sites operated by independent dealers;
- 180 sites owned or leased by us that will be operated by LGO following the closing of this offering;
- 133 sites owned or leased by us and operated by lessee dealers; and
- 75 sites distributed through six sub-wholesalers.

In May 2012, we entered into a master lease agreement to lease 120 sites from an affiliate of Getty. Of the 120 sites, 74 are located in Massachusetts, 22 are located in New Hampshire, 15 are located in Pennsylvania and 9 are located in Maine. Of these sites, 8 are subleased to, and operated by, lessee dealers, 103 are company operated sites that will be subleased to, and operated by, LGO following this offering and 9 currently are closed. We are evaluating alternatives to reopen or reposition these closed sites. We expect to distribute BP motor fuels to 88 sites and are evaluating branding alternatives for the other 32 sites.

We are focused on owning and leasing sites primarily located in metropolitan and urban areas. We own and lease sites located in Pennsylvania, New Jersey, Ohio, New York, Massachusetts, Kentucky, New Hampshire and Maine. According to the Energy Information Administration, or the "EIA," of the eight states in which we own and lease sites, four are among the top ten consumers of gasoline in the United States and three are among the top ten consumers of on-highway diesel fuel in the United States. Over 90% of our sites are located in high-traffic metropolitan and urban areas. We believe that the limited availability of undeveloped real estate in these areas presents a high barrier to entry for new or existing retail gas station owners to develop competing sites.

We have grown our business from 11 owned sites in 2004 to 185 owned sites, as of March 31, 2012. Our size and geographic concentration has enabled us to acquire multiple sites, particularly from major integrated oil companies and other entities that have been divesting assets associated with the motor fuel distribution business since the early 2000s. As a result of these acquisitions, we have increased our rental income and enhanced our wholesale distribution business. We have completed ten transactions in which we acquired ten or more sites per transaction, and we historically have been able to divest non-core sites that do not fit our strategic or geographic plans to other retail gas station operators or other entities, such as retail store operators, that may use the land for alternative purposes.

The following table summarizes the aggregate number of sites that were owned or leased by the Lehigh Gas Group to which motor fuel was distributed by the wholesale distribution operations of the Lehigh Gas Group as of the periods presented and the number of sites owned or leased by us to which we would have distributed motor fuel as of the period presented had

the transactions contemplated by this offering been completed as of the first day of the period presented. Please read "—The Transactions."

	The Lehigh Gas Group (1)						Lehigh Gas Partners LP Pro Forma		
	Year Ended December 31,					Three Months Ended March 31,		Year Ended December 31, 2011	Three Months Ended March 31, 2012 (2)
	2007	2008	2009	2010	2011	2011	2012		
Number of sites owned and leased (3):									
Owned	151	174	265	231	237	230	234	185	185
Leased	67	88	147	153	147	155	147	131	131
Total	218	262	412	384	384	385	381	316	316

- (1) The Lehigh Gas Group consists of the combined businesses of our predecessor and LGO.
- (2) The pro forma sites owned and leased do not reflect 63 sites that are not being contributed to us in connection with this offering as those sites do not fit our strategic or geographic plans and are either held for sale by our predecessor or are closed.
- (3) The year ended December 31, 2011 and pro forma year ended December 31, 2011, three months ended March 31, 2012 and pro forma three months ended March 31, 2012 include eight sites owned and nine sites leased by the Topper Group, not included in our predecessor, that are being contributed to us in connection with this offering.

The following table summarizes the aggregate volume of motor fuel distributed by the wholesale distribution operations of the Lehigh Gas Group for the periods presented and the volume of motor fuel we would have distributed had the transactions contemplated by this offering been completed as of the first day of the period presented.

	The Lehigh Gas Group (1)						Lehigh Gas Partners LP Pro Forma		
	Year Ended December 31,					Three Months Ended March 31,		Year Ended December 31, 2011 (2)	Three Months Ended March 31, 2012 (2)
	2007	2008	2009	2010	2011	2011	2012		
Gallons of motor fuel distributed to:									
Owned sites	127.8	121.7	164.0	237.7	196.3	45.9	45.1	180.0	42.4
Leased sites	111.1	111.1	138.0	213.5	202.8	41.0	36.8	158.9	35.7
Independent dealers	82.7	80.2	108.4	139.1	160.1	41.2	35.0	155.8	35.6
Sub-wholesalers (3)	65.6	69.3	71.0	72.9	76.6	20.4	16.3	66.0	15.5
Total	387.2	382.3	481.4	663.2	635.8	148.5	133.2	560.7	129.2

- (1) The Lehigh Gas Group consists of the combined businesses of our predecessor and LGO.
- (2) The pro forma gallons of motor fuel distributed do not reflect 75.1 million gallons distributed to sites that are not being contributed to us in connection with this offering, as those sites do not fit our strategic or geographic plans and are either held for sale by our predecessor or are closed. We will, however, continue to distribute motor fuels to these sites until they are disposed of by our predecessor.
- (3) Includes motor fuel distributed to customers of the Lehigh Gas Group. We will distribute motor fuel to LGO on a sub-wholesale basis, and LGO will, in turn, sell the motor fuel at retail to customers following this offering.

Our Business Strategy

Our primary business objective is to make quarterly cash distributions to our unitholders and, over time, to increase our quarterly cash distributions by continuing to execute the following strategies:

- *Own or lease sites in prime locations and seek to enhance the cash flow potential of these sites.* As of March 31, 2012, we owned or leased 278 sites that are strategically located in densely populated metropolitan and urban areas that historically have had high demand for motor fuel. These sites serve customers seeking convenient fueling locations on roads and intersections with heavy traffic. We continually evaluate opportunities to enhance the cash flow potential of our sites. For example, at our sites we may install car washes, convert service bays into convenience stores or upgrade convenience stores to quick service restaurants. These enhancements improve our ability to charge increased rents at these sites and increase the wholesale distribution potential of these sites.
- *Expand within and beyond our core markets through acquisitions.* We intend to continue to grow our business through strategic and accretive acquisitions of sites and wholesale distribution businesses both within our existing area of operations and in new geographic areas. We believe that there is considerable opportunity for consolidation in our industry as the major integrated oil companies continue to divest sites they own and lease and as family-owned wholesale distributors consider selling their businesses. We have demonstrated an established history of acquiring sites in Pennsylvania, New Jersey, Ohio, New York, Massachusetts and Kentucky. Please read "Business—Real Estate—Site Locations." Because of our interest in purchasing wholesale distribution operations as well as sites, we believe we have a competitive advantage over bidders interested in purchasing only sites.
- *Serve as a preferred motor fuel distributor and provide dedicated supply and services to our customers.* We have established long-term relationships with our suppliers that enhance the dependability and quality of our motor fuel supply to our customers. During periods of motor fuel shortages, we historically have succeeded in sustaining a supply of motor fuel sufficient to meet the needs of our customers while many of our unbranded competitors have not. In addition, we provide our customers with services that enable them to more efficiently operate their gas stations, including, but not limited to, preferred pricing in purchasing gas station equipment and for providing maintenance services. We intend to continue to maintain our strong relationships with existing suppliers and customers and to develop new relationships to grow our wholesale distribution business.
- *Increase our wholesale motor fuel distribution business by expanding market share.* As we seek to increase the number of sites we own and lease, we expect to have a commensurate increase in our wholesale distribution business due to the addition of these new sites. Furthermore, we believe that our standing in 2011 as a top ten independent distributor by volume in the United States for ExxonMobil, BP, Shell and Valero enables us to capitalize on the reduction by major integrated oil companies in the number of wholesalers with which they do business. As smaller wholesale distributors experience difficulties purchasing motor fuels from major integrated oil companies and refiners, we have been able to, and believe that we will be able to continue to, successfully target and sell motor fuels to these wholesalers on a sub-wholesaling basis.

- *Maintain strong relationships with major integrated oil companies and refiners.* Our relationships with suppliers of branded motor fuels are crucial to the operation and growth of our business. These relationships have allowed us to consistently negotiate supply agreements with competitive terms, and they have also provided us a source of acquisitions as major integrated oil companies and refiners have continued to divest retail distribution businesses and real estate. We intend to continue to maintain and grow our relationships with major integrated oil companies and refiners.
- *Manage risk by outsourcing delivery of motor fuel, mitigating exposure to environmental liabilities and implementing systems and controls to manage operations.* Motor transportation services are not part of our core business, and we do not own or lease trucks for the delivery of motor fuel. This strategy alleviates the capital, labor, and liability constraints associated with operating a transportation fleet. Instead, we contract with third parties for the delivery of motor fuel. We believe that operating a fuel transportation service would not add significant economic or operational value to our business and that outsourcing the delivery service to third parties allows us to focus on our wholesale distribution business. Before acquiring the property underlying a site, we use a third-party environmental consultant to perform due diligence at the site to assess the extent of contamination, if any. Typically, when an acquired site requires remediation, either the seller funds an escrow account for the cost to remediate the property, or the seller retains the obligation to remediate the property. We may purchase environmental insurance policies to contain costs in the event that escrowed amounts are inadequate and/or if there are unknown pre-existing conditions. In addition, we participate in state programs, where available, that may also assist in funding the costs of environmental liabilities. Also, since we purchase and deliver fuel in the same day through independent carriers, we minimize commodity risks associated with the purchase and sale of motor fuels. In addition, our daily collection and settlement procedures minimize credit risk.

Our Competitive Strengths

We believe the following competitive strengths will enable us to achieve our primary business objective:

- *Stable cash flows from real estate rental income and wholesale motor fuel distribution.* We generate revenue from rent on our sites and earn a per gallon margin on the wholesale distribution of motor fuels. We collect rent from the lessee dealers and LGO pursuant to lease agreements. The average remaining lease term for our lessee dealer sites was 2.5 years as of March 31, 2012. The remaining lease term for our LGO sites is 15 years. We sell motor fuel on a wholesale basis to lessee dealers, independent dealers, LGO and sub-wholesalers. Our wholesale contracts prohibit customers from purchasing motor fuels from other distributors. We receive a per gallon margin that is either a fixed mark-up per gallon or a variable rate mark-up per gallon. We believe that the contractual nature of our rental income and the consistent demand for motor fuel in the areas where we operate provide a stable source of cash flow.
- *Prime real estate locations in areas with high traffic and considerable motor fuel consumption.* We derive our rental income from sites we own or lease that provide convenient fueling locations in areas that are densely populated. Of the eight states in which we own and lease sites, four are among the top ten consumers of gasoline in the United States and three are among the top ten consumers of on-highway diesel fuel in the United States. We believe that the limited availability of undeveloped real estate in these areas presents a high barrier to entry for the development of competing sites.

- *Established history of acquiring sites and successfully integrating these sites and operations into our existing business.* We have an established history of acquiring sites to grow our business. We have increased the number of sites we own from 11 in 2004 to 185, as of March 31, 2012. Many of our acquisitions have been from major integrated oil companies that have pursued a strategy of divesting their retail marketing operations. Our strong industry relationships and ability to complete acquisitions have allowed us to find multiple sites and negotiate transactions that are on attractive terms. Furthermore, we have successfully integrated our acquisitions into our existing business by reducing overhead costs and realizing economies of scale associated with our wholesale distribution business.
- *Long-term relationships with major integrated oil companies and refiners.* We have established long-term relationships and supply agreements with companies that are among the largest suppliers of branded motor fuel. For the year ended December 31, 2011, our wholesale business purchased approximately 46%, 23%, 22% and 5% of its motor fuel from ExxonMobil (a supplier of ours since 2002), BP (a supplier of ours since 2009), Shell (a supplier of ours since 2004) and Valero (a supplier of ours since 2007), respectively. Our prompt payment history and good credit standing with our suppliers allow us to receive certain term discounts on our fuel purchases, which increases the profitability of our wholesale distribution business. We believe that these relationships and payment terms are not easily replicated by new competitors in the markets we serve.
- *Financial flexibility to pursue acquisitions and other expansion opportunities.* After the application of the net proceeds we receive from this offering, under our new credit agreement we will have \$ million available for acquisitions and up to \$ million available for working capital purposes. We believe that our borrowing capabilities available under our new credit agreement and our ability to issue additional common units will provide us with the financial flexibility to pursue acquisition and expansion opportunities.
- *Extensive industry experience of our senior management team.* The members of our senior management team, including their experience managing the business and affairs of the Lehigh Gas Group, have, on average, over 24 years of experience in the ownership and operation of businesses that distribute motor fuel. In this regard, the members of our senior management team have an established history of acquiring sites and expanding our wholesale distribution business. Under their leadership, the Lehigh Gas Group grew from 11 owned sites in 2004 to 234 owned sites as of March 31, 2012. In addition, the Lehigh Gas Group distributed 387.2 million gallons of fuel in 2007 as compared to 635.8 million gallons in 2011. Furthermore, our senior management team has extensive relationships with the suppliers and customers that are crucial to the successful operation of our business.

Risk Factors

An investment in our common units involves risks associated with our business, our partnership structure and the tax characteristics of our common units. Those risks are described under the caption "Risk Factors" beginning on page 22.

Our Management

We are managed and operated by the board of directors, executive officers and key members of management of our general partner and LGC. The board of directors of our general partner, including the independent directors, is chosen entirely by the Topper Group, as a result of its indirect controlling ownership interest in our general partner, and not by our unitholders. Unlike

shareholders in a corporation, our unitholders will not be entitled to elect our general partner or its directors or otherwise participate directly in our management. For information about the executive officers and directors of our general partner, please read "Management—Directors, Executive Officers and Key Members of Management."

Neither we nor our subsidiaries will have any employees. All of our operations will be conducted by personnel provided by LGC. Prior to the closing of this offering, we and our general partner will enter into an omnibus agreement with LGC pursuant to which, among other things, LGC will provide management, administrative and operating services for us and our general partner. We will pay LGC a management fee, which shall initially be an amount equal to (1) \$420,000 per month plus (2) \$0.0025 for each gallon of motor fuel we distribute per month. In addition, we will reimburse LGC for all out-of-pocket third-party fees, costs, taxes and expenses incurred by LGC on our behalf in connection with providing the services required to be provided by LGC under the omnibus agreement. Also, employees of LGC will be eligible to receive awards under our long-term incentive plan. We will be responsible for all costs and expenses to maintain our long-term incentive plan and to satisfy any awards under such plan, including awards to employees of LGC and each director of our general partner who is not an officer or employee of LGC, our general partner or our operating subsidiaries. Upon the completion of this offering, the board of directors of our general partner intends to cause us to issue an aggregate of _____ restricted units to employees of LGC to incentivize efforts that will impact our performance. Other than out-of-pocket third party fees, costs, taxes and expenses and awards under our long-term incentive plan, LGC will be responsible for paying all costs and expenses, including, but not limited to compensation of its employees, incurred in connection with providing the services required to be provided by LGC under the omnibus agreement. Payment to LGC will be made monthly in arrears. We currently expect such payments to be, in the aggregate, approximately \$ _____ million for the twelve months ending September 30, 2013. Our management fee will be subject to an annual review and approval by the conflicts committee of the board of directors of our general partner. Please read "Certain Relationships and Related Party Transactions—Agreements with Affiliates—Omnibus Agreement."

Summary of Conflicts of Interest and Fiduciary Duties

Our general partner has a legal duty to manage us in good faith. However, the executive officers and directors of our general partner also have fiduciary duties to manage our general partner in a manner beneficial to its owner, LGC. The officers and directors of LGC, in turn, have a fiduciary duty to manage LGC's business in a manner beneficial to its owners, including the Topper Group. LGC and the Topper Group each manage, own, and hold assets and investments in other entities that compete or may compete with us. Additionally, certain of our general partner's executive officers and directors will continue to have economic interests, investments and other economic incentives in LGC and the Topper Group. As a result of these relationships, conflicts of interest may arise in the future between us and our unitholders, on the one hand, and our general partner and its owner and affiliates, on the other hand.

Our partnership agreement limits the liability and reduces the fiduciary duties owed by our general partner to our unitholders. Our partnership agreement also restricts the remedies available to unitholders for actions that might otherwise constitute breaches of our general partner's fiduciary duty. By purchasing a common unit, the purchaser agrees to be bound by the terms of our partnership agreement, and each unitholder is treated as having consented to various actions and potential conflicts of interest contemplated in the partnership agreement that might otherwise be considered a breach of fiduciary or other duties under Delaware law.

We and our general partner will enter into an omnibus agreement with LGC pursuant to which, among other things, LGC will provide management, administrative and operating services for us and our general partner. We and our general partner will enter into lease agreements and a wholesale supply agreement with LGO pursuant to which LGO will lease sites from us and operate the retail motor fuel distribution business of our predecessor. LGO is managed by Joseph V. Topper, Jr., the Chief Executive Officer and the Chairman of the board of directors of our general partner. LGO is not prohibited from competing with us. Conflicts of interest may arise in the future between us and our unitholders, on the one hand, and LGO and our general partner, on the other hand.

For a more detailed description of the conflicts of interest and fiduciary duties of our general partner, please read "Conflicts of Interest and Fiduciary Duties." For a description of other relationships with our affiliates, please read "Certain Relationships and Related Party Transactions."

Principal Executive Offices

Our principal executive offices are located at 702 West Hamilton Street, Suite 203, Allentown, PA 18101, and our phone number is (610) 625-8000. Our website is located at <http://>. We expect to make our periodic reports and other information filed with or furnished to the Securities and Exchange Commission or SEC, available, free of charge, through our website, as soon as reasonably practicable after those reports and other information are electronically filed with or furnished to the SEC. Information on our website or any other website is not incorporated by reference into this prospectus and does not constitute a part of this prospectus.

The Transactions

General

We are a Delaware limited partnership recently formed by our predecessor to engage in the wholesale distribution of motor fuels and to own and lease real estate used in the retail distribution of gasoline and diesel fuel, which businesses have historically been conducted by our predecessor and LGO.

At, or immediately prior to, the closing of this offering, the following transactions will occur:

- The Topper Group will (i) contribute to us certain entities, which we call the "contributed entities," or cause the contributed entities to merge with us; (ii) cause non-contributed entities to transfer to us certain (A) supply and distribution agreements, (B) real property and leasehold interests, (C) personal property and (D) other assets and liabilities relating to the motor fuel distribution business or the ownership of sites to us and (iii) cause to be contributed to us certain real property and leasehold interests, in exchange for an aggregate of common units and subordinated units.
- LGC will contribute certain assets and liabilities to us in exchange for common units and subordinated units.
- We will issue restricted common units to employees of LGC as described in "Management—Awards Under Our Long-term Incentive Plan."
- We will enter into a five-year \$250 million senior secured revolving credit facility, or the "new credit facility," which may be increased to \$325 million if certain conditions are

met, as described in "Management's Discussion and Analysis of Financial Condition and Results of Operations—Liquidity and Capital Resources—New Credit Agreement."

- We will issue and sell _____ common units to the public representing an aggregate _____ % limited partner interest in us. We expect to use the net proceeds as described in "Use of Proceeds," including a distribution or payment of an aggregate \$ _____ million to the Topper Group and LGC as reimbursement for certain capital expenditures made by the Topper Group and LGC with respect to the assets they contributed, to the extent such amount is not paid out of proceeds from the new credit facility.
- We will issue to our general partner the incentive distribution rights as described under "How We Make Distributions to Our Partners."
- We will enter into 15-year lease agreements pursuant to which LGO will lease sites from us on a fixed rent basis and a 15-year wholesale supply agreement pursuant to which LGO will operate the retail motor fuel distribution business of our predecessor and will be required to purchase motor fuel from us for the sites it will operate at market rate dealer tank wagon, or "DTW" prices.
- We and our general partner will enter into an omnibus agreement with LGC pursuant to which, among other things, LGC will provide us and our general partner with management, administrative and operating services. Please read "—Our Management."

Organizational Structure

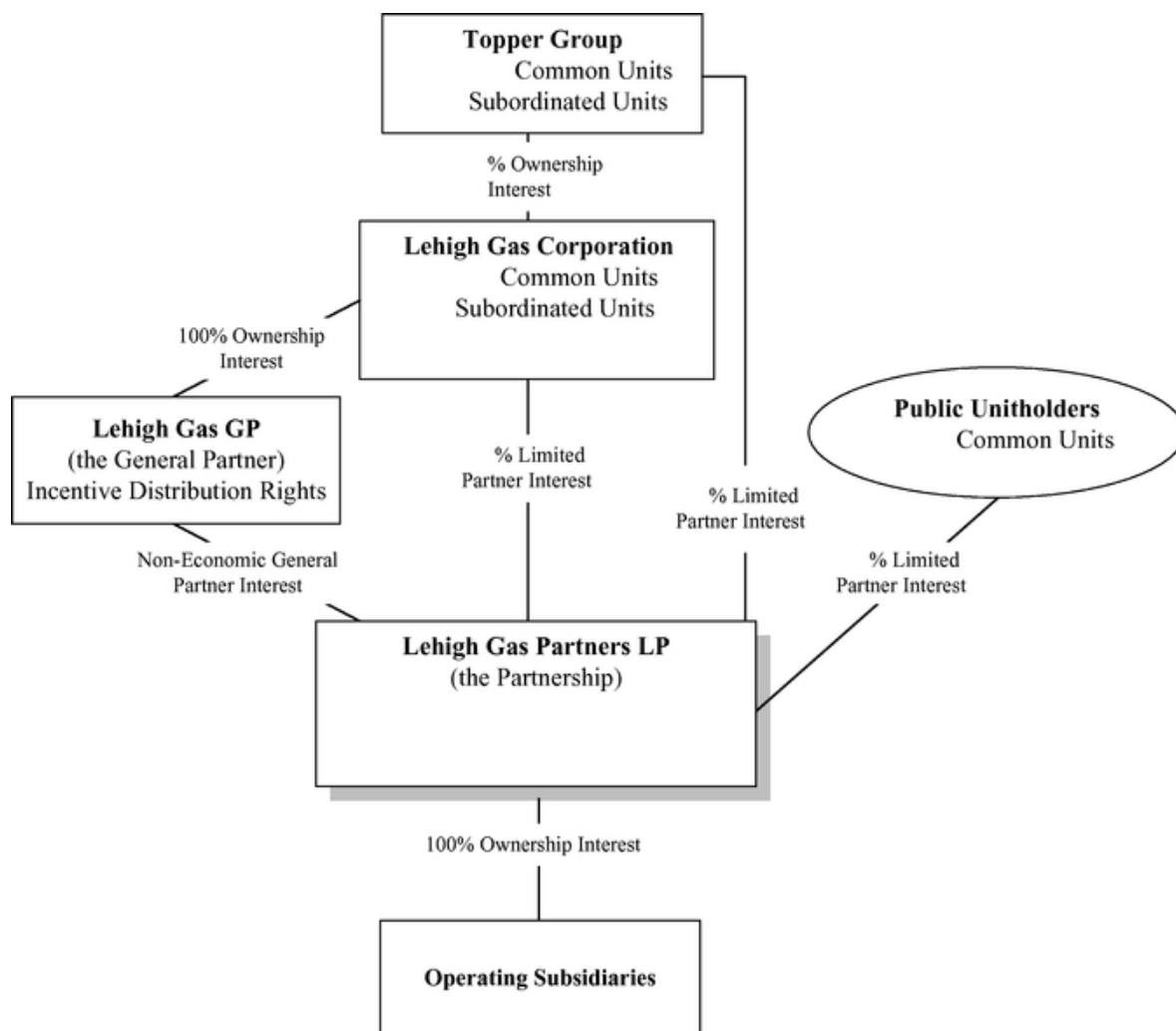
We will conduct our operations through subsidiaries. In order to be treated as a partnership for federal income tax purposes, we must generate 90% or more of our gross income from certain qualifying sources, such as the wholesale distribution of motor fuel and the leasing of real property to unrelated parties. We currently plan to have Lehigh Gas Wholesale Services, Inc., a corporate subsidiary of ours, own and lease personal property and provide maintenance and other services to lessee dealers and other customers. Income less deductible expenses from activities conducted by Lehigh Gas Wholesale Services, Inc. will be taxed at the applicable corporate income tax rate. However, dividends received by us from Lehigh Gas Wholesale Services, Inc. will constitute qualifying income. For a more complete description of this qualifying income requirement, please read "Material U.S. Federal Income Tax Consequences—Partnership Status."

The following summarizes our organizational structure after giving effect to this offering and the related transactions:

Public Common Units	%
Topper Group Common Units	%
Topper Group Subordinated Units	%
LGC Common Units	%
LGC Subordinated Units	%
Employees of LGC Common Units	%(1)
Non-Economic General Partner Interest	—%(2)
Incentive Distribution Rights	—%(3)
	100%

(1) Consists of _____ restricted common units to be issued to employees of LGC under our long-term incentive plan. Please read "Management—Awards Under Our Long-Term Incentive Plan."

- (2) Our general partner owns a non-economic general partner interest in us. Please read "How We Make Distributions to Our Partners—General Partner Interest."
- (3) Incentive distribution rights represent a variable interest in distributions and thus are not expressed as a fixed percentage. See "How We Make Distributions to Our Partners—Incentive Distribution Rights." Distributions with respect to the incentive distribution rights will be classified as distributions with respect to equity interests.



The Offering

Common units offered to the public	common units, or units in full.	common units if the underwriters exercise their option to purchase additional common
Units outstanding after this offering	a common units representing a % limited partner interest in us and a % limited partner interest in us.	subordinated units representing
Use of proceeds	<p>If the underwriters do not exercise their option to purchase additional common units within the 30 day period following the date of this prospectus, we will issue additional common units to the Topper Group and issue additional common units to LGC at the expiration of the 30-day option period. If, and to the extent, the underwriters exercise their option to purchase additional common units, the number of common units purchased by the underwriters pursuant to such exercise will be sold to the public, and the remainder, if any, will be issued to the Topper Group and LGC. Accordingly, the exercise of the underwriters' option will not affect the total number of units outstanding or the amount of cash needed to pay the minimum quarterly distribution on all units.</p> <p>We expect that the net proceeds from the sale of common units in this offering, after deducting the underwriting discounts, the structuring fee and estimated offering expenses payable by us, will be approximately \$ million based on an assumed offering price of \$ per common unit. We intend to use the estimated net proceeds from this offering:</p> <ul style="list-style-type: none">• to reduce amounts borrowed under the new credit facility, which will be drawn upon at the completion of this offering in order to repay in full the existing credit agreement of the Lehigh Gas Group;• to repay in full \$14.7 million aggregate principal amount in outstanding mortgage notes;• to repay or redeem in full \$12.0 million of mandatorily redeemable preferred member interests; • to distribute or pay an aggregate \$ million to the Topper Group and LGC as reimbursement for certain capital expenditures made by the Topper Group and LGC with respect to the assets they contributed, to the extent such amount is not paid out of proceeds from the new credit facility; and • to use for general partnership purposes, including working capital and acquisitions.	

To the extent the underwriters exercise their option to purchase additional common units, an amount equal to the net proceeds from the issuance and sale of those common units will be distributed to the Topper Group and LGC.

Please see "Use of Proceeds."

Cash distribution policy

We intend to make minimum quarterly distributions in cash of \$ (or \$ on an annualized basis) on each common unit and subordinated unit to the extent we have sufficient cash from operations after establishment of cash reserves and payment of fees and expenses, including the management fee to LGC and the reimbursement of expenses to our general partner. Our ability to pay cash distributions at the minimum quarterly distribution rate is subject to various restrictions and other factors described in more detail under "Cash Distribution Policy and Restrictions on Distributions" and "Risk Factors."

For the first quarter that we are publicly traded, we will pay investors in this offering a prorated distribution covering the period from the closing date of this offering through , 2012.

We will pay quarterly distributions, if any, each quarter in the following manner:

- *first*, to the holders of common units, until each common unit has received a minimum quarterly distribution of \$ plus any arrearages from prior quarters;
- *second*, to the holders of subordinated units, until each subordinated unit has received a minimum quarterly distribution of \$; and
- *third*, to all unitholders, pro rata, until each unit has received a distribution of \$.

If cash distributions to our unitholders exceed \$ per unit in any quarter, our unitholders and our general partner, as holder of our incentive distribution rights, will receive distributions according to the following percentage allocations:

Total Quarterly Distribution Target Amount	Marginal Percentage Interest in Distributions	
	Unitholders	General Partner
above \$ up to \$	85.0%	15.0%
above \$ up to \$	75.0%	25.0%
above \$	50.0%	50.0%

We refer to the additional increasing distributions to our general partner as "incentive distributions." The incentive distributions will be paid in cash. In certain circumstances, our general partner, or the subsequent holders of our incentive distribution rights, will have the right to reset the target distribution levels to higher levels based on our cash distributions at the time of the exercise of this reset election. Please read "How We Make Distributions to Our Partners—Incentive Distribution Rights."

In order to pay the minimum quarterly distribution for four quarters on our common units and subordinated units to be outstanding immediately after this offering, we will require approximately \$ million of cash available for distribution (or an average of approximately \$ million per quarter). On a pro forma basis, cash available for distribution generated during the year ended December 31, 2011 and the twelve months ended March 31, 2012 was approximately \$32.9 million and \$29.8 million, respectively, and, as such, we would have generated cash available for distribution sufficient to pay the minimum quarterly distribution on all of our common units and subordinated units for those periods. Please read "Cash Distribution Policy and Restrictions on Distributions—Unaudited Pro Forma Cash Available for Distribution."

We believe, based on our financial forecast and related assumptions included in "Cash Distribution Policy and Restriction on Distributions—Estimated Cash Available for Distribution," that we will have sufficient cash available for distribution to pay the minimum quarterly distribution of \$ on all of our units for each quarter in the twelve months ending September 30, 2013. However, we do not have a legal obligation to pay quarterly distributions at our minimum quarterly distribution rate or at any other rate. There is no guarantee that we will distribute quarterly cash distributions to our unitholders in any quarter. Please read "Cash Distribution Policy and Restrictions on Distributions."

Subordinated units

The principal difference between our common and subordinated units is that in any quarter during the subordination period, the subordinated units will not be entitled to receive any distribution until the common units have received the minimum quarterly distribution plus any arrearages in the payment of the minimum quarterly distribution from prior quarters. Subordinated units will not accrue arrearages.

Conversion of subordinated units

The subordination period will expire and all subordinated units will convert into common units on a one-for-one basis beginning with the quarter ending _____, 2015 if each of the following has occurred:

- distributions of cash from operating surplus on each of the outstanding common and subordinated units equaled or exceeded the minimum quarterly distribution of \$ _____ per unit for each of the three consecutive, non-overlapping four-quarter periods immediately preceding that date;
- the adjusted operating surplus generated during each of the three consecutive, non-overlapping four-quarter periods immediately preceding that date equaled or exceeded the sum of the minimum quarterly distribution on all of the outstanding common and subordinated units during those periods on a fully diluted weighted average basis; and
- there are no arrearages in payment of the minimum quarterly distribution on the common units.

The subordinated units of any holder will also convert into common units upon the removal of our general partner other than for cause if no units held by such holder or its affiliates are voted in favor of that removal.

When the subordination period ends, all subordinated units will convert into common units on a one-for-one basis, and all common units thereafter will no longer be entitled to arrearages. Please read "How We Make Distributions to Our Partner—Subordination Period."

Issuance of additional units

Our partnership agreement authorizes us to issue an unlimited number of additional units without the approval of our unitholders. Please read "Units Eligible for Future Sale" and "The Partnership Agreement—Issuance of Additional Securities."

General partner's right to reset the target distribution levels

Our general partner, as the initial holder of our incentive distribution rights, has the right at any time when there are no subordinated units outstanding and it has received incentive distributions at the highest level to which it is entitled, 50.0%, for each of the prior four consecutive quarters, to reset the initial target distribution levels at higher levels based on our cash distributions at the time of the exercise of the reset election. If our general partner transfers all or a portion of our incentive distribution rights in the future, then the holder or holders of a majority of our incentive distribution rights will be entitled to exercise this right. The following assumes that our general partner holds all of the incentive distribution rights at the time that a reset election is made. Following a reset election, the minimum quarterly distribution will be adjusted to equal the reset minimum quarterly distribution, and the target distribution levels will be reset to correspondingly higher levels based on the same percentage increases above the reset minimum quarterly distribution.

If our general partner elects to reset the target distribution levels, it will be entitled to receive common units. The number of common units to be issued to our general partner will equal the number of common units which would have entitled the holder to an average aggregate quarterly cash distribution in the prior two quarters equal to the average of the distributions to our general partner on the incentive distribution rights in the prior two quarters. Please read "How We Make Distributions to Our Partners—General Partner's Right to Reset Incentive Distribution Levels."

Limited voting rights

Our general partner will manage and operate us. Unlike the holders of common stock in a corporation, our unitholders will have only limited voting rights on matters affecting our business. Our unitholders will have no right to elect our general partner or its directors on an annual or other continuing basis. Our general partner may not be removed except by a vote of the holders of at least 66²/₃% of the outstanding units, including any units owned by our general partner and its affiliates, voting together as a single class. Upon consummation of this offering, affiliates of our general partner will own an aggregate of % of our common and subordinated units (or % if the underwriters exercise their option to purchase additional units in full). This will give the Topper Group and LGC the ability to prevent the removal of our general partner. Please read "The Partnership Agreement—Voting Rights."

Call right	If at any time our general partner and its affiliates own more than 80% of the outstanding common units, our general partner has the right, but not the obligation, to purchase all of the remaining common units at a price equal to the greater of (1) the average of the daily closing price of the common units over the 20 trading days preceding the date three days before notice of exercise of the call right is first mailed and (2) the highest per-unit price paid by our general partner or any of its affiliates for common units during the 90-day period preceding the date such notice is first mailed. Please read "The Partnership Agreement—Call Right."
Estimated ratio of taxable income to distributions	We estimate that if you own the common units you purchase in this offering through the record date for distributions for the period ending _____, 2015 you will be allocated, on a cumulative basis, an amount of federal taxable income for that period that will be _____% or less of the cash distributed to you with respect to that period. For example, if you receive an annual distribution of \$ _____ per common unit, we estimate that your average allocable federal taxable income per year will be no more than \$ _____ per common unit. Please read "Material U.S. Federal Income Tax Consequences—Tax Consequences of Unit Ownership—Ratio of Taxable Income to Distributions" for the basis of this estimate.
Material U.S. federal income tax consequences	For a discussion of other material U.S. federal income tax consequences that may be relevant to prospective unitholders who are individual citizens or residents of the United States, please read "Material U.S. Federal Income Tax Consequences."
Exchange listing	We have applied to list our common units on the New York Stock Exchange under the symbol "LGP."

Summary Historical and Pro Forma Combined Financial and Operating Data

The following table presents summary historical and pro forma combined financial and operating data of our predecessor, which includes the business of LGC and its subsidiaries and affiliates that will be contributed to us in connection with this offering, as of the dates and for the periods indicated.

The summary combined financial data has been prepared on the following basis:

- the summary combined financial data presented as of December 31, 2009 is derived from the unaudited combined financial statements, which are not included in this prospectus;
- the summary combined financial data presented as of December 31, 2010 and 2011 and for the years ended December 31, 2009, 2010 and 2011 is derived from the audited combined financial statements, which are included elsewhere in this prospectus; and
- the summary combined financial data as of March 31, 2012 and for the three months ended March 31, 2011 and 2012 is derived from the unaudited combined financial statements, which are included elsewhere in this prospectus.

The summary pro forma combined financial data presented as of March 31, 2012, and for the year ended December 31, 2011 and the three months ended March 31, 2012 is derived from the unaudited pro forma condensed combined financial statements included elsewhere in this prospectus. Our unaudited special purpose pro forma combined financial statements give pro forma effect to:

- (i) the contribution by the Topper Group to us of the contributed entities or the merger of the contributed entities with us; (ii) the transfer by the non-contributed entities to us of certain (A) supply and distribution agreements, (B) real property and leasehold interests, (C) personal property and (D) other assets and liabilities relating to the motor fuel distribution business or the ownership of sites; and (iii) the contribution by the Topper Group to us of certain real property and leasehold interests, in exchange for an aggregate of common units and subordinated units;
- the contribution by LGC of certain assets and liabilities to us in exchange for common units and subordinated units;
- our entry into a new credit agreement as described in "Management's Discussion and Analysis of Financial Condition and Results of Operations—Liquidity and Capital Resources—New Credit Agreement;"
- the issuance by us to the public of common units and the use of the net proceeds from this offering as described under "Use of Proceeds;"
- our distribution or payment of an aggregate \$ million to the Topper Group and LGC as reimbursement for certain capital expenditures made by the Topper Group and LGC with respect to the assets they contributed, to the extent such amount is not paid out of proceeds from the new credit facility;
- our entry into lease agreements and a wholesale supply agreement with LGO as described in "Certain Relationships and Related Transactions—Agreements with

Affiliates—LGO Lease Agreements" and "Certain Relationships and Related Transactions—Agreements with Affiliates—LGO Wholesale Supply Agreement;"

- our entry into an omnibus agreement with LGC pursuant to which, among other things, LGC will provide us and our general partner with management administrative and operating services and charge us a management fee, which shall initially be an amount equal to (1) \$420,000 per month plus (2) \$0.0025 per gallon of motor fuel we distribute per month. In addition, we will reimburse LGC for all out-of-pocket third-party fees, costs, taxes and expenses incurred by LGC on our behalf in connection with providing the services required to be provided by LGC under the Omnibus agreement; and
- the exclusion of marginally performing assets, retail motor fuel assets and operations, environmental indemnification assets and other miscellaneous assets that are not being contributed to the partnership and environmental liabilities and other miscellaneous liabilities that will not be the responsibility of the partnership.

The unaudited pro forma combined balance sheet data assumes the items listed above occurred as of March 31, 2012. The unaudited pro forma combined statements of operations data assumes the items listed above occurred as of the beginning of the periods presented.

For a detailed discussion of certain of the summary combined financial data contained in the following table, please read "Management's Discussion and Analysis of Financial Condition and Results of Operations." The following table should also be read in conjunction with "Use of Proceeds," "—The Transactions," the combined financial statements and related notes and our pro forma combined financial statements and related notes included elsewhere in this prospectus. Among other things, the financial statements included elsewhere in this prospectus include more detailed information regarding the basis of presentation for the information in the following table.

The following table presents a non-GAAP financial measure, EBITDA, which we use in our business as it is an important supplemental measure of our performance and liquidity. We explain this measure under "—Non-GAAP Financial Measure" and reconcile it to net income and net cash provided by operating activities, its most directly comparable financial measures calculated and presented in accordance with GAAP below.

	Our Predecessor						Lehigh Gas Partners LP Pro Forma		
	Year Ended December 31,			Three Months Ended March 31,		Year Ended December 31, 2011	Three Months Ended March 31, 2012		
	2009	2010	2011	2011	2012				
						(unaudited)		(unaudited)	
Statement of Operations Data:									
Revenues:									
Revenues from fuel sales	\$ 490,261	\$ 847,090	\$ 1,242,040	\$ 282,990	\$ 273,770	\$ 1,131,433	\$ 263,792		
Revenues from fuel sales to affiliates	310,794	329,974	365,106	55,831	134,767	659,448	130,597		
Rental income	10,508	11,740	12,433	2,934	3,064	10,100	2,647		
Rental income from affiliates	10,324	7,169	7,792	1,752	1,852	11,549	2,825		
Revenues from retail merchandise and other	59	1,939	1,389	292	3	14	3		
Total revenues	821,946	1,197,912	1,628,760	343,799	413,456	1,812,544	399,864		
Costs and Expenses:									
Cost of revenues from fuel sales	472,359	820,959	1,209,719	277,146	269,111	1,104,459	259,423		
Cost of revenues from fuel sales to affiliates	305,335	324,963	359,005	54,973	132,167	649,273	128,726		
Cost of revenues from retail merchandise and other	7	1,774	1,068	230	—	—	—		
Rent expense	4,494	6,422	9,402	2,143	2,067	7,265	1,593		
Operating expenses	4,407	4,211	6,634	1,420	1,709	3,531	726		
Depreciation and amortization	8,172	12,085	12,073	2,570	4,739	11,160	4,511		
Selling, general and administrative expense	13,389	13,099	12,709	3,082	5,291	9,185	2,468		
(Gain) loss on sale of assets	(752)	271	(3,188)	(704)	(960)	(3,188)	(960)		
Total costs and operating expenses	807,411	1,183,784	1,607,422	340,860	414,124	1,781,685	396,487		
Operating income (loss)	14,535	14,128	21,338	2,939	(668)	30,859	3,377		
Interest expense, net	(10,453)	(15,775)	(12,140)	(1,778)	(3,379)	(6,346)	(1,604)		
Gain on extinguishment of debt	—	1,200	—	—	—	—	—		
Other income, net	1,685	4,119	1,245	314	718	974	718		
Income from continuing operations	5,767	3,672	10,443	1,475	(3,329)	25,487	2,491		
Income tax expense from continuing operations	—	—	—	—	—	300	75		
Net income (loss) from continuing operations	5,767	3,672	10,443	1,475	(3,329)	\$ 25,187	\$ 2,416		
(Loss) income from discontinued operations	311	(6,655)	(848)	(960)	216				
Net income (loss)	\$ 6,078	\$ (2,983)	\$ 9,595	\$ 515	\$ (3,113)				

	Our Predecessor						Lehigh Gas Partners LP Pro Forma	
	Year Ended December 31,			Three Months Ended March 31,			Year Ended December 31, 2011	Three Months Ended March 31, 2012
	2009	2010	2011	(unaudited)		(unaudited)		
	(dollars in thousands, except margin per gallon)							
Cash Flow Data:								
Net cash provided by (used in):								
Operating activities	\$ 23,673	\$ 30,892	\$ 11,560	\$ (4,379)	\$ 4,445			
Investing activities	(62,234)	14,518	(18,875)	8,144	1,593			
Financing activities	36,161	(42,743)	6,409	(837)	(6,444)			
Other Financial Data:								
EBITDA	\$ 27,850	\$ 28,956	\$ 34,105	\$ 5,239	\$ 5,036	\$ 42,993	\$ 8,606	
Capital expenditures								
Maintenance	(1,516)	(2,401)	(2,772)	(835)	(687)	(2,772)	(687)	
Expansion	(70,217)	(2,126)	(33,749)	—	(500)	(33,749)	(500)	
Operating Data:								
Sites owned and leased								
	412	384	384	387	379	316	316	
Gallons of motor fuel distributed (in millions) (1)								
	437.7	518.9	532.1	123.1	133.2	560.7	129.2	
Margin per gallon (2)	\$ 0.0539	\$ 0.0600	\$ 0.0722	\$ 0.0544	\$ 0.0545	\$ 0.0663	\$ 0.0483	

	Our Predecessor					Lehigh Gas Partners LP Pro Forma As of March 31, 2012 (unaudited)
	As of December 31,			As of March 31, 2012		
	2009 (unaudited)	2010	2011	(unaudited)		
	(in thousands)					
Balance Sheet Data:						
Property and equipment, net	\$ 229,779	\$ 185,579	\$ 202,393	\$ 191,214	\$ 167,628	
Total assets	293,641	257,415	269,628	275,101	201,739	
Long-term debt	250,843	194,774	229,955	218,694	140,541	
Total liabilities	314,933	283,546	300,583	310,353	178,426	
Owners' equity (deficit)	(21,292)	(26,131)	(30,955)	(35,252)	23,313	

(1) Excludes gallons of motor fuel distributed to sites classified as discontinued operations with respect to the periods presented for our predecessor.

(2) Margin per gallon represents (a) total revenues from fuel sales, less total costs of revenues from fuel sales, divided by (b) total gallons of motor fuels distributed.

Non-GAAP Financial Measure

We use the non-GAAP financial measure EBITDA in this prospectus. EBITDA represents net income before deducting interest expense, income taxes and depreciation and amortization. EBITDA is used as a supplemental financial measure by management and by external users of our financial statements, such as investors and lenders, to assess:

- our financial performance without regard to financing methods, capital structure or income taxes;

- our ability to generate cash sufficient to make distributions to our unitholders; and
- our ability to incur and service debt and to fund capital expenditures.

EBITDA should not be considered an alternative to net income, net cash provided by operating activities or any other measure of financial performance or liquidity presented in accordance with GAAP. EBITDA excludes some, but not all, items that affect net income and this measure may vary among other companies.

EBITDA as presented below may not be comparable to similarly titled measures of other companies. The following table presents a reconciliation of EBITDA to net income and EBITDA to net cash provided by operating activities, the most directly comparable GAAP financial measures, on a historical basis and pro forma basis, as applicable, for each of the periods indicated.

	Our Predecessor			Three Months Ended March 31,		Lehigh Gas Partners LP Pro Forma	
	Year Ended December 31,			2011		Year Ended December 31,	Three Months Ended March 31,
	2009	2010	2011	(unaudited) (in thousands)		2011	2012
Reconciliation of EBITDA to net income (1):							
Net income (loss) from continuing operations	\$ 5,767	\$ 3,672	\$ 10,443	\$ 1,475	\$ (3,329)	\$ 25,187	\$ 2,416
(Loss) income from discontinued operations	311	(6,655)	(848)	(960)	216		
Net income (loss)	\$ 6,078	\$ (2,983)	\$ 9,595	\$ 515	\$ (3,113)		
Plus:							
Depreciation and amortization	9,664	13,540	12,153	2,672	4,743	11,160	4,511
Income tax	—	—	—	—	—	300	75
Interest expense, net	12,108	18,399	12,357	2,052	3,406	6,346	1,604
EBITDA	\$ 27,850	\$ 28,956	\$ 34,105	\$ 5,239	\$ 5,036	\$ 42,993	\$ 8,606
Reconciliation of EBITDA to net cash provided by (used in) operating activities:							
Net cash provided by (used in) operating activities	\$ 23,673	\$ 30,892	\$ 11,560	\$ (4,379)	\$ 4,445		
Changes in assets and liabilities	(9,913)	(10,956)	7,347	7,810	(3,502)		
Interest expense, net	12,108	18,399	12,357	2,052	3,406		
Other	1,982	(9,379)	2,841	(244)	687		
EBITDA	\$ 27,850	\$ 28,956	\$ 34,105	\$ 5,239	\$ 5,036		

(1) Lehigh Gas Partners LP did not report net income (loss) on a pro forma basis for the year ended December 31, 2011 or the three months ended March 31, 2012. Accordingly, EBITDA reconciled to net income (loss) from continuing operations for the periods presented on a pro forma basis. Lehigh Gas Partners LP had a loss from discontinued operations of \$848,000 for the year ended December 31, 2011 and income from discontinued operations of \$216,000 for the three months ended March 31, 2012.

RISK FACTORS

Limited partner interests are inherently different from the capital stock of a corporation, although many of the business risks to which we are subject are similar to those that would be faced by a corporation engaged in a similar business. You should carefully consider the following risk factors together with all of the other information included in this prospectus in evaluating an investment in our common units.

If any of the following risks were actually to occur, our business, financial condition, and/or results of operations could be materially adversely affected. In that case, we might not be able to pay distributions on our common units, the trading price of our common units could decline, and you could lose all or part of your investment.

Risks Inherent in Our Business

We may not have sufficient cash from operations to enable us to pay the minimum quarterly distribution following establishment of cash reserves and payment of fees and expenses, including payments to our general partner.

We may not have sufficient cash each quarter to pay the minimum quarterly distribution. The minimum quarterly distribution is an amount that must be paid to holders of our common units, including any arrearages, before any distributions may be made to holders of our subordinated units. Please read "Our Cash Distribution Policy and Restrictions on Distributions—Minimum Quarterly Distribution."

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:

- the industries in which we operate are subject to seasonal trends, which may cause our operating costs to fluctuate, affecting our earnings;
- severe storms could adversely affect our business by damaging our suppliers' operations or lowering our sales volumes;
- competition from other companies that sell motor fuel products in our targeted market areas;
- the inability to identify and acquire suitable sites or to negotiate acceptable leases for such sites;
- demand for motor fuel products in the markets we serve;
- the potential inability to obtain adequate financing to fund our expansion;
- the level of our operating costs, including payments to LGC; and
- prevailing economic conditions.

In addition, the actual amount of cash we will have available for distribution will depend on other factors such as:

- the level of capital expenditures we make;

- the restrictions contained in our credit agreements;
- our debt service requirements;
- the cost of acquisitions;
- fluctuations in our working capital needs;
- our ability to borrow under our credit agreements to make distributions to our unitholders; and
- the amount, if any, of cash reserves established by our general partner in its discretion.

You should be aware that we do not have a legal obligation to pay quarterly distributions at our minimum quarterly distribution rate or at any other rate. There is no guarantee that we will distribute quarterly cash distributions to our unitholders in any quarter. For a description of additional restrictions and factors that may affect our ability to pay cash distributions, see "Cash Distribution Policy and Restrictions on Distributions."

The assumptions underlying the forecast of cash available for distribution that we include in "Cash Distribution Policy and Restrictions on Distributions" are inherently uncertain and subject to significant business, economic, financial, regulatory and competitive risks and uncertainties that could cause our actual cash available for distribution to differ materially from our forecast.

The forecast of cash available for distribution set forth in "Cash Distribution Policy and Restrictions on Distributions" includes our forecast of our results of operations and cash available for distribution for the twelve months ending September 30, 2013, which we sometimes refer to as the "forecast period." Our ability to pay the full minimum quarterly distribution in the forecast period is based on a number of assumptions that may not prove to be correct and that are discussed in "Cash Distribution Policy and Restrictions on Distributions." Our financial forecast has been prepared by management and we have neither received nor requested an opinion or report on it from our or any other independent auditor. The assumptions underlying the forecast are inherently uncertain and are subject to significant business, economic, financial, regulatory and competitive risks and uncertainties, including those discussed in this prospectus, which could cause our results to be materially less than the amount estimated. If we do not achieve the forecasted results, we may not be able to make the minimum quarterly distribution or pay any amount on our common units, and the market price of our common units may decline materially.

The amount of cash we have available for distribution to unitholders depends primarily on our cash flow rather than on our profitability, which may prevent us from making cash distributions, even during periods when we record net income.

The amount of cash we have available for distribution depends primarily on our cash flow, and not solely on profitability, which will be affected by non-cash items. As a result, we may make cash distributions during periods when we record losses for financial accounting purposes and may not make cash distributions during periods when we record net income for financial accounting purposes.

The industries in which we operate are subject to seasonal trends, which may cause our sales and/or operating costs to fluctuate, affecting our earnings and ability to make distributions.

We experience more demand for motor fuel during the late spring and summer months than during the fall and winter. Travel, recreational activities and construction are typically higher in these months in the geographic areas in which we operate, increasing the demand for motor fuel that we distribute. Therefore, our revenues are typically higher in the second and third quarters of our fiscal year. As a result, our results from operations may vary widely from period to period, affecting our earnings. With lower cash flow during the first and fourth calendar quarters, we may be required to borrow money in order to pay the minimum quarterly distribution to our unitholders. Any restrictions on our ability to borrow money could restrict our ability to pay the minimum quarterly distribution to our unitholders.

Decreases in consumer spending, travel and tourism in the areas we serve could adversely impact our wholesale distribution business.

In the retail motor fuel and convenience store industries, customer traffic is generally driven by consumer preferences and spending trends, growth rates for automobile and commercial truck traffic and trends in travel, tourism and weather. Changes in economic conditions generally or in our targeted markets specifically could adversely impact consumer spending patterns and travel and tourism in our markets, which could have a material adverse effect on business, liquidity and results of operations.

Our business, financial condition, results of operations and ability to make quarterly distributions to our unitholders are influenced by changes in demand for, changes in the prices of motor fuels, which could adversely affect our margins, our customers' and suppliers' financial condition, contract performance and trade credit and the amount and cost of our borrowing under credit facilities.

Financial and operating results from our wholesale distribution operations are influenced by price volatility and demand for motor fuels. When prices for motor fuels 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 reduce consumption, thereby reducing demand for product.

Furthermore, when prices are increasing, we may be unable to fully pass our additional costs to our customers, resulting in lower margins for us which could adversely affect our results of operations.

The wholesale motor fuel distribution industry is characterized by intense competition and fragmentation and our failure to effectively compete could have a material adverse effect on our business, results of operations and ability to make distributions.

The market for distribution of wholesale motor fuel is highly competitive and fragmented, which results in narrow margins. We have numerous competitors, some of which may have significantly greater resources and name recognition than we do. We rely on our ability to provide value added reliable services and to control our operating costs in order to maintain our margins and competitive position. If we were to fail to maintain the quality of our services, customers could choose alternative distribution sources and our margins could decrease. Furthermore, there can be no assurance that major integrated oil companies will not decide to distribute their own products in direct competition with us or that large customers will not attempt to buy directly from the major integrated oil companies. The occurrence of any of these

events could have a material adverse effect on our business, results of operations and our ability to make distributions.

We are exposed to risks of loss in the event of nonperformance by our customers and suppliers.

A tightening of credit in the financial markets or an increase in interest rates may make it more difficult for customers and suppliers to obtain financing and, depending on the degree to which it occurs, there may be a material increase in the nonpayment or other nonperformance by our customers and suppliers. Even if our credit review and analysis mechanisms work properly, we may experience financial losses in our dealings with these third parties. A material increase in the nonpayment or other nonperformance by our customers and/or suppliers could adversely affect our business, financial condition, results of operations and ability to make quarterly distributions to our unitholders.

Historical prices for motor fuel have been volatile and significant changes in such prices in the future may adversely affect our business, results of operations and ability to make distributions.

Crude oil and domestic wholesale motor fuel markets are volatile. General political conditions, acts of war or terrorism and instability in oil producing regions, particularly in the Middle East, Russia, Africa and South America, could significantly impact crude oil supplies and wholesale motor fuel costs. Significant increases and volatility in wholesale motor fuel costs could result in significant increases in the retail price of motor fuel products and in lower margin 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 we are able to pass along the increases 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 customer's motor fuel gallon volumes, gross profit and overall customer traffic, which in turn could have a material adverse effect on our business, results of operations and ability to make distributions.

Energy efficiency and new technology may reduce the demand for our motor fuel and adversely affect our operating results.

Increased conservation and technological advances, including the development of improved gas mileage vehicles and the increased usage of electrically powered cars have adversely affected the demand for motor fuel. Future conservation measures or technological advances in fuel efficiency might reduce demand and adversely affect our operating results.

We depend on four principal suppliers for the majority of our motor fuel. A disruption in supply or a change in our relationship with any one of them could have a material adverse effect on our business, results of operations and cash available for distribution.

ExxonMobil, BP, Shell and Valero collectively supplied 96%, of our motor fuel purchases in fiscal 2011. For the year ended December 31, 2011, our wholesale business purchased approximately 46%, 23%, 22% and 5% of its motor fuel from ExxonMobil (a supplier of ours since 2002), BP (a supplier of ours since 2009), Shell (a supplier of ours since 2004) and Valero (a supplier of ours since 2007), respectively. A change of motor fuel suppliers, a disruption in

supply or a significant change in our pricing ExxonMobil, BP, Shell and Valero could have a material adverse effect on our business, results of operations and cash available for distribution.

Due to our lack of geographic diversification, adverse developments in our operating areas would adversely affect our results of operations and cash available for distribution to our unitholders.

Substantially all of our operations are located in the Northeastern United States and in Ohio. Due to our lack of geographic diversification, an adverse development in the businesses or areas in which we operate, including adverse developments due to catastrophic events or weather and decreases in demand for refined products, could have a significantly greater impact on our results of operations and cash available for distribution to our unitholders than if we operated in more diverse locations.

We rely on our suppliers to provide trade credit terms to adequately fund our on-going operations.

Our business is impacted by the availability of trade credit to fund fuel purchases. An actual or perceived downgrade in our liquidity or operations could cause our suppliers to seek credit support in the form of additional collateral, limit the extension of trade credit, or otherwise materially modify their payment terms. Any material changes in the payments terms, including payment discounts, or availability of trade credit provided by our principal suppliers could impact our liquidity, results of operations and cash available for distribution to our unitholders.

If we do not make acquisitions on economically acceptable terms, our future growth may be limited.

Our ability to grow substantially depends on our ability to make acquisitions that result in an increase in operating surplus per unit. We may be unable to make such accretive acquisitions for any of the following reasons:

- we are unable to identify attractive acquisition candidates or negotiate acceptable purchase contracts for them;
- we are unable to raise financing for such acquisitions on economically acceptable terms; or
- we are outbid by competitors.

In addition, we may consummate acquisitions, which at the time of consummation we believe will be accretive, but which ultimately may not be accretive.

If any of these events occurred, our future growth would be limited.

Severe weather could adversely affect our business by damaging our facilities or our suppliers' operations or customers.

Severe weather could damage our facilities or our suppliers' operations or customers and could have a significant impact on consumer behavior, travel and convenience store traffic patterns. This could have a material adverse effect on our business, results of operations and ability to make our distributions.

Our success and future growth depends in part on our ability to purchase or lease additional sites. Our acquisition strategy involves risks that may adversely affect our business.

Any acquisition involves potential risks, including:

- the inability to identify and acquire suitable sites or to negotiate acceptable leases or subleases for such sites;
- difficulties in adapting our distribution and other operational and management systems to an expanded network of sites;
- performance from the acquired assets and businesses that is below the forecasts we used in evaluating the acquisition;
- a significant increase in our indebtedness and working capital requirements;
- 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;
- the incurrence of substantial unforeseen environmental and other liabilities arising out of the acquired businesses or assets, including liabilities arising from the operation of the acquired businesses or assets prior to our acquisition, for which we are not indemnified or for which the indemnity is inadequate;
- competition in our targeted market areas;
- customer or key employee loss from the acquired businesses; and
- diversion of our management's attention from other business concerns.

Any of these factors could adversely affect our ability to achieve anticipated levels of cash flows from our acquisitions and realize other anticipated benefits.

Our debt levels may limit our flexibility in obtaining additional financing and in pursuing other business opportunities.

We have a significant amount of debt. After giving effect to this offering and the related transactions, we estimate that our pro forma total debt as of March 31, 2012 would have been approximately \$140.6 million. Following this offering, we will continue to have the ability to incur debt, including the capacity to borrow up to \$250 million, which limit may be increased to \$325 million if certain conditions are met, under our new credit agreement, subject to any limitations set forth in the new 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 new credit agreement will require us to meet financial tests that may affect our flexibility in planning for and reacting to changes in our business, including possible acquisition opportunities;

- we will need a substantial portion of our cash flow to make interest payments on our indebtedness, reducing the funds that would otherwise be available for operations, future business opportunities and distributions to unitholders;
- our debt level will make us more vulnerable than our competitors with less debt to competitive pressures or a downturn in our business or the economy generally; and
- our debt level may limit our flexibility in responding to changing business and economic conditions.

Our ability to service our indebtedness will depend upon, among other things, our future financial and operating performance, which 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 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 actions on satisfactory terms, or at all.

Our new credit agreement will contain operating and financial restrictions that may limit our business and financing activities.

The operating and financial restrictions and covenants in our new credit agreement and any future financing agreements could adversely affect our ability to finance future operations or capital needs or to engage, expand or pursue our business activities. For example, our new credit agreement will restrict our ability to:

- make distributions if any potential default or event of default occurs;
- incur additional indebtedness or guarantee other indebtedness;
- grant liens or make certain negative pledges;
- make certain loans or investments;
- make any material change to the nature of our business, including consolidations, liquidations and dissolutions;
- make capital expenditures in excess of specified levels;
- acquire another company; or
- enter into a merger, consolidation, sale-leaseback transaction or sale of assets.

Our ability to comply with the covenants and restrictions contained in our new credit agreement may be affected by events beyond our control, including prevailing economic, financial and industry conditions. If market or other economic conditions deteriorate, our ability to comply with these covenants may be impaired. If we violate any of the restrictions, covenants, ratios or tests in our new credit agreement, the debt issued under the new credit agreement may become immediately due and payable, and our lenders' commitment to make further loans to us may terminate. We might not have, or be able to obtain, sufficient funds to make these accelerated payments. In addition, our obligations under our new credit agreement will be

secured by substantially all of our assets, and if we are unable to repay our indebtedness under our new credit agreement, the lenders could seek to foreclose on such assets.

We required waivers from our lenders to maintain compliance with the covenants under our existing credit agreement in the past, and there is no assurance that we will be able to comply with the covenants, or to obtain waivers of non-compliance, under our new credit facility in the future.

We were not in compliance with certain financial covenants under our existing credit facility as of December 31, 2011, and a subsequent amendment to our existing credit agreement waived our non-compliance. In connection with this offering, the term loan under our existing credit agreement will be terminated and the existing credit facility will be paid off in connection with our entry into the new credit agreement. We cannot assure you that, if we fail to comply with the financial covenants under our new credit agreement, our lenders will agree to waive any non-compliance. Any default under our new credit facility could have a material adverse effect on our liquidity position or otherwise adversely affect our financial condition and results of operations. See "Management's Discussion and Analysis of Financial Condition and Results of Operations—Liquidity and Capital Resources—New Credit Agreement."

Our inability to successfully integrate acquired sites and businesses could adversely affect our business.

Acquiring sites and businesses involve risks that could cause our actual growth or operating results to differ adversely compared to expectations. For example:

- we may not be able to obtain the necessary financing on favorable terms, or at all, to finance any of our potential acquisitions;
- we may fail or be unable to discover some of the liabilities of businesses that we acquire. These liabilities may result from a prior owner's noncompliance with applicable federal, state or local laws;
- we may fail to successfully integrate or manage acquired sites;
- we may divert the attention of our senior management from focusing on our core business by focusing on acquisitions;
- we may not be able to obtain the cost savings and financial improvements we anticipate or acquired properties may not perform as we expect; and
- we face the risk that our existing financial controls, information systems, management resources and human resources will need to grow to support future growth.

We may not be able to lease sites we own or sub-lease sites we lease on favorable terms and any such failure could adversely affect our results of operations and cash available for distribution to our unitholders.

We may lease and/or sub-lease certain sites to lessee dealers or to LGO where the rent expense is more than the lease payments. If we are unable to obtain tenants on favorable terms for sites we own or lease, the lease payments we receive may not be adequate to cover our rent expense for leased sites and may not be adequate to ensure that we meet our debt service requirements. We cannot provide any assurance that the margins on our wholesale distribution of motor fuels to these sites will be adequate to off-set unfavorable lease terms. The occurrence

of these events could adversely affect our results of operations and cash available for distribution to our unitholders.

The operations at sites we own or lease are subject to inherent risk, operational hazards and unforeseen interruptions and insurance may not adequately cover any such exposure. The occurrence of a significant event or release that is not fully insured could have a material adverse effect on our business, results of operations and cash available for distribution.

The presence of flammable and combustible products at our sites provides the potential for fires and explosions that could destroy both property and human life. Furthermore, our operations are subject to unforeseen interruptions such as natural disasters, adverse weather and other events beyond our control. Motor fuels also have the potential to cause environmental damage if improperly handled or released. If any of these events were to occur, we could incur substantial losses and/or curtailment of related operations because of personal injury or loss of life, severe damage to and destruction of property and equipment, and pollution or other environmental damage.

We are not fully insured against all risks incident to our business. We may be unable to maintain or obtain insurance of the type and amount we desire at reasonable rates. As a result of market conditions, premiums and deductibles for certain of our insurance policies have increased and could escalate further. In some instances, certain insurance could become unavailable or available only for reduced amounts of coverage. If we were to incur a significant liability for which we were not fully insured, it could have a material adverse effect on our financial position and ability to make distributions to unitholders.

We are relying on LGC to indemnify us for any costs or expenses that we incur for environmental liabilities and third-party claims, regardless of when a claim is made, that are based on environmental conditions in existence prior to the closing of this offering at our predecessor's sites. To the extent escrow accounts, insurance and/or payments from LGC are not sufficient to cover any such costs or expenses, our business, liquidity and results of operations could be adversely affected.

The omnibus agreement provides that LGC must indemnify us for any costs or expenses that we incur for environmental liabilities and third-party claims, regardless of when a claim is made, that are based on environmental conditions in existence prior to the closing of this offering at our predecessor's sites. LGC is the beneficiary of escrow accounts created to cover the cost to remediate certain environmental liabilities. In addition, LGC maintains insurance policies to cover environmental liabilities and/or, where available, participates in state programs that may also assist in funding the costs of environmental liabilities. There are certain sites to be acquired by us in the transactions contemplated by this offering with existing environmental liabilities that are not covered by escrow accounts or insurance policies. As of March 31, 2012, LGC had an aggregate of approximately \$3.2 million of environmental liabilities on sites to be acquired by us in the transactions contemplated by this offering that are not covered by escrow accounts or insurance policies. To the extent escrow accounts, insurance and/or payments from LGC are not sufficient to cover any such costs or expenses, our business, liquidity and results of operations could be adversely affected. Please read, "Certain Relationships and Related Party Transactions—Agreements with Affiliates—Omnibus Agreement."

Our sales are generated under contracts that must be renegotiated or replaced periodically. If we are unable to successfully renegotiate or replace these contracts, then our results of operations and financial condition could be adversely affected.

Our sales are generated under contracts that must be periodically renegotiated or replaced. 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 times subject to factors beyond our control. Such factors include fluctuations in motor fuel prices, counterparty ability to pay for or accept the contracted volumes and a competitive marketplace for the services offered by us. If we cannot successfully renegotiate or replace our contracts or must renegotiate or replace them on less favorable terms, sales from these arrangements could decline and our ability to make distributions to our unitholders could be adversely affected.

We are subject to federal, state and local laws and regulations that govern the product quality specifications of the motor fuel that we distribute.

Various federal, state, and local agencies have the authority to prescribe specific product quality specifications to the sale of commodities. Our business includes such commodities. 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 our sales volume, require us to incur additional handling costs, and/or require the expenditure of capital. If we are unable to procure product or to recover these costs through increased sales, our ability to meet our financial obligations could be adversely affected. Failure to comply with these regulations could result in substantial penalties. Please read "Business—Environmental" for more information.

Our operations are subject to federal, state and local laws and regulations pertaining to environmental protection or operational safety that may require significant expenditures or result in liabilities that could have a material adverse effect on our business.

Our business is subject to various federal, state and local environmental laws and regulations, including those relating to underground storage tanks, the release or discharge of regulated materials into the air, water and soil, the generation, storage, handling, use, transportation and disposal of hazardous materials, the exposure of persons to regulated materials, and the health and safety of our employees. We believe we are in material compliance with applicable environmental requirements; however, we cannot assure you that violations of these requirements will not occur in the future. We also cannot assure you that we will not be subject to legal actions brought by third parties for actual or alleged violations of or responsibility under environmental laws associated with releases of or exposure to motor fuel products. A violation of, liability under or compliance with these laws or regulations or any future environmental laws or regulations, could have a material adverse effect on our business and results of operations.

Where releases of refined petroleum products, renewable fuels and crude oil have occurred, federal and state laws and regulations require that such releases be assessed and remediated to meet applicable standards. The costs associated with the investigation and remediation of any such releases, as well as any associated third-party claims, could be substantial, and could have a material adverse effect on our business and results of operations and our ability to make distributions to our unitholders.

New, stricter environmental laws and regulations could significantly increase our costs, which could adversely affect our results of operations and financial condition.

Our operations are subject to federal, state and local laws and regulations regulating product quality specifications and other environmental matters. The trend in environmental regulation is towards more restrictions and limitations on activities that may affect the environment. Our business 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. However, 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.

We depend on transportation providers for the transportation of substantially all of our motor fuel. Thus, a change of providers or a significant change in our relationship could have a material adverse effect on our business.

Substantially all of the motor fuel we distribute is transported from refineries to gas stations. We have contracts with 14 transportation carriers for this service which may be terminated by either party upon 30 days' notice. A change of transportation providers, a disruption in service or a significant change in our relationship with these transportation carriers could have a material adverse effect on our business, results of operations and cash available for distribution.

We rely heavily on our information technology systems to manage our business, and a disruption of these systems or an act of cyber-terrorism could adversely affect our business.

We depend on our information technology systems to manage numerous aspects of our business transactions, in particular with respect to our cash management and disbursements and payroll, and provide analytical information to management. Our information systems are an essential component of our business, and a serious disruption to our information systems could significantly limit our ability to manage and operate our business efficiently. These systems are vulnerable to, among other things, damage and interruption from power loss or natural disasters, computer system and network failures, loss of telecommunications services, physical and electronic loss of data, cyber-security breaches or cyber-terrorism, and computer viruses. Any disruption could adversely affect our business.

Any terrorist attacks aimed at our facilities could adversely affect our business, and any global and domestic economic repercussions from terrorist activities and the government's response could adversely affect our business.

Since the September 11, 2001 terrorist attacks on the United States, the U.S. government has issued warnings that energy infrastructure assets may be future targets of terrorist organizations. These developments have subjected our operations to increased risks. Terrorist attacks aimed at our facilities and any global and domestic economic repercussions from terrorist activities could adversely affect our financial condition, results of operations and cash available for distribution to our unitholders. For instance, terrorist activity could lead to increased volatility in prices for motor fuels and other products we sell.

Insurance carriers are currently required to offer coverage for terrorist activities as a result of the federal Terrorism Risk Insurance Act of 2002, which we refer to as "TRIA." We purchased this coverage with respect to our property and casualty insurance programs, which resulted in additional insurance premiums. Pursuant to the Terrorism Risk Insurance Program Reauthorization Act of 2007, TRIA has been extended through December 31, 2014. Although we

cannot determine the future availability and cost of insurance coverage for terrorist acts, we do not expect the availability and cost of such insurance to have a material adverse effect on our financial condition, results of operations or cash available for distribution to our unitholders.

Risks Inherent in an Investment in Us

The Topper Group indirectly controls our general partner, which has sole responsibility for conducting our business and managing our operations. Our general partner and its affiliates, including the Topper Group, have conflicts of interest with us and limited fiduciary duties, and they may favor their own interests to the detriment of us and our unitholders.

Following this offering, the Topper Group and LGC will collectively own a % limited partner interest in us and will own and control our general partner and will appoint all of the directors of our general partner. Although our general partner has a fiduciary duty to manage us in a manner beneficial to us and our unitholders, the executive officers and directors of our general partner have a fiduciary duty to manage our general partner in a manner beneficial to its owner, LGC, which is majority owned and controlled by the Topper Group. Furthermore, certain directors and officers of our general partner are directors or officers of affiliates of our general partner. Therefore, conflicts of interest may arise in the future between us and our unitholders, on the one hand, and the affiliates of our general partner, including the Topper Group and LGC, on the other hand. In resolving these conflicts of interest, our general partner may favor its own interests and the interests of its affiliates, including the Topper Group and LGC, over the interests of our common unitholders. Please read "—Our partnership agreement replaces our general partner's fiduciary duties to holders of our units." These conflicts include the following situations, among others:

- our general partner is allowed to take into account the interests of parties other than us, such as the Topper Group and LGC, in resolving conflicts of interest, which has the effect of limiting its fiduciary duty to our unitholders;
- neither our partnership agreement nor any other agreement requires the Topper Group or LGC to pursue a business strategy that favors us;
- some officers of our general partner who will provide services to us will devote time to affiliates of our general partner and may be compensated for services rendered to such affiliate;
- our partnership agreement limits the liability of and reduces fiduciary duties owed by our general partner and also restricts the remedies available to unitholders for actions that, without the limitations, might constitute breaches of fiduciary duty;
- except in limited circumstances, our general partner has the power and authority to conduct our business without unitholder approval;
- our general partner determines the amount and timing of asset purchases and sales, borrowings, issuances of additional partnership securities and the creation, reductions or increases of cash reserves, each of which can affect the amount of cash that is available for distribution to our unitholders, including distributions on our subordinated units, and to the holders of the incentive distribution rights, as well as the ability of the subordinated units to convert to common units;
- our general partner determines the amount and timing of any capital expenditures and whether a capital expenditure is classified as a maintenance capital expenditure, which reduces operating surplus. Please read "How We Make Distributions to Our Partners—

Capital Expenditures" for a discussion on when a capital expenditure constitutes a maintenance capital expenditure or an expansion capital expenditure. Such determination can affect the amount of cash available for distribution to our unitholders, including distributions on our subordinated units, and to the holders of the incentive distribution rights, as well as the ability of the subordinated units to convert to common units;

- we will enter into lease agreements and a wholesale supply agreement with LGO pursuant to which LGO will lease sites from us and operate the retail motor fuel distribution business of our predecessor. LGO will purchase motor fuels from us at a variable rate mark-up;
- 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 a distribution on the subordinated units, to make incentive distributions or to accelerate the expiration of the subordination period;
- our partnership agreement permits us to distribute up to \$ million as operating surplus, even if it is generated from asset sales, non-working capital borrowings or other sources that would otherwise constitute capital surplus. This cash may be used to fund distributions on our subordinated units or the incentive distribution rights;
- our partnership agreement does not restrict our general partner from causing us to pay it or its affiliates for any services rendered to us or entering into additional contractual arrangements with its affiliates on our behalf;
- our general partner intends to limit its liability regarding our contractual and other obligations;
- our general partner may exercise its right to call and purchase common units if it and its affiliates own more than 80% of the common units;
- our general partner controls the enforcement of obligations that it and its affiliates owe to us;
- our general partner decides whether to retain separate counsel, accountants or others to perform services for us;
- our general partner may transfer its incentive distribution rights without unitholder approval; and
- our general partner may elect to cause us to issue common units to it in connection with a resetting of the target distribution levels related to our general partner's incentive distribution rights without the approval of the conflicts committee of the board of directors of our general partner or the unitholders. This election may result in lower distributions to the common unitholders in certain situations.

In addition, the Topper Group and its affiliates currently hold substantial interests in other companies that engage in the wholesale motor fuel distribution business and/or own sites. Except as set forth in the omnibus agreement, we may compete directly with entities in which the Topper Group or its affiliates have an interest for acquisition opportunities and potentially will compete with these entities for new business or extensions of the existing services provided by us. Please read "—Our general partner's affiliates may compete with us" and "Conflicts of Interest and Fiduciary Duties."

The board of directors of our general partner may modify or revoke our cash distribution policy at any time at its discretion. Our partnership agreement does not require us to pay any distributions at all.

The board of directors of our general partner will adopt a cash distribution policy pursuant to which we intend to distribute quarterly at least \$ _____ per unit on all of our units to the extent we have sufficient cash from our operations after the establishment of reserves and the payment of our expenses. However, the board may change such policy at any time at its discretion and could elect not to pay distributions for one or more quarters. See "Cash Distribution Policy and Restrictions on Distributions."

In addition, our partnership agreement does not require us to pay any distributions at all. Accordingly, investors are cautioned not to place undue reliance on the permanence of such a policy in making an investment decision. Any modification or revocation of our cash distribution policy could substantially reduce or eliminate the amounts of distributions to our unitholders. The amount of distributions we make, if any, and the decision to make any distribution at all will be determined by the board of directors of our general partner, whose interests may differ from those of our common unitholders. Our general partner has limited duties to our unitholders, which may permit it to favor its own interests or the interests of the Topper Group and LGC to the detriment of our common unitholders.

Neither we nor our general partner have any employees and we will rely solely on the employees of LGC to manage our business. If our omnibus agreement with LGC is terminated, we may not find suitable replacements to perform management services for us.

Neither we nor our general partner have any employees and we will rely solely on LGC to operate our assets. Immediately prior to the closing of this offering, we and our general partner will enter into an omnibus agreement with LGC pursuant to which LGC will perform services for us and our general partner, including the operation of our wholesale distribution business and our properties. We are subject to the risk that our omnibus agreement will be terminated and no suitable replacement will be found. Please read "Certain Relationships and Related Party Transactions—Agreements with Affiliates—Omnibus Agreement."

The liability of LGC is limited under our omnibus agreement and we have agreed to indemnify LGC against certain liabilities, which may expose us to significant expenses.

The omnibus agreement provides that we must indemnify LGC for any liabilities incurred by LGC attributable to the operating and administrative services provided to us under the agreement, other than liabilities resulting from LGC's bad faith or willful misconduct.

Our general partner intends to limit its liability regarding our obligations.

Our general partner intends to limit its liability under contractual arrangements between us and third parties so that the counterparties to such arrangements have recourse only against our assets, and not against our general partner or its assets. Our general partner may therefore cause us to incur indebtedness or other obligations that are nonrecourse to our general partner. Our partnership agreement provides that any action taken by our general partner to limit its liability is not a breach of our general partner's fiduciary duties, even if we could have obtained more favorable terms without the limitation on liability. In addition, we are obligated to reimburse or indemnify our general partner to the extent that it incurs obligations on our behalf. Any such reimbursement or indemnification payments would reduce the amount of cash otherwise available for distribution to our unitholders.

It is our policy to distribute a significant portion of our cash available for distribution to our partners, which could limit our ability to grow and make acquisitions.

Pursuant to our cash distribution policy, we expect that we will distribute a significant portion of our available cash to our unitholders and will rely primarily upon external financing sources, including commercial bank borrowings and the issuance of debt and equity securities, to fund our acquisitions and expansion capital expenditures. As a result, to the extent we are unable to finance growth externally, our cash distribution policy may impair our ability to grow.

In addition, because we intend to distribute a significant portion of our cash available for distribution, our growth may not be as fast as that of businesses that reinvest their cash available for distribution to expand ongoing operations. To the extent we issue additional units in connection with any acquisitions or expansion capital expenditures, the payment of distributions on those additional units may increase the risk that we will be unable to maintain or increase our per unit distribution level. There are no limitations in our partnership agreement or our new credit agreement on our ability to issue additional units, including units ranking senior to the common units. The incurrence of additional commercial borrowings or other debt to finance our growth strategy would result in increased interest expense, which, in turn, may impact the cash available for distribution to our unitholders.

There are no limitations in our partnership agreement on our ability to issue units ranking senior to the common units.

In accordance with Delaware law and the provisions of our partnership agreement, we may issue additional partnership interests that are senior to the common units in right of distribution, liquidation and voting. The issuance by us of units of senior rank may (i) reduce or eliminate the amount of cash available for distribution to our common unitholders; (ii) diminish the relative voting strength of the total common units outstanding as a class; or (iii) subordinate the claims of the common unitholders to our assets in the event of our liquidation.

Our partnership agreement replaces our general partner's fiduciary duties to holders of our units.

Our partnership agreement contains provisions that eliminate and replace the fiduciary standards to which our general partner would otherwise be held by state fiduciary duty law. For example, 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, or otherwise free of fiduciary duties to us and our unitholders. This entitles our general partner to consider only the interests and factors that it desires and relieves it of any duty or obligation to give any consideration to any interest of, or factors affecting, us, our affiliates or our limited partners. Examples of decisions that our general partner may make in its individual capacity include:

- how to allocate business opportunities among us and its affiliates;
- whether to exercise its call right;
- how to exercise its voting rights with respect to the units it owns;
- whether to exercise its registration rights;
- whether to elect to reset target distribution levels; and
- whether or not to consent to any merger or consolidation of the partnership or amendment to the partnership agreement.

By purchasing a common unit, a unitholder is treated as having consented to the provisions in the partnership agreement, including the provisions discussed above. Please read "Conflicts of Interest and Fiduciary Duties—Fiduciary Duties."

Our partnership agreement restricts the remedies available to holders of our units for actions taken by our general partner that might otherwise constitute breaches of fiduciary duty.

Our partnership agreement contains provisions that restrict the remedies available to unitholders for actions taken by our general partner that might otherwise constitute breaches of fiduciary duty under state fiduciary duty law. For example, our partnership agreement:

- provides that whenever our general partner makes a determination or takes, or declines to take, any other action in its capacity as our general partner, our general partner is required to make such determination, or take or decline to take such other action, in good faith, and will not be subject to any other or different standard imposed by our partnership agreement, Delaware law, or any other law, rule or regulation, or at equity;
- provides that our general partner will not have any liability to us or our unitholders for decisions made in its capacity as a general partner so long as it acted in good faith, meaning that it believed that the decision was in the best interest of our partnership;
- provides that our general partner and its officers and directors will not be liable for monetary damages to us or our limited partners resulting from any act or omission unless there has been a final and non-appealable judgment entered by a court of competent jurisdiction determining that our general partner or its officers and directors, as the case may be, acted in bad faith or, in the case of a criminal matter, acted with knowledge that the conduct was criminal; and
- provides that our general partner will not be in breach of its obligations under the partnership agreement or its fiduciary duties to us or our limited partners if a transaction with an affiliate or the resolution of a conflict of interest is:
 - (1) approved by the conflicts committee of the board of directors of our general partner, although our general partner is not obligated to seek such approval; or
 - (2) approved by the vote of a majority of the outstanding common units, excluding any common units owned by our general partner and its affiliates.

In connection with a situation involving a transaction with an affiliate or a conflict of interest, any determination by our general partner must be made in good faith. If an affiliate transaction or the resolution of a conflict of interest is not approved by our common unitholders or the conflicts committee, then it will be presumed that, in making its decision, taking any action or failing to act, the board of directors acted in good faith, and in any proceeding brought by or on behalf of any limited partner or the partnership, the person bringing or prosecuting such proceeding will have the burden of overcoming such presumption. Please read "Conflicts of Interest and Fiduciary Duties."

Our general partner's affiliates may compete with us

Our partnership agreement provides that our general partner will be restricted from engaging in any business activities other than acting as our general partner and those activities incidental to its ownership interest in us. Except as provided in our partnership agreement and the omnibus agreement, affiliates of our general partner are not prohibited from engaging in other

businesses or activities, including those that might be in direct competition with us. Please read "Certain Relationships and Related Party Transactions—Agreements with Affiliates—Omnibus Agreement."

Pursuant to the terms of our partnership agreement, the doctrine of corporate opportunity, or any analogous doctrine, does not apply to our general partner, LGO or any of their affiliates, including their executive officers, directors and the Topper Group and LGC. Any such person or entity that becomes aware of a potential transaction, agreement, arrangement or other matter that may be an opportunity for us will not have any duty to communicate or offer such opportunity to us. Any such person or entity will not be liable to us or to any limited partner for breach of any fiduciary duty or other duty by reason of the fact that such person or entity pursues or acquires such opportunity for itself, directs such opportunity to another person or entity or does not communicate such opportunity or information to us. This may create actual and potential conflicts of interest between us and affiliates of our general partner and result in less than favorable treatment of us and our unitholders. Please read "Conflicts of Interest and Fiduciary Duties."

The Topper Group and LGO are subject to a right of first refusal provision in the omnibus agreement that prohibits them from acquiring any assets or any business having assets that are primarily involved in the wholesale motor fuel distribution or retail gas station operation businesses without first offering such acquisition opportunity to us. However, the omnibus agreement does not prohibit affiliates of our general partner and LGO, including the Topper Group and LGC, from owning certain assets or engaging in certain businesses that compete directly or indirectly with us. Conflicts of interest may arise in the future between us and our unitholders, on the one hand, and the affiliates of our general partner and LGO, including the Topper Group and LGC, on the other hand. In resolving these conflicts, the Topper Group and LGO may favor their own interests and the interests over the interests of our unitholders. Please read "Certain Relationships and Related Party Transactions—Agreements with Affiliates—Omnibus Agreement."

Our general partner may elect to cause us to issue common units to it in connection with a resetting of the target distribution levels related to its incentive distribution rights, without the approval of the conflicts committee of its board of directors or the holders of our common units. This could result in lower distributions to holders of our common units.

Our general partner has the right, as the holder of our incentive distribution rights, at any time when there are no subordinated units outstanding and it has received incentive distributions at the highest level to which it is entitled (50%) for each of the prior four consecutive fiscal quarters, to reset the initial target distribution levels at higher levels based on our distributions at the time of the exercise of the reset election. Following a reset election by our general partner, the minimum quarterly distribution will be adjusted to equal the reset minimum quarterly distribution and the target distribution levels will be reset to correspondingly higher levels based on percentage increases above the reset minimum quarterly distribution.

If our general partner elects to reset the target distribution levels, it will be entitled to receive a number of common units. The number of common units to be issued to our general partner will equal the number of common units which would have entitled the holder to an aggregate quarterly cash distribution in the prior quarter equal to the distributions to our general partner on the incentive distribution rights in the prior quarter. It is possible that our general partner could exercise this reset election at a time when it is experiencing, or expects to experience, declines in the cash distributions it receives related to its incentive distribution rights and may, therefore, desire to be issued common units rather than retain the right to

receive incentive distributions based on the initial target distribution levels. This risk could be elevated if our incentive distribution rights have been transferred to a third party. As a result, a reset election may cause our common unitholders to experience a reduction in the amount of cash distributions that our common unitholders would have otherwise received had we not issued new common units to our general partner in connection with resetting the target distribution levels. Please read "How We Make Distributions to Our Partners—General Partner's Right to Reset Incentive Distribution Levels."

Holders of our common units have limited voting rights and are not entitled to elect our general partner or its directors, which could reduce the price at which the common units will trade.

Unlike the holders of common stock in a corporation, unitholders have only limited voting rights on matters affecting our business and, therefore, limited ability to influence management's decisions regarding our business. Unitholders will have no right on an annual or ongoing basis to elect our general partner or its board of directors. The board of directors of our general partner, including the independent directors, is chosen entirely by the Topper Group, as a result of its indirect controlling ownership interest of our general partner, and not by our unitholders. Please read "Management—Management of Lehigh Gas Partners LP" and "Certain Relationships and Related Party Transactions—Ownership Interests of Certain Directors of Our General Partner." Unlike publicly traded corporations, we will not conduct annual meetings of our unitholders to elect directors or conduct other matters routinely conducted at annual meetings of stockholders of corporations. As a result of these limitations, the price at which the common units will trade could be diminished because of the absence or reduction of a takeover premium in the trading price.

Even if holders of our common units are dissatisfied, they cannot initially remove our general partner without its consent.

If our unitholders are dissatisfied with the performance of our general partner, they will have limited ability to remove our general partner. Unitholders initially will be unable to remove our general partner without its consent because our general partner and its affiliates will own sufficient units upon the completion of this offering to be able to prevent its removal. The vote of the holders of at least 66²/₃% of all outstanding common and subordinated units voting together as a single class is required to remove our general partner. Following the closing of this offering, the Topper Group and LGC will own, in the aggregate, approximately % of our outstanding common units and % of our subordinated units (or % of our common units and % of our subordinated units, if the underwriters exercise their option to purchase additional common units in full). Also, if our general partner is removed without cause during the subordination period and no units held by the holders of the subordinated units or their affiliates are voted in favor of that removal, all remaining subordinated units will automatically be converted into common units and any existing arrearages on the common units will be extinguished. Cause is narrowly defined in our partnership agreement to mean that a court of competent jurisdiction has entered a final, non-appealable judgment finding our general partner liable for acting in bad faith, or in the case of a criminal matter, acting with knowledge that the conduct was criminal, in each case in its capacity as our general partner. Cause does not include most cases of charges of poor management of the business.

Unitholders will experience immediate and substantial dilution of \$ per common unit.

The assumed initial public offering price of \$ per common unit exceeds pro forma net tangible book value of \$ per common unit. Based on the assumed initial public

offering price of \$ _____ per common unit, unitholders will incur immediate and substantial dilution of \$ _____ per common unit. This dilution results primarily because the assets contributed to us by affiliates of our general partner are recorded at their historical cost in accordance with GAAP, and not their fair value. Please read "Dilution."

Our general partner interest or the control of our general partner may be transferred to a third party without unitholder consent.

Our general partner may transfer its general partner interest to a third party in a merger or in a sale of all or substantially all of its assets without the consent of our unitholders. Furthermore, our partnership agreement does not restrict the ability of the members of our general partner to transfer their respective membership interests in 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 executive officers of our general partner with their own designees and thereby exert significant control over the decisions taken by the board of directors and executive officers of our general partner. This effectively permits a "change of control" without the vote or consent of the unitholders.

Our general partner has a call right that may require unitholders to sell their common units at an undesirable time or price.

If at any time our general partner and its affiliates 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 equal to the greater of (1) the average of the daily closing price of the common units over the 20 trading days preceding the date three days before notice of exercise of the call right is first mailed and (2) the highest per-unit price paid by our general partner or any of its affiliates for common units during the 90-day period preceding the date such notice is first mailed. As a result, unitholders may be required to sell their common units at an undesirable time or price and may not receive any return or a negative return on their investment. Unitholders may also incur a tax liability upon a sale of their units. Our general partner is not obligated to obtain a fairness opinion regarding the value of the common units to be repurchased by it upon exercise of the call right. There is no restriction in our partnership agreement that prevents our general partner from issuing additional common units and exercising its call right. If our general partner exercised its call right, the effect would be to take us private and, if the units were subsequently deregistered, we would no longer be subject to the reporting requirements of the Securities Exchange Act of 1934, or the Exchange Act. Upon consummation of this offering and assuming no exercise of the underwriters' option to purchase additional common units, the Topper Group will own approximately _____ % of our outstanding common units and _____ % of our subordinated units. LGC will own approximately _____ % of our outstanding common units and _____ % of our subordinated units. At the end of the subordination period, assuming no additional issuances of units (other than upon the conversion of the subordinated units), the Topper Group will own _____ % and LGC will own _____ % of our common units. For additional information about the call right, please read "The Partnership Agreement—Call Right."

The market price of our common units could be adversely affected by sales of substantial amounts of our common units in the public or private markets, including sales by the Topper Group, LGC or other large holders.

After this offering, we will have common units and subordinated units outstanding, which include the common units we are selling in this offering that may be resold in the public market immediately. At the end of the subordination period, all of the subordinated units will convert into an equal number of common units. All of the common units (common units if the underwriters exercise their option to purchase additional common units in full) that are issued to affiliates of our general partner will be subject to resale restrictions under a 180-day lock-up agreement with the underwriters. Each of the lock-up agreements with the underwriters may be waived in the discretion of certain of the underwriters. Sales by affiliates of our general partner or other large holders of a substantial number of our common units in the public markets following this offering, or the perception that such sales might occur, could have a material adverse effect on the price of our common units or could impair our ability to obtain capital through an offering of equity securities. In addition, we have agreed to provide registration rights to the Topper Group and LGC. Under our partnership agreement, our general partner and its affiliates have registration rights relating to the offer and sale of any units that they hold, subject to certain limitations. Please read "Units Eligible for Future Sale."

We may issue unlimited additional units without unitholder approval, which would dilute existing unitholder ownership interests.

Our partnership agreement does not limit the number of additional limited partner interests, including limited partner interests that rank senior to the common units that we may issue at any time without the approval of our unitholders. The issuance of additional common units or other equity interests of equal or senior rank could have the following effects:

- our existing unitholders' proportionate ownership interest in us will decrease;
- the amount of cash available for distribution on each unit may decrease;
- because a lower percentage of total outstanding units will be subordinated units, the risk that a shortfall in the payment of the minimum quarterly distribution will be borne by our common unitholders will increase;
- the ratio of taxable income to distributions may increase;
- the relative voting strength of each previously outstanding unit may be diminished;
- the claims of the common unitholders to our assets in the event of our liquidation may be subordinated; and
- the market price of the common units may decline.

Our general partner's discretion in establishing cash reserves may reduce the amount of cash available for distribution to unitholders.

The partnership agreement requires our general partner to deduct from operating surplus cash reserves that it determines are necessary to fund our future operating expenditures. In

addition, the partnership agreement permits the general partner to reduce cash available for distribution by establishing cash reserves for the proper conduct of our business, to comply with applicable law or agreements to which we are a party or to provide funds for future distributions to partners. These cash reserves will affect the amount of cash available for distribution to unitholders.

Our partnership agreement restricts the voting rights of unitholders owning 20% or more of our common units.

Our partnership agreement restricts unitholders' voting rights by providing that any units held by a person or group that owns 20% or more of any class of units then outstanding, other than our general partner and its affiliates, their transferees and persons who acquired such units with the prior approval of the board of directors of our general partner, cannot vote on any matter.

Restrictions in our new credit agreement could limit our ability to pay distributions upon the occurrence of certain events.

Our payment of principal and interest on our debt will reduce cash available for distribution on our units. Our new credit agreement will limit our ability to pay distributions upon the occurrence of the following events, among others:

- failure to pay any principal when due or any interest, fees or other amounts when due;
- failure of any representation or warranty to be true and correct in any material respect;
- failure to perform or otherwise comply with the covenants in the new credit agreement or in other loan documents beyond the applicable notice and grace period;
- the entry of a judgment in excess of a specified amount, to the extent any payments pursuant to the judgment are not covered by insurance;
- a change in management or ownership control;
- a violation of the Employee Retirement Income Security Act of 1974, or "ERISA;" and
- a bankruptcy or insolvency event involving us or any of our subsidiaries.

Any subsequent refinancing of our current debt or any new debt could have similar restrictions. For more information, please read "Management's Discussion and Analysis of Financial Condition and Results of Operations—Liquidity and Capital Resources—New Credit Agreement."

Management fees and cost reimbursements due to our general partner and its affiliates for services provided to us or on our behalf will reduce cash available for distribution to our unitholders. The amount and timing of such reimbursements will be determined by our general partner.

Prior to making any distribution on the common units, we will pay LGC the management fee and reimburse our general partner and LGC for all out-of-pocket third-party expenses they incur

and payments they make on our behalf. Our partnership agreement provides that our general partner will determine in good faith the expenses that are allocable to us. In addition, pursuant to an omnibus agreement, the Topper Group and LGC will be entitled to reimbursement for certain expenses that they incur on our behalf. Our partnership agreement does not limit the amount of expenses for which our general partner and its affiliates may be reimbursed. The reimbursement of expenses and payment of fees, if any, to our general partner and its affiliates will reduce the amount of cash available to pay distributions to our unitholders. Please read "Cash Distribution Policy and Restrictions on Distributions."

Unitholders may have liability to repay distributions and in certain circumstances may be personally liable for the obligations of the partnership.

Under certain circumstances, unitholders may have to repay amounts wrongfully returned or distributed to them. Under Section 17-607 of the Delaware Revised Uniform Limited Partnership Act, or the Delaware Act, we may not make a distribution to our unitholders if the distribution would cause our liabilities to exceed the fair value of our assets. Delaware law provides that for a period of three years from the date of the impermissible distribution, limited partners who received the distribution and who knew at the time of the distribution that it violated Delaware law will be liable to the limited partnership for the distribution amount. Liabilities to partners on account of their partnership interests and liabilities that are non-recourse to the partnership are not counted for purposes of determining whether a distribution is permitted.

It may be determined that the right, or the exercise of the right by the limited partners as a group, to (i) remove or replace our general partner, (ii) approve some amendments to our partnership agreement or (iii) take other action under our partnership agreement constitutes "participation in the control" of our business. A limited partner that participates in the control of our business within the meaning of the Delaware Act may be held personally liable for our obligations under the laws of Delaware, to the same extent as our general partner. This liability would extend to persons who transact business with us under the reasonable belief that the limited partner is a general partner. Neither our partnership agreement nor the Delaware Act specifically provides for legal recourse against our general partner if a limited partner were to lose limited liability through any fault of our general partner. See "The Partnership Agreement—Limited Liability."

The New York Stock Exchange, or "NYSE," does not require a publicly traded partnership like us to comply with certain of its corporate governance requirements.

We have applied to list our common units on the NYSE. Because we will be a publicly traded partnership, the NYSE will not require us to have a majority of independent directors on our general partner's board of directors or to establish a compensation committee or a nominating and corporate governance committee. Accordingly, unitholders will not have the same protections afforded to certain corporations that are subject to all of the NYSE corporate governance requirements. Please read "Management—Management of Lehigh Gas Partners LP."

Our predecessor has material weaknesses in its internal controls over financial reporting. If we fail to establish and maintain effective internal controls over financial reporting, our ability to accurately report our financial results could be adversely affected.

Prior to the completion of this offering, certain entities that comprise our predecessor have been private entities with limited accounting personnel and other supervisory resources to adequately execute their accounting processes and address their internal controls over financial

reporting. In connection with the preparation of our predecessor's combined financial statements for the years ended December 31, 2011, 2010 and 2009, we identified and communicated material weaknesses related to lack of accounting personnel with sufficient technical accounting experience for certain significant or unusual transactions and lack of adequate staffing and management review by the appropriate level during our predecessor's month-end closing process. A "material weakness" is a deficiency, or combination of deficiencies, in internal controls such that there is a reasonable possibility that a material misstatement of our predecessor's financial statements will not be prevented, or detected in a timely basis. The lack of technical accounting experience and management review resulted in several adjustments to the financial statements for the year ended December 31, 2011, 2010, and 2009.

After the closing of this offering, our management team and financial reporting oversight personnel will be those of our predecessor, and thus, we may face the same material weaknesses described above.

We are in the early phases of evaluating the design and operation of our internal controls over financial reporting and will not complete our review until after this offering is completed. We cannot predict the outcome of our review at this time. During the course of the review, we may identify additional control deficiencies, which could give rise to significant deficiencies and other material weaknesses, in addition to the material weaknesses described above. Each of the material weaknesses described above could result in a misstatement of our accounts or disclosures that would result in a material misstatement of our annual or interim combined financial statements that would not be prevented or detected. We cannot assure you that the measures we have taken to date, or any measures we may take in the future, will be sufficient to remediate the material weaknesses described above or avoid potential future material weaknesses.

We are not currently required to comply with the SEC's rules implementing Section 404 of the Sarbanes Oxley Act of 2002, and are therefore not required to make a formal assessment of the effectiveness of our internal controls over financial reporting for that purpose. Upon becoming a publicly traded partnership, we will be required to comply with the SEC's rules implementing Sections 302 and 404 of the Sarbanes Oxley Act of 2002, which will require our management to certify financial and other information in our quarterly and annual reports and provide an annual management report on the effectiveness of our internal controls over financial reporting. Though we will be required to disclose changes made to our internal controls and procedures on a quarterly basis, we will not be required to make our first annual assessment of our internal controls over financial reporting pursuant to Section 404 until the year following our first annual report required to be filed with the SEC. To comply with the requirements of being a publicly traded partnership, we will need to implement additional internal controls, reporting systems and procedures and hire additional accounting, finance and legal staff.

Further, our independent registered public accounting firm is not yet required to formally attest to the effectiveness of our internal controls over financial reporting until the year following our first annual report required to be filed with the SEC. If it is required to do so, our independent registered public accounting firm may issue a report that is adverse in the event it is not satisfied with the level at which our controls are documented, designed or operating. Our remediation efforts may not enable us to remedy or avoid material weaknesses or significant deficiencies in the future. If our remediation efforts are unsuccessful, we could be subject to regulatory scrutiny and a loss of confidence in our reported financial information, which could have an adverse effect on our business and would likely have a negative effect on the trading price of our common units.

There is no existing market for our common units, and a trading market that will provide you with adequate liquidity may not develop. The price of our common units may fluctuate significantly, and unitholders could lose all or part of their investment.

Prior to this offering, there has been no public market for the common units. After this offering, there will be only publicly traded common units representing a % limited partner interest in us. We do not know the extent to which investor interest will lead to the development of a trading market or how liquid that market might be. Unitholders may not be able to resell their common units at or above the initial public offering price. Additionally, the lack of liquidity may result in wide bid-ask spreads, contribute to significant fluctuations in the market price of the common units and limit the number of investors who are able to buy the common units.

The initial public offering price for our common units will be determined by negotiations between us and the representative of the underwriters and may not be indicative of the market price of the common units that will prevail in the trading market. The market price of our common units may decline below the initial public offering price. The market price of our common units may also be influenced by many factors, some of which are beyond our control, including:

- our quarterly distributions;
- our quarterly or annual earnings or those of other companies in our industry;
- announcements by us or our competitors of significant contracts or acquisitions;
- changes in accounting standards, policies, guidance, interpretations or principles;
- general economic conditions;
- volatility in the capital and credit markets;
- the failure of securities analysts to cover our common units after this offering or changes in financial estimates by analysts;
- future sales of our common units; and
- the other factors described in these "Risk Factors."

An increase in interest rates may cause the market price of our common units to decline.

Like all equity investments, an investment in our common units is subject to certain risks. Borrowings under the new credit facility will bear interest at variable rates. If market interest rates increase, such variable-rate debt will create higher debt service requirements, which could adversely affect our cash flow and ability to make cash distributions. In exchange for accepting these risks, investors may expect to receive a higher rate of return than would otherwise be obtainable from lower-risk investments. Accordingly, as interest rates rise, the ability of investors to obtain higher risk-adjusted rates of return by purchasing government-backed debt securities may cause a corresponding decline in demand for riskier investments generally, including yield-based equity investments such as publicly traded limited partnership interests. Reduced demand

for our common units resulting from investors seeking other more favorable investment opportunities may cause the trading price of our common units to decline.

We will incur increased costs as a result of being a publicly traded partnership.

We have no history operating as a publicly traded partnership. As a publicly traded partnership, we will incur significant legal, accounting and other expenses that we did not incur prior to this offering. In addition, the Sarbanes-Oxley Act of 2002, as well as rules implemented by the SEC and the NYSE, require publicly-traded entities to adopt various corporate governance practices that will further increase our costs. Before we are able to make distributions to our members, we must first pay or reserve cash for our expenses, including the costs of being a publicly traded partnership. As a result, the amount of cash we have available for distribution to our members will be affected by the costs associated with being a publicly traded partnership.

Prior to this offering, we have not filed reports with the SEC. Following this offering, we will become subject to the public reporting requirements of the Exchange Act. We expect these rules and regulations to increase certain of our legal and financial compliance costs and to make activities more time-consuming and costly. For example, as a result of becoming a publicly traded partnership, we are required to have at least three independent directors, create an audit committee and adopt policies regarding internal controls and disclosure controls and procedures, including the preparation of reports on internal controls over financial reporting. In addition, we will incur additional costs associated with our SEC reporting requirements.

We also expect to incur significant expenses in order to obtain director and officer liability insurance. Because of the limitations in coverage for directors, it may be more difficult for us to attract and retain qualified persons to serve on our board or as executive officers.

We estimate that we will incur approximately \$2.3 million of incremental costs per year associated with being a publicly traded partnership; however, it is possible that our actual incremental costs of being a publicly traded partnership will be higher than we currently estimate.

Tax Risks

In addition to reading the following risk factors, you should read "Material U.S. Federal Income Tax Consequences" for a more complete discussion of the expected material U.S. federal income tax consequences of owning and disposing of common units.

Our U.S. federal (and state and local) income tax treatment depends in large part on our status as a partnership for U.S. federal income tax purposes and our otherwise not being subject to a material amount of U.S. federal, state and local income or franchise tax. If we were required to be treated as a corporation for U.S. federal income tax purposes or if we were to otherwise be subject to a material amount of additional entity-level income, franchise or other taxation for U.S. federal, state or local tax purposes, then our cash available for distribution to you would be substantially reduced. We currently have a subsidiary that is treated as a corporation for U.S. federal income tax purposes and is subject to entity-level U.S. federal, state and local income and franchise tax.

The anticipated after-tax benefit of an investment in our common units depends largely on our being treated as a partnership for U.S. federal income tax purposes. A publicly-traded partnership, such as us, may be treated as a corporation for U.S. federal income tax purposes

unless 90% or more of its gross income for every taxable year it is publicly traded consists of "qualifying income." Based on our current operations we believe that we will be able to satisfy this requirement and, thus, be able to be treated as a partnership, rather than a corporation, for U.S. federal income tax purposes.

Moreover, a change in our business (or a change in current law) could also cause us to be treated as a corporation for U.S. federal income tax purposes. We have not requested, and do not plan to request, a ruling from the IRS on this or any other tax matter affecting us.

If we were required to be treated as a corporation for U.S. federal income tax purposes, then we would pay U.S. federal income tax on our taxable income at the corporate tax rate which, under current law, is a maximum of 35%. We would also likely pay state and local income tax at varying rates. Distributions to you would generally be taxed again as either a dividend (to the extent of our current and accumulated earnings and profits) and/or as taxable gain after recovery of your U.S. federal income tax basis in your units, and no income, gains, losses, deductions or credits would flow through to you. Because a U.S. federal income tax would be imposed upon us as a corporation, our cash available for distribution to you would be substantially reduced. Thus, treatment of us as a corporation would result in a material reduction in the anticipated cash flow and after-tax return to you, likely causing a substantial reduction in the value of our common units.

Moreover, we intend to conduct a portion of our operations and business through one or more direct and indirect subsidiaries, one or more of which may be organized and taxable as a corporation for U.S. federal income tax purposes. Thus, even if we will not constitute a corporation for U.S. federal income tax purposes, if any of our direct or indirect subsidiaries will constitute a corporation for U.S. federal income tax purposes, then this could also reduce the amount of cash that might otherwise potentially be available for distribution to you. As Lehigh Gas Wholesale Services, Inc. will constitute a corporation for U.S. federal, state and local income tax purposes that will be subject to entity-level U.S. federal, state and local tax on its taxable income and gain, the amount of cash that Lehigh Gas Wholesale Services, Inc. will have available to distribute to us and, thus, the amount of cash that we will then have available to distribute to you would be reduced. Furthermore, if, for example, the IRS were to successfully assert that any direct or indirect corporate subsidiary of ours has more tax liability than we anticipate or legislation were enacted that increased the U.S. federal, state and/or local corporate tax rate, our cash available for distribution to you would be further reduced.

In addition, changes in current state and/or local law may subject us to additional entity-level taxation by individual states and/or localities. For example, because of widespread state and local government budget deficits, several states and localities are evaluating ways to subject partnerships to entity-level taxation through the imposition of state and/or local income, franchise and/or other forms of taxation. If any state or locality were to impose a tax upon us as an entity, our cash available for distribution to you would be reduced.

A significant amount of our income is expected to be attributable to our leasing of real property to LGO. If LGO were to become related to us for federal income tax purposes, real property rent received from LGO would no longer constitute "qualifying income" and we would likely be treated as a corporation for U.S. federal income tax purposes.

We expect that a significant amount of our "qualifying income" will be comprised of real property rents from LGO attributable to the 180 sites that LGO will lease from us following this offering. In general, any real property rents that we receive from a tenant of ours in which we,

directly or indirectly, own or are treated as owning by reason of the application of certain "constructive ownership" rules at least: (a) 10% of such tenant's stock (voting power or value) in the case where such tenant is a corporation for U.S. federal income tax purposes, or (b) an interest of at least 10% of such tenant's assets or net profits in the case where such tenant is not a corporation for U.S. federal income tax purposes (as would be the case with respect to LGO), would not constitute "qualifying income." Upon the consummation of this offering, after applying certain constructive ownership rules, we will be treated as owning the 5% interest in the assets and net profits of LGO that Joseph V. Topper, Jr. and John B. Reilly, III will actually and constructively own. If we were considered to own 10% or more of the assets or net profits of LGO, then the real property rents that we receive from LGO would no longer constitute "qualifying income" in which case, based on our current operations, we would likely no longer qualify to be treated as a "partnership" (and instead would be treated as a corporation) for U.S. federal income tax purposes.

Our and LGO's governing documents contain transfer restrictions designed to prevent us from being treated as owning by reason of the application of the "constructive ownership" rules at least 10% of LGO's assets or net profits. We have received an opinion of counsel that, subject to certain customary exceptions, such transfer restrictions are enforceable under Delaware law, but a court could determine that these restrictions are inapplicable or unenforceable. Please read "Material U.S. Material Consequences—Partnership Status."

The U.S. federal (and/or state or local) income tax treatment of publicly-traded partnerships or an investment in our common units could be subject to potential legislative, judicial or administrative changes and differing interpretations, possibly on a retroactive basis.

The present U.S. federal (and/or state or local) income tax treatment of publicly-traded partnerships, including us, or an investment in our common units may be modified by administrative, legislative or judicial changes or differing interpretation at any time. For example, members of Congress have recently considered substantive changes to the existing U.S. federal income tax laws that would affect certain publicly-traded partnerships. Any modification to the U.S. federal income tax laws and interpretations thereof may or may not be applied retroactively and could make it more difficult or impossible to meet the "qualifying income" exception for us to be treated as a partnership for U.S. federal income tax purposes, affect or cause us to change our business activities, affect the tax considerations of an investment in us, change the character or treatment of portions of our income or gain and adversely affect an investment in our common units. Although the considered legislation would not appear to affect our treatment as a partnership for U.S. federal income tax purposes, we are unable to predict whether any of these changes, or other proposals, will ultimately be enacted. Any such changes could negatively impact the value of an investment in our common units.

Our partnership agreement provides that if a law is enacted or existing law is modified or interpreted in a manner that results in us becoming subject to either: (a) entity-level taxation for U.S. federal, state, local and/or foreign income and/or withholding tax purposes to which we were not subject prior to such enactment, modification or interpretation, and/or (b) an increased amount of any such one or more of such taxes (including as a result of an increase in tax rates), then the minimum quarterly distribution amounts and the target distribution amounts may be adjusted (i.e., reduced) to reflect the impact of that law on us.

If the IRS contests the U.S. federal income tax positions we take, the market for our common units may be adversely impacted, and the costs of any contest will reduce our cash available for distribution to you.

We have not requested any ruling from the IRS with respect to our treatment as a partnership for U.S. federal income tax purposes or any other matter affecting us. The IRS may adopt positions that differ from our counsel's conclusions expressed in this prospectus or the positions we take. It may be necessary to resort to administrative or court proceedings to sustain some or all of our counsel's conclusions or the positions we take. A court may not agree with some or all of our counsel's conclusions or the positions we take. Any contest with the IRS may materially and adversely impact the market for our common units and the price at which they trade. In addition, the costs of any contest with the IRS, which will be borne indirectly by our unitholders and our general partner, will result in a reduction in cash available for distribution.

You may be required to pay taxes on income from us even if you do not receive any cash distributions from us.

Because you will be treated for U.S. federal income tax purposes as a partner in us, we will allocate a share of our taxable income and gain to you which could be different in amount than the cash we distribute to you. Thus, you may be required to pay U.S. federal income taxes and, in some cases, state and local taxes on your allocable share of our taxable income and gain even if you do not receive any cash distributions from us.

Tax gain or loss on sale or other taxable disposition of common units could be more or less than the cash that you may receive in such sale or other taxable disposition.

If you sell (or otherwise dispose in a taxable disposition) one or more, or all, of your common units, you will recognize a gain or loss for U.S. federal income tax purposes equal to the difference between your amount realized in such sale or other taxable disposition and your U.S. federal income tax basis in those common units. Because distributions that you receive and the aggregate of our losses and deductions that are allocated to you in excess of your allocable share of the aggregate of our income and gain result in a net reduction in your U.S. federal income tax basis in your common units, the amount, if any, of such prior excess distributions and loss and deduction allocations with respect to the common units sold (or otherwise disposed of in a taxable disposition) will, in effect, become taxable income and/or gain to you if you sell (or otherwise dispose in a taxable disposition) your common units at a price greater than your U.S. federal income tax basis in those common units, even if the price you receive is less than or equal to their original cost. Furthermore, for U.S. federal income tax purposes a substantial portion of the amount realized, whether or not representing gain, may be taxed as ordinary income due to potential recapture of depreciation deductions and other recapture items. In addition, because a unitholder's amount realized would include his, her or its share of our nonrecourse liabilities, if you were to sell your units (or otherwise dispose of your units in a taxable disposition), you may incur a tax liability in excess of the amount of cash you receive from the sale or other taxable disposition. Please read "Material U.S. Federal Income Tax Consequences—Disposition of Common Units—Recognition of Gain or Loss."

Tax-exempt organizations and non-U.S. persons face unique tax issues from owning common units that may result in adverse tax consequences to them.

Investment in our common units by an organization that is exempt from U.S. federal income tax, or a "tax-exempt organization," such as employee benefit plans, individual retirement accounts, which we refer to as "IRAs," and non-U.S. persons raises issues unique to them. For example, a substantial amount (if not most) of our U.S. federal taxable income and gain would constitute gross income from an "unrelated trade or business" and the amount thereof allocable to a tax-exempt organization would be taxable to such organization as unrelated business taxable

income. Distributions to a non-U.S. person that holds our common units will be reduced by U.S. federal withholding taxes imposed at the highest applicable U.S. federal income tax rate and such non-U.S. person will be required to file U.S. federal income tax returns and pay U.S. federal income tax, to the extent not previously withheld, on his, her or its allocable share of our taxable income and gain. If you are a tax-exempt organization or a non-U.S. person, you should consult your tax advisor before investing in our common units.

You will likely be subject to state and local income taxes and return filing requirements in states and localities where you do not live as a result of investing in our common units.

In addition to U.S. federal income taxes, you will likely be subject to other taxes, such as foreign, state and local income taxes, unincorporated business taxes and estate, inheritance or intangible taxes that are imposed by the various jurisdictions in which we do business or own property, even if you do not live in any of those jurisdictions. You will likely be required to file state and local income tax returns and pay state and local income taxes in some or all of these various jurisdictions. Further, you may be subject to penalties for failure to comply with those requirements. We initially expect to conduct business in Pennsylvania, New Jersey, Ohio, New York, Massachusetts, Kentucky, New Hampshire and Maine. Each of these states, currently imposes a personal income tax on individuals (except that New Hampshire only imposes a personal income tax on interest, dividends and gambling winnings) as well as an income, business profits and/or a franchise tax on corporations and other entities. We may own property or conduct business in other states, localities or foreign countries in the future. It is your responsibility to file all U.S. federal, state, local and foreign tax returns. Our counsel has not rendered an opinion on the state, local or non U.S. tax consequences of an investment in our common units.

We will treat each purchaser of our common units as having the same tax benefits without regard to the actual common units purchased. The IRS may challenge this treatment, which could adversely affect the value of the common units.

Because we cannot match transferors and transferees of common units, we will adopt depreciation and amortization positions that may not conform to all aspects of existing Treasury Regulations. A successful IRS challenge to those positions could adversely affect the amount of U.S. federal income tax benefits available to you. Our counsel is unable to opine as to the validity of such filing positions. It also could affect the timing of these tax benefits or the amount of gain for U.S. federal income tax purposes from your sale of common units and could have a negative impact on the value of our common units or result in audit adjustments to your U.S. federal income tax returns. See "Material U.S. Federal Income Tax Consequences—Tax Consequences of Unit Ownership—Section 754 Election" for a further discussion of the effect of the depreciation and amortization positions we adopt.

We prorate our items of income, gain, loss and deduction for U.S. federal income tax purposes, and allocate them, between transferors and transferees (and the other holders) of our common units each month based upon the ownership of our common units on the first business day of each month and as of the opening of the applicable exchange on which our common units are listed, instead of on the basis of the date a particular common unit is transferred. 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 for U.S. federal income tax purposes 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 use of this proration method may not be permitted under existing Treasury Regulations. Recently, the U.S. Treasury Department issued proposed Treasury Regulations that provide a safe harbor pursuant to which publicly traded partnerships may use a similar monthly simplifying convention to allocate tax items among transferor and transferee unitholders. Nonetheless, the proposed Treasury Regulations are not final and do not specifically authorize the use of the proration method we have adopted. If the IRS were to challenge our proration method or new Treasury Regulations were to be issued, we may be required to change the allocation of items of income, gain, loss and deduction among our unitholders.

If you loan your common units to a "short seller" to cover a short sale of common units, you may be considered to have disposed of those common units for U.S. federal income tax purposes. If so, you would no longer be treated for U.S. federal income tax purposes as a partner with respect to those common units during the period of the loan and you may recognize gain or loss from such deemed disposition.

During the period of the loan of your common units to the short seller, any of our income, gain, loss or deduction with respect to such common units may not be reportable by you and any cash distributions received by you as to those common units could be fully taxable to you as ordinary income. Our counsel has not rendered an opinion regarding the treatment of a unitholder where common units are loaned to a short seller to cover a short sale of common units. Thus, unitholders should consult their tax advisors regarding the U.S. federal income tax effect of loaning their common units to a short seller.

We have adopted certain valuation methodologies for U.S. federal income tax purposes that may result in a shift of income, gain, loss and deduction between our general partner and our unitholders. The IRS may challenge this treatment, which could adversely affect the value of the common units.

When we issue additional units or engage in certain other transactions, our general partner will determine the fair market value of our assets and allocate any unrealized gain or loss attributable to our assets to the capital accounts of our unitholders and our general partner. Although we may from time to time consult with professional appraisers regarding valuation matters, including the valuation of our assets, our general partner will make many (and possibly all) of the fair market value determinations of our assets (including by using a method based on the market value of our common units as a means to measure such fair market value(s)). The IRS may challenge any one or more of such determinations, or our allocation of the Code Section 743(b) adjustment attributable to our various assets, and allocations of income, gain, loss and deduction between our general partner and certain of our unitholders.

A successful IRS challenge to these methods or allocations could adversely affect the amount of taxable income, gain or loss being allocated to our unitholders for U.S. federal income tax purposes. It also could affect the amount of taxable gain from our unitholders' sale of common units and could have a negative impact on the value of the common units or result in audit adjustments to our unitholders' U.S. federal income tax returns without the benefit of additional deductions.

The sale or exchange of 50% or more of the total interest in our capital and profits within a twelve-month period will result in the termination of our partnership for U.S. federal income tax purposes.

We will be considered to have technically terminated as a partnership for U.S. federal income tax purposes if there is a sale or exchange of 50% or more of the total interest in our capital and profits within a twelve-month period. For purposes of determining whether a technical tax termination has occurred, a sale or exchange of 50% or more of the total interests in our capital and profits could occur if, for example, the Topper Group, which will own collectively 50% or more of the total interest in our capital and profits after the consummation of this offering, were to sell or exchange their collective interest in us within a period of twelve months. For purposes of determining whether the 50% threshold has been met, multiple sales of the same interest will be counted only once. Our technical termination would, among other things, result in the closing of our taxable year for all unitholders, which could result in us filing two U.S. federal income tax returns (and unitholders receiving two Schedule K-1s) for one calendar year. However, pursuant to an IRS relief procedure the IRS may allow, among other things, a constructively terminated partnership to provide a single Schedule K-1 for the calendar year in which a termination occurs. Our technical termination could also result in the re-starting of the recovery period for our assets (and, thus, result in a significant deferral of depreciation and amortization deductions allowable in computing our U.S. federal taxable income). In the case of a unitholder reporting on a taxable year other than a calendar year, the closing of our taxable year may also result in more than twelve months of our taxable income or loss being includable in his taxable income for the year of termination. Our technical termination, however, would not affect our classification as a partnership for U.S. federal income tax purposes but instead we would be treated as a new partnership for U.S. federal income tax purposes. If we were treated as a new partnership for U.S. federal income tax purposes, we would be required to make new tax elections and could be subject to penalties if we were unable to determine that a technical termination occurred. Please read "Material U.S. Federal Income Tax Consequences—Disposition of Units—Constructive Termination."

USE OF PROCEEDS

We expect that the net proceeds from our sale of _____ common units in this offering, after deducting the underwriting discounts, the structuring fee and estimated offering expenses payable by us, will be approximately \$ _____ million based on an assumed offering price of \$ _____ per common unit. We base this amount on an assumed initial public offering price of \$ _____ per common unit and no exercise of the underwriters' option to purchase additional common units. An increase or decrease in the initial public offering price of \$1.00 per common unit would cause the net proceeds from the offering, after deducting the underwriting discount, structuring fee and offering expenses payable by us, to increase or decrease by approximately \$ _____ million.

We intend to use the net proceeds from this offering:

- to reduce amounts borrowed under the new credit facility, which will be drawn upon at the completion of this offering in order to repay in full the existing credit agreement of the Lehigh Gas Group;
- to repay in full \$14.7 million aggregate principal amount in outstanding mortgage notes;
- to repay or redeem in full \$12.0 million of mandatorily redeemable preferred member interests;
- to distribute or pay an aggregate \$ _____ million cash to the Topper Group and LGC as reimbursement for certain capital expenditures made by the Topper Group and LGC with respect to the assets they contributed, to the extent such amount is not paid out of proceeds from the new credit facility; and
- to use for general partnership purposes, including working capital and acquisitions.

Immediately following the completion of this offering, we expect to have available undrawn borrowing capacity of approximately \$ _____ million under the new credit facility. Borrowings under our existing revolving credit facility and term loan were primarily made in connection with our working capital needs and to finance acquisitions. As of March 31, 2012, we had borrowings outstanding of \$171.4 million under the credit agreement, an aggregate of \$14.7 million under mortgage notes and \$12.0 million of mandatorily redeemable preferred member interests. Indebtedness under the existing revolving credit facility and term loan bore interest at an average rate of approximately 3.2%, the mortgage notes bore interest at a weighted average rate of 3.9% and the mandatorily redeemable preferred member interests bore interest at a rate of 12% during the three months ended March 31, 2012. The existing credit agreement will mature on December 30, 2015, but will be amended and restated in connection with the offering, pursuant to which the term loan will be terminated and the existing credit facility will be repaid in full using the proceeds from the new credit agreement, consisting of a five-year \$250 million senior secured credit facility which may be increased to \$325 million if certain conditions are met. Please read "Management's Discussion and Analysis of Financial Condition and Results of Operations—Liquidity and Capital Resources—New Credit Agreement."

We have granted the underwriters a 30-day option to purchase up to _____ additional common units. If the underwriters do not exercise their option to purchase additional common units, we will issue _____ common units to the Topper Group and issue _____ common units to LGC at the expiration of the 30-day option period. If and to the extent the underwriters

exercise their option to purchase additional common units, the number of units purchased by the underwriters pursuant to any exercise will be sold to the public, and the remainder, if any will be issued to the Topper Group and LGC at the expiration of the option period. The exercise of the underwriters' option will not affect the total number of units outstanding or the amount of cash needed to pay the minimum quarterly distribution on all units. To the extent the underwriters exercise their option to purchase additional units, an amount equal to the net proceeds from the issuance and sale of those common units will be issued to the Topper Group and LGC.

CAPITALIZATION

The following table shows:

- the historical cash and cash equivalents and capitalization of our predecessor as of March 31, 2012; and
- our pro forma cash and cash equivalents and capitalization as of March 31, 2012 adjusted to reflect the offering of the common units, the application of the net proceeds from this offering as described under "Use of Proceeds" and the other transactions described under "Summary—The Transactions."

This table is derived from, and should be read together with, the combined and pro forma combined financial statements and the accompanying notes included elsewhere in this prospectus. You should also read this table in conjunction with "Summary—The Transactions," "Use of Proceeds" and "Management's Discussion and Analysis of Financial Condition and Results of Operations."

	As of March 31, 2012	
	Our Predecessor Historical	Lehigh Gas Partners LP Pro Forma
	(in thousands)	
Cash and cash equivalents:	\$ 1,676	
Debt (1):		
Revolving term loan, net of discount	\$ 171,360	\$
Credit facility (1)	—	
Mortgage notes	14,738	
Mandatorily redeemable preferred equity	12,000	
Financing obligation	45,827	
Total debt	\$ 243,925	
Equity:		
LGC and its subsidiaries and affiliates (Predecessor)	\$ (35,252)	
Lehigh Gas Partners LP:		
Held by public:		
Common units	—	
Held by the general partner and its affiliates:		
Common units	—	
Subordinated units	—	
General partner interest	—	
Total equity	\$ (35,252)	\$
Total capitalization (2)	\$ 208,673	\$

- (1) In connection with the closing of this offering, we will enter into a new credit agreement consisting of a five-year, senior secured revolving credit facility in an aggregate principal amount of \$250 million, which limit may be increased to \$325 million if certain conditions are met. As of March 31, 2012, we had approximately \$171.4 million of borrowings outstanding under our existing revolving credit facility and term loan. Please read "Management's Discussion and Analysis of Financial Condition and Results of Operations—Liquidity and Capital Resources—New Credit Agreement."
- (2) Each \$1.00 increase (or decrease) in the assumed public offering price to \$ _____ per common unit would decrease (or increase) total long-term debt, on a pro forma basis, by approximately \$ _____ million, and increase (or decrease) total equity, on a pro forma basis, by \$ _____ million, in each case after deducting the underwriting discounts, the structuring fee and estimated offering expenses. The information discussed above is illustrative only and will be adjusted based on the actual public offering price and other terms of this offering determined at pricing.

DILUTION

Dilution is the amount by which the offering price will exceed the net tangible book value per unit after the offering. Assuming an initial public offering price of \$ _____ per common unit, after giving effect to the offering of common units and the related transactions, our net tangible book value was \$ _____ million, or \$ _____ per common unit. Purchasers of common units in this offering will experience substantial and immediate dilution in net tangible book value per common unit for financial accounting purposes, as illustrated in the following table.

Assumed initial public offering price per common unit	\$
Pro forma net tangible book value per common unit before the offering (1)	\$
Increase in net tangible book value per common unit attributable to purchasers in the offering	<u> </u>
Less: Pro forma net tangible book value per common unit after the offering (2)	<u> </u>
Immediate dilution in net tangible book value per common unit to purchasers in the offering	\$

- (1) Determined by dividing the number of units (_____ common units and _____ subordin ated units) to be issued to the general partner and its affiliates for their contribution of assets and liabilities to us into the net tangible book value of the contributed assets and liabilities as of March 31, 2012.
- (2) Determined by dividing the total number of units (_____ common units and _____ subordin ated units) to be outstanding after the offering into our pro forma net tangible book value, after giving effect to the application of the net proceeds of the offering, as of March 31, 2012.

The following table sets forth the number of units that we will issue and the total consideration contributed to us by the Topper Group and LGC, in respect of their units and by the purchasers of common units in this offering upon consummation of the transactions contemplated by this prospectus.

	Units Acquired		Total Consideration	
	Number	Percent	Amount	Percent
			(dollars in thousands)	
The Topper Group (1)(2)			%\$	%
LGC (2)(3)				
Purchasers in this offering				
Total			%\$	%

- (1) Upon the consummation of the transactions contemplated by this prospectus, the Topper Group will own _____ common units and _____ subordinated units.
- (2) The assets contributed by the general partner and its affiliates were recorded at historical cost in accordance with GAAP. Book value of the consideration provided by our general partner and its affiliates, as of March 31, 2012, after giving effect to the cash distribution or payment in the aggregate amount of \$ _____ million to the Topper Group and LGC, was \$ _____ million.
- (3) Upon the consummation of the transactions contemplated by this offering, LGC will own _____ common units and _____ subordinated units.

CASH DISTRIBUTION POLICY AND RESTRICTIONS ON DISTRIBUTIONS

You should read the following discussion of our cash distribution policy in conjunction with specific assumptions included in this section. In addition, you should read "Forward-Looking Statements" and "Risk Factors" for information regarding statements that do not relate strictly to historical or current facts and certain risks inherent in our business.

For additional information regarding our combined and pro forma results of operations, you should refer to our audited and unaudited combined financial statements and unaudited pro forma financial statements and the notes to those financial statements included elsewhere in this prospectus.

General

Our Cash Distribution Policy

It is our intent to distribute the minimum quarterly distribution of \$ _____ per unit on all of our units (\$ _____ per unit on an annualized basis) to the extent we have sufficient cash from our operations after the establishment of cash reserves and payment of our expenses. Furthermore, we expect that if we are successful in executing our business strategy, we will grow our business and distribute to our unitholders a portion of any increases in our cash available for distribution resulting from such growth. The board of directors of our general partner will determine the amount of our quarterly distributions and may change our distribution policy at any time. The board of directors of our general partner may determine to reserve or reinvest excess cash in order to permit gradual or consistent increases in quarterly distributions and may borrow to fund distributions in quarters when we generate less cash available for distribution than necessary to sustain or grow our cash distributions per unit.

Limitations on Cash Distributions and Our Ability to Change Our Cash Distribution Policy

There is no guarantee that we will distribute quarterly cash distributions to our unitholders. We do not have a legal obligation to pay distributions at our minimum quarterly distribution rate or at any other rate. Uncertainties regarding future cash distributions to our unitholders include, among other things, the following factors:

- Our cash distribution policy is subject to restrictions on distributions under our new credit agreement. Our new credit agreement contains financial tests and covenants that we must satisfy. These financial tests and covenants are described in "Management's Discussion and Analysis of Financial Condition and Results of Operations—Liquidity and Capital Resources—New Credit Agreement." Should we be unable to satisfy these restrictions or if we are otherwise in default under our new credit agreement, we would be prohibited from making cash distributions notwithstanding our cash distribution policy.
- Our general partner will have the authority to establish cash reserves for the prudent conduct of our business and for future cash distributions to our unitholders, and the establishment of or increase in those reserves could result in a reduction in cash distributions from levels we currently anticipate pursuant to our stated cash distribution policy. Our partnership agreement does not set a limit on the amount of cash reserves that our general partner may establish.

- Prior to making any distribution on the common units, we will pay LGC a management fee as further described in "Certain Relationships and Related Party Transactions—Agreements with Affiliates—Omnibus Agreement." In addition, we will reimburse our general partner and LGC for all out-of-pocket third-party expenses they incur and payments they make on our behalf. The payment of the management fee to LGC and the reimbursement of expenses, if any, to our general partner and LGC will reduce the amount of cash available to make distributions to our unitholders.
- Even if our cash distribution policy is not modified or revoked, the amount of distributions we pay under our cash distribution policy and the decision to make any distribution is determined by our general partner.
- Under Section 17-607 of the Delaware Act, we may not make a distribution if the distribution would cause our liabilities to exceed the fair value of our assets.
- We may lack sufficient cash to pay distributions to our unitholders due to cash flow shortfalls attributable to a number of operational, commercial or other factors as well as increases in our operating or selling, general and administrative expenses, principal and interest payments on our outstanding debt, tax expenses, working capital requirements and anticipated cash needs.
- If we make distributions out of capital surplus, as opposed to operating surplus, such distributions will result in a reduction in the minimum quarterly distribution and the target distribution levels. Please read "How We Make Distributions to Our Partners—Adjustment to the Minimum Quarterly Distribution and Target Distribution Levels." We do not anticipate that we will make any distributions from capital surplus.
- Our ability to make distributions to our unitholders depends on the performance of our subsidiaries and their ability to distribute cash to us. The ability of our subsidiaries to make distributions to us may be restricted by, among other things, the provisions of existing and future indebtedness, applicable state partnership and limited liability company laws and other laws and regulations.

Our Ability to Grow is Dependent on Our Ability to Access External Expansion Capital

We intend to distribute most of our cash available for distribution to our unitholders on a quarterly basis. As a result, we expect that we will rely primarily upon external financing sources, including commercial bank borrowings and the issuance of debt and equity securities, to fund any future expansion capital expenditures. To the extent we are unable to finance growth externally, our cash distribution policy will significantly impair our ability to grow. In addition, because we intend to distribute most of our cash available for distribution, our growth may not be as fast as businesses that reinvest all of their cash to expand ongoing operations. To the extent we issue additional units, the payment of distributions on those additional units may increase the risk that we will be unable to maintain or increase our per unit distribution level. There are no limitations in our partnership agreement or our new credit agreement on our ability to issue additional units, including units ranking senior to the common units. The incurrence of additional commercial borrowings or other debt to finance our growth would result in increased interest expense, which in turn may impact the cash that we have available to distribute to our unitholders.

Minimum Quarterly Distribution

Pursuant to our distribution policy, we intend upon completion of this offering to declare a minimum quarterly distribution of \$ _____ per unit per complete quarter, or \$ _____ per unit per year, to be paid no later than 60 days after the end of each fiscal quarter. This equates to an aggregate cash distribution of approximately \$ _____ million per quarter or \$ _____ million per year, in each case based on the number of common units and subordinated units to be outstanding immediately after completion of this offering. Our ability to make cash distributions equal to the minimum quarterly distribution pursuant to our cash distribution policy will be subject to the factors described above under, "—General—Limitations on Cash Distributions and Our Ability to Change Our Cash Distribution Policy."

The table below sets forth the common and subordinated units to be outstanding upon the closing of this offering and the aggregate distribution amounts payable on such interests based on our minimum quarterly distribution of \$ _____ per unit per quarter, or \$ _____ per unit on an annualized basis.

	Number of Units	Total Consideration	
		One Quarter	Annualized
Publicly held common units			
Common units held by the Topper Group and LGC			
Subordinated units held by the Topper Group and LGC			
Non-economic general partner interest (1)			
Total		\$	\$

(1) Our general partner owns a non-economic general partner interest in us.

The preceding table assumes the underwriters have not exercised their option to purchase additional common units. If the underwriters do not exercise their option to purchase additional common units, we will issue _____ common units to the Topper Group and _____ common units to LGC at the expiration of the option period. If and to the extent the underwriters exercise their option to purchase additional common units, the number of units purchased by the underwriters pursuant to such exercise will be sold to the public and the remainder, if any, will be issued to the Topper Group and LGC. Accordingly, the exercise of the underwriters' option will not affect the total number of units outstanding or the amount of cash needed to pay the minimum quarterly distribution on all units. Please read "Underwriting."

If the minimum quarterly distribution on our common units is not paid with respect to any quarter, the common unitholders will not be entitled to receive such payments in the future except that, during the subordination period, to the extent we distribute cash from operating surplus in any future quarter in excess of the amount necessary to make cash distributions to holders of our common units at the minimum quarterly distribution, we will use this excess cash to pay the arrearages related to prior quarters before any cash distribution is made to holders of subordinated units. See "How We Make Distributions to Our Partners—Subordination Period."

The actual amount of our cash distributions for any quarter is subject to fluctuations based on, among other things, the amount of cash we generate from our business and the amount of reserves our general partner establishes.

We expect to pay our quarterly distributions on or about the 15th day of each February, May, August and November to holders of record on or about the first day of each such month. If the distribution date does not fall on a business day, we will make the distribution on the business day immediately preceding the indicated distribution date. We will adjust the quarterly distribution for the period from the closing of this offering through September 30, 2012 based on the actual length of the period.

Unaudited Pro Forma Cash Available for Distribution

In the following table, we show our pro forma results of operations and the amount of cash available for distribution we would have had for the year ended December 31, 2011 and the twelve months ended March 31, 2012, based on our unaudited pro forma statements of operations included elsewhere in this prospectus.

Our unaudited pro forma combined financial statements are derived from the audited combined financial statements of our predecessor included elsewhere in this prospectus. Our unaudited pro forma financial statements should be read together with "Selected Historical and Pro Forma Combined Financial and Operating Data," "Management's Discussion and Analysis of Financial Condition and Results of Operations" and the audited combined financial statements of our predecessor and the notes to those statements included elsewhere in this prospectus.

The pro forma cash available for distribution generated during the year ended December 31, 2011 and the twelve months ended March 31, 2012 was \$32.9 million and \$29.8 million, respectively, and, as such, we would have generated cash available for distribution sufficient to pay the minimum quarterly distribution on all of our common units and subordinated units for those periods.

Lehigh Gas Partners LP Unaudited Pro Forma Cash Available for Distribution

	Pro Forma	
	Year Ended December 31, 2011	Twelve Months Ended March 31, 2012
Operating Data:		
Sites owned and leased	316	316
Gallons of motor fuel distributed (in millions)	560.7	570.7
Margin per gallon (1)	\$ 0.0663	\$ 0.0632
Revenues:		
Revenues from fuel sales	\$ 1,131,433	\$ 1,107,629
Revenues from fuel sales to affiliates	659,448	676,668
Rental income	10,100	10,230
Rental income from affiliates	11,549	10,045
Revenues from retail merchandise and other	14	—
Total revenues	1,812,544	1,804,572

	Pro Forma	
	Year Ended December 31, 2011	Twelve Months Ended March 31, 2012
	(dollars in thousands, except margin per gallon and per unit figures) (unaudited)	
Costs and operating expenses:		
Costs of revenues from fuel sales	\$ 1,104,459	\$ 1,081,914
Costs of revenues from fuel sales to affiliates	649,273	666,293
Costs of revenues from retail merchandise and other	—	—
Rent expense	7,265	7,189
Operating expenses	3,531	3,820
Depreciation and amortization	11,160	13,329
Selling, general and administrative expense (2)	9,185	8,994
(Gain) loss on sale of assets	(3,188)	(3,444)
Total costs and operating expenses	<u>1,781,685</u>	<u>1,778,095</u>
Operating income	30,859	26,477
Interest expense, net	(6,346)	(7,947)
Other income, net	974	1,378
Income from continuing operations	25,487	19,908
Income tax expense from continuing operations	(300)	(300)
Net income from continuing operations	<u>\$ 25,187</u>	<u>\$ 19,608</u>
Plus:		
Depreciation and amortization	11,160	13,329
Income tax expense from continuing operations	300	300
Interest expense	6,346	7,947
EBITDA (3)	<u>\$ 42,993</u>	<u>\$ 41,184</u>
Less:		
Cash interest expense	(6,511)	(7,984)
Principal payments on debt and lease finance obligations	(478)	(478)
Maintenance capital expenditures (4)	(2,772)	(2,624)
Expansion capital expenditures (4)	(33,749)	(35,199)
Income tax	(300)	(300)
Plus:		
Borrowings or cash on hand for expansion capital expenditures	33,749	35,199
Cash available for distribution:	<u>\$ 32,932</u>	<u>\$ 29,798</u>
Annualized minimum quarterly distribution per unit	\$	\$
Distribution to common unitholders	\$	\$
Distribution to subordinated unitholders		
Distribution to general partner		
Total distributions	<u>\$</u>	<u>\$</u>
Excess	<u>\$</u>	<u>\$</u>

(1) Margin per gallon represents (a) total revenue from fuel sales, less total costs of revenue from fuel sales, divided by (b) total gallons of motor fuels distributed.

- (2) Includes the incurrence of estimated incremental cash expenses associated with being a publicly traded partnership of approximately \$2.3 million, including costs associated with SEC reporting requirements, tax return and Schedule K-1 preparation and distribution, independent auditor fees, investor relations activities, Sarbanes-Oxley compliance, NYSE listing, registrar and transfer agent fees, incremental director and officer liability insurance and director compensation.
- (3) EBITDA is defined and reconciled to its most directly comparable financial measures calculated and presented in accordance with GAAP in "Selected Historical and Pro Forma Combined Financial and Operating Data—Non-GAAP Financial Measure." Lehigh Gas Partners LP did not report net income (loss) on a pro forma basis for the year ended December 31, 2011 or the three months ended March 31, 2012. Accordingly, EBITDA is calculated on the basis of net income (loss) from continuing operations for the periods presented on a pro forma basis. Lehigh Gas Partners LP had a loss from discontinued operations of \$848,000 for the year ended December 31, 2011 and income from discontinued operations of \$216,000 for the three months ended March 31, 2012, not reflected in EBITDA as presented in the table above.
- (4) Historically, our predecessor has not made a distinction between maintenance capital expenditures and expansion capital expenditures. Under our partnership agreement, maintenance capital expenditures are capital expenditures made to maintain our long-term operating income or operating capacity, while expansion capital expenditures are capital expenditures that we expect will increase our operating income or operating capacity over the long term. Examples of maintenance capital expenditures are those made to maintain existing contract volumes, including payments to renew existing distribution contracts, or to maintain our real estate leased to third-party dealers in leaseable condition, such as parking lot or roof replacement/renovation, or to replace equipment required to operate our existing business. In contrast, expansion capital expenditures are those made to acquire additional assets to grow our business, such as the acquisition of new sites or the construction or expansion of convenience stores or carwashes at our sites.

For the year ended December 31, 2011, our pro forma capital expenditures totaled \$36.5 million. We estimate that approximately \$2.8 million of our pro forma capital expenditures were maintenance capital expenditures and that approximately \$33.7 million of our pro forma capital expenditures were expansion capital expenditures. Expansion capital expenditures for the year ended December 31, 2011 primarily consisted of investments associated with the acquisition of 26 Shell-branded locations acquired from Motiva Enterprises, LLC for \$30.4 million in cash.

For the twelve months ended March 31, 2012, our pro forma capital expenditures totaled \$37.8 million. We estimate that approximately \$2.6 million of our pro forma capital expenditures were maintenance capital expenditures and that \$35.2 million of our pro forma capital expenditures were expansion capital expenditures. Expansion capital expenditures for the twelve months ended March 31, 2012 primarily consisted of expenses associated with the acquisition of the sites referenced above.

Estimated Cash Available for Distribution

The following table sets forth our calculation of estimated cash available for distribution to our unitholders and general partner for the twelve months ending September 30, 2013, which we refer to as the "forecast period," and for each of the four quarters in the twelve months ending September 30, 2013. We forecast that our cash available for distribution generated during the forecast period will be \$32.1 million. This amount would be sufficient to pay the minimum quarterly distribution of \$ per unit on all of our common units and subordinated units for each quarter in the twelve months ending September 30, 2013. Since our revenue and cash available for distribution will likely fluctuate over time as a result of changes in demand for motor fuels and other factors, the board of directors of our general partner expects to reserve all or a portion of any cash generated in excess of the amount sufficient to pay the full minimum quarterly distribution.

We are providing the financial forecast to supplement our pro forma and combined financial statements in support of our belief that we will have sufficient cash available to allow us to pay cash distributions on all of our common units and subordinated units for each quarter in the forecast period at the minimum quarterly distribution rate. Please read "—Significant Forecast Assumptions" for further information as to the assumptions we have made for the financial forecast. Please read "Management's Discussion and Analysis of Financial Condition and Results of Operations—Critical Accounting Policies" for information as to the accounting policies we have followed for the financial forecast.

Our forecast reflects our judgment as of the date of this prospectus of the conditions we expect to exist and the course of action we expect to take during the forecast period. We believe that our actual results of operations will approximate those reflected in our forecast, but we can give no assurance that our estimated results will be achieved. If our estimates are not achieved, we may not be able to pay distributions on our common units and subordinated units at the minimum quarterly distribution rate of \$ _____ per unit each quarter (or \$ _____ per unit on an annualized basis) or any other rate. The assumptions and estimates underlying the forecast are inherently uncertain and, though we consider them reasonable as of the date of this prospectus, are subject to a wide variety of significant business, economic, and competitive risks and uncertainties that could cause actual results to differ materially from those contained in the forecast, including, among others, risks and uncertainties contained in "Risk Factors." Accordingly, there can be no assurance that the forecast is indicative of our future performance or that actual results will not differ materially from those presented in the forecast. Inclusion of the forecast in this prospectus should not be regarded as a representation by any person that the results contained in the forecast will be achieved.

We do not, as a matter of course, make public forecasts as to future sales, earnings or other results. However, we have prepared the following forecast to present the estimated cash available for distribution to our unitholders and general partner during the forecast period. The accompanying forecast was not prepared with a view toward complying with the guidelines established by the American Institute of Certified Public Accountants with respect to prospective financial information, but, in our view, was prepared on a reasonable basis, reflects the best currently available estimates and judgments, and presents, to the best of management's knowledge and belief, the expected course of action and our expected future financial performance. However, this information is not necessarily indicative of future results.

Neither our independent auditors, nor any other independent accountants, have compiled, examined or performed any procedures with respect to the forecast contained herein, nor have they expressed any opinion or any other form of assurance on such information or its achievability, and assume no responsibility for, and disclaim any association with, the forecast. We do not undertake to release publicly after this offering any revisions or updates to the financial forecast or the assumptions on which our forecasted results of operations are based.

	Forecasted				Twelve Months Ending September 30, 2013
	Three Months Ending				
	December 31, 2012	March 31, 2013	June 30, 2013	September 30, 2013	
	(in thousands, except per unit figures) (unaudited)				
Operating Data:					
Sites owned and leased	379	379	379	379	379
Gallons of motor fuel distributed (in millions)	158.1	145.4	161.9	164.7	630.2
Margin per gallon (1)	\$ 0.0662	\$ 0.0669	\$ 0.0664	\$ 0.0660	\$ 0.0663
Revenues:					
Revenues from fuel sales	\$ 298,897	\$ 273,332	\$ 302,632	\$ 305,741	\$ 1,180,602
Revenues from fuel sales to affiliates	184,068	170,998	191,846	197,286	744,198
Rental income	3,445	3,450	3,470	3,482	13,847
Rental income from affiliates	3,174	3,143	3,177	3,232	12,726
Total revenues	489,584	450,923	501,125	509,741	1,951,373

	Forecasted				Twelve Months Ending September 30, 2013
	Three Months Ending				
	December 31, 2012	March 31, 2013	June 30, 2013	September 30, 2013	
	(in thousands, except per unit figures) (unaudited)				
Costs and operating expenses:					
Cost of revenues from fuel sales	292,194	267,126	295,808	298,868	1,153,996
Cost of revenues from fuel sales to affiliates	180,299	167,480	187,925	193,293	728,997
Rent expense	3,531	3,447	3,588	3,689	14,255
Operating expenses	688	688	688	688	2,752
Depreciation and amortization	3,082	3,124	3,166	3,209	12,581
Selling, general and administrative (2)	2,363	2,334	2,370	2,380	9,447
(Gain) loss on sale of assets					
Total costs and operating expenses	482,157	444,199	493,545	502,127	1,922,028
Operating income	7,427	6,724	7,580	7,614	29,345
Interest expense, net	(1,714)	(1,714)	(1,714)	(1,598)	(6,740)
Income from continuing operations	5,713	5,010	5,866	6,016	22,605
(Loss) Income from discontinued operations	(15)	(16)	(19)	(21)	(71)
Net income	5,698	4,994	5,847	5,995	22,534
Plus:					
Depreciation and amortization	3,082	3,124	3,166	3,209	12,581
Income tax	15	16	19	21	71
Interest expense	1,714	1,714	1,714	1,598	6,740
EBITDA (3)	10,509	9,848	10,746	10,823	41,926
Less:					
Cash interest expense	1,604	1,609	1,613	1,502	6,328
Principal payments on debt and lease finance obligations	119	119	120	120	478
Maintenance capital expenditures (4)	875	875	875	875	3,500
Expansion capital expenditures (4)	450	450	450	450	1,800
Income tax	15	16	19	21	71
Plus:					
Borrowings or cash on hand for expansion capital expenditures	450	450	450	450	1,800
Cash available for distribution	7,896	7,229	8,119	8,305	31,549
Annualized minimum quarterly distribution per unit					
Distribution to common unitholders					
Distribution to subordinated unitholders					
Distribution to general partner					
Total distributions					
Excess	\$	\$	\$	\$	\$

- (1) Margin per gallon represents (a) total revenues from fuel sales, less total costs of revenues from fuel sales, divided by (b) total gallons of motor fuels distributed.
- (2) Includes the incurrence of estimated incremental cash expenses associated with being a publicly traded partnership of approximately \$2.25 million, including costs associated with SEC reporting requirements, tax return and Schedule K-1 preparation and distribution, independent auditor fees, investor relations activities, Sarbanes-Oxley compliance, NYSE listing, registrar and transfer agent fees, incremental director and officer liability insurance and director compensation.
- (3) EBITDA is defined and reconciled to its most directly comparable financial measures calculated and presented in accordance with GAAP in "Selected Historical and Pro Forma Combined Financial and Operating Data—Non-GAAP Financial Measure."
- (4) Historically, our predecessor has not made a distinction between maintenance capital expenditures and expansion capital expenditures. Under our partnership agreement, maintenance capital expenditures are capital expenditures made to maintain our long-term operating income or operating capacity, while expansion capital expenditures are capital expenditures that we expect will increase our operating income or operating capacity over the long term. Examples of maintenance capital expenditures are those made to maintain existing contract volumes, including payments to renew existing distribution contracts, or to maintain our real estate leased to third-party dealers in leaseable condition, such as parking lot or roof replacement/renovation, or to replace equipment required to operate our existing business. In contrast, expansion capital expenditures are those made to acquire additional assets to grow our business, such as the acquisition of new sites or the construction or expansion of convenience stores or carwashes at our sites.

Significant Forecast Assumptions

In this section, we present in detail the basis for our belief that we will be able to fully fund our minimum quarterly distribution of \$ _____ per unit for the forecast period with the significant assumptions upon which this forecast is based.

The forecast has been prepared by and is the responsibility of our management. Our forecast reflects our judgment as of the date of this prospectus of conditions we expect to exist and the course of action we expect to take during the forecast period. While the assumptions disclosed in this prospectus are not all-inclusive, the assumptions listed below are those that we believe are material to our forecasted results of operations and any assumptions not discussed below were not deemed to be material. We believe we have a reasonable objective basis for these assumptions. We believe our actual results of operations will approximate those reflected in our forecast, but we can give no assurance that our forecasted results will be achieved. There likely will be differences between our forecast and the actual results, and those differences could be material. If our forecast is not achieved, we may not be able to pay cash distributions on our common units at the minimum distribution rate or at all.

Revenues.

Our revenues consist of rental income collected from third parties and affiliates and the distribution of motor fuels to third parties and affiliates. We forecast that our total revenues for the forecast period will be \$1,951.4 million, as compared to \$1,812.5 million and \$1,804.6 million, for the year ended December 31, 2011 and the twelve months ended March 31, 2012, respectively, each on a pro forma basis. We estimate that we will distribute 630.2 million gallons of motor fuels for the forecast period, as compared to the 560.7 million gallons and 570.7 million gallons we distributed for the year ended December 31, 2011 and the twelve months ended March 31, 2012, respectively, each on a pro forma basis. This volume estimate is primarily based on the average historical volumes distributed per site to third parties or affiliates, or distributed directly by LGO, during the twelve months ended March 31, 2012 and additional volumes we expect to deliver to sites leased from Getty.

We estimate that our rental income will be \$26.6 million for the forecast period, as compared to \$21.6 million and \$20.3 million for the year ended December 31, 2011 and the twelve months ended March 31, 2012, respectively, each on a pro forma basis. This estimated rental income is based primarily on the expectation that we will own or lease 416 sites during the forecast period as compared to the 316 sites we owned and leased during the year ended December 31, 2011 and the twelve months ended March 31, 2012, each on a pro forma basis.

In May 2012, we entered into a master lease agreement to lease 120 sites from an affiliate of Getty. Of the 120 sites, 74 are located in Massachusetts, 22 are located in New Hampshire, 15 are located in Pennsylvania and nine are located in Maine. Currently, eight sites are subleased to lessee dealers, 103 sites are subleased to and operated by LGO, and nine sites are closed. We have initiated plans to re-position a significant number of Getty sites sub-leased to and operated by LGO. Our plans to re-position these sites includes converting a significant portion of these sites to independent lessee dealer-operated sites. We will distribute motor fuels to the Getty sites either to lessee dealers directly or through LGO which will operate the sites. In addition, we will collect rental income from lessee dealers or LGO.

Our revenue forecast is based primarily on the following assumptions:

- *Revenues from Fuel Sales.* We estimate that we will distribute 385.9 million gallons of motor fuels to third parties during the forecast period. This volume estimate is based primarily on the average historical volumes distributed per site to third parties, or 338.6 million gallons for the twelve months ended March 31, 2012, and the volume of motor fuels we estimate for distribution to Getty sites we expect to be operated by lessee dealers. The forecast includes 65 sites we currently lease from Getty, reflected in our operating results beginning in May 2012. After re-positioning the Getty sites, we forecast distributing 47.4 million gallons of motor fuels in the forecast period to Getty sites operated by lessee dealers.

We estimate that the margin per gallon for motor fuels we distribute to third parties, other than sites leased from Getty, whether fixed or variable, will not differ substantially for the forecast period, as compared to the twelve months ended March 31, 2012. We estimate the margin per gallon we expect to earn on motor fuels distributed to Getty sites we expect to be operated by lessee dealers based on margin per gallon we have experienced at our similarly positioned sites operated by lessee dealers. Based on our volume and margin per gallon estimates for the forecast period, we estimate that our motor fuel distribution revenues from fuel sales to third-parties will be \$1,180.6 million for the forecast period, as compared to \$1,131.4 million and \$1,107.6 million for the year ended December 31, 2011 and the twelve months ended March 31, 2012, respectively, each on a pro forma basis.

- *Revenues from Fuel Sales to Affiliates.* We estimate that we will distribute 244.3 million gallons of motor fuels to our affiliates for the forecast period. This volume estimate is based primarily on the average historical volumes distributed per site to our affiliates, or 219.3 million gallons during the twelve months ended March 31, 2012. We expect to complete the re-positioning of the Getty sites before the beginning of the forecast period. We forecast distributing 29.4 million gallons of motor fuels to Getty sites operated by LGO during the forecast period. In our forecast for the volume of motor fuels to be distributed during the forecast period, the volume we expect to distribute to the Getty sites is offset by the loss of 38.0 million gallons previously distributed to affiliate sites located on the Ohio Turnpike, our lease of which ended on December 31, 2011.

We estimate that the margin per gallon of motor fuels we distribute to affiliates, whether fixed or variable, will not be substantially different for the forecast period than our actual margin per gallon for fuel sales to affiliates during the twelve months ended March 31, 2012. Our volume and margin per gallon estimates for the forecast period are based on our estimates of the margin per gallon we expect to earn on motor fuels distributed to Getty sites operated by LGO. Our estimates of the margin per gallon of motor fuels distributed to the Getty sites are based on margin per gallon we have experienced at similarly positioned sites also operated by LGO or commission agents. Based on our volume and margin per gallon estimates for the forecast period, we forecast our motor fuel distribution revenues from fuel sales to affiliates will be \$744.2 million for the forecast period, as compared to \$659.4 million and \$676.7 million for the year ended December 31, 2011 and the twelve months ended March 31, 2012, respectively, each on a pro forma basis.

- *Rental Income.* Our forecast for rental income is based primarily on our current rental income by site. For new sites, including the Getty sites, we estimate rental income based on our experience with sites that are similar in size and location. We estimate that our rental income will be \$13.8 million for the forecast period, as compared to \$10.1 million

and \$10.2 million for the year ended December 31, 2011 and the twelve months ended March 31, 2012, respectively, each on a pro forma basis. This estimated rental income is based primarily on the expectation that we will own or lease 196 sites that we will lease or sub-lease during the forecast period. The forecast includes \$2.9 million in rental income that we expect to earn from 65 Getty sites that we expect to sub-lease to lessee dealers.

- *Rental Income from Affiliates.* Rental income from affiliates is forecast to be generated primarily from sites leased from us, and operated by, LGO. We seek to facilitate fuel sales at the sites at favorable margins per gallon in an effort to maximize the overall profitability to us from the sites. We forecast rental income accounting for this goal. For newly acquired sites, we estimate rental income from affiliates based on our experience with sites that are similar in size and location, taking into account our expectations for the distribution of motor fuel to the sites and our efforts to maximize the overall profitability of the sites. We estimate that our rental income from affiliates will be \$12.7 million for the forecast period, as compared to \$11.5 million and \$10.0 million for the year ended December 31, 2011 and the twelve months ended March 31, 2012, respectively, each on a pro forma basis. This estimated rental income from affiliates is based primarily on the expectation that we will own or lease 220 sites that we, in turn, will lease to affiliates during the forecast period. The forecast includes \$1.2 million in rental income that we expect to earn from 40 Getty sites that we expect sub-lease to LGO.

Costs and Operating Expenses.

Our costs and operating expenses primarily include the cost of revenues from fuel sales, property lease expenses, rent expense, operating expenses, depreciation and amortization expenses, and selling, general and administrative expenses. We forecast our costs and operating expenses will be \$1,922.0 million for the forecast period, as compared to \$1,779.3 million and \$1,778.1 million for the year ended December 31, 2011 and the twelve months ended March 31, 2012, respectively, each on a pro forma basis. Our estimates are based on our historical costs and operating expenses for each site. For newly acquired sites, our estimates are based on our experience with sites that are similar in size and location. Our forecast of costs and operating expenses are based on the following assumptions:

- *Cost of Revenues from Fuel Sales.* We forecast that our cost of revenues from motor fuel distribution operations for the forecast period will be \$1,154.0 million, as compared to \$1,104.4 million and \$1,081.9 million for the year ended December 31, 2011 and the twelve months ended March 31, 2012, respectively, each on a pro forma basis. Our forecast is based on historical costs and operating expenses per gallon of motor fuels distributed and our estimate that we will distribute 386.0 million gallons during the twelve months ended March 31, 2012. The forecast includes 47.4 million gallons of motor fuels that we expect to distribute to lessee dealers at Getty sites. The increase in cost of revenues is based on the distribution that we expect to undertake to the 65 sites that we lease from Getty that are reflected in our operating results starting in May 2012, offset by a reduction in the cost of revenues attributable to distribution to sites located on the Ohio Turnpike for which our lease expired on December 31, 2011.
- *Costs of Revenues from Fuel Sales to Affiliates.* We forecast that our cost of revenues from motor fuel distribution operations to affiliates for the forecast period will be \$729.0 million, as compared to \$649.3 million and \$666.3 million for the year ended December 31, 2011 and the twelve months ended March 31, 2012, respectively, each on a

pro forma basis. Our forecast is based on historical costs per gallon of motor fuels distributed and our estimate that we will distribute 244.2 million gallons of motor fuels to affiliates for the forecast period. The forecast includes 24.9 million gallons of motor fuels that we expect to distribute to LGO at Getty sites. The increase in cost of revenues from motor fuel distribution operations is based on the distribution that we expect to undertake to LGO with respect to the 40 sites that we lease from Getty.

- *Rent Expense.* Our rent expense consists of lease payments to landlords for sites that we lease and, in turn, sub-lease to lessee dealers and LGO. We forecast that our rent expense will be \$14.3 million for the forecast period, as compared to \$7.3 million and \$7.2 million for the year ended December 31, 2011 and the twelve months ended March 31, 2012, respectively, each on a pro forma basis. Our rent expense forecast is based on the expectation that we will lease 226 sites during the forecast period. The forecast includes \$6.0 in rent expense that we expect for the 120 sites we lease from Getty.
- *Operating Expenses.* Our operating expenses consist primarily of expenses related to our real estate operations, including repairs and maintenance and real estate taxes. We estimate operating expenses for the forecast period will be \$2.8 million, as compared to \$3.5 million and \$3.8 million for the year ended December 31, 2011 and the twelve months ended March 31, 2012, respectively, each on a pro forma basis. Our forecast of operating expenses is based primarily on the number of sites we expect to own and lease during the forecast period and our experience with comparable sites.

Depreciation and Amortization. We forecast that our depreciation and amortization expenses will be \$12.6 million for the forecast period, as compared to \$11.2 million and \$13.3 million for the year ended December 31, 2011 and the twelve months ended March 31, 2012, respectively, each on a pro forma basis. Our forecast of depreciation and amortization expenses is based primarily on our average depreciable asset lives and depreciation methodologies, taking into account forecasted capital expenditures described below. We have assumed that the average depreciable asset lives are 17 years for buildings and seven years for equipment.

Selling, General and Administrative. We forecast that our selling, general and administrative expenses will be \$9.5 million for the forecast period, as compared to \$9.2 million and \$9.0 million for the year ended December 31, 2011 and the twelve months ended March 31, 2012, respectively, each on a pro forma basis. The forecasted selling, general and administrative expenses reflects the management fee to be paid to LGC, which shall initially be an amount equal to (1) \$420,000 per month plus (2) \$0.0025 for each gallon of motor fuels we distribute per month, and \$2.3 million of other costs and expenses associated with being a public company, such as director compensation, director and officer insurance, NYSE listing fees, and transfer agent fees.

Interest. We forecast that our interest expense will be \$6.7 million for the forecast period, as compared to \$6.3 million and \$7.9 million for the year ended December 31, 2011 and the twelve months ended March 31, 2012, respectively, each on a pro forma basis. Our total debt balance as of March 31, 2012, on a pro forma basis, was \$141.0 million. Our interest expense for the forecast period is based on the following assumptions:

- our outstanding indebtedness will be reduced by approximately \$ million after application of a portion of the net proceeds from this offering; and

- in calculating our interest rate exposure, we have assumed an average interest rate of 3.00% for the forecast period, as compared to an average interest rate of 3.3% and 3.3% for the year ended December 31, 2011 and the twelve months ended March 31, 2012, respectively, each on a pro forma basis.

Capital Expenditures. We forecast that our capital expenditures will be \$5.3 million for the forecast period, as compared to \$36.5 million and \$37.8 million for the year ended December 31, 2011 and the twelve months ended March 31, 2012, respectively, each on a pro forma basis. We forecast that our maintenance capital expenditures will be \$3.5 million for the forecast period, as compared to \$2.8 million and \$2.6 million of maintenance capital expenditures for the year ended December 31, 2011 and the twelve months ended March 31, 2012, respectively, each on a pro forma basis. Our maintenance capital expenditures in 2011 are not expected to recur in the forecast period. We expect to fund maintenance capital expenditures from cash generated by our operations. We forecast that our expansion capital expenditures will be \$1.8 million for the forecast period, as compared to \$33.7 million and \$35.2 million for the year ended December 31, 2011 and the twelve months ended March 31, 2012, respectively, each on a pro forma basis. The forecasted expansion capital expenditures during the forecast period reflect our obligation to invest in the sites we lease from Getty. We plan to grow through acquisitions, which would increase our expansion capital expenditures, though our forecast does not include any specific acquisition activity.

Regulatory, Industry and Economic Factors. We forecast our results of operations for the forecast period based on the following assumptions related to regulatory, industry and economic factors:

- no material nonperformance or credit-related defaults by suppliers, dealers, lessees or sub-wholesalers;
- no new federal, state or local regulation of the portions of the motor fuels industry in which we operate or any interpretation of existing regulation that in either case will be materially adverse to our business;
- no material adverse effects to our business or industry on account of natural disasters;
- no major adverse change resulting from supply disruptions or reduced demand for motor fuels; and
- no material changes to market, regulatory and overall economic conditions.

Actual results could vary significantly from the foregoing assumptions if there are substantial changes in the demand for motor fuels, including, but not limited to, decreases in demand for motor fuels resulting from increases in the price of motor fuels, if a number of our customers are unable to satisfy their contractual obligations, if we divest some of our properties or fail to acquire new properties, if the margin we charge on motor fuels we distribute changes substantially, if we are not able to enter into new or amend our current supply agreements in order to meet any increased demand for motor fuels and service any newly acquired sites. Please read "Risk Factors—Risks Inherent in Our Business—The assumptions underlying the forecast of cash available for distribution that we include in "Cash Distribution Policy and Restrictions on Distributions" are inherently uncertain and subject to significant business, economic, financial, regulatory and competitive risks and uncertainties that could cause our actual cash available for distribution to differ materially from our forecast.

HOW WE MAKE DISTRIBUTIONS TO OUR PARTNERS

General

Within 60 days after the end of each quarter, beginning with the quarter ending _____, 2012, we intend to make cash distributions to unitholders of record on the applicable record date. We will adjust the minimum quarterly distribution for the period from the closing of the offering through _____, 2012. We intend to distribute to the holders of common units and subordinated units on a quarterly basis at least the minimum quarterly distribution of \$ _____ per unit, or \$ _____ per unit per year, to the extent we have sufficient cash available for distribution.

Our partnership agreement does not contain a requirement for us to pay distributions, whether in the form of cash or equity, to our unitholders. However, it does contain provisions intended to motivate our general partner to make steady, increasing and sustainable distributions over time. See "Cash Distribution Policy and Restrictions on Distributions—General—Our Cash Distribution Policy."

Operating Surplus and Capital Surplus

General

Any distributions we make will be characterized as made from "operating surplus" or "capital surplus." Distributions from operating surplus are made differently than we would distribute cash from capital surplus. Operating surplus distributions will be made to our unitholders and, if we make quarterly distributions above the first target distribution level described below, to the holder of our incentive distribution rights. We do not anticipate that we will make any distributions from capital surplus. In such an event, however, any capital surplus distribution would be made pro rata to all unitholders, but the holder of the incentive distribution rights would generally not participate in any capital surplus distributions with respect to those rights.

Operating Surplus

We define operating surplus as:

- \$ _____ million (as described below); *plus*
- all of our cash receipts after the closing of this offering, excluding cash from interim capital transactions (as defined below) *provided* that cash receipts from the termination of a commodity hedge or interest rate hedge prior to its specified termination date shall be included in operating surplus in equal quarterly installments over the remaining scheduled life of such commodity hedge or interest rate hedge; *plus*
- working capital borrowings made after the end of a period but on or before the date of determination of operating surplus for the period; *plus*
- cash distributions paid in respect of equity issued (including incremental distributions on incentive distribution rights), other than equity issued in this offering, to finance all or a portion of expansion capital expenditures in respect of the period from such financing until the earlier to occur of the date the capital asset commences commercial service and the date that it is abandoned or disposed of; *plus*

- cash distributions paid in respect of equity issued (including incremental distributions on incentive distribution rights) to pay the construction period interest on debt incurred, or to pay construction period distributions on equity issued, to finance the expansion capital expenditures referred to above, in each case, in respect of the period from such financing until the earlier to occur of the date the capital asset is placed in service and the date that it is abandoned or disposed of; *less*
- all of our operating expenditures (as defined below) after the closing of this offering; *less*
- the amount of cash reserves established by our general partner to provide funds for future operating expenditures; *less*
- all working capital borrowings not repaid within twelve months after having been incurred (or repaid with the proceeds of additional working capital borrowings); *less*
- any loss realized on disposition of an investment capital expenditure.

Operating surplus does not reflect actual cash on hand that is available for distribution to our unitholders and is not limited to cash generated by our operations. For example, it includes a basket of \$ million that will enable us, if we choose, to distribute as operating surplus cash we receive in the future from non-operating sources such as asset sales, issuances of securities and long-term borrowings that would otherwise be distributed as capital surplus. In addition, the effect of including, as described above, certain cash distributions on equity interests in operating surplus will be to increase operating surplus by the amount of any such cash distributions. As a result, we may also distribute as operating surplus up to the amount of any such cash that we receive from non-operating sources.

The proceeds of working capital borrowings increase operating surplus and repayments of working capital borrowings are generally operating expenditures, as described below, and thus reduce operating surplus when made. However, if a working capital borrowing is not repaid during the twelve-month period following the borrowing, it will be deemed repaid at the end of such period, thus decreasing operating surplus at such time. When such working capital borrowing is in fact repaid, it will be excluded from operating expenditures because operating surplus will have been previously reduced by the deemed repayment.

We define operating expenditures in our partnership agreement, and it generally means all of our cash expenditures, including, but not limited to, management fees paid to LGC, taxes, reimbursement of expenses to our general partner or its affiliates, payments made under interest rate hedge agreements or commodity hedge agreements (provided that (1) with respect to amounts paid in connection with the initial purchase of an interest rate hedge contract or a commodity hedge contract, such amounts will be amortized over the life of the applicable interest rate hedge contract or commodity hedge contract and (2) payments made in connection with the termination of any interest rate hedge contract or commodity hedge contract prior to the expiration of its stipulated settlement or termination date will be included in operating expenditures in equal quarterly installments over the remaining scheduled life of such interest rate hedge contract or commodity hedge contract), officer compensation, repayment of working capital borrowings, debt service payments and maintenance capital expenditures, provided that operating expenditures will not include:

- repayment of working capital borrowings deducted from operating surplus pursuant to the penultimate bullet point of the definition of operating surplus above when such repayment actually occurs;

- payments (including prepayments and prepayment penalties and the purchase price of indebtedness that is repurchased and cancelled) of principal of and premium on indebtedness, other than working capital borrowings;
- expansion capital expenditures;
- investment capital expenditures;
- payment of transaction expenses relating to interim capital transactions;
- distributions to our partners (including distributions in respect of our incentive distribution rights); or
- repurchases of equity interests except to fund obligations under employee benefit plans.

Capital Surplus

Capital surplus is defined in our partnership agreement as any distribution of cash in excess of our operating surplus. Accordingly, capital surplus would generally be generated only by the following which (we refer to as "interim capital transactions"):

- borrowings other than working capital borrowings;
- sales of our equity and debt securities; and
- sales or other dispositions of assets for cash, other than inventory, accounts receivable and other assets sold in the ordinary course of business or as part of normal retirement or replacement of assets.

Characterization of Cash Distributions

Our partnership agreement requires that we treat all distributions as coming from operating surplus until the sum of all distributions since the closing of this offering equals the operating surplus from the closing of this offering through the end of the quarter immediately preceding that distribution. Our partnership agreement requires that we treat any amount distributed in excess of operating surplus, regardless of its source, as capital surplus. As described above, operating surplus includes up to \$ million, which does not reflect actual cash on hand that is available for distribution to our unitholders. Rather, it is a provision that will enable us, if we choose, to distribute as operating surplus up to this amount that would otherwise be distributed as capital surplus. We do not anticipate that we will make any distributions from capital surplus.

Capital Expenditures

Maintenance capital expenditures reduce operating surplus, but expansion capital expenditures and investment capital expenditures do not. Maintenance capital expenditures are those capital expenditures required to maintain our long-term operating income or operating capacity. Examples of maintenance capital expenditures include expenditures associated with the replacement of equipment at our sites. Maintenance capital expenditures will also include interest (and related fees) on debt incurred and distributions on equity issued (including incremental distributions on incentive distribution rights) to finance all or any portion of the construction or development of a replacement asset that is paid in respect of the period that

begins when we enter into a binding obligation to commence constructing or developing a replacement asset and ending on the earlier to occur of the date that any such replacement asset commences commercial service and the date that it is abandoned or disposed of. Capital expenditures made solely for investment purposes will not be considered maintenance capital expenditures.

Expansion capital expenditures are those capital expenditures that we expect will increase our operating income or operating capacity over the long term. Examples of expansion capital expenditures include the acquisition of new sites or the construction or expansion of convenience stores or carwashes at our sites, to the extent such capital expenditures are expected to expand our long-term operating income or operating capacity. Expansion capital expenditures will also include interest (and related fees) on debt incurred and distributions on equity issued (including incremental distributions on incentive distribution rights) to finance all or any portion of the construction of such capital improvement in respect of the period that commences when we enter into a binding obligation to commence construction of a capital improvement and ending on the earlier to occur of the date any such capital improvement commences commercial service and the date that it is disposed of or abandoned. Capital expenditures made solely for investment purposes will not be considered expansion capital expenditures.

Investment capital expenditures are those capital expenditures that are neither maintenance capital expenditures nor expansion capital expenditures. Investment capital expenditures largely will consist of capital expenditures made for investment purposes. Examples of investment capital expenditures include traditional capital expenditures for investment purposes, such as purchases of securities, as well as other capital expenditures that might be made in lieu of such traditional investment capital expenditures, such as the acquisition of a capital asset for investment purposes, but which are not expected to expand, for more than the short term, our operating income or operating capacity.

Neither investment capital expenditures nor expansion capital expenditures are included in operating expenditures, and thus will not reduce operating surplus. Because expansion capital expenditures include interest payments (and related fees) on debt incurred to finance all or a portion of the construction or improvement of a capital asset in respect of a period that begins when we enter into a binding obligation to commence construction of a capital improvement and ending on the earlier to occur of the date any such capital asset commences commercial service and the date that it is abandoned or disposed of, such interest payments also do not reduce operating surplus. Losses on disposition of an investment capital expenditure will reduce operating surplus when realized and cash receipts from an investment capital expenditure will be treated as a cash receipt for purposes of calculating operating surplus only to the extent the cash receipt is a return on principal.

Capital expenditures that are made in part for maintenance capital purposes, investment capital purposes and/or expansion capital purposes will be allocated as maintenance capital expenditures, investment capital expenditures or expansion capital expenditures by our general partner.

Partnership Interests

Common Units

At the closing of this offering, our common units and incentive distribution rights will be the only partnership interests entitled to cash distributions. Please see "Description of the Common Units."

Subordinated Units

The subordinated units will generally share pro rata with our common units with respect to the payment of distributions except that, for each quarter during the subordination period, holders of the subordinated units will not be entitled to receive any distribution from operating surplus until the common units have received the minimum quarterly distribution from operating surplus plus any arrearages in the payment of the minimum quarterly distribution from prior quarters. The subordinated units will not accrue arrearages.

Subordination Period

General

Our partnership agreement provides that, during the subordination period (which we describe below), the common units will have the right to receive distributions from operating surplus each quarter in an amount equal to \$ _____ per common unit, which amount is defined in our partnership agreement as the minimum quarterly distribution, plus any arrearages in the payment of the minimum quarterly distribution on the common units from prior quarters, before any distributions of cash from operating surplus may be made on the subordinated units. The practical effect of the subordination period is to increase the likelihood that during such period there will be sufficient cash from operating surplus to pay the minimum quarterly distribution on the common units.

Subordination Period

Except as described below, the subordination period will begin on the closing date of this offering and will expire on the first business day after the distribution to unitholders in respect of any quarter, beginning with the quarter ending _____, 2015 if each of the following has occurred:

- distributions of cash from operating surplus on each of the outstanding common and subordinated units equaled or exceeded the minimum quarterly distribution of \$ _____ per unit for each of the three consecutive, non-overlapping four-quarter periods immediately preceding that date;
- the "adjusted operating surplus" (as defined below) generated during each of the three consecutive, non-overlapping four-quarter periods immediately preceding that date equaled or exceeded the sum of the minimum quarterly distribution on all of the outstanding common and subordinated units during those periods on a fully diluted weighted average basis; and
- there are no arrearages in payment of the minimum quarterly distribution on the common units.

Early Termination of Subordination Period

Notwithstanding the foregoing, the subordination period will automatically terminate on the first business day after the distribution to unitholders in respect of any quarter, beginning with the quarter ending _____, if each of the following has occurred:

- distributions of cash from operating surplus on each of the outstanding common and subordinated units equaled or exceeded \$ _____ (150.0% of the annualized minimum quarterly distribution) for each quarter in the four-quarter period immediately preceding that date;
- the "adjusted operating surplus" (as defined below) generated during the four-quarter period immediately preceding that date equaled or exceeded the sum of \$ _____ (150.0% of the annualized minimum quarterly distribution) on all of the outstanding units on a fully diluted weighted average basis and the related distribution on the incentive distribution rights; and
- there are no arrearages in payment of the minimum quarterly distribution on the common units.

Expiration Upon Removal of the General Partner

In addition, if the unitholders remove our general partner other than for cause:

- the subordinated units held by any person will immediately and automatically convert into common units on a one-for-one basis, provided (1) neither such person nor any of its affiliates voted any of its units in favor of the removal and (2) such person is not an affiliate of the successor general partner; and
- if all of the subordinated units convert pursuant to the foregoing, all cumulative arrearages on the common units will be extinguished and the subordination period will end.

Expiration of the Subordination Period

When the subordination period ends, each outstanding subordinated unit will convert into one common unit and will then participate pro-rata with the other common units in cash distributions.

Adjusted Operating Surplus

Adjusted operating surplus is intended to reflect the cash generated from operations during a particular period and therefore excludes net increases in working capital borrowings and net drawdowns of reserves of cash generated in prior periods. Adjusted operating surplus consists of:

- operating surplus generated with respect to that period (excluding any amounts attributable to the items described in the first bullet point under "— Operating Surplus and Capital Surplus—Operating Surplus" above); *less*
- the amount of any net increase in working capital borrowings with respect to that period; *less*

- the amount of any net decrease in cash reserves for operating expenditures with respect to that period not relating to an operating expenditure made with respect to that period; *plus*
- the amount of any net decrease in working capital borrowings with respect to that period; *plus*
- the amount of any net increase in cash reserves for operating expenditures with respect to that period required by any debt instrument for the repayment of principal, interest or premium; *plus*
- the amount of any net decrease made in subsequent periods in cash reserves for operating expenditures initially established with respect to such period to the extent such decrease results in a reduction of adjusted operating surplus in subsequent periods pursuant to the third bullet point above.

Distributions of Cash From Operating Surplus During the Subordination Period

If we make a distribution from operating surplus for any quarter during the subordination period, our partnership agreement requires that we make the distribution in the following manner:

- *first*, 100.0% to the common unitholders, pro rata, until we distribute for each common unit an amount equal to the minimum quarterly distribution for that quarter and any arrearages in payment of the minimum quarterly distribution for prior quarters;
- *second*, 100.0% to the subordinated unitholders, pro rata, until we distribute for each subordinated unit an amount equal to the minimum quarterly distribution for that quarter; and
- *thereafter*, in the manner described in "—Incentive Distribution Rights" below.

The preceding discussion is based on the assumption that we do not issue additional classes of equity interests.

Distributions of Cash From Operating Surplus After the Subordination Period

If we make a distribution from operating surplus for any quarter after the subordination period, our partnership agreement requires that we make the distribution in the following manner:

- *first*, 100.0% to all common unitholders, pro rata, until we distribute for each common unit an amount equal to the minimum quarterly distribution for that quarter; and
- *thereafter*, in the manner described in "—Incentive Distribution Rights" below.

The preceding discussion is based on the assumption that we do not issue additional classes of equity interests.

General Partner Interest

Our general partner owns a non-economic general partner interest in us and thus will not be entitled to distributions that we make prior to our liquidation in respect of such interest.

Incentive Distribution Rights

Incentive distribution rights represent the right to receive an increasing percentage (15.0%, 25.0% and 50.0%) of quarterly distributions from operating surplus after the minimum quarterly distribution and the target distribution levels have been achieved. Upon the closing of this offering, our general partner will hold all of our incentive distribution rights, but may transfer these rights separately from its non-economic general partner interest.

The following discussion assumes that there are no arrearages on common units and that our general partner continues to own the incentive distribution rights.

If for any quarter:

- we have distributed cash from operating surplus to the common and subordinated unitholders in an amount equal to the minimum quarterly distribution; and
- we have distributed cash from operating surplus on outstanding common units in an amount necessary to eliminate any cumulative arrearages in payment of the minimum quarterly distribution;

then, our partnership agreement requires that any incremental distributions from operating surplus for that quarter will be made among the unitholders and the general partner in the following manner:

- first, 100.0% to all unitholders, pro rata, until each unitholder receives a total of \$ per unit for that quarter (the "first target distribution");
- second, 85.0% to all unitholders, pro rata, and 15.0% to the holders of incentive distribution rights, until each unitholder receives a total of \$ per unit for that quarter (the "second target distribution");
- third, 75.0% to all unitholders, pro rata, and 25.0% to the holders of the incentive distribution rights, until each unitholder receives a total of \$ per unit for that quarter (the "third target distribution"); and
- thereafter, 50.0% to all unitholders, pro rata, and 50.0% to the holders of the incentive distribution rights.

Percentage Allocations of Cash Distributions From Operating Surplus

The following table illustrates the percentage allocations of the cash distributions from operating surplus between the unitholders and our general partner based on the specified target distribution levels. The amounts set forth under "Marginal Percentage Interest in Distributions" are the percentage interests of our general partner and the unitholders in any cash distributions from operating surplus we distribute up to and including the corresponding amount in the column "Total Quarterly Distribution Per Common and Subordinated Unit," until cash we distribute from operating surplus reaches the next target distribution level, if any. The percentage

interests shown for the unitholders and the general partner for the minimum quarterly distribution are also applicable to quarterly distribution amounts that are less than the minimum quarterly distribution. The percentage interests set forth below for our general partner assume the general partner has not transferred its incentive distribution rights.

	Total Quarterly Distribution Per Common and Subordinated Unit Target Amount	Marginal Percentage Interest in Distribution	
		Unitholders	General Partner
Minimum Quarterly Distribution	\$	100%	0%
First Target Distribution	up to \$	100%	0%
Second Target Distribution	above \$ up to \$	85%	15%
Third Target Distribution	above \$ up to \$	75%	25%
Thereafter	above \$	50%	50%

General Partner's Right to Reset Incentive Distribution Levels

Our general partner, as the initial holder of our incentive distribution rights, has the right under our partnership agreement to elect to relinquish the right to receive incentive distribution payments based on the initial cash target distribution levels and to reset, at higher levels, the target distribution levels upon which the incentive distribution payments to our general partner would be set. If our general partner transfers all or a portion of our incentive distribution rights in the future, then the holder or holders of a majority of our incentive distribution rights will be entitled to exercise this right. The following discussion assumes that our general partner holds all of the incentive distribution rights at the time that a reset election is made. The right to reset the target distribution levels upon which the incentive distributions are based may be exercised, without approval of our unitholders or the conflicts committee of our general partner, at any time when there are no subordinated units outstanding and we have made cash distributions to the holders of the incentive distribution rights at the highest level of incentive distribution for each of the prior four consecutive fiscal quarters. The reset target distribution levels will be higher than the target distribution levels prior to the reset such that there will be no incentive distributions paid under the reset target distribution levels until cash distributions per unit following this event increase as described below. We anticipate that our general partner would exercise this reset right in order to facilitate acquisitions or internal growth projects that would otherwise not be sufficiently accretive to cash distributions per common unit, taking into account the existing levels of incentive distribution payments being made to our general partner.

In connection with the resetting of the target distribution levels and the corresponding relinquishment by our general partner of incentive distribution payments based on the target cash distributions prior to the reset, our general partner will be entitled to receive a number of newly issued common units based on a predetermined formula described below that takes into account the "cash parity" value of the cash distributions related to the incentive distribution rights received by our general partner for the quarter prior to the reset event as compared to the average cash distributions per common unit during this period.

The number of common units that our general partner would be entitled to receive from us in connection with a resetting of the minimum quarterly distribution amount and the target distribution levels then in effect would be equal to the quotient determined by dividing (x) the amount of cash distributions received by our general partner in respect of its incentive distribution rights for the most recent quarterly distribution by (y) the amount of cash

distributed per common unit for such quarter. Our general partner would be entitled to receive distributions in respect of these common units pro rata in subsequent periods.

Following a reset election, quarterly baseline distribution amount will be calculated as an amount equal to the cash distribution amount per unit for the fiscal quarter immediately preceding the reset election (which amount we refer to as the "reset minimum quarterly distribution") and the target distribution levels will be reset to be correspondingly higher such that we would make distributions from operating surplus for each quarter thereafter as follows:

- first, 100.0% to all common unitholders, pro rata, until each unitholder receives an amount per unit equal to 115.0% of the reset minimum quarterly distribution for that quarter;
- second, 85.0% to all common unitholders, pro rata, and 15.0% to our general partner in its capacity as the holder of our incentive distribution rights, until each unitholder receives an amount per unit equal to 125.0% of the reset minimum quarterly distribution for the quarter;
- third, 75.0% to all common unitholders, pro rata, and 25.0% to our general partner in its capacity as the holder of our incentive distribution rights, until each unitholder receives an amount per unit equal to 150.0% of the reset minimum quarterly distribution for the quarter; and
- thereafter, 50.0% to all common unitholders, pro rata, and 50.0% to our general partner in its capacity as the holder of our incentive distribution rights.

Because a reset election can only occur after the subordination period expires, the reset minimum quarterly distribution will have no significance except as a baseline for the target distribution levels.

The following table illustrates the percentage allocation of distributions from operating surplus between the unitholders and our general partner in its capacity as the holder of our incentive distribution rights at various cash distribution levels (1) pursuant to the cash distribution provisions of our partnership agreement in effect at the closing of this offering, as well as (2) following a hypothetical reset of the target distribution levels based on the assumption that the quarterly cash distribution amount per common unit during the prior fiscal quarter immediately preceding the reset election was \$.

	Quarterly Distribution Per Unit Prior to Reset	Marginal Percentage Interest in Distribution		Quarterly Distribution Per Unit Following Hypothetical Reset
		Unitholders	General Partner (In its capacity as the holder of our incentive distribution rights)	
First Target Distribution	up to \$	100%	0%	up to \$ (1)
Second Target Distribution	above \$ up to \$	85%	15%	above \$ up to \$ (2)
Third Target Distribution	above \$ up to \$	75%	25%	above \$ up to \$ (3)
Thereafter	above \$	50%	50%	above \$ (3)

(1) This amount is 115.0% of the hypothetical reset minimum quarterly distribution.

- (2) This amount is 125.0% of the hypothetical reset minimum quarterly distribution.
- (3) This amount is 150.0% of the hypothetical reset minimum quarterly distribution.

The following table illustrates the total amount of distributions from operating surplus that would be distributed to the unitholders and our general partner in respect of its incentive distribution rights, based on the amount distributed per quarter for the quarter immediately prior to the reset. The table assumes that immediately prior to the reset there would be _____ common units outstanding and the distribution to each common unit would be \$ _____ per quarter for the quarter prior to the reset.

	Prior to Reset					Total Distributions
	Quarterly Distributions Per Unit	Cash Distributions to Common Unitholders	Cash Distributions to General Partner (In its capacity as the holder of our incentive distribution rights)		Total	
			Common Units	Incentive Distribution Rights		
First Target Distribution	up to \$					
Second Target Distribution	above \$ up to \$					
Third Target Distribution	above \$ up to \$					
Thereafter	above \$					

The following table illustrates the total amount of distributions from operating surplus that would be distributed to the unitholders and our general partner in respect of its incentive distribution rights, with respect to the quarter in which the reset occurs. The table reflects that as a result of the reset there would be _____ common units outstanding, and the distribution to each common unit would be \$ _____. The number of common units to be issued to our general partner upon the reset is calculated by dividing (1) the amount received by our general partner in respect of its incentive distribution rights for the quarters prior to the reset as shown in the table above, or \$ _____, by (2) the amount distributed on each common unit for the quarter prior to the reset as shown in the table above, or \$ _____.

	After the Reset					Total Distributions
	Quarterly Distributions Per Unit	Cash Distributions to Common Unitholders	Cash Distributions to General Partner (In its capacity as the holder of our incentive distribution rights)		Total	
			Common Units	Incentive Distribution Rights		
First Target Distribution	up to \$					
Second Target Distribution	above \$ up to \$					
Third Target Distribution	above \$ up to \$					
Thereafter	above \$					

Our general partner in respect of its incentive distribution rights will be entitled to cause the target distribution levels to be reset on more than one occasion, provided that it may not make a reset election except at a time when it has received incentive distributions for the prior four consecutive fiscal quarters based on the highest level of incentive distributions that it is entitled to receive under our partnership agreement.

Distributions From Capital Surplus

How Distributions From Capital Surplus Will Be Made

Our partnership agreement requires that we make distributions of cash from capital surplus, if any, in the following manner:

- *first*, 100.0% to all common and subordinated unitholders, pro rata until the minimum quarterly distribution is reduced to zero, as described below;
- *second*, 100.0% to the common unitholders, pro rata, until we distribute for each common unit, an amount of cash from capital surplus equal to any unpaid arrearages in payment of the minimum quarterly distribution on the common units; and
- *thereafter*, we will make all distributions of cash from capital surplus as if they were from operating surplus.

Effect of a Distribution From Capital Surplus

Our partnership agreement treats a distribution of cash from capital surplus as the repayment of the initial unit price from this offering, which is a return of capital. Each time a distribution of cash from capital surplus is made, the minimum quarterly distribution and the target distribution levels will be reduced in the same proportion as the corresponding reduction in relation to the fair market value of the common units prior to the announcement of the distribution. Because distributions of capital surplus will reduce the minimum quarterly distribution and target distribution levels after any of these distributions are made, it may be easier for our general partner to receive incentive distributions and for the subordinated units to convert into common units. However, any distribution of capital surplus before the minimum quarterly distribution is reduced to zero cannot be applied to the payment of the minimum quarterly distribution or any arrearages.

If we reduce the minimum quarterly distribution and the target distribution levels to zero, all future distributions from operating surplus will be made such that 50.0% is paid to all unitholders, pro rata, and 50.0% is paid to the holders of the incentive distribution rights, pro rata.

Adjustment to the Minimum Quarterly Distribution and Target Distribution Levels

In addition to adjusting the minimum quarterly distribution and target distribution levels to reflect a distribution of capital surplus, if we combine our common units into fewer common units or subdivide our common units into a greater number of common units, our partnership agreement specifies that the following items will be proportionately adjusted:

- the minimum quarterly distribution;
- the target distribution levels;
- the unrecovered initial unit price;

- the per unit amount of any outstanding arrearages in payment of the minimum quarterly distribution on the common units; and
- the number of subordinated units.

For example, if a two-for-one split of the common units should occur, the minimum quarterly distribution, the target distribution levels and the unrecovered initial unit price would each be reduced to 50.0% of its initial level. If we combine our common units into a lesser number of units or subdivide our common units into a greater number of units, we will combine or subdivide our subordinated units using the same ratio applied to the common units. Our partnership agreement provides that we do not make any adjustment by reason of the issuance of additional units for cash or property.

In addition, if as a result of a change in law or interpretation thereof, we or any of our subsidiaries is treated as an association taxable as a corporation or is otherwise subject to additional taxation as an entity for U.S. federal, state, local or non-U.S. income or withholding tax purposes, our general partner may, in its sole discretion, reduce the minimum quarterly distribution and the target distribution levels for each quarter by multiplying each distribution level by a fraction, the numerator of which is cash available for distribution for that quarter (after deducting our general partner's estimate of our additional aggregate liability for the quarter for such income and withholdings taxes payable by reason of such change in law or interpretation) and the denominator of which is the sum of (1) cash available for distribution for that quarter, plus (2) our general partner's estimate of our additional aggregate liability for the quarter for such income and withholding taxes payable by reason of such change in law or interpretation thereof. To the extent that the actual tax liability differs from the estimated tax liability for any quarter, the difference will be accounted for in distributions with respect to subsequent quarters.

Distributions of Cash Upon Liquidation

General

If we dissolve in accordance with the partnership agreement, we will sell or otherwise dispose of our assets in a process called liquidation. We will first apply the proceeds of liquidation to the payment of our creditors. We will distribute any remaining proceeds to the unitholders and the holders of the incentive distribution rights in accordance with their capital account balances, as adjusted to reflect any gain or loss upon the sale or other disposition of our assets in liquidation.

The allocations of gain and loss upon liquidation are intended, to the extent possible, to entitle the holders of common units to a preference over the holders of subordinated units upon our liquidation, to the extent required to permit common unitholders to receive their unrecovered initial unit price plus the minimum quarterly distribution for the quarter during which liquidation occurs plus any unpaid arrearages in payment of the minimum quarterly distribution on the common units. However, there may not be sufficient gain upon our liquidation to enable the common unitholders to fully recover all of these amounts, even though there may be cash available for distribution to the holders of subordinated units. Any further net gain recognized upon liquidation will be allocated in a manner that takes into account the incentive distribution rights of our general partner.

Manner of Adjustments for Gain

If our liquidation occurs before the end of the subordination period, we will generally allocate any gain to the partners in the following manner:

- *first*, to our general partner to the extent of certain prior losses specially allocated to our general partner;
- *second*, 100.0% to the common unitholders, pro rata, until the capital account for each common unit is equal to the sum of: (1) the unrecovered initial unit price; (2) the amount of the minimum quarterly distribution for the quarter during which our liquidation occurs; and (3) any unpaid arrearages in payment of the minimum quarterly distribution;
- *third*, 100.0% to the subordinated unitholders, pro rata, until the capital account for each subordinated unit is equal to the sum of: (1) the unrecovered initial unit price; and (2) the amount of the minimum quarterly distribution for the quarter during which our liquidation occurs;
- *fourth*, 100.0% to all unitholders, pro rata, until we allocate under this paragraph an amount per unit equal to: (1) the sum of the excess of the first target distribution per unit over the minimum quarterly distribution per unit for each quarter of our existence; *less* (2) the cumulative amount per unit of any distributions of cash from operating surplus in excess of the minimum quarterly distribution per unit that we distributed to the unitholders, pro rata, for each quarter of our existence;
- *fifth*, 85.0% to all unitholders, pro rata, and 15.0% to our general partner, until we allocate under this paragraph an amount per unit equal to: (1) the sum of the excess of the second target distribution per unit over the first target distribution per unit for each quarter of our existence; *less* (2) the cumulative amount per unit of any distributions of cash from operating surplus in excess of the first target distribution per unit that we distributed 85.0% to the unitholders, pro rata, and 15.0% to the general partner for each quarter of our existence;
- *sixth*, 75.0% to all unitholders, pro rata, and 25.0% to the general partner, until we allocate under this paragraph an amount per unit equal to: (1) the sum of the excess of the third target distribution per unit over the second target distribution per unit for each quarter of our existence; *less* (2) the cumulative amount per unit of any distributions of cash from operating surplus in excess of the second target distribution per unit that we distributed 75.0% to the unitholders, pro rata, and 25.0% to the general partner for each quarter of our existence; and
- *thereafter*, 50.0% to all unitholders, pro rata, and 50.0% to the general partner.

The percentage interests set forth above for our general partner assume the general partner has not transferred the incentive distribution rights.

If the liquidation occurs after the end of the subordination period, the distinction between common units and subordinated units will disappear, so that clause (3) of the second bullet point above and all of the third bullet point above will no longer be applicable.

We may make special allocations of gain among the partners in a manner to create economic uniformity among the common units into which the subordinated units convert and the common units held by public unitholders.

Manner of Adjustments for Losses

If our liquidation occurs before the end of the subordination period, we will generally allocate any loss to our general partner and the unitholders in the following manner:

- *first*, 100.0% to holders of subordinated units in proportion to the positive balances in their capital accounts, until the capital accounts of the subordinated unitholders have been reduced to zero; and
- *thereafter*, 100.0% to the holders of common units in proportion to the positive balances in their capital accounts until the capital accounts of the common unitholders have been reduced to zero.

If the liquidation occurs after the end of the subordination period, the distinction between common units and subordinated units will disappear, so that all of the first bullet point above will no longer be applicable.

We may make special allocations of loss among the partners in a manner to create economic uniformity among the common units into which the subordinated units convert and the common units held by public unitholders.

Adjustments to Capital Accounts

Our partnership agreement requires that we make adjustments to capital accounts upon the issuance of additional units. In this regard, our partnership agreement specifies that we allocate any unrealized and, for U.S. federal income tax purposes, unrecognized gain resulting from the adjustments to the unitholders and the general partner in its capacity as the holder of our incentive distribution rights in the same manner as we allocate gain upon liquidation. In the event that we make positive adjustments to the capital accounts upon the issuance of additional units, our partnership agreement requires that we generally allocate any later negative adjustments to the capital accounts resulting from the issuance of additional units or upon our liquidation in a manner which results, to the extent possible, in the partners' capital account balances equaling the amount which they would have been if no earlier positive adjustments to the capital accounts had been made. By contrast to the allocations of gain, and except as provided above, we generally will allocate any unrealized and unrecognized loss resulting from the adjustments to capital accounts upon the issuance of additional units to the unitholders based on their respective percentage ownership of us. In this manner, prior to the end of the subordination period, we generally will allocate any such loss equally with respect to our common and subordinated units. In the event we make negative adjustments to the capital accounts as a result of such loss, future positive adjustments resulting from the issuance of additional units will be allocated in a manner designed to reverse the prior negative adjustments, and special allocations will be made upon liquidation in a manner that results, to the extent possible, in our unitholders' capital account balances equaling the amounts they would have been if no earlier adjustments for loss had been made.

**SELECTED HISTORICAL AND PRO FORMA
COMBINED FINANCIAL AND OPERATING DATA**

We were formed in December 2011 and do not have our own historical financial statements for periods prior to our formation. The following table presents selected combined financial and operating data of our predecessor, which includes the business of LGC and its subsidiaries and affiliates that will be contributed to us in connection with this offering, as of the dates and for the periods indicated.

The selected combined financial data has been prepared on the following basis:

- the selected combined financial data presented as of December 31, 2007, 2008 and 2009 and for the years ended December 31, 2007 and 2008 is derived from the unaudited combined financial statements, which are not included in this prospectus;
- the selected combined financial data presented as of December 31, 2010 and 2011 and for the years ended December 31, 2009, 2010 and 2011 is derived from the audited combined financial statements, which are included elsewhere in this prospectus; and
- the selected combined financial data presented as of March 31, 2012 and for the three months ended March 31, 2011 and 2012 is derived from the unaudited combined financial statements, which are included elsewhere in this prospectus.

The selected pro forma combined financial data presented as of March 31, 2012 and for the year ended December 31, 2011 and the three months ended March 31, 2012 is derived from the unaudited pro forma condensed combined financial statements included elsewhere in this prospectus. Our unaudited pro forma condensed combined financial statements give pro forma effect to:

- (i) the contribution by the Topper Group to us of the contributed entities or the merger of the contributed entities with us (ii) the transfer by the non-contributed entities to us of certain (A) supply and distribution agreements, (B) real property and leasehold interests, (C) personal property and (D) other assets and liabilities relating to the motor fuel distribution business or the ownership of sites and (iii) the contribution by the Topper Group to us of certain real property and leasehold interests, to us in exchange for an aggregate of common units and subordinated units;
- the contribution by LGC of certain assets and liabilities to us in exchange for common units and subordinated units;
- our entry into a new credit agreement as described in "Management's Discussion and Analysis of Financial Condition and Results of Operations—Liquidity and Capital Resources—New Credit Agreement;"
- the issuance by us to the public of common units and the use of the net proceeds from this offering as described under "Use of Proceeds;"
- our distribution or payment of an aggregate \$ million to the Topper Group and LGC as reimbursement for certain capital expenditures made by the Topper Group and LGC with respect to the assets they contributed, to the extent such amount is not paid out of proceeds from the new credit facility;
- our entry into lease agreements and a wholesale supply agreement with LGO as described in "Certain Relationships and Related Transactions—Agreements with Affiliates—LGO Lease Agreements" and "Certain Relationships and Related Transactions—Agreements with Affiliates—LGO Wholesale Supply Agreement;"
- our entry into an omnibus agreement as described in "Certain Relationships and Related Party Transactions—Agreements with Affiliates—Omnibus Agreement;" and

- the exclusion of marginally performing assets, retail motor fuel assets and operations, environmental indemnification assets and other miscellaneous assets that are not being contributed to the partnership and environmental liabilities and other miscellaneous liabilities that will not be the responsibility of the partnership.

The unaudited pro forma combined balance sheet data assumes the items listed above occurred as of March 31, 2012. The unaudited pro forma combined statements of operations data assume the items listed above occurred as of the beginning of the periods presented.

For a detailed discussion of certain of the selected combined financial data contained in the following table, please read "Management's Discussion and Analysis of Financial Condition and Results of Operations." The following table should also be read in conjunction with "Use of Proceeds," "Summary—The Transactions," the combined financial statements and related notes and our pro forma combined financial statements and related notes included elsewhere in this prospectus. Among other things, the financial statements included elsewhere in this prospectus include more detailed information regarding the basis of presentation for the information in the following table.

The following table presents a non-GAAP financial measure, EBITDA, which we use in our business as it is an important supplemental measure of our performance and liquidity. We explain this measure under "Selected Historical and Pro Forma Combined Financial and Operating Data" and reconcile it to net income, its most directly comparable financial measures calculated and presented in accordance with GAAP below.

	Our Predecessor					Lehigh Gas Partners LP Pro Forma			
	Year Ended December 31,					Three Months Ended March 31,			
	2007	2008	2009	2010	2011	2011	2012		
	(unaudited)					(unaudited)			
	(in thousands)								
Statement of Operations Data:									
Revenues:									
Revenues from fuel sales	\$ 666,218	\$ 573,610	\$ 490,261	\$ 847,090	\$ 1,242,040	\$ 282,990	\$ 273,770	\$ 1,131,433	\$ 263,792
Revenues from fuel sales to affiliates	175,259	399,204	310,794	329,974	365,106	55,831	134,767	659,448	130,597
Rental income	7,489	7,567	10,508	11,740	12,433	2,934	3,064	10,100	2,647
Rental income from affiliates	2,855	6,025	10,324	7,169	7,792	1,752	1,852	11,549	2,825
Revenues from retail merchandise and other	—	—	59	1,939	1,389	292	3	14	3
Total revenues	851,821	986,406	821,946	1,197,912	1,628,760	343,799	413,456	1,812,544	399,864
Costs and Expenses:									
Cost of revenues from fuel sales	644,785	559,116	472,359	820,959	1,209,719	277,146	269,111	1,104,459	259,423
Cost of revenues from fuel sales to affiliates	173,925	394,427	305,335	324,963	359,005	54,973	132,167	649,273	128,726
Cost of revenues for retail merchandise and other	—	—	7	1,774	1,068	230	—	—	—
Rent expense	4,982	7,121	4,494	6,422	9,402	2,143	2,067	7,265	1,593
Operating expenses	14,579	5,525	4,407	4,211	6,634	1,420	1,709	3,531	726
Depreciation and amortization	3,742	3,846	8,172	12,085	12,073	2,570	4,739	11,160	4,511
Selling, general and administrative expenses	1,690	4,193	13,389	13,099	12,709	3,082	5,291	9,185	2,468
(Gain) loss on sale of assets	(3)	(1,785)	(752)	271	(3,188)	(704)	(960)	(3,188)	(960)
Total costs and operating expenses	843,700	972,443	807,411	1,183,784	1,607,422	340,860	414,124	1,781,685	396,487
Operating income (loss)	8,121	13,963	14,535	14,128	21,338	2,939	(668)	30,859	3,377
Interest income (expense), net	(10,182)	(10,046)	(10,453)	(15,775)	(12,140)	(1,778)	(3,379)	(6,346)	(1,604)
Gain on extinguishment of debt	—	—	—	1,200	—	—	—	—	—
Other income, net	207	923	1,685	4,119	1,245	314	718	974	718
Income (loss) from continuing operations	(1,854)	4,840	5,767	3,672	10,443	1,475	(3,329)	25,487	2,491
Income tax	—	—	—	—	—	—	—	300	75
Net income (loss) from continuing operations	(1,854)	4,840	5,767	3,672	10,443	1,475	(3,329)	\$ 25,187	\$ 2,416
(Loss) income from discontinued operations	(1,175)	(1,512)	311	(6,655)	(848)	(960)	216	—	—
Net income (loss)	\$ (3,029)	\$ 3,328	\$ 6,078	\$ (2,983)	\$ 9,595	\$ 515	\$ (3,113)	—	—

	Our Predecessor					Lehigh Gas Partners LP Pro Forma			
	Year Ended December 31,					Three Months Ended March 31		Year Ended December 31,	Three Months Ended March 31,
	2007	2008	2009	2010	2011	2011	2012	2011	2012
	(unaudited)					(unaudited)		(unaudited)	
	(dollars in thousands, except margin per gallon)								
Statement of Cash Flow Data:									
Net Cash provided by (used in):									
Operating activities	\$ 7,498	\$ 14,159	\$ 23,673	\$ 30,892	\$ 11,560	\$ (4,379)	\$ 4,445		
Investing activities	(54,841)	(43,499)	(62,234)	14,518	(18,875)	8,144	1,593		
Financing activities	46,955	30,885	36,161	(42,743)	6,409	(837)	(6,444)		
Other Financial Data:									
EBITDA (1)			\$ 27,850	\$ 28,956	\$ 34,105	\$ 5,239	\$ 5,036	\$ 42,993	\$ 8,606
Operating Data:									
Sites owned and leased	218	262	412	384	384	387	379	316	316
Gallons of motor fuel distributed (in millions)	387.2	382.3	437.7	518.9	532.1	123.1	133.1	560.7	129.2
Margin per gallon (2)	\$ 0.0588	\$ 0.0504	\$ 0.0539	\$ 0.0600	\$ 0.0722	\$ 0.0544	\$ 0.0545	\$ 0.0663	\$ 0.0483

- Lehigh Gas Partners LP did not report net income (loss) on a pro forma basis for the year ended December 31, 2011 or the three months ended March 31, 2012. Accordingly, EBITDA is calculated on the basis of net income (loss) from continuing operations for the periods presented on a pro forma basis. Lehigh Gas Partners LP had a loss from discontinued operations of \$848,000 for the year ended December 31, 2011 and income from discontinued operations of \$216,000 for the three months ended March 31, 2012, not reflected in EBITDA as presented in the table above.
- Margin per gallon represents (a) total revenues from fuel sales, less total costs of revenues from fuel sales, divided by (b) total gallons of motor fuels distributed.

	Our Predecessor					Lehigh Gas Partners LP Pro Forma	
	As of December 31,					As of March 31	As of March 31,
	2007	2008	2009	2010	2011	2012	2012
	(unaudited)					(unaudited)	
	(in thousands)						
Balance Sheet Data:							
Cash and cash equivalents	\$ 1,176	\$ 2,721	\$ 321	\$ 2,988	\$ 2,082	\$ 1,676	\$ 1,634
Working capital (deficit)	(38,444)	(8,148)	(2,793)	(17,912)	(16,218)	(20,254)	(16,035)
Total assets	183,994	236,421	293,641	257,415	269,628	275,101	201,739
Total liabilities	205,730	259,074	314,933	283,546	300,583	310,353	178,426
Long-term portion of debt, net of discount	124,778	159,682	208,859	156,940	177,529	166,184	101,312
Long-term portion of financing obligations	—	28,309	23,984	25,834	40,426	40,510	39,229
Mandatorily redeemable preferred equity	—	12,000	12,000	12,000	12,000	12,000	—
Environmental reserve—noncurrent portion	29,347	34,450	31,116	23,535	19,401	18,818	209
Convertible debt	—	—	6,000	—	—	—	—
Other long-term liabilities	595	3,317	8,710	9,285	7,027	6,960	5,759
Owners' equity (deficit)	(21,736)	(22,653)	(21,292)	(26,131)	(30,955)	(35,252)	23,313

Non-GAAP Financial Measure

We use the non-GAAP financial measure EBITDA in this prospectus. EBITDA represents net income before deducting interest expense, income taxes and depreciation and amortization. EBITDA is used as a supplemental financial measure by management and by external users of our financial statements, such as investors and lenders, to assess:

- our financial performance without regard to financing methods, capital structure or income taxes;
- our ability to generate cash sufficient to make distributions to our unitholders; and
- our ability to incur and service debt and to fund capital expenditures.

EBITDA should not be considered an alternative to net income, net cash provided by operating activities or any other measure of financial performance presented in accordance with GAAP. EBITDA excludes some, but not all, items that affect net income and this measure may vary among other companies.

EBITDA as presented below may not be comparable to similarly titled measures of other companies. The following table presents a reconciliation of EBITDA to net income and EBITDA to net cash provided by operating activities, the most directly comparable GAAP financial measures, on a historical basis and pro forma basis, as applicable, for each of the periods indicated.

	Our Predecessor			Lehigh Gas Partners LP Pro Forma			
	Year Ended December 31,			Three Months Ended March 31,		Year Ended December 31,	Three Months Ended March 31,
	2009	2010	2011	2011	2012	2011	2012
				(unaudited)		(unaudited)	
				(in thousands)			
Reconciliation of EBITDA to net income (loss) (1):							
Net income (loss) from continuing operations	\$ 5,767	\$ 3,672	\$ 10,443	\$ 1,475	\$ (3,329)	\$ 25,187	\$ 2,416
(Loss) income from discontinued operations	311	(6,655)	(848)	(960)	216		
Net income (loss)	\$ 6,078	\$ (2,983)	\$ 9,595	\$ 515	\$ (3,113)		
Plus:							
Depreciation and amortization	9,664	13,540	12,153	2,672	4,743	11,160	4,511
Income tax	—	—	—	—	—	300	75
Interest expense	12,108	18,399	12,357	2,052	3,406	6,346	1,604
EBITDA	\$ 27,850	\$ 28,956	\$ 34,105	\$ 5,239	\$ 5,036	\$ 42,993	\$ 8,606
Reconciliation of EBITDA to net cash provided by (used in) operating activities:							
Net cash provided by (used in) operating activities	\$ 23,673	\$ 30,892	\$ 11,560	\$ (4,379)	\$ 4,445		
Changes in assets and liabilities	(9,913)	(10,956)	7,347	7,810	(3,502)		
Interest expense, net	12,108	18,399	12,357	2,052	3,406		
Others	1,982	(9,379)	2,841	(244)	687		
EBITDA	\$ 27,850	\$ 28,956	\$ 34,105	\$ 5,239	\$ 5,036		

- (1) Lehigh Gas Partners LP did not report net income (loss) on a pro forma basis for the year ended December 31, 2011 or the three months ended March 31, 2012. Accordingly, EBITDA is reconciled to net income (loss) from continuing operations for the periods presented on a pro forma basis. Lehigh Gas Partners LP had a loss from discontinued operations of \$848,000 for the year ended December 31, 2011 and income from discontinued operations of \$216,000 for the three months ended March 31, 2012.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Overview

We are a limited partnership formed to engage in the wholesale distribution of motor fuels, consisting of gasoline and diesel fuel, and to own and lease real estate used in the retail distribution of motor fuels. Since our predecessor was founded in 1992, we have generated revenues from the wholesale distribution of motor fuels to sites and from real estate leases.

Our primary business objective is to make quarterly cash distributions to our unitholders and, over time, to increase our quarterly cash distributions. Initially, we intend to make minimum quarterly distributions of \$ per unit per quarter (or \$ per unit on an annualized basis), as further described in "Cash Distribution Policy and Restrictions on Distributions."

Cash flows from the wholesale distribution of motor fuels will be generated primarily by a per gallon margin that is either a fixed mark-up per gallon or a variable rate mark-up per gallon. By delivering motor fuels through independent carriers on the same day we purchase the motor fuels from suppliers, we seek to minimize the commodity risks typically associated with the purchase and sale of motor fuels. We generate cash flows from rental income primarily by collecting rent from lessee dealers and LGO pursuant to lease agreements. The lease agreements we have with lessee dealers have an average of 2.5 years remaining on the lease terms as of March 31, 2012. We believe that consistent demand for motor fuels in the areas where we operate and the contractual nature of our rental income provide a stable source of cash flow.

For the year ended December 31, 2011, we distributed approximately 561 million gallons of motor fuels to 567 sites. For the three months ended March 31, 2012, we distributed approximately 129 million gallons of motor fuels to 575 sites. Over half of the sites to which we distribute motor fuels are owned or leased by us. In addition, we have agreements requiring the operators of these sites to purchase motor fuels from us. For the year ended December 31, 2011, we were one of the ten largest independent distributors by volume in the United States for ExxonMobil, BP, Shell and Valero. We also distribute Sunoco and Gulf-branded motor fuels. Approximately 97% of the motor fuels we distributed in the year ended December 31, 2011 were branded.

As of March 31, 2012, we distributed motor fuels to the following classes of businesses:

- 187 sites operated by independent dealers;
- 180 sites owned or leased by us that will be operated by LGO following the closing of this offering;
- 133 sites owned or leased by us and operated by lessee dealers; and
- 75 sites distributed through six sub-wholesalers.

We are focused on owning and leasing sites primarily located in metropolitan and urban areas. We own and lease sites located in Pennsylvania, New Jersey, Ohio, New York, Massachusetts, Kentucky, New Hampshire and Maine. According to the EIA, of the eight states in which we own and lease sites, four are among the top ten consumers of gasoline in the United States and three are among the top ten consumers of on-highway diesel fuel in the

United States. Over 90% of our sites are located in high-traffic metropolitan and urban areas. We believe that the limited availability of undeveloped real estate in these areas presents a high barrier to entry for new or existing retail gas station owners to develop competing sites.

We have grown our business from 11 owned sites in 2004 to 185 owned sites, as of March 31, 2012. Our size and geographic concentration has enabled us to acquire multiple sites, particularly from major integrated oil companies and other entities that have been divesting assets associated with the motor fuel distribution business since the early 2000s. As a result of these acquisitions, we have increased rental income and enhanced our wholesale distribution business. We have completed ten transactions in which we acquired ten or more sites per transaction, and we historically have been able to divest non-core sites that do not fit our strategic or geographic plans to other retail gas station operators or other entities, such as retail store operators, that may use the land for alternative purposes.

Recent Trends and Outlook

This section identifies certain risks and certain economic or industry-wide factors that may affect our financial performance and results of operations in the future, both in the short term and in the long term. Please read "Risk Factors" for additional information about the risks associated with purchasing our common units. Our results of operations and financial condition depend, in part, upon the following:

- *Our financial results are seasonal and generally better in the second and third quarters of the calendar year.* Due to the nature of our business and our customer's reliance, in part, on consumer travel and spending patterns, we experience more demand for motor fuel during the late spring and summer months than during the fall and winter. Travel and recreational activities are typically higher in these months in the geographic areas in which we operate, increasing the demand for motor fuel that we distribute. Therefore, our distribution volumes are typically higher in the second and third quarters of our fiscal year. As a result, our results from operations may vary from quarter to quarter.
- *Energy efficiency, new technology and alternative fuels could reduce demand for motor fuels.* Increased conservation and technological advances, including the development of improved gas mileage vehicles and the increased usage of electrically powered cars have adversely affected the demand for motor fuel. Future conservation measures or technological advances in fuel efficiency might reduce demand and adversely affect our operating results.
- *Historically, the majority of independent growth for wholesale motor fuels marketing has been through mergers and acquisitions within the wholesale motor fuels and retail motor fuel marketing space. There is no certainty that we will successfully complete any acquisitions or receive the economic results we anticipate from completed acquisitions.* Consistent with our business strategy, we are continuously engaged in discussions with potential sellers of sites. Growth in cash flow per unit may depend on our ability to make accretive acquisitions. We may be unable to make such accretive acquisitions for a number of reasons, including the following: (1) we are unable to identify attractive acquisition candidates or negotiate acceptable purchase contracts with them; (2) we are unable to raise financing for such acquisitions on economically acceptable terms; or (3) we are outbid by competitors or the operators of the sites exercise their rights of first refusal to acquire the sites. In addition, we may consummate acquisitions, which at the time of consummation we believe will be accretive, but which ultimately may not be accretive. If any of these events were to occur, our future growth would be limited. We

can give no assurance that our current or future acquisition efforts will be successful or that any such acquisition will be completed on terms that are favorable to us.

- *Growth through acquisitions is limited by the availability of premium sites for purchase.* A key component of our growth strategy is to selectively acquire existing sites or companies that own existing sites at premium locations. However, the number of premium site locations in the United States is limited, and the existing owners of these properties may be unwilling to sell some or all of their sites to us at an acceptable valuation. Furthermore, the development of new sites that we could eventually purchase is restricted by certain factors, including environmental regulations, construction permit limitations, and high real estate property values. Therefore, our ability to identify and acquire premium sites to grow our business may become increasingly difficult.
- *The condition of credit markets may adversely affect our liquidity. In the recent past, world financial markets experienced a severe reduction in the availability of credit.* Although we were not negatively impacted by this condition, possible negative impacts in the future could include a decrease in the availability of borrowings under our new credit agreement. In addition, we could experience a tightening of trade credit from our suppliers.
- *New, stricter environmental laws and regulations could significantly increase our costs, which could adversely affect our results of operations and financial condition.* Our operations are subject to federal, state and local laws and regulations regulating product quality specifications and other environmental matters. The trend in environmental regulation is towards more restrictions and limitations on activities that may affect the environment. Our business 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 to plan accordingly to remain in compliance with changing environmental laws and regulations and to minimize the costs of such compliance. However, 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.
- *Changes in government usage mandates and tax credits could adversely affect the availability and pricing of ethanol, which could negatively impact our gasoline sales.* 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 Environmental Protection Agency's, or the "EPA's," regulations on the Renewable Fuels Standard, or "RFS," program and oxygenate blending requirements. A reduction or waiver of the RFS mandate or oxygenate blending requirements could adversely affect the availability and pricing of ethanol, which in turn could adversely affect our future gasoline sales. Please read, "Business—Environmental—Ethanol Market."

Recent Developments

In May 2012, we entered into a master lease agreement to lease 120 sites from an affiliate of Getty. Of the 120 sites, 74 are located in Massachusetts, 22 are located in New Hampshire, 15 are located in Pennsylvania and 9 are located in Maine. Of these sites, 8 are subleased to, and operated by, lessee dealers, 103 are company operated sites that will be subleased to, and operated by, LGO following this offering and 9 currently are closed. We are evaluating alternatives to reopen or reposition these closed sites. We expect to distribute BP motor fuels to 88 sites and are evaluating branding alternatives for the other 32 sites.

The initial term of the master lease is 15 years, and we have renewal options ranging from 20 to 25 years on these sites. The aggregate initial annual rent for the sites is approximately \$5.4 million, plus \$0.02 for each gallon of motor fuel we distribute to the sites. We do not expect that the rental income we receive from sub-leasing these sites to LGO and, to a lesser extent, certain lessee dealers will be sufficient to fully cover our annual rent obligations under the master lease agreement. However, we seek to generate profitability from our overall operation of these sites and, as a result, may apply a portion of the margins we earn on the wholesale distribution of motor fuels to these sites to our rent obligations under the master lease. Within the first four years of the master lease, we have the right, upon six months prior written notice, to terminate our lease obligations for up to 18 sites that we believe, in our sole discretion, are underperforming.

For the first three years of the master lease, we are required to make capital expenditures at these sites in an amount equal to \$4.28 million, plus \$0.01 for each gallon of motor fuel we distribute to these sites during the first three years. We are, however, entitled to a rent credit equal to 50% of the capital expenditures incurred by us, net of contributions and rebates from third parties related to the sites. The maximum rent credit is \$2.14 million. The timing and amortization of these expenditures will affect our operating results.

Results of Operations

Evaluating Our Results of Operations

The primary drivers of our operating results are the volume of motor fuel we distribute, the margin per gallon we are able to generate on the motor fuel we distribute and the rental income we earn on the sites we own or lease. For owned or leased sites, we seek to maximize the overall profitability of our operations, balancing the contributions to profitability of motor fuel distribution and rental income. Our omnibus agreement, under which LGC provides management, administrative and operating services for us, enables us to manage a significant component of our operating expenses. Our management relies on financial and operational metrics designed to track the key elements that contribute to our operating performance. To evaluate our operating performance, our management considers motor fuel volumes, margin per gallon, rental income for sites we own or lease and EBITDA.

Volume and Margin per Gallon. Volume of motor fuel represents the gallons of motor fuel we distribute to a site. Margin per gallon represents (a) revenues from fuel sales, less costs of revenues from fuel sales, divided by (b) total gallons of motor fuels distributed. We use volumes of motor fuel we distribute to a site and margin per gallon to assess the effectiveness of our pricing strategies, the performance of a site as compared to other sites we own or lease, and our margins as compared to the margins of sites we seek to acquire or lease.

Rental Income. We evaluate our sites' performance based, in part, on the rental income we earn from them. For leased sites, we consider the rental income after payment of our lease obligations for the site. We use this information to assess the effectiveness of pricing strategies for our leases, the performance of a site as compared to other sites we own or lease, and compare rental income of sites we seek to acquire or lease.

EBITDA. Our management uses EBITDA to analyze our performance. The discussion of our results of operations below includes references to, and analysis of, our EBITDA results. EBITDA represents net income before deducting interest expense, income taxes and depreciation and amortization. EBITDA is used by management primarily as a measure of our operating performance. Because not all companies calculate EBITDA identically, our calculation may not

be comparable to similarly titled measures of other companies. Please read "Selected Historical and Pro Forma Combined Financial and Operating Data—Non-GAAP Financial Measure" for a definition reconciliations of EBITDA to net income and cash provided by operating activities for each of the periods indicated.

Items Impacting the Comparability of Our Financial Results

For the reasons described below, our future results of operations may not be comparable to the historical results of operations for the periods presented below for our predecessor.

Publicly Traded Partnership Expenses. Following this offering, our selling, general and administrative expenses will include certain third-party costs and expenses resulting from becoming a publicly traded partnership. These costs and expenses will include legal and accounting, as well as other costs associated with being a public company, such as director compensation, director and officer insurance, NYSE listing fees and transfer agent fees. Our financial statements following this offering will reflect the impact of these costs and expenses and will affect the comparability of our financial statements with periods prior to the closing of this offering.

Omnibus Agreement. As a result of the services to be provided to us by LGC under the omnibus agreement following this offering, we will not directly incur a substantial portion of the general and administrative expenses that we have historically incurred. Instead, we will pay LGC a management fee in an amount equal to (1) \$420,000 per month plus (2) \$0.0025 for each gallon of motor fuel we distribute per month, for such services. Please read "Certain Relationships and Related Party Transactions—Agreements with Affiliates—Omnibus Agreement."

Impact of this Offering and Related Transactions on Our Revenues. LGO operates certain sites we own and distributes motor fuels, on a retail basis, at these sites. LGO is not one of our predecessor entities. Until December 31, 2011, LGO purchased motor fuel on a wholesale basis from major integrated oil companies and distributed this motor fuel on a retail basis at the sites it operated. After December 31, 2011, LGO began purchasing motor fuel from LGC, rather than from these major integrated oil companies, and distributing this fuel on a retail basis at these sites. As a result, our historical operating results through December 31, 2011 do not include the results of LGO's motor fuel distribution operations; however, for periods after December 31, 2011 our operating results reflect the wholesale distribution of motor fuel by LGC to LGO. In addition, prior to completion of this offering, LGO did not pay rent on certain sites it leased from us. Upon completion of this offering, LGO will begin paying us rent on these sites. On a pro forma basis, rent on these sites for the three months ended March 31, 2012 would have been approximately \$1.6 million. In connection with this offering, LGC's distribution operations, including its wholesale distribution to LGO, will be contributed to us. Accordingly, for periods beginning after December 31, 2011, our results of operations include the wholesale motor fuel distribution to LGO formerly conducted by LGC and will reflect rental income from LGO relating to the sites we own or lease which we, in turn, lease to LGO. These conditions will affect the comparability of our future results of operations with prior periods. Please read our general purpose pro forma combined financial statements and related notes included elsewhere in this prospectus.

Income taxes. Our predecessor consists of pass-through entities for U.S. federal income tax purpose and has not been subject to U.S. federal income taxes. In order to be treated as a partnership for U.S. federal income tax purposes we must generate 90% or more of our gross income from certain qualifying sources. As a result, we currently plan to have Lehigh Gas Wholesale Services, Inc., a corporate subsidiary of ours, own and lease personal property, as

well as provide maintenance and other services to lessee dealers and other customers. Except to the extent off-set by deductible expenses, rental income earned by Lehigh Gas Wholesale Services, Inc. on the personal property and maintenance and other services will be taxed at the applicable corporate income tax rate.

Comparison of Three Months Ended March 31, 2012 and 2011

The following table sets forth our combined statements of operations for the periods indicated:

	<u>Our Predecessor</u>	
	<u>Three Months Ended</u>	
	<u>March 31,</u>	
	<u>2011</u>	<u>2012</u>
	<u>(unaudited)</u>	
	<u>(in thousands)</u>	
Statement of Operations Data:		
Revenues:		
Revenues from fuel sales	\$ 282,990	\$ 273,770
Revenues from fuel sales to affiliates	55,831	134,767
Rental income	2,934	3,064
Rental income from affiliates	1,752	1,852
Revenues from retail merchandise and other	292	3
Total revenues	<u>343,799</u>	<u>413,456</u>
Costs and Expenses:		
Cost of revenues from fuel sales	277,146	269,111
Cost of revenues from fuel sales to affiliates	54,973	132,167
Cost of revenues for retail merchandise and other	230	—
Rent expense	2,143	2,067
Operating expenses	1,420	1,709
Depreciation and amortization	2,570	4,739
Selling, general and administrative expenses	3,082	5,291
(Gain) loss on sale of assets	(704)	(960)
Total costs and operating expenses	<u>340,860</u>	<u>414,124</u>
Operating income (loss)	2,939	(668)
Interest income (expense), net	(1,778)	(3,379)
Gain on extinguishment of debt	—	—
Other income, net	314	718
Income from continuing operations	<u>1,475</u>	<u>(3,329)</u>
Income tax	—	—
Net income (loss) from continuing operations	1,475	(3,329)
(Loss) income from discontinued operations	(960)	216
Net income (loss)	<u>\$ 515</u>	<u>\$ (3,113)</u>

Revenues and Costs from Fuel Sales

Our revenues from fuel sales, including fuel sales to affiliates, for the three months ended March 31, 2012 increased \$69.7 million, or 21%, to \$408.5 million as compared to \$338.8 million for the comparable period in 2011. Additionally, our costs and expenses of fuel sales, including costs and expenses of fuel sales from fuel sales to affiliates, for the three months ended March 31, 2012 increased \$69.2 million, or 21%, to \$401.3 million as compared to

\$332.1 million for the comparable period in 2011. The majority of our revenues and costs are derived from the purchase and sale of gasoline and diesel fuel. The significant increase in our revenues and costs between the three months ended March 31, 2012 and March 31, 2011 is primarily attributable to the fluctuations in the market prices for gasoline and diesel fuel which is passed onto our customers.

The increase in fuel sales was primarily due to higher selling prices, which accounted for \$30.9 million of the increase, and a net increase in volume distributed, which accounted for \$35.7 million of the increase. Average selling price for the three months ended March 31, 2012 was \$3.10, an increase of \$0.29, or 10%, per gallon compared to \$2.81 for the comparable period in 2011. Our aggregate volume of motor fuels sold for the three months ended March 31, 2012 increased by approximately 10.0 million gallons, or 8%, to 133.2 million gallons compared to 123.1 million gallons for the comparable period in 2011. The increase in volume sold was due to our distributing motor fuels to LGO beginning in 2012, which accounted for a 23.8 million gallon increase, offset primarily by the expiration of our lease to distribute motor fuels at Ohio Turnpike plazas, which accounted for a 7.1 million gallon decrease, the divestiture of 29 Sunoco sites in the fourth quarter of 2010 and the first quarter of 2011 which accounted for a 4.7 million gallon decrease, and the continued implementation of our strategy to dispose of low margin and low volume sites, which accounted for a 1.6 million gallon decrease. Gross profit increased \$0.6 million primarily due to the increase in volume as margin per gallon of \$0.05 for the three months ended March 31, 2012 remained the same as margin per gallon for the comparable period in 2011.

Rental Income

Rental income, including rental income from affiliates, for the three months ended March 31, 2012 was \$4.9 million compared to \$4.7 million for the corresponding period in 2011. The increase principally resulted from rental income on sites acquired in our Shell acquisitions in the second and third quarters of 2011.

Revenues from Retail Merchandise and Other

Revenues from retail merchandise and other for the three months ended March 31, 2012 were \$3,000 as compared to \$292,000 for the comparable period in 2011. The decrease is primarily due to our transfer of convenience store operations to LGO beginning in 2012.

Rent Expense

Rent expense of \$2.1 million for the three months ended March 31, 2012 remained the same as rent expense for the comparable period in 2011.

Operating Expenses

Operating expenses increased \$0.3 million to \$1.7 million for the three months ended March 31, 2012 compared to \$1.4 million in the comparable period in 2011. Operating expenses consist of repairs and maintenance, insurance, payroll for store and maintenance employees, and real estate taxes. The \$0.3 million increase in our operating expenses for the three months ended March 31, 2012 reflects the overall growth in the size and volume of our business as compared to the comparable period in 2011.

Depreciation and Amortization

Depreciation and amortization for the three months ended March 31, 2012 was \$4.7 million compared to \$2.6 million for the comparable period in 2011. The increase of \$2.1 million, or 81%, to \$4.7 million for the quarter ended March 31, 2012 compared to the same period in 2011 was due to an increase in depreciation expense of \$1.6 million and an increase in amortization expense of \$0.5 million. The depreciation expense increase was due to sites acquired in our Shell acquisitions in the second and third quarters of 2011, which accounted for \$0.3 million of the increase, and an impairment charge due to assets held for sale, which accounted for \$1.3 million of the increase. The amortization expense was primarily due to dealer contracts acquired from our Shell acquisitions.

Selling, General and Administrative Expenses

Selling, general and administrative expenses for the three month period ended March 31, 2012 were \$5.3 million compared to \$3.1 million in the comparable period in 2011. The increase was primarily due to \$2.4 million in non-recurring expenses related to our initial public offering.

Gain/Loss on Sale of Assets

Gain on sale of assets that did not meet the criteria to be classified as discontinued operations for the three months ended March 31, 2012 was \$0.9 million compared to \$0.7 million for the comparable period in 2011. The increase was primarily due to more favorable negotiated agreements with third parties.

Interest Expense, Net

Interest expense, net was \$3.4 million for the three months ended March 31, 2012 compared to \$1.8 million for the comparable period in 2011. This increase is attributable to an increase in the three months ended March 31, 2012 in both amounts outstanding under our revolving term loan facility and our lease finance obligations compared to the comparable period in 2011. Debt interest expense increased \$0.6 million for the three months ended March 31, 2012 primarily due to the additional borrowing to fund the Shell acquisitions in the second and third quarters of 2011. Finance lease obligation interest expense increased \$0.5 million for the three months ended March 31, 2012 due to finance lease obligations that we entered into in the second quarter of 2011. The revolving term loan facility had an interest rate of 3.2% at March 31, 2012 compared with interest rate of 3.3% at March 31, 2011.

Other Income, Net

Other income, net was \$0.7 million for the three months ended March 31, 2012 compared to \$0.3 million in the comparable period in 2011. This increase is primarily attributable to one-time termination fees received from dealers electing to early terminate their supply contracts.

Income (Loss) from discontinued operations

Income from discontinued operations increased to \$0.2 million for the three months ended March 31, 2012 compared to a loss of \$1.0 million in the comparable period in 2011. The primary driver of this change resulted from a gain on sale of assets of \$0.2 million for the three months ended March 31, 2012 compared to a loss of \$0.5 for the comparable period in 2011.

Comparison of Years Ended December 31, 2011, 2010 and 2009

The following table sets forth our combined statements of operations for the periods indicated:

	Year Ended December 31,		
	2009	2010	2011
	(in thousands)		
Revenues:			
Revenues from fuel sales	\$ 490,261	\$ 847,090	\$ 1,242,040
Revenues from fuel sales to affiliates	310,794	329,974	365,106
Rental income	10,508	11,740	12,433
Rental income from affiliates	10,324	7,169	7,792
Revenues from retail merchandise and other	59	1,939	1,389
Total revenues	821,946	1,197,912	1,628,760
Costs and Expenses:			
Cost of revenues from fuel sales	472,359	820,959	1,209,719
Cost of revenues from fuel sales to affiliates	305,335	324,963	359,005
Cost of revenues from retail merchandise and other	7	1,774	1,068
Rent expense	4,494	6,422	9,402
Operating expenses	4,407	4,211	6,634
Depreciation and amortization	8,172	12,085	12,073
Selling, general and administrative expenses	13,389	13,099	12,709
(Gain) loss on sale of assets	(752)	271	(3,188)
Total costs and operating expenses	807,411	1,183,784	1,607,422
Operating income	14,535	14,128	21,338
Interest expense income, net	(10,453)	(15,775)	(12,140)
Gain on extinguishment of debt	—	1,200	—
Other income, net	1,685	4,119	1,245
Income from continuing operations	5,767	3,672	10,443
Income (loss) from discontinued operations	311	(6,655)	(848)
Net income (loss)	\$ 6,078	\$ (2,983)	\$ 9,595

Revenues and Costs from Fuel Sales

Our revenues from fuel sales, including revenues from fuel sales to affiliates, for 2011 increased \$430.0 million, or 37%, to \$1,607.1 million compared to \$1,177.1 million for 2010. Additionally, our costs and expenses of fuel sales, including costs and expenses of fuel sales from fuel sales to affiliates increased \$422.8 million, or 37%, to \$1,568.7 million as compared to \$1,146.0 for 2010. The majority of our revenues and costs are derived from the purchase and sale of crude oil and petroleum products. The significant increases in our revenues and costs between 2011 and 2010 are primarily attributable to the fluctuations in the market prices for crude oil and petroleum products offset by decreases in the volume of motor fuels sold.

Our average selling price increased to \$3.02 per gallon in 2011 from \$2.18 in 2010. The increase of \$0.84, or 39%, is attributable to the increase in market prices for gasoline and diesel fuel.

The increase in fuel sales was primarily due to higher selling prices, which accounted for \$400.0 million of the increase, and a net increase in volume distributed, which accounted for \$30.0 million of the change. Aggregate volume of motor fuels increased by approximately 13.2 million gallons, or 2%, to 532.2 million gallons compared to 518.9 million gallons for 2010.

The decrease in volume sold primarily related to the divestiture of 29 Sunoco sites in the fourth quarter of 2010 and the first quarter of 2011 which accounted for 17.6 million gallons, 8.7 million gallons due to sites closed for construction, 18.8 million gallons due to the continued implementation of our strategy to dispose of low margin and low volume sites and a 23.6 million decrease in volume due to reduced market demand as a result of higher prices. This decrease in volume was offset by 59.7 million additional gallons attributable to our Shell acquisitions in the second and third quarters of 2011. Gross profit increased \$7.6 million primarily due to the increase in margin per gallon of \$0.0147, or 25%, for 2011.

Revenues from fuel sales, including fuel sales to affiliates, for 2010 increased \$376.0 million, or 47%, to \$1,177.1 million compared to \$801.1 million for 2009. Additionally, costs and expenses of fuel sales, including costs and expenses of fuel sales from fuel sales to affiliates increased \$368.2 million, or 47%, to \$1,145.9 million compared to \$777.7 million for 2009. The majority of our revenues and costs are derived from the purchase and sale of gasoline and diesel fuel. The significant increase in revenues and costs between 2011 and 2010 is primarily attributable to the fluctuations in the market prices for gasoline and diesel fuel which are passed onto our customers.

Our average selling price increased to \$2.18 per gallon in 2010 from \$1.75 in 2009. The increase of \$0.43, or 25%, is attributable to the increase in market prices for crude oil and petroleum products from 2009 to 2010.

The increase in fuel sales was primarily due to higher selling prices, which accounted for \$226.4 million of the increase and an increase in volume sold which accounted for \$148.7 million. Our aggregate volume of motor fuels increased by approximately 81.2 million gallons, or 19%, to 518.9 million gallons compared to 437.7 million gallons for 2009. The increase in volume sold is primarily attributable to an increase in approximately 83.1 million gallons in motor fuel sales due to our acquisition of Uni-Mart sites in 2009. Our gross profit increased \$7.8 million primarily due to the increase in our margin per gallon of \$0.0066, or 12%, for 2010 and our increase in volume as discussed above.

Rental Income

Rental income, including rental income from affiliates, for 2011 was \$20.2 million compared with \$18.9 million in 2010. This increase is primarily attributable to the Shell acquisitions in the second and third quarters of 2011.

Rental income, including rental income from affiliates, for 2010 was \$18.9 million compared to \$20.8 million in 2009. The \$1.9 million decrease is attributable primarily to disposition of sites for 2009 to 2010.

Rent Expense

Rent expense for 2011 was \$9.4 million compared with \$6.4 million in 2010. This increase is primarily attributable to the acquisition by, lease, of sites during 2011.

Rent expense for 2010 was \$6.4 million compared with \$4.5 million in 2009. This increase is primarily attributable to a full year of rent expense for sites acquired in our Uni-Mart acquisition and, to a lesser extent, the acquisition, by lease, of sites during 2011.

Operating Expenses

Operating expenses increased \$2.4 million to \$6.6 million for 2011 compared with \$4.2 million in 2010. Operating expenses consist of repairs and maintenance, insurance, payroll for store and maintenance employees, and real estate taxes, net of reimbursements we received for providing these functions to affiliated non-predecessor entities. Operating expenses attributable to our business in 2010 were \$4.2 million. The \$2.4 million increase in our operating expenses for 2011 compared to 2010 reflects an overall increase in the size and volume of our business in 2011 compared to 2010.

Operating expenses for 2010 were \$4.2 million compared with \$4.4 million in 2009. This \$0.2 million decrease reflects a \$1.8 million increase in operating expenses primarily attributable to our acquisition of Uni-Mart sites at December 30, 2009 which was more than offset by reimbursements of \$2.0 million for providing certain functions to affiliated non-predecessor entities.

Depreciation and Amortization

Depreciation and amortization remained relatively unchanged at \$12.1 million in both 2010 and 2011. For 2011, we experienced an increase in depreciation expense of \$1.0 million resulting from our Shell acquisitions in second and third quarters of 2011, and offset by a \$1.1 million decrease in depreciation expense due to the divestiture of upstate New York sites to Sunoco in the fourth quarter of 2010 and the first quarter of 2011.

Depreciation and amortization for 2010 were \$12.1 million compared with \$8.2 million in 2009. This increase is primarily attributable to \$2.1 million in depreciation expense resulting from the late 2009 acquisitions of sites from BP and Uni-Mart and a \$1.8 million impairment charge in connection with the classification of certain sites as held-for-sale.

Selling, General and Administrative Expenses

Selling, general and administrative expenses for 2011 were \$12.7 million compared with \$13.1 million in 2010, a decrease of \$0.4 million. We typically incur increased selling, general and administrative expenses as part of our acquisition activities. These expenses include the cost of our due diligence review, negotiations and documentation of transactions, as well as increased cost to integrate acquisitions and identify and implement synergies with our operations. As a result, selling, general and administrative expenses tend to increase during our acquisition process through our integration period and then decrease as we identify and implement synergies. Our lower selling, general and administrative expense for 2011 reflects lower acquisition and implementation activities than 2010. Selling, general and administrative expenses for 2011 also were affected by a \$0.9 million increase in legal expenses due to increased litigation activity.

Selling, general and administrative expenses for 2010 were \$13.1 million compared with \$13.4 million in 2009. This decrease is primarily attributable to lower acquisition and implementation activity in 2010 compared to 2009.

Gain/Loss on Sale of Assets

Gain on sale of assets that did not meet the criteria to be classified as discontinued operations for 2011 was \$3.2 million compared with a loss of \$0.3 million in 2010. This change is the result of more favorable negotiated agreements with third parties.

Loss on sale of assets that did not meet the criteria to be classified as discontinued operations for 2010 was \$0.3 million compared with a gain of \$0.8 million in 2009. This change is the result of less favorable negotiated agreements with third parties.

Interest Expense, Net

Interest expense, net for 2011 was \$12.1 million compared with \$15.8 million in 2010. This decrease is primarily attributable to a \$3.1 million decrease in interest expense recognized due primarily to the replacement of the 2008 and 2009 term and promissory notes on December 30, 2010 with the \$175 million revolving term loan facility. The revolving term loan facility had an interest rate of 3.4% at December 31, 2011 compared with interest rates ranging from 5.25% to 7.0% on the 2008 and 2009 term and promissory notes at the time of repayment. Additionally, \$1.3 million of the decrease is attributable to the change in the fair value of our interest rate swap contracts in 2011 when compared to 2010.

Interest expense, net for 2010 was \$15.8 million compared with \$10.5 million in 2009. This increase is primarily attributable to the increase in interest expense of \$3.1 million recorded as a result of the full year of interest expense on the 2009 term and promissory notes, which had initial principal balances of \$52.8 million upon their issuance in September and November 2009. Additionally, there was an increase in the amortization of debt issuance costs of \$0.8 million as a result of a full year of recognition in 2010 compared to a partial period in 2009 for the 2009 term and promissory notes. Interest expense also increased by \$0.6 million as a result of the change in the fair value of the interest rate swap contracts in 2010 when compared to 2009 and also increased by \$0.5 million as a result of increased interest expense on the mandatorily redeemable preferred interests.

Gain on extinguishment of debt

During 2010, we recorded \$1.2 million gain on debt extinguishment in connection with the December 2010 extinguishment of the BP promissory notes.

Other Income, Net

Other income, net for 2011 was \$1.2 million compared with \$4.1 million in 2010. This decrease is primarily attributable to a decrease in up-front fees paid by operators and dealers in 2011 compared to 2010. In addition, franchise fees decreased \$0.5 million as we ceased being a franchise developer in 2011.

Other income, net for 2010 was \$4.1 million compared with \$1.7 million in 2009. This increase is primarily attributable to an increase in up-front fees paid by operators and dealers in 2010 when compared to 2009.

(Loss) income from discontinued operations

Loss from discontinued operations decreased to \$0.8 million in 2011 from \$6.7 million in 2010 as a result of the decrease in the number of sites classified as discontinued in 2011 when compared to 2010. The primary driver of this change was a loss on sale of assets of \$0.5 million in 2011 compared to a loss of \$2.5 million in 2010.

Loss from discontinued operations was \$6.7 million in 2010 compared to income from discontinued operations of \$0.3 million in 2009. The primary driver of this change resulted from a loss on sale of assets of \$2.5 million in 2010 compared to a gain on sale of assets of \$2.9 million in 2009.

Liquidity and Capital Resources

Liquidity

Our principal liquidity requirements are to finance current operations, fund acquisitions from time to time, and service our debt. Following closing of this offering, we expect our sources of liquidity to include cash generated by our operations, borrowings under our new credit agreement and issuances of equity and debt securities. We expect that these sources of funds will be adequate to provide for our short-term and long-term liquidity needs. Our ability to meet our debt service obligations and other capital requirements, including capital expenditures, as well as make acquisitions, will depend on our future operating performance which, in turn, will be subject to general economic, financial, business, competitive, legislative, regulatory and other conditions, many of which are beyond our control. As a normal part of our business, depending on market conditions, we will from time to time consider opportunities to repay, redeem, repurchase or refinance our indebtedness. Changes in our operating plans, lower than anticipated sales, increased expenses, acquisitions or other events may cause us to seek additional debt or equity financing in future periods. Furthermore, following the closing of this offering, we intend to pay a minimum quarterly distribution of \$ per unit per quarter, which equates to \$ million per quarter, or \$ million per year, based on the number of common and subordinated units to be outstanding immediately after closing of this offering. We do not have a legal obligation to pay this distribution. Please read "Cash Distribution Policy and Restrictions on Distributions."

The principal indicators of our liquidity are our cash on hand and availability under our credit agreement. Immediately following the closing of this offering, we expect to have available undrawn borrowing capacity of approximately \$ million under our new credit agreement. Please read "—New Credit Agreement."

Cash Flow

Cash flow from operating activities generally reflects our net income (loss), as well as balance sheet changes arising from inventory purchasing patterns, the timing of collections on our accounts receivable, the seasonality of our business, fluctuations in fuel prices, our working capital requirements and general market conditions.

Comparison of Three Months Ended March 31, 2012 and 2011

	Our Predecessor	
	Three Months Ended	
	March 31,	
	2011	2012
	(in thousands)	
Net cash provided by (used in) operating activities	\$ (4,379)	\$ 4,445
Net cash provided by investing activities	\$ 8,144	\$ 1,593
Net cash used in financing activities	\$ (837)	\$ (6,444)

Net cash provided by operating activities was \$4.4 million for the three months ended March 31, 2012 compared to net cash used in operating activities of \$4.4 million for the comparable period in 2011. The change in net cash provided by operating activities primarily results from changes in our operating assets and liabilities totaling approximately \$3.5 million between March 31, 2012 and March 31, 2011. Accounts receivable, including receivables from affiliates increased to \$22.3 million at March 31, 2012 from \$11.6 million at March 31, 2011 due to our increase in associated revenues. Accounts payable increased to \$21.8 million at March 31, 2012 from \$13.2 million at March 31, 2011 primarily due to the timing of vendor payments and our increased operating activity. These changes were offset by a net loss incurred of \$3.1 million for the three months ended March 31, 2012 compared to net income of \$0.5 million for the comparable period in 2011 primarily due to the increase in interest expense.

Net cash provided by investing activities was \$1.6 million for the three months ended March 31, 2012 compared to \$8.1 million for the comparable period in 2011. Investing activities for the three months ended March 31, 2012 reflect investment in property and equipment of \$1.2 million compared to \$0.8 million for the comparable period in 2011. In addition, we received \$2.8 million in proceeds from the sale of property and equipment compared to \$8.1 million for the comparable period in 2011 primarily due to the increase in interest expense.

Net cash used in financing activities was \$6.4 million for the three months ended March 31, 2012 compared to \$0.8 million for the comparable period in 2011. Cash flows used in financing activities for the three months ended March 31, 2012 included affiliate funding of \$4.4 million, distributions of \$2.5 million offset by contributions of \$1.3 million. We also made repayments on our long term debt of \$9.1 million offset by proceeds received from long term debt of \$9.5 million during the period primarily due to the increase in the borrowing capacity of the revolving credit facility in 2012. Cash flows used in financing activities for the three months ended March 31, 2011 reflected distributions of \$3.8 million and proceeds from financing obligations of \$5.0 million.

Comparison of Years Ended December 31, 2011, 2010 and 2009

	Our Predecessor		
	Year Ended December 31,		
	2009	2010	2011
	(in thousands)		
Net cash provided by operating activities	\$ 23,673	\$ 30,892	\$ 11,560
Net cash (used in) provided by investing activities	(62,234)	14,518	(18,875)
Net cash provided by (used in) financing activities	36,161	(42,743)	6,409

Cash flow from operating activities generally reflects our net income, as well as balance sheet changes arising from inventory purchasing patterns, the timing of collections on our accounts receivable, the seasonality of our business, fluctuations in fuel prices, our working capital requirements and general market conditions.

Net cash provided by operating activities was \$11.6 million for the year ended December 31, 2011, compared to \$30.9 million for 2010, for a year-over-year decrease in cash provided by operating activities of \$19.3 million. The change in net cash provided by operating activities primarily results from changes in our operating assets and liabilities totaling approximately \$18.3 million between 2011 and 2010. During 2011, we experienced increased fuel prices compared to 2010 and, as a result, we had to fund additional working capital requirements. Primarily due to the rise in motor fuel prices, we had increases in the use of cash, for 2011 compared to 2010, in accounts receivable of \$2.2 million and fuel taxes payable of \$2.4 million. In addition the decrease is also due to the divestiture of 29 sites in Upstate New York in during the fourth quarter of 2010 that resulted in a loss on sale of \$4.0 million, the repayment of advances to affiliates during 2010 as the related receivables and payables of our affiliates were being settled, the decrease in depreciation and amortization and change in fair value of derivative instruments. These increases were offset by net income in 2011 of \$9.6 million compared to a net loss in 2010 of \$3.0.

Net cash provided by operating activities was \$30.9 million for 2010 compared to \$23.7 million for 2009, for a year-over-year increase in cash provided by operating activities of \$7.2 million. The change in net cash provided by operating activities principally results from changes in our operating assets and liability totaling approximately \$1.0 million between 2010 and 2009. During 2010, we had an increase in the source of cash, for 2010 compared to 2009, in accounts receivable from affiliates of \$6.4 million, offset by a decrease in the source of cash \$6.0 million in environmental indemnification assets. These increases were partially offset by the net loss incurred of \$3.0 million in 2010 as compared to \$6.0 million of net income in 2009 primarily attributable to a loss of \$6.7 million from discontinued operations in 2010.

Net cash used in investing activities was \$18.9 million for 2011 compared to net cash of \$14.5 million provided by in 2010. Investing activities for 2010 reflect \$2.8 million in capital expenditures and \$33.7 million in cash paid in connection with the acquisition of Motiva, net of cash acquired, as compared to \$2.4 million in capital expenditures and \$2.1 million in cash paid in connection with one-off acquisitions in 2010. In addition, we received approximately \$16.1 million in proceeds from the divestiture of various low margin and low volume sites as compared to \$19.0 million in 2010.

Net cash provided by investing activities was \$14.5 million for 2010 compared to net cash of \$62.2 million used in 2009. Investing activities for 2010 reflect \$2.4 million in capital expenditures and \$2.1 million in cash paid in connection with one-off acquisitions, net of cash acquired, as compared to \$1.5 million in capital expenditures and \$70.2 million in cash paid in connection with BP and Unimart acquisitions in 2009. In addition, we received approximately \$19.0 million in proceeds from the divestiture of various low margin and low volume sites as compared to \$13.1 million on 2009.

Net cash used in investing activities was \$62.2 million for 2009 and included \$1.5 million in capital expenditures, issuance of notes receivable of \$3.6 million and \$70.2 million in cash paid in connection with acquisitions, net of cash acquired, partially offset by approximately \$13.1 million in proceeds from the divestiture of various low margin and low volume sites.

Net cash provided by financing activities was \$6.4 million for 2011 compared to net cash of \$42.7 million used in 2010. Financing activities for 2011 reflect \$52.8 million in proceeds from our long term debt and financing obligations and as compared to \$163.2 million in 2010. During 2010 we entered into a \$175 million revolving term loan credit facility which was used to refinance several credit facilities. In addition we received \$4.4 million in cash contributions from our members, offset by \$18.8 in distributions as compared to \$9.1 in contributions and \$24.0 million in distributions for 2010.

Net cash used in financing activities was \$42.7 million for 2010 as compared to net cash of \$36.2 million provided in 2009. Financing activities for 2010 reflects \$163.2 million in proceeds from our long-term debt and financing obligations as compared to \$58.4 million in 2009. During 2010 we entered into a \$175 million revolving term loan credit facility which was used to refinance several credit facilities. In addition, we received \$9.1 million in cash contributions from our members, offset by \$24.0 million in distributions for 2010.

Net cash provided by financing activities was \$36.2 million for 2009 and primarily included \$58.4 million in net proceeds from our long-term debt and financing obligations, \$8.4 million in cash contributions from our members, partially offset by \$23.8 million in payments on our long-term debt and financing obligations, and \$11.5 million in distributions to our members.

Capital Expenditures

We are required to make investments to expand, upgrade and enhance existing assets. We categorize our capital requirements as either maintenance capital expenditures or expansion capital expenditures. Maintenance capital expenditures represent capital expenditures to replace partially or fully depreciated assets to maintain the operating capacity of, or operating income generated by, existing assets and extend their useful lives. We anticipate that maintenance capital expenditures will be funded with cash generated by operations. We had approximately \$2.8 million, \$2.4 million and \$1.5 million in maintenance capital expenditures for the years ended December 31, 2011, 2010 and 2009, respectively, and \$0.7 million and \$0.8 million for the three months ended March 31, 2012 and 2011, respectively, which are included in capital expenditures in our predecessor's combined statements of cash flows.

Expansion capital expenditures include expenditures to acquire assets to grow our business, such as projects that increase our operating income or operating capacity. We have the ability to fund our expansion capital expenditures through, among others options, by issuing additional equity. We had approximately \$33.7 million, \$2.1 million and \$70.2 million in expansion capital expenditures for the years ended December 31, 2011, 2010 and 2009, respectively, which are included in capital expenditures in our predecessor's combined statements of cash flows.

In connection with the closing of the offering, we will enter into a five year \$250 million senior secured revolving credit facility, which may be increased to \$325 million if certain conditions are met. We will use the proceeds of this new facility to repay in full the remaining borrowings under our existing credit agreement. This new credit agreement will mature in 2017.

This credit agreement is subject to certain contingent events, one of which is the consummation of an initial public offering. All obligations under this new credit agreement will be secured by substantially all of the Predecessor Entity's assets. We expect that our new revolving credit facility will be available for general partnership purposes, including working capital, capital expenditures and acquisitions. We expect our revolving credit facility will be undrawn at the closing of this offering.

The new credit agreement will prohibit the Predecessor Entity from making distributions to unitholders if any potential default or event of default occurs or would result from the distribution. In addition, the new credit agreement will contain various financial and nonfinancial covenants.

We believe that we will have sufficient cash flow from operations, borrowing capacity under our new credit agreement and the ability to issue additional common units and/or debt securities to meet our financial commitments, debt service obligations, contingencies and anticipated capital expenditures. However, we are subject to business and operational risks that could adversely affect our cash flow. A material decrease in our cash flows would likely produce an adverse effect on our borrowing capacity as well as our ability to issue additional common units and/or debt securities.

Contractual Obligations

Our predecessor has contractual obligations that are required to be settled in cash. The amount of our predecessor's contractual obligations as of December 31, 2011 were as follows:

	Payments due by period				
	Total	Less Than 1 Year	1-3 Years	4-5 Years	More Than 5 Years
	(in thousands)				
Long-term debt (1)	\$ 188,016	\$ 8,564	\$ 23,256	\$ 151,887	\$ 4,309
Mandatorily redeemable preferred equity (2)	12,000	—	12,000	—	—
Financing obligations (3)	37,008	407	1,110	1,573	33,918
Operating lease obligations (4)	75,659	8,029	14,534	12,734	40,362
Other long-term liabilities (5)(6)	—	—	—	—	—
Total	\$ 312,683	\$ 17,000	\$ 50,900	\$ 166,194	\$ 78,589

- (1) The long-term debt payment obligations, which aggregate \$188.0 million, reflect the gross carrying value of long-term debt and, net of \$2.5 million of unamortized debt discount, constitute the \$185.5 million net carrying amount of long-term debt presented in our predecessor's combined balance sheet as of December 31, 2011. Long-term debt does not include future obligations to make cash payments related to interest. Of our long-term debt, \$164.3 million principal amount bears interest at a variable rate, which was 3.4% per year as of December 31, 2011. During the year ended December 31, 2011, we incurred interest of \$5.4 million on this variable rate debt.
- (2) In December 2008, one of the entities comprising our predecessor issued non-voting preferred membership interests with a liquidation preference of \$12.0 million to certain related individuals. Our predecessor has the right to repurchase the preferred membership interests at any time at a price equal to the liquidation preference plus any accrued and unpaid dividends. Our predecessor is obligated to redeem the preferred membership interests on or before December 22, 2015. The holders of the preferred membership interests have the option to request payment of the liquidation preference and all accrued and unpaid dividends at any time after October 1, 2013.
- (3) The lease financing obligations consist of sale-leaseback transactions where the sale was not recognized because our predecessor retained a continuing involvement in the underlying sites. These lease financing obligations do not include \$8.7 million of additional lease financing obligations related to sales of sites where our predecessor retained a continuing involvement for a contractual period resulting in a contingent recognition of a sale, if any. These payments are contingent on the recognition of the related sale transactions and, accordingly, the amount and timing of any future payments cannot reasonably be estimated reliably. As a result, these payments have been excluded from the table above.
- (4) The \$75.7 million of aggregate operating lease obligations includes \$74.2 million of operating lease payments related to our predecessor's lease of sites from unrelated third-parties. These operating lease payments consist of

base rent payments and, in some circumstances, percentage rent based on sales. These operating leases expire from time-to-time through December 2028. Our predecessor also leases office space and equipment under non-cancellable operating leases which expire from time-to-time through 2020.

- (5) Under the terms of various supply agreements, our predecessor is obligated to minimum volume purchase requirements measured in gallons of motor fuel. Our predecessor purchased approximately 417.8 million, 415.9 million and 322.3 million gallons of motor fuel under these supply agreements during 2011, 2010, and 2009, respectively. These volumes reflect our predecessor's fulfillment of the minimum volume purchase requirements under the supply agreements. Future minimum volume purchase requirements are 346 million gallons for the five-year period ending December 31, 2016 and 725 million gallons thereafter. The aggregate dollar amount of the future minimum volume purchase requirements is dependent on the future weighted average wholesale cost per gallon charged under the applicable supply agreements. The amounts and timing of the related payment obligations cannot reasonably be estimated reliably. As a result, payment of these amounts has been excluded from the table above.
- (6) In December 2009, our predecessor entered into an agreement to guarantee amounts owed by an affiliated entity to a grocery supplier. The amount guaranteed was approximately \$1.9 million as of December 31, 2011. Through December 31, 2011, our predecessor had not been required to make any payments under the agreement.

New Credit Agreement

In connection with the closing of this offering, we will enter into a five-year \$250 million senior secured revolving credit facility, which may be increased to \$325 million if certain conditions are met. We will use the proceeds of this new facility to repay in full the remaining borrowings under our existing credit agreement. As of March 31, 2012, we had approximately \$171.4 million outstanding under our existing credit agreement.

Immediately following the closing of this offering, we expect to have available undrawn borrowing capacity of approximately \$ million under our new credit agreement. Our new credit agreement will mature in 2017, on or about the fifth anniversary of the closing of this offering, at which point all amounts outstanding under the credit agreement will become due. The aggregate amount of the outstanding loans and letters of credit under the revolving credit facility cannot exceed the combined revolving commitments then in effect.

We and each of our subsidiaries will be guarantors of all of the obligations under our new credit agreement. All obligations under our new credit agreement also will be secured by substantially all of our assets and substantially all of the assets of our subsidiaries.

Indebtedness under the credit facility of our new credit agreement will bear interest, at our option, at (1) a rate equal to the London Interbank Offered Rate, or "LIBOR" rate, for interest periods of one, two, three or six months, plus a margin of 2.25% to 3.00% per annum, depending on the ratio of our aggregate borrowings outstanding under the credit agreement to our EBITDA (as defined in the new credit agreement), which we refer to as our "consolidated total leverage ratio," or (2) (a) a base rate, which we refer to as the "applicable base rate," equal to the greatest of, (i) the federal funds rate, plus 0.5%, (ii) the LIBOR rate for one month interest periods, plus 1.00% per annum or (iii) the rate of interest established by the lender, from time to time, as its prime rate, plus (b) a margin of 1.25% to 2.00% per annum depending on our consolidated total leverage ratio. In addition, we will incur a commitment fee based on the unused portion of the working capital facility at a rate of 0.50% per annum.

We have the right to a swingline loan under the credit agreement in an amount up to \$5.0 million. Swingline loans will bear interest at the applicable base rate, plus a margin of 1.25% to 2.00% depending on our consolidated total leverage ratio.

Standby letters of credit are permissible under the credit facility up to an aggregate amount of \$35.0 million. Standby letters of credit will be subject to a 0.25% fronting fee and other customary administrative charges. Standby letters of credit will bear interest at a rate of 2.25% to 3.00% per annum, depending on our consolidated total leverage ratio.

Our new credit agreement will prohibit us from making distributions to unitholders if any potential default or event of default occurs or would result from the distribution. In addition, our new credit agreement will contain various covenants that may limit, among other things, our ability to:

- grant liens;
- create, incur, assume or suffer to exist other indebtedness; or
- make certain investments, acquisitions or dispositions.

Our new credit agreement also will contain financial covenants generally requiring us to maintain a consolidated total leverage ratio no greater than 4.00 to 1.00 measured quarterly on a trailing four quarters' basis, except that we will be allowed to maintain a consolidated total leverage ratio no greater than 4.25 to 1.00 measured quarterly on a trailing four quarters' basis for the year subsequent to a permitted acquisition.

If an event of default exists under our new credit agreement, the lenders will be able to accelerate the maturity of the credit agreement and exercise other rights and remedies. Events of default include, among others, the following:

- failure of any representation or warranty to be true and correct in any material respect;
- failure to perform or otherwise comply with the covenants in the credit agreement or in other loan documents to which we are a borrower without a waiver or amendment;
- any default in the performance of any obligation or condition beyond the applicable grace period relating to any other indebtedness of more than \$5.0 million;
- a judgment default for monetary judgments exceeding \$5.0 million;
- bankruptcy or insolvency event involving us, our general partner or any of our subsidiaries;
- a change of control, as defined in the credit agreement, without a waiver or amendment; and
- failure of the lenders for any reason to have a perfected first priority security interest in the security pledged by any borrower or any of the security becomes unenforceable or invalid.

Off-Balance Sheet Arrangements

We have no off-balance sheet arrangements.

Impact of Inflation

Inflation in the United States has been relatively low in recent years and did not have a material impact on our results of operations for the years ended December 31, 2011, 2010 and 2009.

Critical Accounting Policies

We prepare our combined financial statements in conformity with GAAP. The preparation of these combined financial statements requires us to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities as of the date of the combined financial statements, and the reported amount of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Critical accounting policies are those we believe are both most important to the portrayal of our financial condition and results, and require our most difficult, subjective or complex judgments, often as a result of the need to make estimates about the effect of matters that are inherently uncertain. Judgments and uncertainties affecting the application of those policies may result in materially different amounts being reported under different conditions or using different assumptions. We believe the following policies to be the most critical in understanding the judgments that are involved in preparing our combined financial statements.

Revenue Recognition

We recognize revenues from wholesale fuel sales when fuel is delivered to the customer. The amounts we record for bad debts are generally based upon a specific analysis of aged accounts while also factoring in any new business conditions that might impact the historical analysis, such as market conditions and bankruptcies of particular customers. We include bad debt provisions in selling, general and administrative expenses. We recognize sales convenience store products net of applicable provisions for discounts and allowances upon delivery, generally at the point of sale. We recognize rental income on a straight-line basis over the term of the lease.

Property and Equipment

We record property and equipment at cost. We recognize depreciation using straight-line and declining balance methods over the estimated useful lives of the related assets, including: five to fifteen years for buildings and leasehold improvements, three to ten years for equipment, and three to seven for vehicles and office furniture and equipment.

The amortization of leasehold improvements is based upon the shorter of the remaining terms of the leases including renewal periods that are reasonably assured, or the estimated useful lives, which approximate twenty years. We capitalize expenditures for major renewals and betterments that extend the useful lives of property and equipment. We charge maintenance and repairs to operations as incurred. We record gains or losses on the disposition of property and equipment in the period incurred for sales that we recognize.

Accounting and reporting guidance for long-lived assets requires that a long-lived asset (group) be reviewed for impairment only when events or changes in circumstances indicate the carrying amount of the long-lived asset (group) might not be recoverable. Such events and circumstances include, among other factors: operating losses; unused capacity; market value declines; changes in the expected physical life of an asset; technological developments resulting

in obsolescence; changes in our business plans or those of our major customers, suppliers or other business partners; changes in competition and competitive practices; uncertainties associated with the United States and world economies; changes in the expected level of capital, operating or environmental remediation expenditures; and changes in governmental regulations or actions. Accordingly, we evaluate impairment whenever indicators of impairment are identified. Our impairment evaluation is based on the projected undiscounted cash flows of the particular asset. We recorded zero impairments of long-lived assets during 2011, 2010, and 2009.

Environmental and Other Liabilities

We record a liability for all direct costs associated with the estimated resolution of contingencies at the earliest date at which it is deemed probable a liability has been incurred and the amount of such liability can be reasonably estimated. We estimate costs accrued based upon an analysis of potential results, assuming a combination of litigation and settlement strategies and outcomes. We generally recognize estimated losses from environmental remediation obligations no later than the completion of the remedial feasibility study. We adjust loss accruals as further information becomes available or circumstances change. We do not discount costs of future expenditures for environmental remediation obligations to their present value. We recognize recoveries of environmental remediation costs from other parties as assets when their receipt is deemed probable.

We are subject to other contingencies, including legal proceedings and claims arising out of our businesses that cover a wide range of matters, including, among others, environmental matters and contract and employment claims. Environmental and other legal proceedings may also include matters with respect to businesses previously owned. Further, due to the lack of adequate information and the potential impact of present regulations and any future regulations, there are certain circumstances in which no range of potential exposure may be reasonably estimated.

Assets Held for Sale and Discontinued Operations

The determination to classify a site as held for sale requires significant estimates by us about the asset and the expected market for the site, which are based on factors including recent sales of comparable sites, recent expressions of interest in the sites and the condition of the site. We must also determine if it will be possible under those market conditions to sell the site for an acceptable price within one year. When assets are identified by our management as held for sale, we discontinue depreciating the assets and estimate the sales price, net of selling costs, of such assets. We generally consider sites to be held for sale when they meet criteria such as whether the appropriate level of management has approved the sale transaction and there are no known material contingencies relating to the sale such that the sale is probable and is expected to qualify for recognition as a completed sale within one year. If, in management's opinion, the expected net sales price of the asset that has been identified as held for sale is less than the net book value of the asset, the asset is written down to fair value less the cost to sell. We present assets and liabilities related to assets classified as held for sale separately in the balance sheet.

Assuming no significant continuing involvement, we consider both a site classified as held for sale and a sold site a discontinued operation. We reclassify sites classified as discontinued operations as such in the statement of operations for each period presented.

Quantitative and Qualitative Disclosures About Market Risk

Market risk is the potential loss arising from adverse changes in the financial markets, including interest rates. Our exposure to interest rate risk relates primarily to our existing term loan and revolving credit facility. If we were to utilize amounts under our new credit agreement, we could be exposed to interest rate risk. Upon closing of this offering, we expect to have \$ million outstanding under our new credit agreement.

To manage interest rate risk and limit overall interest cost, we have employed, and may continue to employ, interest rate swaps to convert a portion of the floating-rate debt under our existing credit facility asset to a fixed-rate liability. As of December 31, 2011, we had an aggregate \$50.0 million in notional amount of swap agreements with settlement dates on various dates through December 31, 2012. As of December 31, 2011 and December 31, 2010, we had no other assets or liabilities that have significant interest rate sensitivity.

Interest rate differentials that arise under swap contracts are recognized in interest expense over the life of the contracts. If interest rates rise, the resulting cost of funds is expected to be lower than that which would have been available if debt with matching characteristics was issued directly. Conversely, if interest rates fall, the resulting costs would be expected to be higher. Gains and losses are recognized in net income.

Because the information presented above includes only those exposures that existed as of December 31, 2011, it does not consider changes, exposures or positions that could arise after that date. The information presented herein has limited predictive value. As a result, the ultimate realized gain or loss or expense with respect to interest rate fluctuations will depend on the exposures that arise during the period, our hedging strategies at the time and interest rates.

INDUSTRY

Unless stated otherwise, the following information is derived from the most current information available from the EIA, the statistical and analytical agency within the United States Department of Energy.

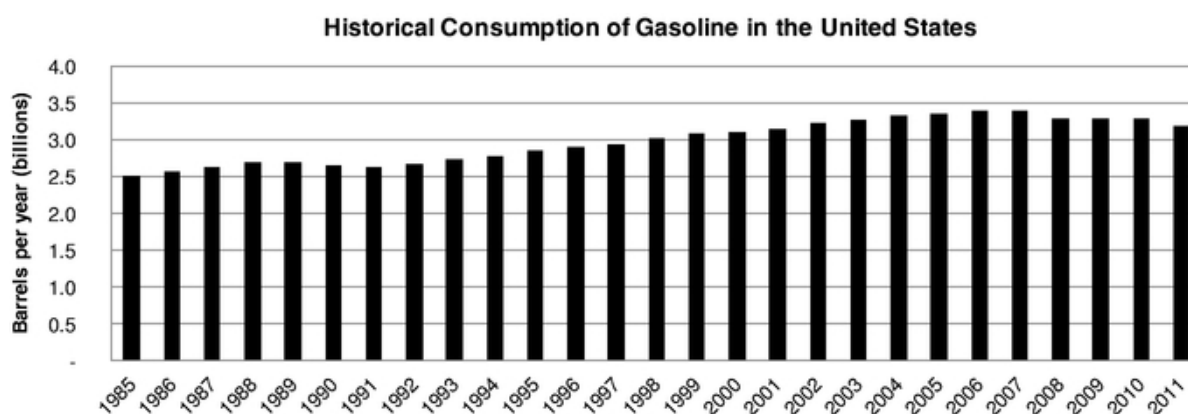
The Motor Fuel Industry

The United States consumes nearly 19 million barrels of refined petroleum products each day, and roughly 68% is for gasoline and diesel used primarily for ground transportation. The primary use for motor fuels is in automobiles and light trucks. Motor fuels are also used to fuel boats, recreational vehicles, and various farm and other equipment.

In 2011, United States refineries produced approximately 99% of the gasoline and diesel fuel supplied domestically. After crude oil is refined into motor fuels and other petroleum products, the products must be distributed to facilities that service consumers. The majority of motor fuels is transported first by pipeline to storage terminals near consuming areas and then loaded into trucks for delivery to individual gas stations.

Gasoline Demand Overview

In 2011, gasoline represented the largest share of refined petroleum products consumed in the United States at 45% of all refined petroleum. Motor fuel demand is driven primarily by general economic expansion as well as by geographic and demographic factors. As illustrated in the following chart, since 1985 consumption of gasoline has increased in the United States from 2.5 billion barrels per year to 3.2 billion barrels per year in 2011, which represents average annual growth of 1%.



Gasoline consumption in the United States has proven to be stable, with growth in 53 of the 66 years in the period from 1945 to 2011. In general, down years in gasoline consumption have largely been driven by historical external shocks or other unusual economic factors in the broader economy. With the exception of the oil supply crisis of the late 1970s, consumption declines were less than 3% in any given year.

Diesel Demand Overview

Diesel is principally consumed in the United States by large trucks. Diesel is also used by electricity generators, railroad locomotives, farming equipment, military vehicles and engines,

and some cars. The United States consumed 0.8 billion barrels of on-highway diesel in 2010. On-highway diesel has grown from 55% in 2001 to 65% in 2010 of total diesel consumption. Since 1985, consumption of on-highway diesel fuel has experienced an average annual growth of 2.8%. Because it is primarily used for commercial and industrial transportation, on-highway diesel consumption is more cyclical and fluctuates more than gasoline. From 1985 to 2010, there were nine years where on-highway diesel experienced greater than 5% annual growth rates and there were two years where on-highway diesel experienced greater than 5% declines.

Motor Fuel Demand Projections

The EIA projects transportation energy consumption will grow at an average annual rate of 0.6% per year thru 2035. The EIA estimates moderate increases by heavy-duty vehicles for freight travel demand and slight increases by automobiles. In the EIA's 2011 baseline projections, consumption of gasoline is projected to remain almost flat through 2035 while consumption of on-highway diesel fuel is projected to increase at an average annual rate of 1.6% through 2035. This growth trend also factors in increased fuel economy standards which the EIA does not expect will overcome overall increases in transportation demand, which drives the continued growth during the forecast period.

Motor Fuels

In general, motor fuels are homogenous commoditized products. Gasoline is typically sold by octane grades: regular, midgrade and premium. In 2011, 87.2% of gasoline sales were regular grade, 3.9% medium grade and 9.0% premium grade. In contrast to gasoline, on-highway diesel is not generally available in different grades. One way in which wholesale and retail marketers engage in product differentiation is to increase sales volume by purchasing specialized motor fuel blends from established global/national brand refiners such as ExxonMobil, BP, Shell, Valero, Sunoco and Gulf. These large refiners have substantial influence over the wholesale distribution system and have extensive networks for getting their fuels to retail markets.

Regional and Seasonal Demand Patterns

Different regions exhibit different motor fuel consumption patterns. Population, demographics, and regional economic activity are important determinants affecting demand, but availability of alternative fuels, petroleum transportation costs, geography and other factors are also important. The United States government categorizes motor fuel consumption into five Petroleum Administration for Defense Districts (PADD), with the East Coast (PADD I) consuming the largest volume of gasoline and the second largest amount of on-highway diesel of the five PADDs. In 2011, 36% of United States gasoline was supplied to the East Coast. In 2010, 29% of United States on-highway diesel was supplied to the East Coast. The Midwest (PADD II) consumes the second largest volume of gasoline and is the largest consumer of on-highway diesel of the five PADDs. In 2011, 28% of United States gasoline was supplied to the Mid-West. In 2010, 32% of United States on-highway diesel was supplied to the Mid-West.

Gasoline volumes are also considered to be seasonal because gasoline demand rises moderately in the warmer months and falls moderately in the cooler months, exhibiting a shallow swing between the "low" demand season and the "high" demand season. Since 2000, January and February have been the low end of the demand season as gasoline consumption averages approximately 3 to 10% below the monthly average whereas July and August have been the high-end of the demand season as gasoline consumption averages approximately 10 to 11% above the monthly average. On-highway diesel does not typically exhibit the same seasonal variation in consumption.

Wholesale Motor Fuel Marketing

The wholesale motor fuel marketing industry consists of sales of branded and unbranded gasoline and on-highway diesel to retail gas station operators and other wholesale distributors. In general, motor fuels sold to wholesalers are heavily influenced by final retail prices, which are influenced by crude oil prices and refining and transportation costs and other factors. However, final retail prices paid by consumers are ultimately set by the retailers subject to certain regulations and taxes, which vary from state to state. While factors such as geopolitical events and inclement weather and other events can disrupt the supply and price of crude oil and the supply and distribution of refined petroleum products, the impact on retail motor fuel prices may not necessarily be immediate and can take several days or weeks to be reflected in retail prices.

Wholesale distributors purchase branded and unbranded motor fuels from integrated oil companies and refiners and take delivery of the purchased motor fuel at a distribution terminal. The price at which a wholesale distributor generally purchases motor fuel from an integrated oil company or refiner at the terminal is referred to as the "rack" price, which includes the seller's profit on the motor fuel.

Wholesale distributors sell motor fuels to their customers at either "dealer tank wagon" prices, also referred to as "DTW," or "rack plus" prices. DTW prices represent the cost of the motor fuels to the customer and include the profit to the wholesale distributor and, among other costs, transportation costs. Under DTW pricing, the wholesale distributor may provide additional services and benefits to the customer, such as the use of branded trademarks and advertising.

"Rack plus" pricing is the rack price plus a margin that represents the profit to the wholesale distributor. Transportation, insurance and other services to the wholesale distributor's customers may be charged separately. Rack prices are influenced primarily by spot and/or futures crude oil prices. At a minimum, rack prices typically exceed refinery gate prices (prices set by the refiner as it leaves the refinery) by the transportation cost to move the gasoline from the refinery to the terminal, usually by pipeline or by barge.

Wholesale Motor Fuel Customers

In wholesale fuel marketing, there are primarily five classes of customers:

- **Company operated stores**—The wholesale distributor owns or leases the gas station and conducts the retail operations of the gas station, including the retail distribution of motor fuels. The franchise is owned by the distributor and workers are employed by the distributor as well. The wholesale distributor, as the operator of the gas station, sets the retail price of the motor fuels. Since the wholesale distributor pays the rack price for the motor fuels, the retail price at this gas station is usually more competitive than other gas stations that require the operators of those gas stations to pay a higher wholesale price as a result of the mark-up charged by the wholesale distributor.
- **Lessee dealers**—The wholesale distributor owns or leases the gas station and, in turn, leases or subleases the gas station to the lessee dealer, who is typically a small business owner, and wholesale distributes motor fuels to the lessee dealer. Motor fuels are sold to the lessee dealer at a rack plus or DTW price determined by the wholesale distributor. Typically, the lessee dealer purchases gasoline in full truckloads of 8,500 gallons and manages its own inventory. The lessee dealer sets the retail price of the motor fuels at the gas station.

- Commission agents—The wholesale distributor owns or leases the gas station and contracts with a commission agent that undertakes the retail distribution of motor fuels on a commission basis at the gas station. The commission agent retains all of the gas station's remaining revenues and expenses and may pay rent to the wholesale distributor for leasing the gas station. The wholesale distributor sets the retail price of the motor fuels at the gas station.
- Independent dealers—The gas station is owned by an independent dealer or leased by an independent dealer from a person other than the wholesale distributor. The independent dealer selects the brand of motor fuels that are sold at the location and negotiates a long-term contract, typically ten years, with an integrated oil company, refiner or wholesale distributor to purchase motor fuels. These negotiations often enable the independent dealers to obtain motor fuels at favorable prices at the time the long-term contract is entered into. As is the case with lessee dealers, independent dealers also typically purchase gasoline in full truckloads of 8,500 gallons and manage their own inventory. The independent dealer sets the retail price of the motor fuels at the gas station.
- Sub-wholesalers—Typically, major integrated oil companies and refiners will only sell to wholesale distributors that will meet minimum volume thresholds. Accordingly, smaller wholesale distributors are forced to purchase motor fuels from larger wholesale distributors. In addition, wholesale distributors may sell to sub-wholesalers that, either as a result of concerns about adequate access to supply and/or pricing considerations, elect to purchase motor fuels from the wholesale distributor, on a wholesale basis, instead of purchasing directly from major integrated oil companies and refiners. Motor fuels are sold to sub-wholesalers at rack plus.

The retail gas stations are the primary customers for most wholesale motor fuel marketing. According to the Association for Convenience Store and Fuel Retailing, there were 120,950 retail gas stations in the United States at December 31, 2011. Once dominated by the major integrated oil companies, the retail gasoline market has become increasingly more fragmented and many are owned and operated as small independent businesses. In recent years the major integrated oil companies have reduced their United States gas station holdings. According to its periodic reports filed with the SEC, ExxonMobil owned or leased 451, 1,243 and 1,921 gas stations as of December 31, 2011, 2010, and 2009, respectively. The major integrated oil companies reference intense competition in the retail motor fuels market as well as higher returns and margins in other areas of the oil and gas business for their shift in strategy.

Nationwide there is no major company that has a dominant position in retail fuel marketing, and major integrated oil companies own less than 5% of all of the gas stations in the United States. Currently, the top 50 companies generate less than 50% of the total \$115 billion retail gas station revenues. The dominant players compete locally and regionally.

The location of a gas station has a direct impact on the volume of fuel sold and therefore, the profitability of the gas station. Many of the premier gas station locations have been operating for decades. Given the high barriers to entry for new gas stations, including environmental barriers and high real estate property values, gas stations in premier locations have generally increased in value over time.

BUSINESS

Overview

We are a limited partnership formed to engage in the wholesale distribution of motor fuels, consisting of gasoline and diesel fuel, and to own and lease real estate used in the retail distribution of motor fuels. Since our predecessor was founded in 1992, we have generated revenues from the wholesale distribution of motor fuels to sites and from real estate leases.

Our primary business objective is to make quarterly cash distributions to our unitholders and, over time, to increase our quarterly cash distributions. Initially, we intend to make minimum quarterly distributions of \$ per unit per quarter (or \$ per unit on an annualized basis), as further described in "Cash Distribution Policy and Restrictions on Distributions."

Our cash flows from the wholesale distribution of motor fuels will be generated primarily by a per gallon margin that is either a fixed mark-up per gallon or a variable rate mark-up per gallon. By delivering motor fuels through independent carriers on the same day we purchase the motor fuels from suppliers, we seek to minimize the commodity risks typically associated with the purchase and sale of motor fuels. We generate cash flows from rental income primarily by collecting rent from lessee dealers and LGO pursuant to lease agreements. The lease agreements we have with lessee dealers had an average of 2.5 years remaining on the lease terms as of March 31, 2012. We believe that consistent demand for motor fuels in the areas where we operate and the contractual nature of our rental income provide a stable source of cash flow.

For the year ended December 31, 2011, we distributed approximately 561 million gallons of motor fuels to 567 sites. For the three months ended March 31, 2012, we distributed approximately 129 gallons of motor fuels to 575 sites. Over half of the sites to which we distribute motor fuels are owned or leased by us. In addition, we have agreements requiring the operators of these sites to purchase motor fuels from us. For the year ended December 31, 2011, we were one of the ten largest independent distributors by volume in the United States for ExxonMobil, BP, Shell and Valero. We also distribute Sunoco and Gulf-branded motor fuels. Approximately 97% of the motor fuels we distributed in the year ended December 31, 2011 were branded.

As of March 31, 2012, we distributed motor fuels to the following classes of businesses:

- 187 sites operated by independent dealers;
- 180 sites owned or leased by us that will be operated by LGO following the closing of this offering;
- 133 sites owned or leased by us and operated by lessee dealers; and
- 75 sites distributed through six sub-wholesalers.

In May 2012, we entered into a master lease agreement to lease 120 sites from an affiliate of Getty. Of the 120 sites, 74 are located in Massachusetts, 22 are located in New Hampshire, 15 are located in Pennsylvania and 9 are located in Maine. Of these sites, 8 are subleased to, and operated by, lessee dealers, 103 are company operated sites that will be subleased to, and operated by, LGO following this offering and 9 currently are closed. We are evaluating

alternatives to reopen or reposition these closed sites. We expect to distribute BP motor fuels to 88 sites and are evaluating branding alternatives for the other 32 sites.

We are focused on owning and leasing sites primarily located in metropolitan and urban areas. We own and lease sites located in Pennsylvania, New Jersey, Ohio, New York, Massachusetts, Kentucky, New Hampshire and Maine. According to the EIA, of the eight states in which we own and lease sites, four are among the top ten consumers of gasoline in the United States and three are among the top ten consumers of on-highway diesel fuel in the United States. Over 90% of our sites are located in high-traffic metropolitan and urban areas. We believe that the limited availability of undeveloped real estate in these areas presents a high barrier to entry for new or existing retail gas station owners to develop competing sites.

We have grown our business from 11 owned sites in 2004 to 185 owned sites, as of March 31, 2012. Our size and geographic concentration has enabled us to acquire multiple sites, particularly from major integrated oil companies and other entities that have been divesting assets associated with the motor fuel distribution business since the early 2000s. As a result of these acquisitions, we have increased our rental income and enhanced our wholesale distribution business. We have completed ten transactions in which we acquired ten or more sites per transaction, and we historically have been able to divest non-core sites that do not fit our strategic or geographic plans to other retail gas station operators or other entities, such as retail store operators, that may use the land for alternative purposes.

The following table summarizes the aggregate number of sites that were owned or leased by the Lehigh Gas Group to which motor fuel was distributed by the wholesale distribution operations of the Lehigh Gas Group as of the periods presented and the number of sites owned or leased by us to which we would have distributed motor fuel as of the period presented had the transactions contemplated by this offering been completed as of the first day of the period presented. Please read "Summary—The Transactions."

	The Lehigh Gas Group (1)							Lehigh Gas Partners LP Pro Forma	
	Year Ended December 31,					Three Months Ended March 31,		Year Ended December 31, 2011	Three Months Ended March 31, 2012 (2)
	2007	2008	2009	2010	2011	2011	2012		
Number of sites owned and leased (3):									
Owned	151	174	265	231	237	230	234	185	185
Leased	67	88	147	153	147	155	147	131	131
Total	218	262	412	384	384	385	381	316	316

- (1) The Lehigh Gas Group consists of the combined businesses of our predecessor and LGO.
- (2) The pro forma sites owned and leased do not reflect 63 sites that are not being contributed to us in connection with this offering as those sites do not fit our strategic or geographic plans and are either held for sale by our predecessor or are closed.
- (3) The year ended December 31, 2011, pro forma year ended December 31, 2011, three months ended March 31, 2012 and pro forma three months ended March 31, 2012 include eight sites owned and nine sites leased by the Topper Group, not included in our predecessor, that are being contributed to us in connection with this offering.

The following table summarizes the aggregate volume of motor fuel distributed by the wholesale distribution operations of the Lehigh Gas Group for the periods presented and the

volume of motor fuel we would have distributed had the transactions contemplated by this offering been completed as of the first day of the period presented.

	The Lehigh Gas Group (1)						Lehigh Gas Partners LP Pro Forma		
	Year Ended December 31,					Three Months Ended March 31,		Year Ended December 31, 2011 (2)	Three Months Ended March 31, 2012 (2)
	2007	2008	2009	2010	2011 (in millions)	2011	2012		
Gallons of motor fuel distributed to:									
Owned sites	127.8	121.7	164.0	237.7	196.3	45.9	45.1	180.0	42.4
Leased sites	111.1	111.1	138.0	213.5	202.8	41.0	36.8	158.9	35.7
Independent dealers	82.7	80.2	108.4	139.1	160.1	41.2	35.0	155.8	35.6
Sub-wholesalers (3)	65.6	69.3	71.0	72.9	76.6	20.4	16.3	66.0	15.5
Total	387.2	382.3	481.4	663.2	635.8	148.5	133.2	560.7	129.2

- (1) The Lehigh Gas Group consists of the combined businesses of our predecessor and LGO.
- (2) The pro forma gallons of motor fuel distributed do not reflect 75.1 million gallons distributed to sites that are not being contributed to us in connection with this offering, as those sites do not fit our strategic or geographic plans and are either held for sale by our predecessor or are closed. We will, however, continue to distribute motor fuels to these sites until they are disposed of by our predecessor.
- (3) Includes motor fuel distributed to customers of the Lehigh Gas Group. We will distribute motor fuel to LGO on a sub-wholesale basis, and LGO will, in turn, sell the motor fuel at retail to customers following this offering.

Business Strategies

Our primary business objective is to make quarterly cash distributions to our unitholders and, over time, to increase our quarterly cash distributions by continuing to execute the following strategies:

- *Own or lease sites in prime locations and seek to enhance the cash flow potential of these sites.* As of March 31, 2012, we owned or leased 278 sites that are strategically located in densely populated metropolitan and urban areas that historically have had high demand for motor fuel. These sites serve customers seeking convenient fueling locations on roads and intersections with heavy traffic. We constantly evaluate opportunities to enhance the cash flow potential of our sites. For example, at our sites we may install car washes, convert service bays into convenience stores or upgrade convenience stores to quick service restaurants. These enhancements improve our ability to charge increased rents at these sites and increase the wholesale distribution potential of these sites.
- *Expand within and beyond our core markets through acquisitions.* We intend to continue to grow our business through strategic and accretive acquisitions of sites and wholesale distribution businesses both within our existing area of operations and in new geographic areas. We believe that there is considerable opportunity for consolidation in our industry as the major integrated oil companies continue to divest sites they own and lease and as family-owned wholesale distributors consider selling their businesses. We have an established history of acquiring sites in Pennsylvania, New Jersey, Ohio, New York, Massachusetts and Kentucky. Please read "Business—Real Estate Site Locations." Because of our interest in purchasing wholesale distribution operations as well as sites, we believe we have a competitive advantage over bidders interested in purchasing only sites.

- *Serve as a preferred motor fuel distributor and provide dedicated supply and services to our customers.* We have established long-term relationships with our suppliers that enhance the dependability and quality of our motor fuel supply to our customers. During periods of motor fuel shortages, we historically have succeeded in sustaining a supply of motor fuel sufficient to meet the needs of our customers while many of our unbranded competitors have not. In addition, we provide our customers with services that enable them to more efficiently operate their gas stations, including, but not limited to, preferred pricing in purchasing gas station equipment and for providing maintenance services. We intend to continue to maintain our strong relationships with existing suppliers and customers and to develop new relationships to grow our wholesale distribution business.
- *Increase our wholesale motor fuel distribution business by expanding market share.* As we seek to increase the number of sites we own and lease, we expect to have a commensurate increase in our wholesale distribution business due to the addition of these new sites. Furthermore, we believe that our standing in 2011 as a top ten independent distributor by volume in the United States for ExxonMobil, BP, Shell and Valero enables us to capitalize on the reduction by major integrated oil companies in the number of wholesalers with which they do business. As smaller wholesale distributors experience difficulties purchasing motor fuels from major integrated oil companies and refiners, we have been able to, and believe that we will be able to continue to, successfully target and sell motor fuels to these wholesalers on a sub-wholesaling basis.
- *Maintain strong relationships with major integrated oil companies and refiners.* Our relationships with suppliers of branded motor fuels are crucial to the operation and growth of our business. These relationships have allowed us to consistently negotiate supply agreements with competitive terms, and they have also provided us a source of acquisitions as major integrated oil companies and refiners have continued to divest retail distribution businesses and real estate. We intend to continue to maintain and grow our relationships with major integrated oil companies and refiners.
- *Manage risk by outsourcing delivery of motor fuel, mitigating exposure to environmental liabilities and implementing systems and controls to manage operations.* Motor transportation services are not part of our core business, and we do not own or lease trucks for the delivery of motor fuel. This strategy alleviates the capital, labor, and liability constraints associated with operating a transportation fleet. Instead, we contract with third parties for the delivery of motor fuel. We believe that operating a fuel transportation service would not add significant economic or operational value to our business and that outsourcing the delivery service to third parties allows us to focus on our wholesale distribution business. Before acquiring the property underlying a site, we use a third-party environmental consultant to perform due diligence at the site to assess the extent of contamination, if any. Typically, when an acquired site requires remediation, either the seller funds an escrow account for the cost to remediate the property, or the seller retains the obligation to remediate the property. We may purchase environmental insurance policies to contain costs in the event that escrowed amounts are inadequate and/or if there are unknown pre-existing conditions. In addition, we participate in state programs, where available, that may also assist in funding the costs of environmental liabilities. Also, since we purchase and deliver fuel in the same day through independent carriers, we minimize commodity risks associated with the purchase and sale of motor fuels. In addition, our daily collection and settlement procedures minimize credit risk.

Competitive Strengths

We believe the following competitive strengths will enable us to achieve our primary business objective:

- *Stable cash flows from real estate rental income and wholesale motor fuel distribution.* We generate revenue from rent on our sites and earn a per gallon margin on the wholesale distribution of motor fuels. We collect rent from the lessee dealers and LGO pursuant to lease agreements. The average remaining lease term for our lessee dealer sites was 2.5 years as of March 31, 2012. The remaining lease term for our LGO sites is 15 years. We sell motor fuel on a wholesale basis to lessee dealers, independent dealers, LGO and sub-wholesalers. Our wholesale contracts prohibit customers from purchasing motor fuels from other distributors. We receive a per gallon margin that is either a fixed mark-up per gallon or a variable rate mark-up per gallon. We believe that the contractual nature of our rental income and the consistent demand for motor fuel in the areas where we operate provide a stable source of cash flow.
- *Prime real estate locations in areas with high traffic and considerable motor fuel consumption.* We derive our rental income from sites we own or lease that provide convenient fueling locations in areas that are densely populated. Of the eight states in which we own and lease sites, four are among the top ten consumers of gasoline in the United States and three are among the top ten consumers of on-highway diesel fuel in the United States. We believe that the limited availability of undeveloped real estate in these areas presents a high barrier to entry for the development of competing sites.
- *Established history of acquiring sites and successfully integrating these sites and operations into our existing business.* We have an established history record of acquiring sites to grow our business. We have increased the number of sites we owned from 11 in 2004 to 185, as of March 31, 2012. Many of our acquisitions have been from major integrated oil companies that have pursued a strategy of divesting their retail marketing operations. Our strong industry relationships and ability to complete acquisitions have allowed us to find multiple sites and negotiate transactions that are on attractive terms. Furthermore, we have successfully integrated our acquisitions into our existing business by reducing overhead costs and realizing economies of scale associated with our wholesale distribution business.
- *Long-term relationships with major integrated oil companies and refiners.* We have established long-term relationships and supply agreements with companies that are among the largest suppliers of branded motor fuel. For the year ended December 31, 2011, our wholesale business purchased approximately 46%, 23%, 22% and 5% of its motor fuel from ExxonMobil (a supplier of ours since 2002), BP (a supplier of ours since 2009), Shell (a supplier of ours since 2004) and Valero (a supplier of ours since 2007), respectively. Our prompt payment history and good credit standing with our suppliers allow us to receive certain term discounts on our fuel purchases, which increases the profitability of our wholesale distribution business. We believe that these relationships and payment terms are not easily replicated by new competitors in the markets we serve.
- *Financial flexibility to pursue acquisitions and other expansion opportunities.* After the application of the net proceeds we receive from this offering, under our new credit agreement we will have \$250 million available for acquisitions and up to \$325 million available for working capital purposes. We believe that our borrowing capabilities available under our new credit agreement and our ability to issue additional common units will provide us with the financial flexibility to pursue acquisition and expansion opportunities.

- Extensive industry experience of our senior management team.* The members of our senior management team, including their experience managing the business and affairs of the Lehigh Gas Group, have, on average, over 24 years of experience in the ownership and operation of businesses that distribute motor fuel. In this regard, the members of our senior management team have an established history of acquiring sites and expanding our wholesale distribution business. Under their leadership, the Lehigh Gas Group grew from 11 owned sites in 2004 to 234 owned sites as of March 31, 2012. In addition, the Lehigh Gas Group have increased the number of gallons of motor fuel distributed from 387.2 million gallons in 2007 to 635.8 million gallons in 2011. Furthermore, our senior management team has extensive relationships with the suppliers and customers that are crucial to the successful operation of our business.

Wholesale Motor Fuel Distribution

General

The following table highlights the aggregate volume of motor fuel distributed by the wholesale distribution operations of the Lehigh Gas Group to each of its principal customer groups by gallons sold for the periods presented and the volume of motor fuel that we would have distributed to each of our principal customer groups by gallons sold had the transactions contemplated by this offering been completed as of the first day of the period presented.

	The Lehigh Gas Group (1)						Lehigh Gas Partners LP Pro Forma		
	Year Ended December 31,					Three Months Ended March 31,		Year Ended December 31, 2011 (2)	Three Months Ended March 31, 2012 (2)
	2007	2008	2009	2010	2011	2011	2012		
	(in millions)								
Volume distributed:									
Lessee dealer	106.8	100.2	150.4	157.6	126.4	27.8	28.7	119.0	27.8
Independent dealer	82.7	80.2	108.4	139.1	160.5	41.2	35.0	156.2	35.6
LGO	132.1	132.6	151.6	293.5	272.3	59.1	53.2	219.5	50.3
Sub-wholesaler (3)	65.6	69.3	71.0	72.9	76.6	20.4	16.3	66.0	15.5
Total	387.2	382.3	481.4	663.2	635.8	148.5	133.2	560.7	129.2

- (1) The Lehigh Gas Group consists of the combined businesses of our predecessor and LGO.
- (2) The pro forma gallons of motor fuel distributed do not reflect 75.1 million gallons distributed to sites that are not being contributed to us in connection with this offering, as those sites do not fit our strategic or geographic plans and are either held for sale by our predecessor or are closed. We will, however, continue to distribute motor fuels to these sites until they are disposed of by sold by our predecessor.
- (3) Includes motor fuel distributed to customers of the Lehigh Gas Group. We will distribute motor fuel to LGO on a sub-wholesale basis, and LGO will, in turn, sell the motor fuel at retail to customers following this offering.

We purchase branded and unbranded motor fuel from major integrated oil companies, refiners and unbranded fuel suppliers. We distribute motor fuel to lessee dealers, independent dealers, LGO and sub-wholesalers. We are a distributor of various brands of motor fuel as well as unbranded motor fuel. We are among the largest independent distributors by volume of ExxonMobil, BP, Shell and Valero-branded motor fuel in the United States, and we also distribute Sunoco and Gulf-branded motor fuels. For the year ended December 31, 2011, we distributed approximately 561 million gallons of motor fuel. We receive a fixed mark-up per gallon on approximately 52% of our gallons sold, which reduces the overall variability of our

financial results. We receive a variable rate mark-up per gallon on the remaining gallons sold. For the three months ended March 31, 2012, our predecessor's wholesale operations produced revenues and gross profit of \$408.5 million and \$7.3 million, respectively. For the three months ended March 31, 2011, our predecessor's wholesale operations produced revenues and gross profit of \$338.8 million and \$6.7 million, respectively. For the year ended December 31, 2011, our predecessor's wholesale operations produced revenues and gross profit of \$1.6 billion and \$38.4 million, respectively. For the year ended December 31, 2010, our predecessor's wholesale operations produced revenues and gross profit of \$1.2 billion and \$31.1 million, respectively.

Arrangements with Lessee Dealers and Independent Dealers

We distribute motor fuel to lessee dealers and independent dealers under supply agreements. Under our supply agreements, we agree to supply a particular branded motor fuel or unbranded motor fuel to a site or group of sites and arrange for all transportation. We receive a per gallon margin that is either a fixed mark-up per gallon or a variable rate mark-up per gallon. The initial term of most independent dealer supply agreements is ten years. The initial term of most lessee dealer supply agreements is three years. These supply agreements require, among other things, dealers to maintain standards established by the applicable brand. We may provide credit terms to our lessee dealers and independent dealers, which are generally one to three days.

Arrangements with Sub-Wholesalers

We distribute motor fuel to sub-wholesalers under supply agreements. Under our supply agreements, we agree to supply a particular branded motor fuel or unbranded motor fuel to the sub-wholesaler. Motor fuels are sold to the sub-wholesalers at rack plus. The sub-wholesaler is responsible for arranging and paying for all transportation, insurance and all other costs and services for the distribution of motor fuels. The initial term of most sub-wholesaler supply agreements is ten years. We may provide credit terms to our sub-wholesalers, which are generally one to three days.

Arrangement with LGO

Prior to the completion of this offering, our predecessor's retail operations will be transferred to LGO, a non-contributed entity managed by Joseph V. Topper, Jr. We will enter into a 15-year wholesale supply agreement with LGO pursuant to which we will distribute to LGO motor fuels at a variable rate mark-up per gallon consistent with market mark-ups. LGO will retain the retail income it earns from the sites and is responsible for operating the sites and for paying expenses incurred in connection with the operation of the sites including, but not limited to, utilities, insurance, licenses and employee costs. We will enter into 15-year lease agreements with LGO pursuant to which LGO will lease sites from us.

Supplier Arrangements

We distribute branded motor fuel under the Exxon, Mobil, BP, Valero, Shell, Sunoco and Gulf brands to our customers. Branded motor fuels are purchased from major integrated oil companies and refiners under supply agreements. For the year ended December 31, 2011, our wholesale business purchased approximately 46%, 23%, 22% and 5% of its motor fuel from Exxon (a supplier of ours since 2002), BP (a supplier of ours since 2009), Shell (a supplier of ours since 2004) and Valero (a supplier of ours since 2007), respectively. We purchase the motor fuel at the supplier's applicable terminal rack price, which typically changes daily. As of March 31, 2012, our supply agreements generally had an average remaining term of

approximately 3.8 years. In addition, each supply agreement typically contains provisions relating to, among other things, payment terms, use of the supplier's brand names, provisions relating to credit card processing, insurance coverage and compliance with legal and environmental requirements. As is typical in the industry, a supplier generally can terminate the supply contract if we do not comply with any material condition of the contract, including if we were to fail to make payments when due, or if we are involved in fraud, criminal misconduct, bankruptcy or insolvency. Each supply agreement has provisions that obligates the supplier, subject to certain limitations, to sell up to an agreed upon number of gallons. Any amount in excess is subject to availability. Certain suppliers offer volume rebates or incentive payments to drive volumes and provide an incentive for branding new locations. Certain suppliers require that all or a portion of any such incentive payments be repaid to the supplier in the event that the sites are rebranded within a stated number of years. We also purchase unbranded motor fuel for distribution at the rack price.

Selection and Recruitment of Site Operators

We constantly evaluate existing and potential site operators based on their creditworthiness and the quality of their site and operation as determined by size and location of the site, monthly volumes of motor fuel sold, overall financial performance and previous operating experience. We occasionally convert our sites operated by LGO to lessee dealer operated sites. In addition, we occasionally convert sites back from sites operated by lessee dealers to a LGO operated site.

Real Estate

Site Locations

As of March 31, 2012, we owned or leased 316 sites located in Pennsylvania, New Jersey, Ohio, New York, Massachusetts and Kentucky. 185 of the sites we owned fee simple and 131 sites we leased from third-party landlords. Over 90% of our sites are located in high-traffic metropolitan and urban areas. Our emphasis on acquiring, by purchase or lease, sites primarily in metropolitan and urban areas allows us to benefit from high traffic counts and customers seeking convenient fueling locations. We believe that sites in high traffic areas are highly desirable to other gas station operators as well as attractive locations for other entities that may use the land for alternative purposes. As a result of the limited availability of undeveloped real estate in these areas, we believe the locations of our sites present high barriers of entry for new retail gas station operators to compete with the operators of our sites.

The following table shows the geographic distribution by state of the aggregate number of sites owned by the Lehigh Gas Group as of the dates presented and the geographic distribution

by state of sites that we would have owned had the transactions contemplated by this offering been completed as of the date presented.

	The Lehigh Gas Group (1)							Lehigh Gas Partners LP Pro Forma	
	Number of Sites						Percentage of Total Sites as of March 31, 2012	Number of Sites As of March 31, 2012	Percentage of Total Sites as of March 31, 2012
	As of December 31,					As of March 31, 2012			
	2007	2008	2009	2010	2011				
Pennsylvania	70	61	67	61	65	66	28%	52	28%
New Jersey	48	76	75	73	87	85	36%	59	32%
Ohio	0	0	78	76	67	66	28%	63	34%
New York	33	33	33	11	9	8	3%	4	2%
Massachusetts	0	4	4	4	4	4	2%	3	2%
Kentucky	0	0	8	6	5	5	2%	4	2%
Total (2)	151	174	265	231	237	234	100%	185	100%

- (1) The Lehigh Gas Group consists of the combined businesses of our predecessor and LGO.
- (2) Includes eight sites owned as of December 31, 2011 and March 31, 2012 by the Topper Group, not included in our predecessor, that are being contributed to us in connection with this offering.

Sites Leased

Sites Leased and Sub-Leased to Lessee Dealers and LGO. We derive our rental income from sites we own or lease that provide convenient fueling locations primarily in areas that are densely populated. We collect rent from the lessee dealers and LGO pursuant to lease agreements we have with the lessee dealers and LGO. All of our 185 owned sites are leased to lessee dealers or LGO. Our leases with the lessee dealers typically have three year terms. The average remaining lease term for owned sites we lease to lessee dealers was 1.6 years as of March 31, 2012. Our leases with LGO will have a term of 15 years. Each lease with LGO will be a triple-net lease pursuant to which LGO will be responsible for all expenses that arise from the use of the site, including, but not limited to, taxes, insurance, maintenance and repair costs.

As of March 31, 2012, we also leased 109 sites from third-parties and then sub-leased these sites to lessee dealers and LGO. The average remaining lease term for sites we lease from third-parties is 7.2 years as of March 31, 2012. Our sub-leases with the lessee dealers typically have three-year terms. The average remaining sub-lease term for sites we sub-lease to lessee dealers was 4.1 years as of March 31, 2012.

The rental income we earn from sites we own or lease includes rental income associated with the personal property located on these sites, such as USTs, and motor fuel pumps. The rental income we earn from leasing the personal property we own or lease may not be a qualified source of income. As a result, we currently plan to have our wholly-owned subsidiary, Lehigh Gas Wholesale Services, Inc., a taxable C corporation, own and lease the personal property. Accordingly, rental income earned by Lehigh Gas Wholesale Services, Inc. on the personal property will be taxed at the applicable corporate income tax rate.

Sale-Leaseback Transactions. From time to time, we sell sites that we own and then lease the sites back from the buyer. We refer to these transactions as "sale-leasebacks." In these sale-leaseback transactions, we retain the environmental liabilities associated with the site. A

single sale-leaseback transaction may include up to sites. Typically, we use the proceeds from the sale of the sale-leaseback sites to buy additional sites that fit our strategic and geographic model and increase our wholesale distribution business.

As of March 31, 2012, we leased 22 sale-leaseback sites. The average remaining lease term of these sale-leaseback sites is 17.3 years as of March 31, 2012. These leases have varying renewal options. Generally, these sale-leaseback leases are net leases and require that we assume all expenses relating to the management, maintenance and operation of the sale-leaseback sites. These sale-leaseback leases are typically not terminable by us and the other lease terms are generally consistent with commercial "absolute-net" or "bond net" leases, including provisions whereby we provide the buyer with a broad indemnity. There are various restrictions on our ability to use the sale-leaseback sites for uses other than retail motor fuel distribution and convenience store operations. Under certain circumstances, we have limited rights of first offer with respect to the sale-leaseback sites. Following termination of the sale-leaseback leases, we are potentially responsible for ongoing remediation of any existing environmental contamination, as well as the removal of various fuel storage and dispensing equipment, such as USTs, fuel lines and fuel dispensers. Some lease obligations are personally guaranteed by Joseph V. Topper, Jr., the Chief Executive Officer and the Chairman of the board of directors of our general partner.

We sub-lease our sale-leaseback sites to lessee dealers and LGO. Our sub-leases with the lessee dealers typically have three-year terms. The average remaining sub-lease term for sites we sub-lease to lessee dealers was 1.9 years as of March 31, 2012.

Sites Owned

We owned 185 sites as of March 31, 2012. We generally have focused on selectively acquiring sites within or contiguous to our existing market areas. In evaluating potential acquisition candidates, we consider a number of factors, including strategic fit, desirability of location, cost efficiency of serving the site with our wholesale business, price and our ability to improve the productivity and cash flow potential of a site. We consider acquiring ownership of sites that are not within or contiguous to our current markets if the opportunity meets certain criteria including, among others, the availability of other sites in the area, motor traffic, potential sales volumes and cash flow potential.

We have been able, and seek to continue, to take advantage of our size and geographic concentration to acquire multiple sites, particularly from major integrated oil companies that gradually have been exiting the retail motor fuel business since the early 2000s and other enterprises in the motor fuel distribution industry. Taking advantage of these opportunities has enabled us to acquire ownership of sites at a discount to their market value and enhance our wholesale distribution business. We plan to continue this acquisition strategy following completion of this offering.

Site Dispositions

We continually evaluate the performance of each of our sites to determine whether any particular site should be closed or sold based on profitability, trends and our competition in the surrounding area, as well as whether the site may be attractive to a buyer that may use it for an alternative purpose. The majority of the sites we have acquired were purchased from major integrated oil companies and other industry participants undertaking a process to divest large numbers of sites in single-sale transactions where potential buyers typically are not permitted to make offers on single or selected sites. Accordingly, we historically have purchased a number of sites that may not fit our strategic and geographic plans. We have, however, been successful at

selling sites, which may not fit our strategic and geographic plans, at prices that we deem attractive under the circumstances. As part of the sale process for these sites, we attempt to enter into supply agreements with the purchasers of these sites so that we can distribute motor fuel to them after we sell them. Typically, we seek to use the proceeds from the sale of these sites to buy additional sites that better fit our strategic and geographic model.

The following table summarizes activities related to site acquisitions and dispositions by the Lehigh Gas Group for each of the last four fiscal years.

	The Lehigh Gas Group (1)				
	Year Ended December 31,				Three Months Ended March 31,
	2008	2009	2010	2011	2012
Number of sites owned at beginning of period	151	174	265	231	237
Acquired	32	94	6	32	1
Sold	9	3	40	26	4
Number of sites owned at end of period	174	265	231	237	234

(1) The Lehigh Gas Group consists of the combined businesses of our predecessor and LGO.

Prior Acquisitions

We have grown through acquisitions. The majority of the sites we have acquired were purchased from major integrated oil companies and other industry participants undertaking a process to divest large numbers of sites in single-sale transactions where potential buyers typically are not permitted to make offers on single or selected sites. Accordingly, we historically have purchased a number of sites that may not fit our strategic and geographic plans, some of which have already been sold at prices that we deemed attractive under the circumstances and others of which continue to be held for sale. The major acquisitions we have completed since January 1, 2009 are described in more detail below.

Shell Gas Stations and Wholesale Fuel Supply Agreements Acquisition. In 2011, we acquired from Motiva Enterprises, LLC ("Motiva") a total of 26 Shell Oil Company branded gas stations and convenience stores ("Shell Locations") located in New Jersey and also acquired 56 wholesale fuel supply agreements. Fifty of the Shell Locations will be contributed to our partnership in connection with completion of this offering. We refer to this transaction as the "Motiva transaction." The Motiva transaction was completed in two phases in May and August 2011. We paid Motiva \$30.4 million in cash for the assets acquired in the Motiva transaction.

We acquired fee simple interests in 21 of the Shell Locations and leasehold interests in the other five of the Shell Locations. All of the 26 Shell Locations are operated by lessee dealers. We assumed supply and lease agreements for the Shell Locations that are generally for a three-year term with varying expiration dates and contain renewal terms pursuant to and governed by applicable federal laws. As part of the Motiva transaction, we acquired the right to have the operators of the sites continue operating the Shell Locations under the Shell flag, and displaying Shell's trade name and related trade logos. We also amended and restated our wholesale distribution agreement with Motiva to provide for the distribution of Shell branded motor fuel to the 26 Shell Locations that we acquired and provide us with the opportunity to supply Shell branded motor fuel to other sites operated by independent dealers. In addition, our predecessor

assumed certain environmental liabilities with expected costs of remediation of approximately \$1.5 million, which will remain the obligation of LGC following the closing of this offering.

In connection with the Motiva transaction, we were provided information from Motiva stating that the Shell Locations sold approximately 75 million gallons of motor fuels in 2010. The Motiva transaction has enhanced our presence in New Jersey by increasing market share, expanding and enhancing the geographical distribution of operations, and further increasing the wholesale supply business.

BP Gas Stations and Wholesale Fuel Supply Agreements Acquisition. In 2009, we acquired from BP Products North America, Inc. ("BP") a total of 85 BP branded gas stations and convenience stores ("BP Locations") located in the Cincinnati, Ohio, Cleveland, Ohio and Kentucky markets and two wholesale fuel supply agreements. All of the BP Locations will be contributed to our partnership in connection with completion of this offering. We refer to this transaction as the "BP transaction." The BP transaction was completed in three phases in September, November and December 2009. We paid BP an aggregate purchase price of \$68.4 million for the assets acquired in the BP transaction.

We acquired fee simple interests in 78 of the BP Locations and leasehold interests in the other seven BP Locations. All of the 85 BP Locations are company operated sites and the retail operations of the BP Locations are being transferred to LGO in connection with the transactions contemplated by this offering. We assumed supply and lease agreements for the BP Locations that are generally for a three-year term with varying expiration dates and contain renewal terms pursuant to and governed by applicable federal laws. As part of the BP transaction, we acquired the right to continue operating the BP Locations under the BP flag, and displaying BP's trade name and related trade logos. We also entered into a 20-year wholesale distribution agreement with BP and acquired the opportunity to supply BP branded motor fuel to other sites. In addition, our predecessor assumed certain environmental liabilities with expected costs of remediation of approximately \$1.5 million, all of which should be covered by state environmental programs in which our predecessor participates.

In connection with the BP transaction, we were provided information from BP stating that the BP Locations sold approximately 140 million gallons of motor fuels in 2008. The BP transaction has enhanced our presence in Ohio and Kentucky by increasing market share, expanding and enhancing the geographical distribution of operations and further increasing the wholesale supply business.

Uni-Mart Gas Stations and Wholesale Fuel Supply Agreements Acquisition. In December 2009, we acquired from Uni-Mart, LLC and certain of its affiliates (collectively, "Uni-Mart") a total of 24 gas stations and convenience stores operated under the BP brand name and related trade logos ("Uni-Mart Locations") located in various Ohio markets and four wholesale fuel supply agreements. Twenty-four of the Uni-Mart Locations will be contributed to our partnership in connection with completion of this offering. We refer to this transaction as the "Uni-Mart transaction." In May 2008, Uni-Mart had filed for protection under Chapter 11 of the U.S. Bankruptcy Code and the Uni-Mart Locations were sold in connection with Uni-Mart's bankruptcy proceedings. We paid Uni-Mart an aggregate purchase price of \$12.1 million for the assets acquired in the Uni-Mart transaction.

We acquired fee simple interests in 21 of the Uni-Mart Locations and leasehold interests in the other three Uni-Mart Locations. Of the 24 Uni-Mart Locations, two are operated by lessee dealers and three are company operated sites where the retail operations of these Uni-Mart Locations are being transferred to LGO in connection with the transactions contemplated by this

offering. We assumed supply and lease agreements for the Uni-Mart Locations that are generally for a three-year term with varying expiration dates and contain renewal terms pursuant to and governed by applicable federal laws. As part of the Uni-Mart transaction, we acquired the right to continue operating and, with respect to the lessee dealer sites, to have the operators of the sites continue operating the Uni-Mart Locations under the BP flag, and displaying BP's trade name and related trade logos. We also entered into a 10-year wholesale distribution agreement with BP and acquired the opportunity to supply BP branded motor fuel to other sites. In addition, our predecessor assumed certain environmental liabilities with expected costs of remediation of approximately \$243,000, which will remain the obligation of LGC following the closing of this offering.

In connection with the Uni-Mart transaction, we were provided information from Uni-Mart stating that the Uni-Mart Locations sold approximately 30 million gallons of motor fuels in 2010. The Uni-Mart transaction has enhanced our presence in Ohio by increasing market share, expanding and enhancing the geographical distribution of operations and further increasing the wholesale supply business.

Seasonality

Due to the nature of our business and our customer's reliance, in part, on consumer travel and spending patterns, we experience more demand for motor fuel during the late spring and summer months than during the fall and winter. Travel and recreational activities are typically higher in these months in the geographic areas in which we operate, increasing the demand for motor fuel that we distribute. Therefore, our distribution volumes are typically higher in the second and third quarters of the year. As a result, our results from operations may vary from quarter to quarter.

Competition

Our wholesale distribution operation competes with major integrated oil companies that distribute their own products, even though many of these companies have started to exit, and we expect will continue to exit, the wholesale distribution business. We also compete with major refiners and other third-party motor fuel distributors. We may encounter more significant competition if major integrated oil companies alter their current business strategy and decide to re-enter the wholesale distribution business thereby reducing and/or eliminating their need to rely on wholesale distributors. In addition, independent dealers or sub-wholesalers may choose to purchase their motor fuel supplies directly from the major integrated oil companies. Major competitive factors for our wholesale operations include, among others, customer service, price and quality of service.

Environmental

Environmental Laws and Regulations

We are subject to various federal, state and local environmental laws and regulations, including those relating to underground storage tanks, the release or discharge of hazardous materials into the air, water and soil, the generation, storage, handling, use, transportation and disposal of hazardous materials, the exposure of persons to hazardous materials, and the health and safety of our employees.

Environmental laws and regulations can restrict or impact our business activities in many ways, such as:

- requiring remedial action to mitigate releases of hydrocarbons, hazardous substances or wastes caused by our operations or attributable to former operators;
- requiring capital expenditures to comply with environmental control requirements; and
- enjoining the operations of facilities deemed to be in noncompliance with environmental laws and regulations.

Failure to comply with environmental laws and regulations may trigger a variety of administrative, civil and criminal enforcement measures, including the assessment of monetary penalties, the imposition of remedial requirements and the issuance of orders enjoining future operations. Certain environmental statutes impose strict, joint and several liability for costs required to clean up and restore sites where hydrocarbons, hazardous substances or wastes have been released or disposed of. Moreover, neighboring landowners and other third parties may file claims for personal injury and property damage allegedly caused by the release of hydrocarbons, hazardous substances or other wastes into the environment.

The trend in environmental regulation is to place more restrictions and limitations on activities that may affect the environment. As a result, there can be no assurance as to the amount or timing of future expenditures for environmental compliance or remediation, and actual future expenditures may be different from the amounts we currently anticipate. 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 minimize the costs of such compliance.

We do not believe that compliance with federal, state or local environmental laws and regulations will have a material adverse effect on our financial position, results of operations or cash available for distribution to our unitholders. We can provide no assurance, however, that future events, such as changes in existing laws (including changes in the interpretation of existing laws), the promulgation of new laws, or the development or discovery of new facts or conditions will not cause us to incur significant costs.

Hazardous Substances and Releases

In most instances, the environmental laws and regulations affecting our business relate to the release of hazardous wastes into the water or soils, and include measures to control pollution of the environment. For instance, the Comprehensive Environmental Response, Compensation, and Liability Act, as amended also known as CERCLA or the Superfund law, and comparable state laws impose liability, without regard to fault or the legality of the original conduct, on certain classes of persons who are considered to be responsible for the release of a hazardous substance into the environment. These persons include the owner or operator of the site where the release occurred and companies that disposed or arranged for the disposal of the hazardous substances. Under the Superfund law, these persons may be subject to joint and several liability for the costs of cleaning up the hazardous substances that have been released into the environment, for damages to natural resources and for the costs of certain health studies. The Superfund law also authorizes the EPA, and in some instances third parties, to act in response to threats to the public health or the environment and to seek to recover from the responsible persons the costs they incur. It is possible for neighboring landowners and other third parties to file claims for personal injury and property damage allegedly caused by

hazardous substances or other pollutants released into the environment. In the course of our ordinary operations, we may generate waste that falls within the Superfund law's definition of a hazardous substance, and as a result, we may be jointly and severally liable under the Superfund law for all or part of the costs required to clean up sites at which those hazardous substances have been released into the environment.

We currently own or lease sites where motor fuels are or have been handled for many years. Although we, and our consultants, have utilized operating and disposal practices in accordance with industry standards wastes produced from remediation efforts require disposal at sites owned/operated by third parties whose treatment and disposal practices are not under our control. These sites and wastes disposed thereon may be subject to the Superfund law or other federal and state laws. Under these laws, we could be required to remove or remediate previously disposed wastes, including wastes disposed of or released by prior owners or operators, to clean up contaminated property.

LGC is in the process of investigating and remediating contamination at a number of our sites as a result of recent or historic releases of petroleum products. At many sites, LGC is entitled to reimbursement from third parties for certain of these costs under third-party contractual indemnities, state trust funds and insurance policies, in each case, subject to specified deductibles, per incident, annual and aggregate caps and specific eligibility requirements. Although LGC will be required to indemnify us for these costs to the extent third parties (including insurers) fail to pay for remediation as LGC anticipates, insurance and indemnification are unavailable, and/or the state trust funds cease to exist or become insolvent, we may be obligated to pay these additional costs. Please read "Certain Relationships and Related Party Transactions—Agreements with Affiliates—Omnibus Agreement."

Water Discharges

The federal Clean Water Act imposes restrictions regarding the discharge of pollutants into navigable waters. This law and comparable state laws require permits for discharging pollutants into state and federal waters and impose substantial liabilities for noncompliance. EPA regulations also require us to obtain permits to discharge certain storm water runoff. Storm water discharge permits also may be required by certain states in which we operate. We believe that we hold the required permits and operate in material compliance with those permits. While we have experienced permit discharge exceedences, we do not expect any non-compliance with existing permits and foreseeable new permit requirements to have a material adverse effect on our financial position or results of operations.

Air Emissions

Under the federal Clean Air Act and comparable state and local laws, permits are typically required to emit regulated air pollutants into the atmosphere. We believe that we currently hold or have applied for all necessary air permits and that we are in substantial compliance with applicable air laws and regulations. Although we can give no assurances, we are aware of no changes to air quality regulations that will have a material adverse effect on our financial condition, results of operations or cash available for distribution to our unitholders.

Various federal, state and local agencies have the authority to prescribe product quality specifications for the motor fuels that we sell, largely in an effort to reduce air pollution. Failure to comply with these regulations can result in substantial penalties. Although we can give no assurances, we believe we are currently in substantial compliance with these regulations.

Efforts at the federal and state level are currently underway to reduce the levels of greenhouse gas ("GHG") emissions from various sources in the United States. Even in the absence of new federal legislation, GHG emissions have begun to be regulated by the EPA pursuant to the CAA. For example, in April 2010, the EPA set a new emissions standard for motor vehicles to reduce GHG emissions. New federal or state restrictions on emissions of GHGs that may be imposed in areas of the United States in which we conduct business and that apply to our operations could adversely affect the demand for our products.

Ethanol Market

The market for ethanol is dependent on several economic incentives to use ethanol, including federal tax incentives, ethanol use mandates and oxygenate blending requirements. For instance, the Renewable Fuels Standard ("RFS") requires that a certain amount of renewable fuels be utilized in the United States each year. Additionally, the EPA imposes oxygenate blending requirements for reformulated gasoline. The market for ethanol also has been affected by the Volumetric Ethanol Excise Tax Credit ("blender's credit"), which provided a volumetric tax credit of 4.5 cents per gallon of gasoline that contains at least 10% ethanol. The blender's credit expired on December 31, 2011. It is not possible at this time to predict whether or to what extent Congress will reinstate the blender's credit. A reduction or waiver of the RFS mandate or the oxygenate blending requirements could adversely affect the availability and pricing of ethanol, which could result in reduced discretionary blending of ethanol. Discretionary blending is when gasoline blenders use ethanol to reduce the cost of blended gasoline.

Recently, the EPA allowed the use of E15, gasoline which is blended at a rate of 15% ethanol and 85% gasoline, in vehicles manufactured in the model year 2007 and later as well as for cars and light duty trucks manufactured in the model years between 2001 and 2006. According to EPA estimates, flex-fuel vehicles make up only a small percentage of vehicles on the nation's roads and there are only about 2,000 E85 pumps in the U.S. The USDA is providing financial assistance to help implement more "blender pumps" in the U.S. in order to increase demand for ethanol and to help off-set the cost of introducing mid-level ethanol blends into the U.S. retail gasoline market. However, blender pumps cost approximately \$20,000 each, so it may take time before they become widely available in the retail gasoline market.

Environmental Insurance and Escrow Accounts

We are protected as an additional named insured by insurance which may cover in whole or in part certain expenditures to investigate, monitor and otherwise respond to releases of motor fuels. We maintain insurance policies with insurers in amounts and with coverage and deductibles as our general partner believes are reasonable and prudent. Before acquiring the property underlying a site, we use a third-party environmental consultant to perform due diligence at sites to assess the extent of contamination, if any, at each site. Generally, when acquired sites require remediation, either the seller funds an escrow account for the cost to remediate the property, or the seller retains the obligation to remediate the property. In the circumstances where monies are placed in escrow or escrow-like accounts to cover the estimated cost of remediation for known contamination, the accounts are typically used to pay for the appropriate remediation tasks, which are contracted out to remediation firms. As of March 31, 2012, LGC had an aggregate of \$9.6 million in escrow funds available to cover known contaminations at our existing sites. In addition to the escrow accounts, LGC maintains 16 insurance policies with total aggregate limits in excess of \$168 million. \$122 million of the \$168 million in total aggregate limits cover (1) unknown pre-existing contamination that may not be part of the planned remediation contract(s) and/or may be in excess of the escrow, and (2) third-party liabilities arising from known and unknown pre-existing conditions. We will

participate in state programs or obtain insurance policies in the event a state does not have a program to cover new contamination that arises post-acquisition on sites.

These policies and escrow amounts may not cover all environmental risks and costs, and may not provide sufficient coverage in the event an environmental claim is made against us.

Security Regulation

Since the September 11, 2001 terrorist attacks on the United States, the U.S. government has issued warnings that energy infrastructure assets may be future targets of terrorist organizations. These developments have subjected our operations to increased risks. Increased security measures taken by us as a precaution against possible terrorist attacks have resulted in increased costs to our business. Any global and domestic economic repercussions from terrorist activities could adversely affect our financial condition, results of operations and cash available for distribution to our unitholders. For instance, terrorist activity could lead to increased volatility in prices for motor fuels and other products we sell.

Insurance carriers are currently required to offer coverage for terrorist activities as a result of the TRIA. We purchased this coverage under our property and casualty insurance programs, which resulted in additional insurance premiums. Pursuant to the Terrorism Risk Insurance Program Reauthorization Act of 2007, TRIA has been extended through December 31, 2014. Although we cannot determine the future availability and cost of insurance coverage for terrorist acts, we do not expect the availability and cost of such insurance to have a material adverse effect on our financial condition, results of operations or cash available for distribution to our unitholders.

Employee Safety

Neither we, our subsidiaries, nor our general partner have any employees. All of our executive management personnel are employees of LGC. LGC will provide us with the management and labor sufficient to carry on our business. LGC is subject to the requirements of the Occupational Safety and Health Act, or "OSHA," and comparable state statutes that regulate the protection of the health and safety of workers. In addition, OSHA's hazard communication standards require that information be maintained about hazardous materials used or produced in operations and that this information be provided to employees, state and local government authorities and citizens. We believe that LGC is in substantial compliance with the applicable OSHA requirements.

Title to Properties, Permits and Licenses

We believe we have all of the assets needed, including leases, permits and licenses, to operate our business in all material respects. With respect to any consents, permits or authorizations that have not been obtained, we believe that the failure to obtain these consents, permits or authorizations will have no material adverse effect on our financial position, results of operations or cash available for distribution to our unitholders.

We believe we have satisfactory title to all of our assets. Title to property may be subject to encumbrances, including repurchase rights and use, operating and environmental covenants and restrictions, including restrictions on branded motor fuels that may be sold at such sites. We believe that none of these encumbrances will materially detract from the value of our sites or from our interest in these sites, nor will they materially interfere with the use of these sites in

the operation of our business. These encumbrances may, however, impact our ability to sell the site to an entity seeking to use the land for alternative purposes.

We believe that at the time of the closing of this offering, we will have all of the assets needed, including all permits and licenses, to conduct our operations in all material respects.

Facilities

Our principal executive offices are in Allentown, Pennsylvania in an office space leased by LGC. The lease expires on January 31, 2020.

Employees

Our general partner will manage our operations and activities on our behalf. However, neither we, our subsidiaries, nor our general partner have employees. All of our executive management personnel are employees of LGC. We and our general partner will enter into an omnibus agreement with LGC pursuant to which LGC will provide to us and our general partner management services and manage our business and affairs. Please read "Certain Relationships and Related Party Transactions—Agreements with Affiliates—Omnibus Agreement."

As of June 1, 2012, LGC had 129 employees. None of these employees are represented by labor unions or covered by any collective bargaining agreement. We believe that LGC's relations with its employees are satisfactory.

Legal Proceedings

Although we may, from time to time, be involved in litigation and claims arising out of our operations in the normal course of business, we do not believe that we are a party to any litigation that will have a material adverse impact on our financial condition or results of operations. We are not aware of any significant legal or governmental proceedings against us, or contemplated to be brought against us. We maintain insurance policies with insurers in amounts and with coverage and deductibles as our general partner believes are reasonable and prudent. However, we cannot assure you that this insurance will be adequate to protect us from all material expenses related to potential future claims for personal and property damage or that these levels of insurance will be available in the future at economical prices. Other than environmental liabilities and third-party claims for which we are entitled to indemnification from LGC under the omnibus agreement, we will be liable for any legal proceeding of a contributed entity with respect to which the basis for the claim underlying the legal proceeding arose prior to the closing of this offering. As noted above, we are not aware of any significant legal or governmental proceedings against a contributed entity, or contemplated to be brought against a contributed entity. To the extent that LGC is unable to satisfy its indemnification obligations under the omnibus agreement, we may be responsible for legal proceedings involving environmental liabilities and third-party claims that are based on environmental conditions in existence at our predecessor's sites prior to the closing of this offering. We believe that LGC will be able to satisfy known environmental liabilities for which we are entitled indemnification.

MANAGEMENT

Management of Lehigh Gas Partners LP

Our general partner will manage our operations and activities on our behalf. Our general partner is owned by LGC. LGC is majority owned and controlled by the Topper Group. Accordingly, our general partner is indirectly controlled by the Topper Group. All of our executive management personnel are employees of LGC. We and our general partner will enter into an omnibus agreement with LGC pursuant to which LGC will provide to us and our general partner management services and manage our business and affairs.

The executive officers of our general partner will allocate their time between managing our business and affairs and the business and affairs of LGC. The executive officers of our general partner may face a conflict regarding the allocation of their time between our business and the other business interests of LGC. We expect that the officers of our general partner will devote a majority of their time to our business, however, we expect that Messrs. Topper and Hrinak will devote a significant portion of their total business time to LGC and its operations and we expect that Mr. Miller may devote some business time to LGC. We also expect that the amount of time that our named executive officers devote to our business may increase or decrease in future periods as our business develops. These officers of our general partner and other LGC employees will operate our business and provide us with operating and general and administrative services pursuant to the omnibus agreement described in "Certain Relationships and Related Party Transactions—Agreements with Affiliates—Omnibus Agreement."

Our general partner is not elected by our unitholders and will not be subject to re-election on a regular basis in the future. Unitholders will not be entitled to elect the directors of our general partner or directly or indirectly participate in our management or operation. Our general partner owes a fiduciary duty to our unitholders. Our partnership agreement contains provisions that reduce the fiduciary duties that our general partner owes to our unitholders. Please read "Conflicts of Interest and Fiduciary Duties—Fiduciary Duties." Our general partner will be liable, as general partner, for all of our debts (to the extent not paid from our assets), except for indebtedness or other obligations that are made specifically nonrecourse to it. Whenever possible, our general partner intends to incur indebtedness or other obligations that are nonrecourse. Except as described in "The Partnership Agreement—Voting Rights" and subject to its fiduciary duty to act in good faith, our general partner will have exclusive management power over our business and affairs.

Our general partner has a board of directors that oversees its management, operations and activities. At the closing of this offering, the board of directors will have six members, at least one of whom will be independent as defined under the independence standards established by the NYSE and SEC rules. This director, to whom we refer to as an independent director, will not be an officer or employee of our general partner or its affiliates, and will otherwise be independent of LGC, the Topper Group and their affiliates. Within 90 days of the date our common units are listed on the NYSE, the board of directors will have at least one additional independent director, and within one year of such listing date, the board of directors of our general partner will have at least three independent directors.

At least two members of the board of directors of our general partner will serve on a conflicts committee to review specific matters that the board believes may involve conflicts of interest. The conflicts committee will determine if the resolution of the conflict of interest is fair and reasonable to us. The members of the conflicts committee may not be officers or employees of our general partner or directors, officers, or employees of its affiliates, and must meet the

independence and experience standards established by the NYSE, and the Securities Exchange Act of 1934. Any matters approved by the conflicts committee will be conclusively deemed to be fair and reasonable to us, approved by all of our partners, and not a breach by our general partner of any duties it may owe us or our unitholders.

At the closing of this offering, our general partner will have an audit committee consisting of three directors, one of whom will meet the independence and experience standards established by the NYSE and the Securities Exchange Act of 1934. Within 90 days of the closing of this offering, the audit committee will substitute one director meeting such standards for one of the non-independent directors on the audit committee and, within one year of the closing of this offering, the audit committee will consist of at least three directors, all of whom will meet such standards. The audit committee will assist the board of directors in its oversight of the integrity of our financial statements and our compliance with legal and regulatory requirements and partnership policies and controls. The audit committee will, in the absence of a conflicts committee, review and resolve matters that the board determines may involve a conflict of interest.

Even though most companies listed on the NYSE are required to have a majority of independent directors serving on the board of directors of the listed company and to establish and maintain an audit committee, a compensation committee and a nominating/corporate governance committee each consisting solely of independent directors, the NYSE does not require a listed limited partnership like us to have a majority of independent directors on the board of directors of our general partner or to establish a compensation committee or a nominating/corporate governance committee. However, we intend to establish a compensation committee following this offering.

Directors, Executive Officers and Key Members of Management

We are managed and operated by the board of directors and executive officers of our general partner and LGC. The following table shows information for the directors, executive officers and key members of management of our general partner.

Directors and Executive Officers

Name	Age	Position with our General Partner
Joseph V. Topper, Jr.	56	Chairman of the Board of Directors, Chief Executive Officer
Mark L. Miller	52	Chief Financial Officer
David Hrinak	56	President
Warren S. Kimber, Jr.	78	Director
John F. Malloy	57	Director
James H. Miller	63	Director
John B. Reilly, III	50	Director
Maura Topper	26	Director
Robert L. Wiss	56	Director

Key Members of Management

Jack Hooven	56	Vice President of Wholesale Distribution
Steven Lattig	39	Vice President of Operations and Real Estate
Keith De Sena	57	Vice President of Mergers and Acquisitions
Tracy Derstine	50	Vice President of Administration

Our general partner's directors hold office until the earlier of their death, resignation, removal or disqualification or until their successors have been elected and qualified. Officers of our general partner serve at the discretion of the board of directors. In selecting and appointing directors to the board of directors, the owners of our general partner do not intend to apply a formal diversity policy or set of guidelines. However, when appointing new directors, the owners of our general partner will consider each individual director's qualifications, skills, business experience and capacity to serve as a director, as described below for each director, and the diversity of these attributes for the board of directors as a whole.

Joseph V. Topper, Jr. was appointed Chairman of the board of directors and Chief Executive Officer of our general partner in December 2011. Mr. Topper has 25 years of management experience in the wholesale and retail fuel distribution business. In 1987, Mr. Topper purchased his family's retail fuel business and five years later founded our predecessor, where he has been the Chief Executive Officer since 1992. Mr. Topper currently serves on the Board of Trustees for Villanova University. He is the past President of the board for Lehigh Valley PBS and the Lehigh Valley PBS Foundation. He also served as a board member for the Good Shepherd Rehabilitation Hospital in Allentown. Mr. Topper holds a master of Business Administration degree from Lehigh University and a Bachelor of Science degree in Accounting from Villanova University. Mr. Topper is also a Certified Public Accountant.

Mark L. Miller was appointed Chief Financial Officer of our general partner in May 2012. He has been employed by LGC since 2004 as Vice President of Acquisitions managing LGC's acquisitions, acquisition financing and working capital requirements. Prior to joining LGC, Mr. Miller was the Chief Financial Officer for several small and middle market companies in various industries. Mr. Miller also spent six years with Deloitte & Touche LLP as a Senior Accountant. Mr. Miller holds a Bachelor of Science degree in Accounting from Northeastern University and is a Certified Public Accountant.

David Hrinak was appointed President of our general partner in May 2012. Mr. Hrinak has been the President of LGC since September 2010. From 2005 until September 2010, Mr. Hrinak served as the Vice President of Wholesale for LGC. Mr. Hrinak has 35 years of experience in the wholesale and retail fuel distribution business. Prior to joining LGC, Mr. Hrinak was the Branded Wholesale Manager at ConocoPhillips. In addition to ConocoPhillips, he has held various leadership positions at BP and Mobil including Territory Manager, Sales and Business Consultant, Region Manager, and Wholesaler Business Manager.

Jack Hooven was appointed Vice President of Wholesale Distribution of our general partner in May 2012. Mr. Hooven has served as the Vice President of Wholesale Distribution of LGC since April 2009. From July 2008 until April 2009, Mr. Hooven served as the Vice President of Operations of LGC. Prior to joining LGC, Mr. Hooven worked at Getty Petroleum Marketing Inc., a subsidiary of LUKOIL, where he served as regional Sales Manager, from May 2004 until July 2008. Mr. Hooven has 33 years of experience in the wholesale and retail fuel distribution business. Mr. Hooven spent more than 20 years at Mobil Oil Corporation where he held various

marketing positions along the East Coast. Mr. Hooven holds a Bachelor of Business Administration degree in Business Management from Temple University.

Steven Lattig was appointed Vice President of Operations and Real Estate of our general partner in May 2012. Mr. Lattig has served as the Director of Operations of LGC since April 2009. From December 2007 until April 2009, Mr. Lattig served as the Area Manager of New York for LGC. From September 2006 until December 2007, Mr. Lattig served as the Territory Manager of New York, New Jersey and Massachusetts for LGC. Mr. Lattig has 20 years of experience in the wholesale and retail fuel distribution business. Prior to joining LGC, Mr. Lattig worked at E.M. Haynes Motor Fuels for 14 years in various leadership positions, including Sales Manager and Vice President, and served as President for five years. He earned a Bachelor of Science degree in Criminal Justice from De Sales University.

Keith De Sena was appointed Vice President of Mergers and Acquisitions of our general partner in May 2012. Mr. De Sena has served as the General Manager of Wholesale of LGC since October 2009. Prior to joining LGC, Mr. De Sena worked for ExxonMobil from 1996 to October 2009, holding positions as Manager of Southeast Distribution from June 2005 to September 2009, North America Customer Service Manager, from 2002 to 2005 and Regional Manager of New England, from 1996 to 2002, and North America Customer Service Manager, from 2002 to 2005, overseeing the administration of certain segments of ExxonMobil's dealer and distribution business. Mr. De Sena holds a Master of Business Management degree from the College of Saint Rose and a Bachelor of Science degree in Business Management from Saint John's University.

Tracy Derstine was appointed Vice President of Administration in May 2012. Ms. Derstine has worked for LGC since 1999. Ms. Derstine has been the Vice President of Human Resources of LGC since February 2009. Prior to that, Ms. Derstine held the positions of Director of Human Resources from October 2006 to February 2009 and Human Resources Administrator and Office Administrator from 1999 to October 2006. In her position as Vice President of Human Resources, Ms. Derstine oversees administrative departments for LGC including Human Resources, Safety, Information Technology, Management Information Systems and Public Affairs/Corporate Communications. Ms. Derstine has 12 years of experience in the wholesale and retail fuel distribution business and more than 25 years of human resource experience. She holds a Bachelor of Science/Bachelor of Arts degree in Management from Shippensburg University.

Warren S. Kimber, Jr. was appointed as a director of our general partner in May 2012. Mr. Kimber has been retired since January 2009 and currently holds positions as the National Coordinator of Officials for the NCAA for Men's Lacrosse (since 1990) and the Director of Assigning for the United States Intercollegiate Lacrosse Association (since 1986). Prior to his retirement in January 2009, Mr. Kimber held the position of Chief Executive Officer and Chairman of the board of directors of Kimber Petroleum Corporation, in which LGC acquired a majority interest in 2008. Mr. Kimber served on the Board of Trustees for the Pingry School for 20 years with six of those years as Chairman of the board of directors. He also served as trustee for Hobart College and was a member of the board of directors of Chatham Trust Company, Summit Bank Corporation and the United Way. Mr. Kimber holds a degree from Hobart College.

John F. Malloy was appointed as a director of our general partner in May 2012. Mr. Malloy has been the Chairman of the board of directors, President and Chief Executive Officer of Victaulic Company, the world's largest provider of mechanical joining systems for piping, since 2004. Prior to joining Victaulic, Mr. Malloy worked for 19 years for United Technologies Corporation, or UTC, including time spent as President of Carrier Corporation, a subsidiary of UTC. Prior to UTC, Malloy taught economics at Hamilton College. Mr. Malloy is a member of the board of directors of Hubbell Corporation, Hollingsworth & Vose, Cornell Iron Works, and Follett

Corporation. He is a Trustee of the Lehigh Valley Health Network. He holds a Ph.D. in economics from Syracuse University, where he earned a National Science Foundation Fellowship, and a Bachelor of Arts degree in economics from Boston College.

James H. Miller was appointed as a director of our general partner in May 2012. Mr. Miller retired in April 2012. Prior to retiring, Mr. Miller was the Chief Executive Officer and Chairman of the board of directors of PPL Corporation, or PPL, from 2001 through March 2012. Mr. Miller has more than 35 years of diverse experience in the electricity industry. Mr. Miller joined PPL in February 2001 as President of PPL Generation, LLC, a subsidiary of PPL that controls or owns about 11,000 megawatts of electrical generation capacity in competitive U.S. markets. Mr. Miller currently serves on the executive committee of the Edison Electric Institute and is a member of the boards of the Nuclear Energy Institute and Nuclear Electric Insurance Limited. He also currently serves on the board of directors of Crown Holdings Inc. and Rayonier, Inc. In the community, he serves on the boards of directors for the Allentown Symphony Orchestra and the Lehigh Valley Partnership, and on the board of trustees for Lehigh Valley Health Network. He also served in the U.S. Navy nuclear submarine program. Mr. Miller holds a bachelor degree in electrical engineering from the University of Delaware.

Maura Topper was appointed as a director of our general partner in May 2012. Ms. Topper is the daughter of Joseph V. Topper Jr., our Chairman of the board of directors and Chief Executive Officer. Since October 2010, Ms. Topper has worked as a marketing account executive at MSG Promotions, Inc., an event marketing and management firm based in Allentown, Pennsylvania. Prior to joining MSG Promotions, Ms. Topper worked as a senior accountant in the audit practice of Deloitte & Touche LLP in New York from September of 2008 until September of 2010. In May 2008, Ms. Topper earned a Bachelor of Science degree in Accounting and a Bachelor of Science in Business (Finance) from Villanova University.

John B. Reilly, III was appointed as a director of our general partner in May 2012. Mr. Reilly has been the Managing Director of Traditions of America Inc., a developer of retirement communities, since 1998. Mr. Reilly has also served as the President of City Center Investment Corp since October 2011. Mr. Reilly has thirty years of experience in commercial and residential real estate development and planning, finance management and law. Mr. Reilly serves as a trustee of Lafayette College and DeSales University and also served as the Chairman of the Board of Trustees for the Lehigh Valley Health Network. He holds a Juris Doctor degree from Fordham University Law School and a bachelor degree in economics from Lafayette College. He is a Certified Public Accountant and a member of the Pennsylvania Bar Association.

Robert L. Wiss was appointed as a director of our general partner in May 2012. Mr. Wiss retired in December 2009. Prior to retiring, Mr. Wiss was the co-founder and former President of CaseSoft, Inc., the developer of case analysis software tools for litigators and their clients. CaseSoft was sold to LexisNexis, a division of Reed Elsevier Inc., in 2006. Mr. Wiss was a vice president of LexisNexis until December 2009. Mr. Wiss began his career at IBM where he held various marketing positions. He holds a Bachelor of Science degree in Accounting from Villanova University.

Reimbursement of Expenses of the General Partner

Our general partner will not receive any management fee or other compensation for its management of us. Our partnership agreement requires us to reimburse our general partner for all direct and indirect expenses it incurs or payments it makes on our behalf and all other expenses otherwise incurred by our general partner in connection with operating our business.

Our partnership agreement does not set a limit on the amount of expenses for which our general partner may be reimbursed.

Executive Compensation

We and our general partner were formed in December 2011. Our general partner did not accrue any obligations with respect to executive compensation for its directors and executive officers for the fiscal year ended December 31, 2011, or for any prior periods. Accordingly, we are not presenting any compensation for historical periods. We have not paid or accrued any amounts for executive compensation for the 2011 fiscal year.

The executive officers of our general partner are employed by LGC and will manage the day-to-day affairs of our business. The executive officers intend to devote as much time to the management of our business as is necessary for the proper conduct of our business and affairs. The amount of time that each of our executive officers devotes to our business will be subject to change depending on our activities, the activities of LGC, and any acquisitions or dispositions made by us or LGC. Because the executive officers of our general partner are employees of LGC, compensation other than the long-term incentive plan benefits described below, will be determined and paid by LGC. We and our general partner are not required to reimburse LGC for any compensation paid by LGC to our executive officers or other LGC employees that provide services to us. The executive officers of our general partner, as well as the employees of LGC who provide services to us, may participate in employee benefit plans and arrangements sponsored by LGC, including plans that may be established in the future. Neither LGC or our general partner has entered into any employment agreements with any of our executive officers.

We anticipate that, in connection with or after the closing of this offering, the board of directors of our general partner will grant awards to LGC employees (including the executive officers of our general partner) that are key to our operations, as well as our general partner's outside directors, pursuant to our long-term incentive plan described below; however, the board has not yet made any determination as to the number of awards, the type of awards or when the awards would be granted. We anticipate that the vesting of equity awards to the officers of our general partner will be tied to time and performance thresholds.

Compensation Discussion and Analysis

General

We and our general partner were formed in December 2011 and we and our general partner have not incurred any cost or liability with respect to compensation of executive officers for the fiscal year ended December 31, 2011 or for any prior periods.

We have no employees. LGC will manage our operations and activities pursuant to the terms of the omnibus agreement. All of our executive officers are employees of LGC. Responsibility and authority for compensation-related decisions for executive officers and other personnel that are employed by LGC will reside with LGC. Because the omnibus agreement with LGC provides that LGC is responsible for managing our affairs, our Chief Executive Officer and each of our other executive officers will not receive cash compensation from us for serving as our executive officers. Instead, we will pay LGC the management fees described in the omnibus agreement and all determinations with respect to awards to be made under our long-term incentive plan to executive officers of our general partner and others will be made by the board of directors of our general partner, taking into account, where appropriate, the recommendation of LGC.

We expect that our named executive officers will devote a majority of their total business time to our business, however, we expect that Messrs. Topper and Hrinak will devote a significant portion of their total business time to LGC and its operations and we expect that Mr. Miller may devote some business time to LGC and its operations. LGC has the ultimate decision-making authority with respect to the total compensation of its employees, including our named executive officers. Any such compensation decision will not be subject to any approval by the board of directors of our general partner.

LGC intends that the future compensation of our executive and non-executive officers will include a significant component of incentive compensation based on our performance and it expects to employ a compensation philosophy that will emphasize pay-for-performance (primarily, insofar as it relates to our partnership, the ability to increase sustainable quarterly distributions to unitholders) based on a combination of our partnership's performance and the individual's impact on our partnership's performance. We believe this pay-for-performance approach will generally align the interests of executive officers who provide services to us with that of our unitholders. LGC intends to design its executive compensation to attract and retain individuals with the skills necessary to successfully execute our business model in a demanding environment, to motivate those individuals to reach near-term and long-term goals in a way that is designed to align their interests with that of our unitholders, and to reward success in reaching such goals.

We expect that annual bonuses for executive officers will be determined based on financial and individual performance. Incentive compensation in respect of services provided to us will be tied to efforts that impact our performance. Executive officers of the general partner will continue to perform services for LGC and other non-contributed entities after the closing of this offering.

LGC does not maintain a defined benefit pension plan for its executive officers, because it believes such plans primarily reward longevity rather than performance. LGC provides a basic benefits package generally to all employees, which includes a 401(k) plan and health, disability and life insurance. Accordingly, LGC employees who provide services to us under the omnibus agreement are entitled to these basic benefits.

Awards Under Our Long-Term Incentive Plan

In connection with this offering, the board of directors of our general partner intends to adopt a long-term incentive plan for employees, officers, consultants and directors of our general partner and any of its affiliates, including LGC, who perform services for us. The long-term incentive plan will provide for the grant of restricted units, phantom units, unit options, unit appreciation rights, distribution equivalent rights, other unit-based awards and unit awards as described below.

Director Compensation

Officers or employees of LGC, our general partner or our operating subsidiaries who also serve as directors of our general partner will not receive additional compensation for their service as a director of our general partner. We anticipate that each director who is not an officer or employee of LGC, our general partner or our operating subsidiaries will receive an annual retainer for his or her participation on the board of directors. Committee members and committee chairpersons will also receive additional retainers for their service on committees. We anticipate that committee chairpersons will receive additional retainers for their committee

participation. The amount of compensation to be paid to non-employee directors has not yet been determined.

In addition, we anticipate that non-employee directors will be reimbursed for all out-of-pocket expenses in connection with attending meetings of the board of directors or committees. Each director will be fully indemnified by us for actions associated with being a director to the extent permitted under Delaware law.

Long-Term Incentive Plan

In connection with this offering, the board of directors of our general partner will adopt the long-term incentive plan for employees, consultants and directors who perform services for us.

The long-term incentive plan will consist of the following components: restricted units, unit options, phantom units, unit payments, unit appreciation rights, other equity-based awards and performance awards. The long-term incentive plan will limit the number of units that may be delivered pursuant to awards to 10% of the outstanding common units and subordinated units on the effective date of the initial public offering of our common units. Upon the completion of this offering, the board of directors of our general manager intends to cause us to issue an aggregate of _____ restricted units to employees of LGC to incentivize efforts that will impact our performance. The awards will vest over a _____ year period and will be contingent upon the recipient's continued employment with LGC through the vesting period. Common units withheld to satisfy exercise prices or tax withholding obligations are available for delivery pursuant to other awards. The plan will be administered by our board of directors or a committee thereof, which we refer to as the plan administrator.

The plan administrator may terminate or amend the long-term incentive plan at any time with respect to any of our common units for which a grant has not yet been made. The plan administrator also has the right to alter or amend the long-term incentive plan or any part of the plan from time to time, including increasing the number of common units that may be granted, subject to unitholder approval as required by the exchange upon which our common units are listed at that time. However, no change in any outstanding grant may be made that would materially reduce the benefits of the participant without the consent of the participant. The plan will expire on the tenth anniversary of its approval, when common units are no longer available under the plan for grants or upon its termination by the plan administrator, whichever occurs first.

Restricted Units. A restricted unit grant is an award of common units that vests over a period of time and that during such time is subject to forfeiture. The plan administrator may determine to make grants of restricted units under the plan to participants containing such terms as the plan administrator shall determine. The plan administrator will determine the period over which restricted units granted to participants will vest. The plan administrator, in its discretion, may base its determination upon the achievement of specified financial objectives. In addition, the restricted units will vest upon a change of control, as defined in the plan, unless provided otherwise by the plan administrator. Distributions made on restricted units may or may not be subjected to the same vesting provisions as the restricted units. If a grantee's employment, consulting relationship or membership on the board of directors of our general partner terminates for any reason, the grantee's restricted units will be automatically forfeited unless, and except to the extent that, the plan administrator or the terms of the award agreement or an employment agreement provide otherwise.

We intend the restricted units under the plan to serve as a means of incentive compensation for performance and not primarily as an opportunity to participate in the equity appreciation of our common units. Therefore, plan participants will not pay any consideration for restricted units they receive, and we will receive no remuneration for the restricted units.

Unit Options. The plan will permit the grant of options covering our common units. The plan administrator may make grants under the plan to participants containing such terms as the plan administrator shall determine. Unit options will have an exercise price that may not be less than the fair market value of our common units on the date of grant. In general, unit options granted will become exercisable over a period determined by the plan administrator. In addition, the unit options will become exercisable upon a change of control, as defined in the plan, unless provided otherwise by the plan administrator. If a grantee's employment, consulting relationship or membership on the board of directors of our general partner terminates for any reason, the grantee's unvested unit options will be automatically forfeited unless, and except to the extent, the option agreement, an employment agreement or the plan administrator provides otherwise.

Upon exercise of a unit option, we will acquire common units on the open market or from any other person or we will directly issue common units or use any combination of the foregoing, in the plan administrator's discretion. If we issue new common units upon exercise of the unit options, the total number of common units outstanding will increase. The availability of unit options is intended to furnish additional compensation to plan participants and to align their economic interests with those of common unitholders.

Performance Award. A performance award is denominated as a cash amount at the time of grant and gives the grantee the right to receive all or part of such award upon the achievement of specified financial objectives, length of service or other specified criteria. The plan administrator will determine the period over which certain specified financial objectives or other specified criteria must be met. The performance award may be paid in cash, common units or a combination of cash and common units. If a grantee's employment, consulting relationship or membership on the board of directors of our general partner terminates for any reason prior to payment, the grantee's performance award will be automatically forfeited unless, and except to the extent that, the plan administrator or the terms of the award agreement or an employment agreement provide otherwise.

Phantom Units. A phantom unit is a notional common unit that entitles the grantee to receive a common unit upon the vesting of the phantom unit or, in the discretion of the plan administrator, cash equal to the value of a common unit. The plan administrator may determine to make grants of phantom units under the plan to participants containing such terms as the plan administrator shall determine, which may include dividend equivalent rights, or "DERs," which entitle the grantee to receive an amount of cash equal to the cash distributions made on a common unit during the period the phantom unit remains "outstanding." Such DERs generally will become vested or forfeited at the same time as the tandem phantom unit becomes vested or is forfeited. The plan administrator will determine the period over which phantom units granted to participants will vest. The plan administrator, in its discretion, may base its determination upon the achievement of specified financial objectives. In addition, the phantom units will vest upon a change of control, as defined in the plan, unless provided otherwise by the plan administrator. If a grantee's employment, consulting relationship or membership on the board of directors of our general partner terminates for any reason, the grantee's phantom units will be automatically forfeited unless, and except to the extent that, the plan administrator or the terms of the award agreement or an employment agreement provide otherwise.

Upon the vesting of phantom units, to the extent such phantom unit will be satisfied or paid with common units, we will acquire common units on the open market or from any other person or we will directly issue common units or use any combination of the foregoing, in the plan administrator's discretion. If we issue new common units upon vesting of the phantom units, the total common units outstanding will increase.

We intend the issuance of any common units upon vesting of the phantom units under the plan to serve as a means of incentive compensation for performance and not primarily as an opportunity to participate in the equity appreciation of our common units. Therefore, plan participants will not pay any consideration for the common units they receive, and we will receive no remuneration for the common units.

Unit Payment. The plan administrator, in its discretion, may also grant to participants common units that are not subject to forfeiture.

Unit Appreciation Rights. The long-term incentive plan will permit the grant of unit appreciation rights. A unit appreciation right is an award that, upon exercise, entitles participants to receive the excess of the fair market value of our common units on the exercise date over the exercise price established for the unit appreciation right. Such excess will be paid in cash or our common units. The plan administrator may determine to make grants of unit appreciation rights under the plan to participants containing such terms as the plan administrator shall determine. Unit appreciation rights will have an exercise price that may not be less than the fair market value of our common units on the date of grant. In general, unit appreciation rights granted will become exercisable over a period determined by the plan administrator. In addition, the unit appreciation rights will become exercisable upon a change in control, as defined in the plan, unless provided otherwise by the plan administrator. If a grantee's employment, consulting relationship or membership on the board of directors of our general partner terminates for any reason, the grantee's unvested unit appreciation rights will be automatically forfeited unless, and except to the extent that, the grant agreement, an employment agreement or the plan administrator provides otherwise.

Upon exercise of a unit appreciation right, to the extent it will be paid in common units, we will acquire common units on the open market or from any other person or we will directly issue common units or use any combination of the foregoing, in the plan administrator's discretion. If we issue new common units upon exercise of the unit appreciation rights, the total number of common units outstanding will increase. The availability of unit appreciation rights is intended to furnish additional compensation to plan participants and to align their economic interests with those of common unitholders.

Other Unit-Based Awards. The plan administrator, in its discretion, may also grant to participants an award denominated or payable in, referenced to, or otherwise based on or related to the value of our common units. Such awards shall contain such terms as the plan administrator shall determine, including the vesting provisions and whether such award shall be paid in cash, units or a combination thereof.

Potential Payments upon a Change in Control or Termination

As of December 31, 2011, none of the named executive officers was entitled to payments upon a change in control or a termination of employment pursuant to any employment agreement, severance agreement or change in control agreement. Vesting with respect to equity compensation awards that a named executive officer holds at the time of a change in control may be accelerated at the discretion of the compensation committee including upon a change in

control or upon various termination events, but for purposes of this disclosure we have assumed that no awards will receive accelerated treatment.

Relation of Compensation Policies and Practices to Risk Management

We anticipate that our compensation policies and practices will reflect the same philosophy and approach as LGC's. Accordingly, such policies and practices will be designed to provide rewards for short-term and long-term performance, both on an individual and partnership basis. In general, optimal financial and operational performance, particularly in a competitive business, requires some degree of risk-taking. Accordingly, the use of compensation as an incentive for performance can foster the potential for management and others to take unnecessary or excessive risks to reach performance thresholds which qualify them for additional compensation.

From a risk management perspective, our policy will be to conduct our commercial activities within pre-defined risk parameters that are closely monitored and are structured in a manner intended to control and minimize the potential for unwarranted risk-taking. We also routinely monitor and measure the execution and performance of our operations and acquisitions relative to expectations.

We expect our compensation arrangements to contain a number of design elements that serve to minimize the incentive for taking unwarranted risk to achieve short-term, unsustainable results. Those elements include delaying the rewards and subjecting such rewards to forfeiture for terminations related to violations of our risk management policies and practices or of our code of conduct.

In combination with our risk-management practices, we do not believe that risks arising from our compensation policies and practices for our employees are reasonably likely to have a material adverse effect on us.

SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

The following table sets forth the beneficial ownership of common units and subordinated units that will be issued upon the consummation of this offering and the related transactions and held by our general partner, by beneficial owners of more than 5% of such units, by each director, director nominee and named executive officer of our general partner and by all directors and executive officers of our general partner as a group.

<u>Name of Beneficial Owner</u>	<u>Common Units to be Beneficially Owned</u>	<u>Percentage of Common Units to be Beneficially Owned</u>	<u>Subordinated Units to be Beneficially Owned</u>	<u>Percentage of Subordinated Units to be Beneficially Owned</u>	<u>Percentage of Total Units to be Beneficially Owned</u>
Lehigh Gas GP LLC (1)					
LGC (2)					
Joseph V. Topper, Jr.					
Mark L. Miller					
David Hrinak					
John B. Reilly, III					
Warren S. Kimber, Jr.					
John F. Malloy					
James H. Miller					
Maura Topper					
Robert L. Wiss					
All executive officers and directors as a group (9 persons)					

(1) Lehigh Gas GP LLC is wholly owned by LGC.

(2) Joseph V. Topper, Jr. and John B. Reilly III own 90% and 10% of LGC, respectively.

CERTAIN RELATIONSHIPS AND RELATED PARTY TRANSACTIONS

After this offering, the Topper Group will own common units and subordinated units representing a % limited partner interest in us. In addition, the Topper Group will indirectly control our general partner through its control of LGC, which has a 100% membership interest in our general partner. LGC will own common units and subordinated units representing a % limited partner interest in us. Our general partner owns a non-economic general partner interest in us and will be issued the incentive distribution rights.

The terms of the transactions and agreements disclosed in this section were determined by and among affiliated entities and, consequently, are not the result of arm's length negotiations. Such terms are not necessarily at least as favorable to the parties to these transactions and agreements as the terms which could have been obtained from unaffiliated third parties.

Distributions and Payments to the Topper Group, LGC and our General Partner

The following table summarizes the distributions and payments to be made by us to our general partner and its affiliates, including the Topper Group and LGC in connection with our formation and ongoing operation and distributions and payments that would be made by us if we were to liquidate in accordance with the terms of our partnership agreement.

Formation Stage

Consideration received by our general partner and its affiliates, including the Topper Group and LGC, for the contribution of their assets

- common units (assuming the underwriters do not exercise their option to purchase additional common units);
- subordinated units;
- the incentive distribution rights; and
- a distribution or payment of an aggregate \$ million of net proceeds from this offering to the Topper Group and LGC; any net proceeds received from the exercise of the underwriters' option to purchase additional common units will be distributed or paid to the Topper Group or LGC.

Operational Stage

Distributions to our general partner and its affiliates, including the Topper Group and LGC

We will generally make cash distributions 100.0% to the unitholders, including the Topper Group and LGC.

Assuming we have sufficient cash available for distribution to pay the full minimum quarterly distribution on all of our outstanding units for four quarters, the Topper Group and LGC would receive an annual distribution of \$ million on their common units and subordinated units.

If distributions exceed the minimum quarterly distribution and other higher target levels, our general partner, as the holder of the incentive distribution rights, will be entitled to increasing percentages of the distributions, up to 50.0% of the distributions above the highest target level.

Payments to our general partner and its affiliates

We will pay LGC a management fee, which shall initially be an amount equal to (1) \$420,000 per month plus (2) \$0.0025 for each gallon of motor fuel we distribute per month for management, administrative and operating services for us. We will reimburse our general partner and LGC for all out-of-pocket third-party expenses they incur and payments they make on our behalf. Our general partner will determine in good faith the expenses that are allocable to us.

Liquidation Stage

Liquidation

Upon our liquidation, the partners, including our general partner, will be entitled to receive liquidating distributions according to their particular capital account balances.

Ownership Interests of Certain Directors of Our General Partner

Upon the closing of this offering, LGC, which is owned by Joseph V. Topper, Jr. and John B. Reilly, III, will own all of the membership interests in our general partner. In addition to the non-economic general partner interest in us, our general partner will own the incentive distribution rights.

Agreements with Affiliates

In connection with this offering, we will enter into certain agreements with the Topper Group, LGC and LGO as described in more detail below.

Omnibus Agreement

In connection with the closing of this offering, we and our general partner will enter into an omnibus agreement with LGC, LGO and the Topper Group.

Management Services and Term. Pursuant to the omnibus agreement, LGC will provide us and our general partner with management, administrative and operating services. These services include accounting, tax, corporate record keeping and communication, legal, financial reporting, internal audit support, compliance, maintenance of internal controls, environmental compliance and remediation management oversight, treasury, tax reporting, information technology and other administrative staff functions, and arrange for administration of insurance programs. We will have no employees. LGC will provide us with personnel necessary to carryout the services to be provided under the omnibus agreement and any other services necessary to operate our business. We will not have any obligation to compensate the officers of our general partner or employees of LGC. The initial term of the omnibus agreement will be four years and will automatically

renew for additional one year terms unless any party provides written notice to the other parties 180 days prior to the end of the term of the omnibus agreement. We have the right to terminate the agreement at any time during the initial term upon 365 days' prior written notice.

Fees and Reimbursements. We will pay LGC a management fee, which shall initially be an amount equal to (1) \$420,000 per month plus (2) \$0.0025 for each gallon of motor fuel we distribute per month. In addition, and subject to certain restrictions on LGC's ability to incur third-party fees, costs, taxes and expenses, we will reimburse LGC and our general partner for all reasonable out-of-pocket third-party fees, costs, taxes and expenses incurred by LGC or our general partner on our behalf in connection with providing the services required to be provided by LGC under the omnibus agreement. Examples of these types of fees, costs, taxes and expenses, include:

- legal, accounting and other fees and expenses associated with being a public company;
- expenses related to our financings, mergers, acquisitions or dispositions of assets, and other similar transactions;
- expenses related to insurance coverage for our assets or operations;
- sales, use, excise, value added or similar taxes with respect to the services provided by LGC to us; and
- remediation costs or expenses incurred in connection with our environmental liabilities and third-party claims that are based on environmental conditions that arise at our sites following the closing of this offering; and
- costs or expenses incurred in connection with environmental compliance, including but not limited to, storage tank compliance and registration, as well as monitoring and oversight expenses.

Review of Management Fee. At the end of each calendar year, we will have the right to submit to LGC a proposal to reduce the amount of the management fee for such year if we believe that the services performed by LGC do not justify payment of the amount of management fees paid by us for such year. In addition, LGC will have the right, at the end of each calendar year, to submit to us a proposal to increase the amount of the management fee for such year if LGC believes that the services performed by LGC justify an increase in the management fee. If any such proposal is submitted, we will negotiate with LGC to determine if the management fee for such year should be reduced or increased, and, if so, the amount of such reduction or increase. In addition, upon a material change in our structure or our business, the conflicts committee of our general partner will review the management fee. If the conflicts committee determines that, based on a change in our structure or our business, the management fee should be modified or otherwise altered, we will negotiate with LGC to determine the appropriate modification or alteration of the management fee.

General Indemnification. The omnibus agreement provides that we must indemnify LGC for any liabilities incurred by LGC attributable to the management, administrative and operating services provided to us under the agreement, other than liabilities resulting from LGC's bad faith or willful misconduct. In addition, LGC must indemnify us for any liabilities we incur as a result of LGC's bad faith or willful misconduct in providing management, administrative and operating services under the omnibus agreement.

Environmental Indemnification by LGC. The omnibus agreement provides that LGC must indemnify us for any costs or expenses that we incur for environmental liabilities and third-party claims, regardless of when a claim is made, that are based on environmental conditions in existence at our predecessor's sites prior to the closing of this offering. LGC is the beneficiary of escrow accounts created to cover the cost to remediate certain environmental conditions. In

addition, LGC maintains insurance policies to cover environmental liabilities and/or, where available, participates in state programs that may also assist in funding the costs of environmental investigation and remediation. There are certain sites to be acquired by us in the transactions contemplated by this offering with existing environmental conditions that are not covered by escrow accounts or insurance policies. As of March 31, 2012, LGC had an aggregate of approximately \$3.2 million of environmental liabilities associated with sites to be acquired by us in the transactions contemplated by this offering that are not covered by escrow accounts or insurance policies. Please read, "Business—Environmental—Environmental Insurance and Escrow Accounts."

Under the omnibus agreement, LGC is required to name us as an additional insured under its environmental insurance policies, except for certain remediation cost containment policies. As an additional insured under these insurance policies, we will have the right to directly seek coverage from the insurance companies for claims under these policies. To the extent LGC or its successors fail to do so, we have the right under the omnibus agreement to compel LGC or its successors to access the escrow accounts and/or its remediation cost containment policies for purposes of covering the costs to satisfy its indemnification obligations under the omnibus agreement.

Environmental Indemnification of LGC. Other than with respect to liabilities resulting from LGC's bad faith or willful misconduct, we must indemnify LGC for any costs or expenses it incurs in connection with environmental liabilities and third-party claims that are based on environmental conditions that arise at our sites following the closing of this offering. We plan to maintain insurance policies with insurers in amounts and with coverage and deductibles as our general partner believes are reasonable and prudent to cover environmental liabilities and third-party claims that are based on environmental conditions that arise at our sites following the closing of this offering. However, we cannot assure you that this insurance will be adequate to protect us from all material expenses related to potential environmental liabilities or that these levels of insurance will be available in the future at economical prices. Under the omnibus agreement, we are required, where permitted under our insurance policies, to name LGC as an additional insured under these policies.

Tax Indemnification by LGC. The omnibus agreement provides that LGC must indemnify us for any costs or expenses that we incur for federal, state and local income tax liabilities attributable to the ownership and operation prior to the closing of this offering of the assets and subsidiaries that are being contributed to us, excluding any federal, state and local income taxes reserved for in our financial statements at the closing of this offering. This indemnification obligation shall survive until the 60th day following the expiration of the applicable statute of limitations. This indemnification obligation shall survive until the 60th day following the expiration of the applicable statute of limitations.

Title Indemnification by LGC. The omnibus agreement provides that LGC must indemnify us for any costs or expenses that we incur for losses resulting from defects in title to the assets contributed or sold to us in connection with the transactions contemplated by this offering and any failure to obtain, prior to the time they were contributed to us, certain consents and permits necessary to conduct our business. This indemnification obligation shall survive until the third anniversary of the closing of this offering.

Rights of First Refusal; Rights of First Offer. The omnibus agreement also provides that the Topper Group and LGO will agree, and will cause their controlled affiliates to agree, for so long as the Topper Group or its controlled affiliates, individually or as part of a group, control our general partner, that if the Topper Group, LGO or any of their controlled affiliates has the opportunity to acquire assets used, or a controlling interest in any business primarily engaged, in the wholesale motor fuel distribution or retail gas station operation businesses, then the Topper

Group, LGO or their controlled affiliates will offer such acquisition opportunity to us and give us a reasonable opportunity to acquire, at a price equal to the purchase price paid or to be paid by the Topper Group, LGO or their controlled affiliates plus any related transaction costs and expenses incurred by the Topper Group, LGO or their controlled affiliates, such assets or business either before the Topper Group, LGO or their controlled affiliates acquire such assets or business or promptly after the consummation of such acquisition by the Topper Group, LGO or their controlled affiliates. Our decision to acquire or not acquire any such assets or businesses will require the approval of the conflicts committee of the board of directors of our general partner. Any assets or businesses that we do not acquire pursuant to the right of first refusal may be acquired and operated by the Topper Group, LGO or its controlled affiliates.

The omnibus agreement also provides that the Topper Group and LGO will agree, and will cause its controlled affiliates to agree, for so long as the Topper Group, LGO or their controlled affiliates, individually or as part of a group, control our general partner, to notify us of their desire to sell any of their assets or businesses if the Topper Group, LGO or any of their controlled affiliates decides to attempt to sell (other than to another controlled affiliate of the Topper Group or LGO) any assets used, or any interest in any business primarily engaged, in the wholesale motor fuel distribution or retail gas station operation businesses, to a third party. Prior to selling such assets or businesses to a third party, the Topper Group or LGO will negotiate with us exclusively and in good faith for a reasonable period of time in order to give us an opportunity to enter into definitive documentation for the purchase and sale of such assets or businesses on terms that are mutually acceptable to the Topper Group, LGO or their controlled affiliates and us. If we and the Topper Group, LGO or their controlled affiliates have not entered into a letter of intent or a definitive purchase and sale agreement with respect to such assets or businesses within such period, the Topper Group, LGO or their controlled affiliates will have the right to sell such assets or businesses to a third party following the expiration of such period on any terms that are acceptable to the Topper Group, LGO or their controlled affiliates and such third party. Our decision to acquire or not to acquire assets or businesses pursuant to this right will require the approval of the conflicts committee of the board of directors of our general partner. This right of first offer will not apply to the sale of any assets or interests that the Topper Group owns at the closing of this offering that are not contributed to us in connection with this offering.

Except for these rights of first refusal and rights of first offer, none of the parties nor any of their affiliates have any obligation to offer, or provide any opportunity to pursue, purchase or invest in, any business opportunity to any other party or their affiliates. In addition, except for these rights of first refusal and rights of first offer, the parties and their affiliates are free to engage in any business activity whatsoever without the participation of the other, including any activity that may be in direct competition with another party or their affiliates.

LGO Lease Agreements

In connection with the closing of this offering, we will enter into separate lease agreements with LGO pursuant to which LGO will, as applicable, lease or sublease from us 181 sites in order to operate our predecessor's retail operations. The aggregate initial annual rent to be paid under all of the leases is _____ and the rent will increase by 1.5% annually. The term of each of lease will be 15 years and LGO will have the right to extend each lease for two additional five-year terms. Each lease with LGO will be a modified triple-net lease under which LGO will be responsible for all expenses that arise from the use of the site, including, but not limited to, taxes, insurance, maintenance and repair costs, other than expenses related to the maintenance, repair and replacement of the underground storage tanks. We will have the right to terminate each lease with LGO upon providing LGO with 180 days prior written notice and reimbursing LGO for all unamortized capital expenses incurred by LGO in connection with the leased site. Each lease will contain cross-default provisions with the wholesale supply agreement

and each other lease agreement with LGO. The rent under these leases, and any additional leases, may be less favorable to us than the terms that we could have obtained from unaffiliated third parties. In addition, for a site we sub-lease to LGO, the rent we receive from LGO may not be sufficient to cover our annual lease obligations for this site.

LGO Wholesale Supply Agreement

In connection with the closing of this offering, we will enter into a wholesale supply agreement with LGO pursuant to which we will wholesale distribute motor fuels to LGO. The term of the wholesale supply agreement will be 15 years. We will have the right to impose the brand of fuel that will be distributed to LGO under the wholesale supply agreement. Under the wholesale supply agreement, LGO will be required to purchase all motor fuels from us. There are no minimum volume requirements that LGO is required to satisfy. We will charge LGO the DTW prices for each grade of product in effect at the time title to the product passes to LGO. The conflicts committee of our general partner shall, no less than annually, review the DTW prices charged to LGO to ensure that the prices are not below reasonable market rates charged to similarly situated or otherwise comparable third-party sites over a representative period of time. We will have a right of first refusal in connection with any proposed transfer by LGO of its interest in the wholesale supply agreement. The wholesale supply agreement will contain cross-default provisions with each lease agreement with LGO.

Contribution Agreement

In connection with the closing of this offering, we will enter into a contribution agreement that will effect the transactions, and the use of the net proceeds of this offering. This agreement will not be the result of arm's-length negotiations, and it, or any of the transactions that it provides for, may not be effected on terms at least as favorable to the parties to this agreement as could have been obtained from unaffiliated third parties. All of the transaction expenses incurred in connection with these transactions will be paid from the proceeds of this offering.

Registration Rights Agreement

Under our partnership agreement, we have agreed to register for resale under the Securities Act and applicable state securities laws any common units, subordinated units or other limited partner interests proposed to be sold by our general partner or any of its affiliates or their assignees if an exemption from the registration requirements is not otherwise available. These registration rights continue for two years following any withdrawal or removal of our general partner. We are obligated to pay all expenses incidental to the registration, excluding underwriting discounts.

In addition, in connection with this offering, we expect to enter into a registration rights agreement with the Topper Group and LGC. Pursuant to the registration rights agreement, we will be required to file a registration statement to register the common units and subordinated units issued to the Topper Group and LGC and the common units issuable upon the conversion of the subordinated units upon request of the Topper Group. In addition, the registration rights agreement gives the Topper Group and LGC piggyback registration rights under certain circumstances. The registration rights agreement also includes provisions dealing with indemnification and contribution and allocation of expenses. These registration rights are transferable to affiliates of the Topper Group and LGC and, in certain circumstances, to third parties. See "Units Eligible for Future Sale."

Procedures for Review, Approval and Ratification of Related Person Transactions

The board of directors of our general partner will adopt a code of business conduct and ethics immediately following the closing of this offering that will provide that the board of directors of our general partner or its authorized committee will periodically review all related

person transactions that are required to be disclosed under SEC rules and, when appropriate, initially authorize or ratify all such transactions. In the event that the board of directors of our general partner or its authorized committee considers ratification of a related person transaction and determines not to so ratify, the code of business conduct and ethics will provide that our management will make all reasonable efforts to cancel or annul the transaction.

The code of business conduct and ethics will provide that, in determining whether or not to recommend the initial approval or ratification of a related person transaction, the board of directors of our general partner or its authorized committee should consider all of the relevant facts and circumstances available, including (if applicable) but not limited to: (i) whether there is an appropriate business justification for the transaction; (ii) the benefits that accrue to us as a result of the transaction; (iii) the terms available to unrelated third parties entering into similar transactions; (iv) the impact of the transaction on a director's independence (in the event the related person is a director, an immediate family member of a director or an entity in which a director or an immediately family member of a director is a partner, shareholder, member or executive officer); (v) the availability of other sources for comparable products or services; (vi) whether it is a single transaction or a series of ongoing, related transactions; and (vii) whether entering into the transaction would be consistent with the code of business conduct and ethics.

The code of business conduct and ethics described above will be adopted immediately following the closing of this offering, and as a result the transactions described above will not be reviewed under such policy.

CONFLICTS OF INTEREST AND FIDUCIARY DUTIES

Conflicts of Interest

Conflicts of interest exist and may arise in the future as a result of the relationships between our general partner and its affiliates, including the Topper Group and LGC, on the one hand, and our partnership and our unaffiliated limited partners, on the other hand. The directors and officers of our general partner have fiduciary duties to manage our general partner in a manner beneficial to its owners. At the same time, our general partner has a duty to manage our partnership in a manner it believes is in our best interests. Our partnership agreement specifically defines the remedies available to unitholders for actions taken that, without these defined liability standards, might constitute breaches of fiduciary duty under applicable Delaware law. The Delaware Revised Uniform Limited Partnership Act, which we refer to as the Delaware Act, provides that Delaware limited partnerships may, in their partnership agreements, expand, restrict or eliminate the fiduciary duties otherwise owed by the general partner to the limited partners and the partnership.

Whenever a conflict arises between our general partner or its affiliates, on the one hand, and us and our limited partners, on the other hand, the resolution or course of action in respect of such conflict of interest shall be permitted and deemed approved by all our limited partners and shall not constitute a breach of our partnership agreement, of any agreement contemplated thereby or of any duty, if the resolution or course of action in respect of such conflict of interest is:

- approved by the conflicts committee of our general partner, although our general partner is not obligated to seek such approval; or
- approved by the holders of a majority of the outstanding common units, excluding any such units owned by our general partner or any of its affiliates.

Our general partner may, but is not required to, seek the approval of such resolutions or courses of action from the conflicts committee of its board of directors or from the holders of a majority of the outstanding common units as described above. If our general partner does not seek approval from the conflicts committee or from holders of common units as described above and the board of directors of our general partner approves the resolution or course of action taken with respect to the conflict of interest, then it will be presumed that, in making its decision, the board of directors of our general partner acted in good faith, and in any proceeding brought by or on behalf of us or any of our unitholders, the person bringing or prosecuting such proceeding will have the burden of overcoming such presumption. Unless the resolution of a conflict is specifically provided for in our partnership agreement, the board of directors of our general partner or the conflicts committee of the board of directors of our general partner may consider any factors they determine in good faith to consider when resolving a conflict. An independent third party is not required to evaluate the resolution. Under our partnership agreement, a determination, other action or failure to act by our general partner, the board of directors of our general partner or any committee thereof (including the conflicts committee) will be deemed to be "in good faith" unless our general partner, the board of directors of our general partner or any committee thereof (including the conflicts committee) believed such determination, other action or failure to act was adverse to the interests of the partnership. See "Management" for information about the conflicts committee of our general partner's board of directors.

Conflicts of interest could arise in the situations described below, among others.

Actions taken by our general partner may affect the amount of cash available to pay distributions to unitholders or accelerate the right to convert subordinated units.

The amount of cash that is available for distribution to unitholders is affected by decisions of our general partner regarding such matters as:

- amount and timing of asset purchases and sales;
- cash expenditures;
- borrowings;
- entry into and repayment of current and future indebtedness;
- issuance of additional units; and
- the creation, reduction or increase of reserves in any quarter.

In addition, borrowings by us and our affiliates do not constitute a breach of any duty owed by our general partner to our unitholders, including borrowings that have the purpose or effect of:

- enabling our general partner or its affiliates to receive distributions on any subordinated units held by them or the incentive distribution rights; or
- hastening the expiration of the subordination period.

In addition, our general partner may use an amount, initially equal to \$ _____ million, which would not otherwise constitute operating surplus, in order to permit the payment of distributions on subordinated units and the incentive distribution rights. All of these actions may affect the amount of cash or equity distributed to our unitholders and our general partner and may facilitate the conversion of subordinated units into common units. Please read "How We Make Distributions to Our Partners."

For example, in the event we have not generated sufficient cash from our operations to pay the minimum quarterly distribution on our common units and our subordinated units, our partnership agreement permits us to borrow funds, which would enable us to make such distribution on all outstanding units. See "How We Make Distributions to Our Partners—Operating Surplus and Capital Surplus—Operating Surplus."

The directors and officers of our general partner have a fiduciary duty to make decisions in the best interests of its owners, including the Topper Group and LGC, which may be contrary to our interests.

Because certain officers and certain directors of our general partner are also directors and/or officers of affiliates of our general partner, including LGC and certain entities within the Topper Group, they have fiduciary duties to LGC and the Topper Group that may cause them to pursue business strategies that disproportionately benefit LGC or the Topper Group or which otherwise are not in our best interests.

Our general partner is allowed to take into account the interests of parties other than us, such as the Topper Group and LGC, in exercising certain rights under our partnership agreement.

Our partnership agreement contains provisions that permissibly reduce the standards to which our general partner would otherwise be held by state fiduciary duty law. For example, 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 call right, its voting rights with respect to any units it owns, its registration rights and its determination whether or not to consent to any merger or consolidation.

Our partnership agreement limits the liability of, and replaces the duties owed by, our general partner and also restricts the remedies available to our unitholders for actions that, without the limitations, might constitute breaches of fiduciary duty.

In addition to the provisions described above, our partnership agreement contains provisions that restrict the remedies available to our unitholders for actions that might otherwise constitute breaches of fiduciary duty. For example, our partnership agreement provides that:

- our general partner shall not have any liability to us or our unitholders for decisions made in its capacity as a general partner so long as it acted in good faith, meaning it believed that the decision was not adverse to the interests of our partnership;
- our general partner and its officers and directors will not be liable for monetary damages to us or our limited partners for any acts or omissions unless there has been a final and non-appealable judgment entered by a court of competent jurisdiction determining that our general partner or those other persons acted in bad faith or, in the case of a criminal matter, acted with knowledge that its conduct was unlawful; and
- in resolving conflicts of interest, it will be presumed that in making its decision the general partner, the board of directors of the general partner or any committee thereof (including the conflicts committee) acted in good faith, and in any proceeding brought by or on behalf of any limited partner or us, the person bringing or prosecuting such proceeding will have the burden of overcoming such presumption.

By purchasing a common unit, a common unitholder will agree to become bound by the provisions in our partnership agreement, including the provisions discussed above. See "Conflicts of Interest and Fiduciary Duties—Fiduciary Duties."

Common unitholders have no right to enforce obligations of our general partner and its affiliates under agreements with us.

Any agreements between us, on the one hand, and our general partner and its affiliates, on the other, will not grant to the unitholders, separate and apart from us, the right to enforce the obligations of our general partner and its affiliates in our favor.

Contracts between us, on the one hand, and our general partner and its affiliates, on the other, are not and will not be the result of arm's-length negotiations.

Neither our partnership agreement nor any of the other agreements, contracts and arrangements between us and our general partner and its affiliates are or will be the result of arm's-length negotiations. Our general partner will determine, in good faith, the terms of any of such future transactions.

Except in limited circumstances, our general partner has the power and authority to conduct our business without unitholder approval.

Under our partnership agreement, our general partner has full power and authority to do all things, other than those items that require unitholder approval, necessary or appropriate to conduct our business including, but not limited to, the following actions:

- expending, lending, or borrowing money, assuming, guaranteeing, or otherwise contracting for, indebtedness and other liabilities, issuing evidences of indebtedness, including indebtedness that is convertible into our securities, and incurring any other obligations;
- preparing and transmitting tax, regulatory and other filings, periodic or other reports to governmental or other agencies having jurisdiction over our business or assets;
- acquiring, disposing, mortgaging, pledging, encumbering, hypothecating, or exchanging our assets or merging or otherwise combining us with or into another person;
- negotiating, executing and performing contracts, conveyance or other instruments;
- distributing cash;
- selecting or dismissing employees and agents, outside attorneys, accountants, consultants and contractors and determining their compensation and other terms of employment or hiring;
- maintaining insurance for our benefit;
- forming, acquiring an interest in, and contributing property and loaning money to, any further limited partnerships, joint ventures, corporations, limited liability companies or other relationships;
- controlling all matters affecting our rights and obligations, including bringing and defending actions at law or in equity or otherwise litigating, arbitrating or mediating, and incurring legal expense and settling claims and litigation;
- indemnifying any person against liabilities and contingencies to the extent permitted by law;
- entering into listing agreements with any national securities exchange and the delisting of some or all of our securities from, or requesting that trading be suspended on any such exchange;

- purchasing, selling or otherwise acquiring or disposing of our partnership interests, or issuing additional options, rights, warrants, appreciation rights, phantom or tracking interests relating to our partnership interests; and
- entering into agreements with any of its affiliates to render services to us or to itself in the discharge of its duties as our general partner.

See "The Partnership Agreement" for information regarding the voting rights of unitholders.

Common units are subject to our general partner's call right.

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, which it may assign to any of its affiliates or to us, but not the obligation, to acquire all, but not less than all, of the common units held by unaffiliated persons at the market price calculated in accordance with the terms of our partnership agreement. As a result, you may be required to sell your common units at an undesirable time or price and may not receive any return on your investment. You may also incur a tax liability upon a sale of your units. Our general partner is not obligated to obtain a fairness opinion regarding the value of the common units to be repurchased by it upon exercise of the call right. There is no restriction in our partnership agreement that prevents our general partner from issuing additional common units and exercising its call right. Our general partner may use its own discretion, free of fiduciary duty restrictions, in determining whether to exercise this right. As a result, a common unitholder may have his common units purchased from him at an undesirable time or price. See "The Partnership Agreement—Call Right."

We may choose not to retain separate counsel for ourselves or for the holders of common units.

The attorneys, independent accountants and others who perform services for us have been retained by our general partner. Attorneys, independent accountants and others who perform services for us are selected by our general partner and may perform services for our general partner and its affiliates. We may retain separate counsel for ourselves or the conflicts committee in the event of a conflict of interest between our general partner and its affiliates, on the one hand, and us or the holders of common units, on the other, depending on the nature of the conflict. We do not intend to do so in most cases.

Our general partner's affiliates may compete with us, and neither our general partner nor its affiliates have any obligation to present business opportunities to us.

Our partnership agreement provides that our general partner is restricted from engaging in any business other than those incidental to its ownership of interests in us. However affiliates of our general partner are not prohibited from engaging in other businesses or activities, including those that might be in direct competition with us. The Topper Group, LGC or their respective affiliates, may acquire, construct or dispose of assets in the future without any obligation to offer us the opportunity to acquire those assets. In addition, under our partnership agreement, the doctrine of corporate opportunity, or any analogous doctrine, will not apply to our general partner and its affiliates. As a result, neither our general partner nor any of its affiliates have any obligation to present business opportunities to us.

The holder or holders of our incentive distribution rights may elect to cause us to issue common units to it in connection with a resetting of incentive distribution levels without the approval of our unitholders. This election may result in lower distributions to our common unitholders in certain situations.

The holder or holders of a majority of our incentive distribution rights (initially our general partner) have the right, at any time when there are no subordinated units outstanding and they have received incentive distributions at the highest level to which they are entitled (50.0%) for each of the prior four consecutive fiscal quarters, to reset the initial target distribution levels at higher levels based on our cash distribution levels at the time of the exercise of the reset election. Following a reset election, a baseline distribution amount will be calculated equal to an amount equal to the prior cash distribution per common unit for the fiscal quarter immediately preceding the reset election (such amount is referred to as the "reset minimum quarterly distribution"), and the target distribution levels will be reset to correspondingly higher levels based on percentage increases above the reset minimum quarterly distribution.

We anticipate that our general partner would exercise this reset right in order to facilitate acquisitions or internal growth projects that would not be sufficiently accretive to cash distributions per unit without such conversion. However, our general partner may transfer the incentive distribution rights at any time. It is possible that our general partner or a transferee could exercise this reset election at a time when we are experiencing declines in our aggregate cash distributions or at a time when the holders of the incentive distribution rights expect that we will experience declines in our aggregate cash distributions in the foreseeable future. In such situations, the holders of the incentive distribution rights may be experiencing, or may expect to experience, declines in the cash distributions it receives related to the incentive distribution rights and may therefore desire to be issued our common units, which are entitled to specified priorities with respect to our distributions and which therefore may be more advantageous for them to own in lieu of the right to receive incentive distribution payments based on target distribution levels that are less certain to be achieved. As a result, a reset election may cause our common unitholders to experience dilution in the amount of cash distributions that they would have otherwise received had we not issued new common units to the holders of the incentive distribution rights in connection with resetting the target distribution levels. Please read "How We Make Distributions to Our Partners—Incentive Distribution Rights."

Fiduciary Duties

Duties owed to unitholders by our general partner are prescribed by law and in our partnership agreement. The Delaware Act provides that Delaware limited partnerships may, in their partnership agreements, expand, restrict or eliminate the fiduciary duties otherwise owed by the general partner to limited partners and the partnership.

Our partnership agreement contains various provisions modifying and restricting the fiduciary duties that might otherwise be owed by our general partner. We have adopted these provisions to allow our general partner or its affiliates to engage in transactions with us that otherwise might be prohibited by state law fiduciary standards and to take into account the interests of other parties in addition to our interests when resolving conflicts of interest. We believe this is appropriate and necessary because the board of directors of our general partner has a duty to manage our partnership in good faith and a duty to manage our general partner in a manner beneficial to its owner. Without these modifications, our general partner's ability to make decisions involving conflicts of interest would be restricted. The modifications to the fiduciary standards benefit our general partner by enabling it to take into consideration all parties involved in the proposed action. These modifications also strengthen the ability of our

general partner to attract and retain experienced and capable directors. These modifications represent a detriment to our public unitholders because they restrict the remedies available to our public unitholders for actions that, without those limitations, might constitute breaches of fiduciary duty, as described below, and permit our general partner to take into account the interests of third parties in addition to our interests when resolving conflicts of interests. The following is a summary of the material restrictions of the fiduciary duties owed by our general partner to the limited partners:

State law fiduciary duty standards	Fiduciary duties are generally considered to include an obligation to act in good faith and with due care and loyalty. The duty of care, in the absence of a provision in a partnership agreement providing otherwise, would generally require a general partner to act for the partnership in the same manner as a prudent person would act on his own behalf. The duty of loyalty, in the absence of a provision in a partnership agreement providing otherwise, would generally require that any action taken or transaction engaged in be entirely fair to the partnership.
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Partnership agreement modified standards	Our partnership agreement contains provisions that waive or consent to conduct by our general partner and its affiliates that might otherwise raise issues as to compliance with fiduciary duties or applicable law. For example, our partnership agreement provides that when our general partner is acting in its capacity as our general partner, as opposed to in its individual capacity, it must act in "good faith" and will not be subject to any other standard under applicable law. In addition, when our general partner is acting in its individual capacity, as opposed to in its capacity as our general partner, it may act without any fiduciary obligation to us or the unitholders whatsoever. These standards replace the obligations to which our general partner would otherwise be held.
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If our general partner does not obtain approval from the conflicts committee of the board of directors of our general partner or our common unitholders, excluding any such units owned by our general partner or its affiliates, and the board of directors of our general partner approves the resolution or course of action taken with respect to the conflict of interest, then it will be presumed that, in making its decision, its board, which may include board members affected by the conflict of interest, acted in good faith, and in any proceeding brought by or on behalf of any limited partner or the partnership, the person bringing or prosecuting such proceeding will have the burden of overcoming such presumption. These standards replace the obligations to which our general partner would otherwise be held.

Rights and remedies of unitholders	The Delaware Act generally provides that a limited partner may institute legal action on behalf of the partnership to recover damages from a third party where a general partner has refused to institute the action or where an effort to cause a general partner to do so is not likely to succeed. These actions include actions against a general partner for breach of its duties or of our partnership agreement. In addition, the statutory or case law of some jurisdictions may permit a limited partner to institute legal action on behalf of himself and all other similarly situated limited partners to recover damages from a general partner for violations of its fiduciary duties to the limited partners.
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Partnership agreement modified standard	The Delaware Act provides that, unless otherwise provided in a partnership agreement, a partner or other person shall not be liable to a limited partnership or to another partner or to another person that is a party to or is otherwise bound by a partnership agreement for breach of fiduciary duty for the partner's or other person's good faith reliance on the provisions of the partnership agreement. Under our partnership agreement, to the extent that, at law or in equity an indemnitee has duties (including fiduciary duties) and liabilities relating thereto to us or to our partners, our general partner and any other indemnitee acting in connection with our business or affairs shall not be liable to us or to any partner for its good faith reliance on the provisions of our partnership agreement.
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By purchasing our common units, each common unitholder automatically agrees to be bound by the provisions in our partnership agreement, including the provisions discussed above. This is in accordance with the policy of the Delaware Act favoring the principle of freedom of contract and the enforceability of partnership agreements. The failure of a limited partner to sign a partnership agreement does not render the partnership agreement unenforceable against that person.

Under our partnership agreement, we must indemnify our general partner and its officers, directors, managers and certain other specified persons, to the fullest extent permitted by law, against liabilities, costs and expenses incurred by our general partner or these other persons. We must provide this indemnification unless there has been a final and non-appealable judgment by a court of competent jurisdiction determining that these persons acted in bad faith. We must also provide this indemnification for criminal proceedings unless our general partner or these other persons acted with knowledge that their conduct was unlawful. Thus, our general partner could be indemnified for its negligent acts if it meets the requirements set forth above. To the extent these provisions purport to include indemnification for liabilities arising under the Securities Act in the opinion of the SEC, such indemnification is contrary to public policy and, therefore, unenforceable. Please read "The Partnership Agreement—Indemnification."

DESCRIPTION OF COMMON UNITS

The Units

The common units and the subordinated units are separate classes of units representing limited partner interests in us. The holders of units are entitled to participate in partnership distributions and exercise the rights or privileges available to limited partners under our partnership agreement. For a description of the relative rights and preferences of holders of common units and subordinated units in and to partnership distributions, please read this section and "Cash Distribution Policy and Restrictions on Distributions." For a description of other rights and privileges of limited partners under our partnership agreement, including voting rights, please read "The Partnership Agreement."

Transfer Agent and Registrar

Duties

American Stock Transfer & Trust Company, LLC will serve as registrar and transfer agent for the common units. We pay all fees charged by the transfer agent for transfers of common units, except the following that must be paid by unitholders:

- surety bond premiums to replace lost or stolen certificates, taxes and other governmental charges;
- special charges for services requested by a holder of a common unit; and
- other similar fees or charges.

There will be no charge to unitholders for disbursements of our cash distributions. We will indemnify the transfer agent, its agents and each of their stockholders, directors, officers and employees against all claims and losses that may arise out of acts performed or omitted for its activities in that capacity, except for any liability due to any gross negligence or intentional misconduct of the indemnified person or entity.

Resignation or Removal

The transfer agent may resign, by notice to us, or be removed by us. The resignation or removal of the transfer agent will become effective upon our appointment of a successor transfer agent and registrar and its acceptance of the appointment. If no successor is appointed, our general partner may act as the transfer agent and registrar until a successor is appointed.

Transfer of Common Units

Upon the transfer of a common unit in accordance with our partnership agreement, the transferee of the common units shall be admitted as a limited partner with respect to the common units transferred when such transfer and admission are reflected on our books and records. Each transferee:

- represents that the transferee has the capacity, power and authority to become bound by our partnership agreement;
- automatically becomes barred by the terms and conditions of, and deems to have executed, our partnership agreement; and

- gives the consents, waivers and approvals contained in our partnership agreement, such as the approval of all transactions and agreements that we are entering into in connection with our formation and this offering.

A transferee that executes and delivers a properly completed transfer application will become a substituted limited partner of our partnership for the transferred common units automatically upon the recording of the transfer on our books and records. Our general partner will cause any transfers to be recorded on our books and records no less frequently than quarterly.

A transferee's broker, agent or nominee may, but is not obligated to, complete, execute and deliver a transfer application. We may, at our discretion, treat the nominee holder of a common unit as the absolute owner. In that case, the beneficial holder's rights are limited solely to those that it has against the nominee holder as a result of any agreement between the beneficial owner and the nominee holder.

Common units are securities and any transfers are subject to the laws governing the transfer of securities. In addition to other rights acquired upon transfer, the transferor gives the transferee the right to become a substituted limited partner in our partnership for the transferred common units. A purchaser or transferee of common units who does not execute and deliver a properly completed transfer application obtains only:

- the right to assign the common unit to a purchaser or other transferee; and
- the right to transfer the right to seek admission as a substituted limited partner in our partnership for the transferred common units.

Thus, a purchaser or transferee of common units who does not execute and deliver a properly completed transfer application:

- will not receive cash distributions;
- will not be allocated any of our income, gain, deduction, losses or credits for U.S. federal income tax or other tax purposes; and
- may not receive some U.S. federal income tax information or reports furnished to record holders of common units;

unless the common units are held in a nominee or "street name" account and the nominee or broker has executed and delivered a transfer application and certification as to itself and any beneficial holders.

The transferor does not have a duty to ensure the execution of the transfer application by the transferee and has no liability or responsibility if the transferee neglects or chooses not to execute and deliver a properly completed transfer application to the transfer agent. Please read "The Partnership Agreement—Status as Limited Partner."

Until a common unit has been transferred on our books, we and the transfer agent may treat the record holder of the common unit as the absolute owner for all purposes, except as otherwise required by law or stock exchange regulations.

THE PARTNERSHIP AGREEMENT

The following is a summary of the material provisions of our partnership agreement. The form of our partnership agreement is included in this prospectus as Appendix A. We will provide prospective investors with a copy of our partnership agreement upon request at no charge.

We summarize the following provisions of our partnership agreement elsewhere in this prospectus:

- with regard to distributions, please read "How We Make Distributions to Our Partners;"
- with regard to the duties of, and standard of care applicable to, our general partner, please read "Conflicts of Interest and Fiduciary Duties;"
- with regard to the transfer of common units, please read "Description of Common Units—Transfer of Common Units;" and
- with regard to allocations of taxable income and taxable loss, please read "Material U.S. Federal Income Tax Consequences."

Organization and Duration

Our partnership was organized on December 2, 2011 and will have a perpetual existence unless terminated pursuant to the terms of our partnership agreement.

Purpose

Our purpose, as set forth in our partnership agreement, is limited to any business activity that is approved by our general partner and that lawfully may be conducted by a limited partnership organized under Delaware law; provided that our general partner shall not cause us to take any action that the general partner determines would be reasonably likely to cause us to be treated as an association taxable as a corporation for U.S. federal income tax purposes.

Although our general partner has the ability to cause us and our subsidiaries to engage in activities other than the business of wholesale distribution of motor fuels and the ownership of sites, our general partner may decline to do so free of any fiduciary duty or obligation whatsoever to us or the limited partners, including any duty to act in the best interests of us or the limited partners. Our general partner is generally authorized to perform all acts it determines to be necessary or appropriate to carry out our purposes and to conduct our business.

Distributions

Our partnership agreement specifies the manner in which we will make distributions, if any, to holders of our common units and subordinated units, as well as to our general partner in respect of its incentive distribution rights. For a description of these cash distribution provisions, please read "How We Make Distributions to Our Partners."

Capital Contributions

Unitholders are not obligated to make additional capital contributions, except as described below under "—Limited Liability."

Voting Rights

The following is a summary of the unitholder vote required for approval of the matters specified below. Matters that require the approval of a "unit majority" require:

- during the subordination period, the approval of a majority of the outstanding common units, excluding those common units held by our general partner and its affiliates, voting as a class, and a majority of the outstanding subordinated units, voting as separate classes; and
- when the subordination period expires, the approval of a majority of the outstanding common units.

In voting their common and subordinated units, our general partner and its affiliates will have no fiduciary duty or obligation whatsoever to us or the limited partners, including any duty to act in good faith or in the best interests of us or the limited partners.

Issuance of additional units No approval right.

Amendment of our partnership agreement Certain amendments may be made by our general partner without the approval of the unitholders. Other amendments generally require the approval of a unit majority. Please read "—Amendment of the Partnership Agreement."

Merger of our partnership or the sale of all or substantially all of our assets Unit majority in certain circumstances. Please read "—Merger, Consolidation, Conversion, Sale or Other Disposition of Assets."

Dissolution of our partnership Unit majority. Please read "—Dissolution."

Continuation of our business upon dissolution Unit majority. Please read "—Dissolution."

Withdrawal of our general partner Under most circumstances, the approval of a majority of the common units, excluding common units held by our general partner and its affiliates, is required for the withdrawal of our general partner prior to _____, 2022 in a manner that would cause a dissolution of our partnership. Please read "—Withdrawal or Removal of Our General Partner."

Removal of our general partner Not less than 66²/3% of the outstanding units, voting as a single class, including units held by our general partner and its affiliates. Please read "—Withdrawal or Removal of Our General Partner."

Transfer of the general partner interest	No approval right. Please read "—Transfer of General Partner Interest."
Transfer of incentive distribution rights	No approval right. Please read "—Transfer of Subordinated Units and Incentive Distribution Rights."
Transfer of ownership interests in the general partner	No approval right. Please read "—Transfer of Ownership Interests in Our General Partner."

If any person or group other than our general partner and its affiliates acquires beneficial ownership of 20% or more of any class of units, that person or group loses voting rights on all of its units. This loss of voting rights does not apply to any person or group that acquires the units from our general partner or its affiliates and any transferees of that person or group approved by our general partner or to any person or group who acquires the units with the specific prior approval of our general partner.

Applicable Law; Forum, Venue and Jurisdiction

Our partnership agreement is governed by Delaware law. Our partnership agreement requires that any claims, suits, actions or proceedings:

- arising out of or relating in any way to the partnership agreement (including any claims, suits or actions to interpret, apply or enforce the provisions of the partnership agreement or the duties, obligations or liabilities among limited partners or of limited partners to us, or the rights or powers of, or restrictions on, the limited partners or us);
- brought in a derivative manner on our behalf;
- asserting a claim of breach of a fiduciary duty owed by any director, officer or other employee of us or our general partner, or owed by our general partner, to us or the limited partners;
- asserting a claim arising pursuant to any provision of the Delaware Act; or
- asserting a claim governed by the internal affairs doctrine,

shall be exclusively brought in the Court of Chancery of the State of Delaware, in each case, regardless of whether such claims, suits, actions or proceedings sound in contract, tort, fraud or otherwise, are based on common law, statutory, equitable, legal or other grounds, or are derivative or direct claims. By purchasing a common unit, a limited partner is irrevocably consenting to these limitations and provisions regarding claims, suits, actions or proceedings and submitting to the exclusive jurisdiction of the Court of Chancery of the State of Delaware in connection with any such claims, suits, actions or proceedings. Although our partnership agreement includes this choice of forum provision, it is possible that a court could rule that this provision is inapplicable or unenforceable.

Limited Liability

Assuming that a limited partner does not participate in the control of our business within the meaning of the Delaware Act and that he otherwise acts in conformity with the provisions of the partnership agreement, his liability under the Delaware Act will be limited, subject to possible exceptions, to the amount of capital he is obligated to contribute to us for his common units plus his share of any undistributed profits and assets. However, if it were determined that the right, or exercise of the right, by the limited partners as a group:

- to remove or replace our general partner;
- to approve some amendments to our partnership agreement; or
- to take other action under our partnership agreement;

constituted "participation in the control" of our business for the purposes of the Delaware Act, then the limited partners could be held personally liable for our obligations under the laws of Delaware, to the same extent as our general partner. This liability would extend to persons who transact business with us under the reasonable belief that the limited partner is a general partner. Neither our partnership agreement nor the Delaware Act specifically provides for legal recourse against our general partner if a limited partner were to lose limited liability through any fault of our general partner. While this does not mean that a limited partner could not seek legal recourse, we know of no precedent for this type of a claim in Delaware case law.

Under the Delaware Act, a limited partnership may not make a distribution to a partner if, after the distribution, all liabilities of the limited partnership, other than liabilities to partners on account of their partnership interests and liabilities for which the recourse of creditors is limited to specific property of the partnership, would exceed the fair value of the assets of the limited partnership. For the purpose of determining the fair value of the assets of a limited partnership, the Delaware Act provides that the fair value of property subject to liability for which recourse of creditors is limited shall be included in the assets of the limited partnership only to the extent that the fair value of that property exceeds the nonrecourse liability. The Delaware Act provides that a limited partner who receives a distribution and knew at the time of the distribution that the distribution was in violation of the Delaware Act shall be liable to the limited partnership for the amount of the distribution for three years.

Following the completion of this offering, we expect that our subsidiaries will conduct business in eight states and we may have subsidiaries that conduct business in other states or countries in the future. Maintenance of our limited liability as owner of our operating subsidiaries may require compliance with legal requirements in the jurisdictions in which the operating subsidiaries conduct business, including qualifying our subsidiaries to do business there.

Limitations on the liability of members or limited partners for the obligations of a limited liability company or limited partnership have not been clearly established in many jurisdictions. If, by virtue of our ownership interest in our subsidiaries or otherwise, it were determined that we were conducting business in any jurisdiction without compliance with the applicable limited partnership or limited liability company statute, or that the right or exercise of the right by the limited partners as a group to remove or replace our general partner, to approve some amendments to our partnership agreement, or to take other action under our partnership agreement constituted "participation in the control" of our business for purposes of the statutes

of any relevant jurisdiction, then the limited partners could be held personally liable for our obligations under the law of that jurisdiction to the same extent as our general partner under the circumstances. We will operate in a manner that our general partner considers reasonable and necessary or appropriate to preserve the limited liability of the limited partners.

Issuance of Additional Interests

Our partnership agreement authorizes us to issue an unlimited number of additional partnership interests for the consideration and on the terms and conditions determined by our general partner without the approval of our limited partners.

It is possible that we will fund acquisitions through the issuance of additional common units, subordinated units or other partnership interests. Holders of any additional common units we issue will be entitled to share equally with the then-existing common unitholders in our distributions. In addition, the issuance of additional common units or other partnership interests may dilute the value of the interests of the then-existing common unitholders in our net assets.

In accordance with Delaware law and the provisions of our partnership agreement, we may also issue additional partnership interests that, as determined by our general partner, may have rights to distributions or special voting rights to which the common unitholders are not entitled. In addition, our partnership agreement does not prohibit our subsidiaries from issuing equity interests, which may effectively rank senior to the common units.

Our general partner will have the right, which it may from time to time assign, in whole or in part, to any of its affiliates, to purchase common units, subordinated units or other partnership interests whenever, and on the same terms that, we issue partnership interests to persons other than our general partner and its affiliates (other than the issuance of common units upon exercise by the underwriters of their option to purchase additional common units), to the extent necessary to maintain the percentage interest of the general partner and its affiliates, including such interest represented by common and subordinated units, that existed immediately prior to each issuance. Our unitholders will not have preemptive rights under our partnership agreement to acquire additional common units or other partnership interests.

Amendment of the Partnership Agreement

General

Amendments to our partnership agreement may be proposed only by our general partner. However, our general partner will have no duty or obligation to propose any amendment and may decline to do so free of any fiduciary duty or obligation whatsoever to us or the limited partners, including any duty to act in good faith or in the best interests of us or the limited partners. In order to adopt a proposed amendment, other than the amendments discussed below, our general partner is required to seek written approval of the holders of the number of units required to approve the amendment or to call a meeting of the limited partners to consider and vote upon the proposed amendment. Except as described below, an amendment must be approved by a unit majority.

Prohibited Amendments

No amendment may be made that would:

- enlarge the obligations of any limited partner without its consent, unless approved by at least a majority of the type or class of limited partner interests so affected; or
- enlarge the obligations of, restrict in any way any action by or rights of, or reduce in any way the amounts distributable, reimbursable or otherwise payable by us to our general partner or any of its affiliates without the consent of our general partner, which consent may be given or withheld in its sole discretion.

The provision of our partnership agreement preventing the amendments having the effects described in the clauses above can be amended upon the approval of the holders of at least 90.0% of the outstanding units, voting as a single class (including units owned by our general partner and its affiliates). Upon completion of the offering, the Topper Group will own approximately % of our outstanding common units and % of our subordinated units. LGC will own % of our common units and % of our subordinated units. At the end of the subordination period, assuming no additional issuances of units (other than upon the conversion of the subordinated units), the Topper Group will own % and LGC will own % of our common units. For additional information about the limited call right, please read "—Call Right."

No Unitholder Approval

Our general partner may generally make amendments to our partnership agreement without the approval of any limited partner to reflect:

- a change in our name, the location of our principal place of business, our registered agent or our registered office;
- the admission, substitution, withdrawal, or removal of partners in accordance with our partnership agreement;
- a change that our general partner determines to be necessary or appropriate to qualify or continue our qualification as a limited partnership or other entity in which the limited partners have limited liability under the laws of any state or to ensure that neither we nor any of our subsidiaries will be treated as an association taxable as a corporation for U.S. federal income tax purposes (to the extent not already so treated or taxed);
- an amendment that is necessary, in the opinion of our counsel, to prevent us or our general partner or its directors, officers, agents or trustees from in any manner being subjected to the provisions of the Investment Company Act of 1940, the Investment Advisers Act of 1940 or "plan asset" regulations adopted under ERISA, whether or not substantially similar to plan asset regulations currently applied or proposed;
- an amendment that our general partner determines to be necessary or appropriate in connection with the creation, authorization or issuance of additional partnership interests or the right to acquire partnership interests;

- any amendment expressly permitted in our partnership agreement to be made by our general partner acting alone;
- an amendment effected, necessitated, or contemplated by a merger agreement that has been approved under the terms of our partnership agreement;
- any amendment that our general partner determines to be necessary or appropriate to reflect and account for the formation by us of, or our investment in, any corporation, partnership, joint venture, limited liability company or other entity, as otherwise permitted by our partnership agreement;
- a change in our fiscal year or taxable year and related changes;
- conversions into, mergers with or conveyances to another limited liability entity that is newly formed and has no assets, liabilities or operations at the time of the conversion, merger or conveyance other than those it receives by way of the merger or conveyance; or
- any other amendments substantially similar to any of the matters described in the clauses above.

In addition, our general partner may make amendments to our partnership agreement, without the approval of any limited partner, if our general partner determines that those amendments:

- do not adversely affect, in any material respect the limited partners, considered as a whole, or any particular class of limited partners;
- are necessary or appropriate to satisfy any requirements, conditions or guidelines contained in any opinion, directive, order, ruling or regulation of any federal or state agency or judicial authority or contained in any federal or state statute;
- are necessary or appropriate to facilitate the trading of limited partner interests or to comply with any rule, regulation, guideline or requirement of any securities exchange on which the limited partner interests are or will be listed for trading;
- are necessary or appropriate for any action taken by our general partner relating to splits or combinations of units under the provisions of our partnership agreement;
- are required to effect the intent expressed in this prospectus or the intent of the provisions of our partnership agreement or are otherwise contemplated by our partnership agreement.

Opinion of Counsel and Unitholder Approval

Any amendment that our general partner determines adversely affects in any material respect one or more particular classes of limited partners will require the approval of at least a majority of the class or classes so affected, but no vote will be required by any class or classes of limited partners that our general partner determines are not adversely affected in any material respect. Any amendment that would have a material adverse effect on the rights or preferences

of any type or class of outstanding units in relation to other classes of units will require the approval of at least a majority of the type or class of units so affected. Any amendment that would reduce the voting percentage required to take any action other than to remove the general partner or call a meeting of unitholders is required to be approved by the affirmative vote of limited partners whose aggregate outstanding units constitute not less than the voting requirement sought to be reduced. Any amendment that would increase the percentage of units required to remove the general partner or call a meeting of unitholders must be approved by the affirmative vote of limited partners whose aggregate outstanding units constitute not less than the percentage sought to be increased. For amendments of the type not requiring unitholder approval, our general partner will not be required to obtain an opinion of counsel that an amendment will neither result in a loss of limited liability to the limited partners nor result in our being treated as a taxable entity for federal income tax purposes in connection with any of the amendments. No other amendments to our partnership agreement will become effective without the approval of holders of at least 90% of the outstanding units, voting as a single class, unless we first obtain an opinion of counsel to the effect that the amendment will not affect the limited liability under applicable law of any of our limited partners.

Merger, Consolidation, Conversion, Sale or Other Disposition of Assets

A merger, consolidation or conversion of us requires the prior consent of our general partner. However, our general partner will have no duty or obligation to consent to any merger, consolidation or conversion and may decline to do so free of any fiduciary duty or obligation whatsoever to us or the limited partners, including any duty to act in good faith or in the best interest of us or the limited partners.

In addition, our partnership agreement generally prohibits our general partner, without the prior approval of the holders of a unit majority, from causing us to sell, exchange or otherwise dispose of all or substantially all of our assets in a single transaction or a series of related transactions, including by way of merger, consolidation or other combination. Our general partner may, however, mortgage, pledge, hypothecate or grant a security interest in all or substantially all of our assets without such approval. Our general partner may also sell all or substantially all of our assets under a foreclosure or other realization upon those encumbrances without such approval. Finally, our general partner may consummate any merger without the prior approval of our unitholders if we are the surviving entity in the transaction, our general partner has received an opinion of counsel regarding limited liability and tax matters, the transaction would not result in a material amendment to the partnership agreement (other than an amendment that the general partner could adopt without the consent of other partners), each of our units will be an identical unit of our partnership following the transaction and the partnership securities to be issued do not exceed 20% of our outstanding partnership interests (other than incentive distribution rights) immediately prior to the transaction.

If the conditions specified in our partnership agreement are satisfied, our general partner may convert us or any of our subsidiaries into a new limited liability entity or merge us or any of our subsidiaries into, or convey all of our assets to, a newly formed entity, if the sole purpose of that conversion, merger or conveyance is to effect a mere change in our legal form into another limited liability entity, we have received an opinion of counsel regarding limited liability and tax matters and the governing instruments of the new entity provide the limited partners and our general partner with the same rights and obligations as contained in our partnership agreement. Our unitholders are not entitled to dissenters' rights of appraisal under our partnership agreement or applicable Delaware law in the event of a conversion, merger or consolidation, a sale of substantially all of our assets or any other similar transaction or event.

Dissolution

We will continue as a limited partnership until dissolved under our partnership agreement. We will dissolve upon:

- the election of our general partner to dissolve us, if approved by the holders of units representing a unit majority;
- there being no limited partners, unless we are continued without dissolution in accordance with applicable Delaware law;
- the entry of a decree of judicial dissolution of our partnership pursuant to the provisions of the Delaware Act; or
- the withdrawal or removal of our general partner or any other event that results in its ceasing to be our general partner other than by reason of a transfer of its general partner interest in accordance with our partnership agreement or its withdrawal or removal following the approval and admission of a successor.

Upon a dissolution under the last clause above, the holders of a unit majority may also elect, within specific time limitations, to continue our business on the same terms and conditions described in our partnership agreement by appointing as a successor general partner an entity approved by the holders of units representing a unit majority, subject to our receipt of an opinion of counsel to the effect that:

- the action would not result in the loss of limited liability under Delaware law of any limited partner; and
- neither our partnership nor any of our subsidiaries would be treated as an association taxable as a corporation or otherwise be taxable as an entity for U.S. federal income tax purposes upon the exercise of that right to continue (to the extent not already so treated or taxed).

Liquidation and Distribution of Proceeds

Upon our dissolution, unless our business is continued, the liquidator authorized to wind up our affairs will, acting with all of the powers of our general partner that are necessary or appropriate, liquidate our assets and apply the proceeds of the liquidation as described in "How We Make Distributions to Our Partners—Distributions of Cash Upon Liquidation." The liquidator may defer liquidation or distribution of our assets for a reasonable period of time or distribute assets to partners in kind if it determines that a sale would be impractical or would cause undue loss to our partners.

Withdrawal or Removal of Our General Partner

Except as described below, our general partner has agreed not to withdraw voluntarily as our general partner prior to _____, 2022 without obtaining the approval of the holders of at least a majority of the outstanding common units, excluding common units held by our general partner and its affiliates, and furnishing an opinion of counsel regarding limited liability and tax matters. On or after _____, 2022, our general partner may withdraw as general partner without first obtaining approval of any unitholder by giving 90 days' written notice, and that withdrawal will not constitute a violation of our partnership agreement. Notwithstanding the information

above, our general partner may withdraw without unitholder approval upon 90 days' notice to the limited partners if at least 50% of the outstanding common units are held or controlled by one person and its affiliates, other than our general partner and its affiliates. In addition, our partnership agreement permits our general partner to sell or otherwise transfer all of its general partner interest in us without the approval of the unitholders. Please read "—Transfer of General Partner Interest."

Upon withdrawal of our general partner under any circumstances, other than as a result of a transfer by our general partner of all or a part of its general partner interest in us, the holders of a unit majority may select a successor to that withdrawing general partner. If a successor is not elected, or is elected but an opinion of counsel regarding limited liability and tax matters cannot be obtained, we will be dissolved, wound up and liquidated, unless within a specified period after that withdrawal, the holders of a unit majority agree in writing to continue our business and to appoint a successor general partner. Please read "—Dissolution."

Our general partner may not be removed unless that removal is approved by the vote of the holders of not less than $66\frac{2}{3}\%$ of the outstanding units, voting together as a single class, including units held by our general partner and its affiliates, and we receive an opinion of counsel regarding limited liability and tax matters. Any removal of our general partner is also subject to the approval of a successor general partner by the vote of the holders of a majority of the outstanding common units, voting as a class, and the outstanding subordinated units, voting as a class. The ownership of more than $33\frac{1}{3}\%$ of the outstanding units by our general partner and its affiliates gives them the ability to prevent our general partner's removal. At the closing of this offering, an affiliate of our general partner will own % of our outstanding limited partners units, including all of our subordinated units.

Our partnership agreement also provides that if our general partner is removed as our general partner under circumstances where cause does not exist:

- all subordinated units held by any person who did not, and whose affiliates did not, vote any units in favor of the removal of the general partner, will immediately and automatically convert into common units on a one-for-one basis, provided such person is not an affiliate of the successor general partner; and
- if all subordinated units convert pursuant to the foregoing, all cumulative common unit arrearages on the common units will be extinguished and the subordination period will end.

In the event of the removal of our general partner under circumstances where cause exists or withdrawal of our general partner where that withdrawal violates our partnership agreement, a successor general partner will have the option to purchase the general partner interest and incentive distribution rights of the departing general partner and its affiliates for a cash payment equal to the fair market value of those interests. Under all other circumstances where our general partner withdraws or is removed by the limited partners, the departing general partner will have the option to require the successor general partner to purchase the general partner interest and the incentive distribution rights of the departing general partner and its affiliates for fair market value. In each case, this fair market value will be determined by agreement between the departing general partner and the successor general partner. If no agreement is reached, an independent investment banking firm or other independent expert selected by the departing general partner and the successor general partner will determine the fair market value. Or, if the departing general partner and the successor general partner cannot agree upon an expert, then an

expert chosen by agreement of the experts selected by each of them will determine the fair market value.

If the option described above is not exercised by either the departing general partner or the successor general partner, the departing general partner's general partner interest and all its and its affiliates' incentive distribution rights will automatically convert into common units equal to the fair market value of those interests as determined by an investment banking firm or other independent expert selected in the manner described in the preceding paragraph.

In addition, we will be required to reimburse the departing general partner for all amounts due the departing general partner, including, without limitation, all employee-related liabilities, including severance liabilities, incurred as a result of the termination of any employees employed for our benefit by the departing general partner or its affiliates.

Transfer of General Partner Interest

At any time, our general partner may transfer all or any of its general partner interest to another person without the approval of our common unitholders. As a condition of this transfer, the transferee must, among other things, assume the rights and duties of our general partner, agree to be bound by the provisions of our partnership agreement and furnish an opinion of counsel regarding limited liability and tax matters.

Transfer of Ownership Interests in Our General Partner

At any time, the Topper Group and LGC and any successive owners of our general partner may sell or transfer all or part of its ownership interests in our general partner to an affiliate or third party without the approval of our unitholders.

Transfer of Subordinated Units and Incentive Distribution Rights

By transfer of subordinated units or incentive distribution rights in accordance with our partnership agreement, each transferee of subordinated units or incentive distribution rights will be admitted as a limited partner with respect to such interest transferred when such transfer and admission is reflected in our books and records. Each transferee:

- represents that the transferee has the capacity, power and authority to become bound by our partnership agreement;
- automatically becomes bound by the terms and conditions of our partnership agreement; and
- gives the consents, waivers and approvals contained in our partnership agreement, such as the approval of all transactions and agreements we are entering into in connection with our formation and this offering.

Our general partner will cause any transfers to be recorded on our books and records no less frequently than quarterly.

We may, at our discretion, treat the nominee holder of subordinated units or incentive distribution rights as the absolute owner. In that case, the beneficial holder's rights are limited solely to those that it has against the nominee holder as a result of any agreement between the beneficial owner and the nominee holder.

Subordinated units and incentive distribution rights are securities and any transfers are subject to the laws governing transfer of securities. In addition to other rights acquired upon transfer, the transferor gives the transferee the right to become a limited partner for the transferred subordinated units or incentive distribution rights.

Until a subordinated unit or incentive distribution right has been transferred on our books, we and the transfer agent may treat the record holder of the unit or right as the absolute owner for all purposes, except as otherwise required by law or stock exchange regulations.

Change of Management Provisions

Our partnership agreement contains specific provisions that are intended to discourage a person or group from attempting to remove Lehigh Gas GP as our general partner or from otherwise changing our management. Please read "—Withdrawal or Removal of Our General Partner" for a discussion of certain consequences of the removal of our general partner. If any person or group, other than our general partner and its affiliates, acquires beneficial ownership of 20% or more of any class of units, that person or group loses voting rights on all of its units. This loss of voting rights does not apply in certain circumstances. Please read "—Meetings; Voting."

Call Right

If at any time our general partner and its affiliates own more than 80% of the then-issued and outstanding limited partner interests of any class, our general partner will have the right, which it may assign in whole or in part to any of its affiliates or beneficial owners or to us, to acquire all, but not less than all, of the limited partner interests of the class held by unaffiliated persons, as of a record date to be selected by our general partner, on at least 10, but not more than 60, days' notice. The purchase price in the event of this purchase is the greater of:

- the highest price paid by our general partner or any of its affiliates for any limited partner interests of the class purchased within the 90 days preceding the date on which our general partner first mails notice of its election to purchase those limited partner interests; and
- the average of the daily closing prices of the partnership securities of such class over the 20 consecutive trading days immediately preceding the date three days before the date the notice is first mailed.

As a result of our general partner's right to purchase outstanding limited partner interests, a holder of limited partner interests may have his limited partner interests purchased at an undesirable time or at a price that may be lower than market prices at various times prior to such purchase or lower than a unitholder may anticipate the market price to be in the future. The tax consequences to a unitholder of the exercise of this call right are the same as a sale by that unitholder of his common units in the market. Please read "Material U.S. Federal Income Tax Consequences—Disposition of common Units."

Ineligible Holders; Redemption

If our general partner, with the advice of counsel, determines we are subject to U.S. federal, state or local laws or regulations that, in the reasonable determination of our general partner, create a substantial risk of cancellation or forfeiture of any property that we have an interest in because of the nationality, citizenship or other related status of any limited partner, then our general partner may adopt such amendments to our partnership agreement as it determines necessary or advisable to:

- obtain proof of the nationality, citizenship or other related status of our limited partners (and their owners, to the extent relevant); and
- permit us to redeem the units held by any person whose nationality, citizenship or other related status creates substantial risk of cancellation or forfeiture of any property or who fails to comply with the procedures instituted by our general partner to obtain proof of the nationality, citizenship or other related status. The redemption price in the case of such a redemption will be the average of the daily closing prices per unit for the 20 consecutive trading days immediately prior to the date set for redemption.

In addition, any transfer of (and certain non-transfer events with respect to) our securities that would result in a violation of the LGO Ownership Limitation or the Non-LGO Tenant Ownership Limitation will be a Prohibited Event and the holder of such securities will be a Prohibited Owner. Such a Prohibited Event will be void ab initio and the Prohibited Owner's securities will be transferred to a third-party beneficiary in order to prevent a violation of the LGO Ownership Limitation or the Non-LGO Tenant Ownership Limitation. Please read "Material U.S. Federal Income Tax Consequences—Partnership Status."

Meetings; Voting

Except as described below regarding a person or group owning 20% or more of any class of units then outstanding, record holders of units on the record date will be entitled to notice of, and to vote at, meetings of our limited partners and to act upon matters for which approvals may be solicited.

Our general partner does not anticipate that any meeting of our unitholders will be called in the foreseeable future. Any action that is required or permitted to be taken by the unitholders may be taken either at a meeting of the unitholders or without a meeting if consents in writing describing the action so taken are signed by holders of the number of units necessary to authorize or take that action at a meeting. Meetings of the unitholders may be called by our general partner or by unitholders owning at least 20% of the outstanding units of the class for which a meeting is proposed. Unitholders may vote either in person or by proxy at meetings. The holders of a majority of the outstanding units of the class or classes for which a meeting has been called, represented in person or by proxy, will constitute a quorum, unless any action by the unitholders requires approval by holders of a greater percentage of the units, in which case the quorum will be the greater percentage.

Each record holder of a unit has a vote according to his percentage interest in us, although additional limited partner interests having special voting rights could be issued. Please read "—Issuance of Additional Interests." However, if at any time any person or group, other than our general partner and its affiliates, or a direct or subsequently approved transferee of our general partner or its affiliates and purchasers specifically approved by our general partner, acquires, in the aggregate, beneficial ownership of 20% or more of any class of units then outstanding, that

person or group will lose voting rights on all of its units and the units may not be voted on any matter and will not be considered to be outstanding when sending notices of a meeting of unitholders, calculating required votes, determining the presence of a quorum or for other similar purposes. Common units held in nominee or street name account will be voted by the broker or other nominee in accordance with the instruction of the beneficial owner unless the arrangement between the beneficial owner and his nominee provides otherwise. Except as our partnership agreement otherwise provides, subordinated units will vote together with common units, as a single class.

Any notice, demand, request, report or proxy material required or permitted to be given or made to record common unitholders under our partnership agreement will be delivered to the record holder by us or by the transfer agent.

Voting Rights of Incentive Distribution Rights

If a majority of the incentive distribution rights are held by our general partner and its affiliates, the holders of the incentive distribution rights will have no right to vote in respect of such rights on any matter, unless otherwise required by law, and the holders of the incentive distribution rights, in their capacity as such, shall be deemed to have approved any matter approved by our general partner.

If less than a majority of the incentive distribution rights are held by our general partner and its affiliates, the incentive distribution rights will be entitled to vote on all matters submitted to a vote of unitholders, other than amendments and other matters that our general partner determines do not adversely affect the holders of the incentive distribution rights in any material respect. On any matter in which the holders of incentive distribution rights are entitled to vote, such holders will vote together with the subordinated units, prior to the end of the subordination period, or together with the common units, thereafter, in either case as a single class, and such incentive distribution rights shall be treated in all respects as subordinated units on common units, as applicable, when sending notices of a meeting of our limited partners to vote on any matter (unless otherwise required by law), calculating required votes, determining the presence of a quorum or for other similar purposes under our partnership agreement. The relative voting power of the holders of the incentive distribution rights and the subordinated units or common units, depending on which class the holders of incentive distribution rights are voting with, will be set in the same proportion as cumulative cash distributions, if any, in respect of the incentive distribution rights for the four consecutive quarters prior to the record date for the vote bears to the cumulative cash distributions in respect of such class of units for such four quarters.

Status as Limited Partner

By transfer of common units in accordance with our partnership agreement, each transferee of common units shall be admitted as a limited partner with respect to the common units transferred when such transfer and admission are reflected in our books and records. Except as described under "—Limited Liability," the common units will be fully paid, and unitholders will not be required to make additional contributions.

Indemnification

Under our partnership agreement, in most circumstances, we will indemnify the following persons, to the fullest extent permitted by law, from and against all losses, claims, damages or similar events:

- our general partner;
- any departing general partner;
- any person who is or was an affiliate of our general partner or any departing general partner;
- any person who is or was a manager, managing member, general partner, director, officer, fiduciary or trustee of our partnership, our subsidiaries, our general partner, any departing general partner or any of their affiliates;
- any person who is or was serving as a manager, managing member, general partner, director, officer, employee, agent, fiduciary or trustee of another person owing a fiduciary duty to us or our subsidiaries;
- any person who controls our general partner or any departing general partner; and
- any person designated by our general partner.

Any indemnification under these provisions will only be out of our assets. Unless our general partner otherwise agrees, it will not be personally liable for, or have any obligation to contribute or lend funds or assets to us to enable us to effectuate, indemnification. We may purchase insurance against liabilities asserted against and expenses incurred by persons for our activities, regardless of whether we would have the power to indemnify the person against liabilities under our partnership agreement.

Reimbursement of Expenses

Except for otherwise set forth in the omnibus agreement, our partnership agreement requires us to reimburse our general partner for all direct and indirect expenses it incurs or payments it makes on our behalf and all other expenses allocable to us or otherwise incurred by our general partner in connection with operating our business. The partnership agreement does not limit the amount of expenses for which our general partner and its affiliates may be reimbursed. These expenses include salary, bonus, incentive compensation and other amounts paid to persons who perform services for us or on our behalf and expenses allocated to our general partner by its affiliates. Our general partner is entitled to determine in good faith the expenses that are allocable to us.

Books and Reports

Our general partner is required to keep appropriate books of our business at our principal offices. These books will be maintained for both tax and financial reporting purposes on an accrual basis. For tax and fiscal reporting purposes, our fiscal year is the calendar year.

We will furnish or make available to record holders of our common units, within 105 days after the close of each fiscal year, an annual report containing audited consolidated financial

statements and a report on those consolidated financial statements by our independent public accountants. Except for our fourth quarter, we will also furnish or make available summary financial information within 50 days after the close of each quarter. We will be deemed to have made any such report available if we file such report with the SEC on EDGAR or make the report available on a publicly available website which we maintain.

We will furnish each record holder with information reasonably required for U.S. federal and state tax reporting purposes within 90 days after the close of each calendar year. This information is expected to be furnished in summary form so that some complex calculations normally required of partners can be avoided. Our ability to furnish this summary information to our unitholders will depend on their cooperation in supplying us with specific information. Every unitholder will receive information to assist him in determining his U.S. federal and state tax liability and in filing his U.S. federal and state income tax returns, regardless of whether he supplies us with the necessary information.

Right to Inspect Our Books and Records

Our partnership agreement provides that a limited partner can, upon reasonable demand and at his own expense, have furnished to him:

- a current list of the name and last known address of each record holder;
- copies of our partnership agreement, our certificate of limited partnership, related amendments and powers of attorney under which they have been executed;
- information regarding the status of our business and financial condition (provided that obligation shall be satisfied to the extent the limited partner is furnished our most recent annual report and any subsequent quarterly or periodic reports required to be filed (or which would be required to be filed) with the SEC pursuant to Section 13 of the Exchange Act); and
- any other information regarding our affairs that our general partner determines is just and reasonable.

Under our partnership agreement, however, each of our limited partners and other persons who acquire interests in our partnership do not have rights to receive information from us or any of the persons we indemnify as described above under "—Indemnification" for the purpose of determining whether to pursue litigation or assist in pending litigation against us or those indemnified persons relating to our affairs, except pursuant to the applicable rules of discovery relating to the litigation commenced by the person seeking information.

Our general partner may, and intends to, keep confidential from the limited partners trade secrets or other information the disclosure of which our general partner believes in good faith is not in our best interests, could damage us or our business or that we are required by law or by agreements with third parties to keep confidential.

Registration Rights

Under our partnership agreement, we have agreed to register for resale under the Securities Act and applicable state securities laws any common units, subordinated units or other limited partner interests proposed to be sold by our general partner or any of its affiliates or their assignees if an exemption from the registration requirements is not otherwise available. These

registration rights continue for two years following any withdrawal or removal of our general partner. We are obligated to pay all expenses incidental to the registration, excluding underwriting discounts.

In addition, in connection with this offering, we expect to enter into a registration rights agreement with the Topper Group and LGC. Pursuant to the registration rights agreement, we will be required to file a registration statement to register the common units and subordinated units issued to the Topper Group and LGC and the common units issuable upon the conversion of the subordinated units upon request of the Topper Group. In addition, the registration rights agreement gives the Topper Group and LGC piggyback registration rights under certain circumstances. The registration rights agreement also includes provisions dealing with indemnification and contribution and allocation of expenses. These registration rights are transferable to affiliates of Topper Group and LGC, in certain circumstances, to third parties. See "Units Eligible for Future Sale."

UNITS ELIGIBLE FOR FUTURE SALE

After the sale of the common units offered by this prospectus, affiliates of our general partner will hold an aggregate of _____ common units and _____ subordinated units. All of the subordinated units will convert into common units at the end of the subordination period. The sale of these common and subordinated units could have an adverse impact on the price of the common units or on any trading market that may develop.

Our common units sold in this offering will generally be freely transferable without restriction or further registration under the Securities Act, except that any common units held by an "affiliate" of ours may not be resold publicly except in compliance with the registration requirements of the Securities Act or under an exemption under Rule 144 or otherwise. Rule 144 permits securities acquired by an affiliate of the issuer to be sold into the market in an amount that does not exceed, during any three-month period, the greater of:

- 1% of the total number of the securities outstanding; or
- the average weekly reported trading volume of the common units for the four calendar weeks prior to the sale.

Sales under Rule 144 are also subject to specific manner of sale provisions, holding period requirements, notice requirements and the availability of current public information about us. A person who is not deemed to have been an affiliate of ours at any time during the three months preceding a sale, and who has beneficially owned our common units for at least six months (provided we are in compliance with the current public information requirement), or one year (regardless of whether we are in compliance with the current public information requirement), would be entitled to sell those common units under Rule 144, subject only to the current public information requirement. After beneficially owning Rule 144 restricted units for at least one year, a person who is not deemed to have been an affiliate of ours at any time during the 90 days preceding a sale would be entitled to freely sell those common units without regard to the public information requirements, volume limitations, manner of sale provisions and notice requirements of Rule 144.

Our partnership agreement provides that we may issue an unlimited number of limited partner interests of any type without a vote of the unitholders at any time. Any issuance of additional common units or other equity securities would result in a corresponding decrease in the proportionate ownership interest in us represented by, and could adversely affect the cash

distributions to and market price of, common units then outstanding. Please read "The Partnership Agreement—Issuance of Additional Interests."

Under our partnership agreement and the registration rights agreement that we expect to enter into, our general partner and its affiliates will have the right to cause us to register under the Securities Act and applicable state securities laws the offer and sale of any units that they hold. Subject to the terms and conditions of the partnership agreement and the registration rights agreement, these registration rights allow our general partner and its affiliates or their assignees holding any units to require registration of any of these units and to include any of these units in a registration by us of other units, including units offered by us or by any unitholder. Our general partner and its affiliates will continue to have these registration rights for two years following its withdrawal or removal as our general partner. In connection with any registration of this kind, we will indemnify each unitholder participating in the registration and its officers, directors, and controlling persons from and against any liabilities under the Securities Act or any applicable state securities laws arising from the registration statement or prospectus. We will bear all costs and expenses incidental to any registration, excluding any underwriting discount. Except as described below, our general partner and its affiliates may sell their units in private transactions at any time, subject to compliance with applicable laws.

The executive officers and directors of our general partner, the Topper Group and LGC have agreed not to sell any common units they beneficially own for a period of 180 days from the date of this prospectus. Please read "Underwriting" for a description of these lock-up provisions.

MATERIAL U.S. FEDERAL INCOME TAX CONSEQUENCES

This section is a summary of the material U.S. federal income tax consequences that may be relevant to prospective unitholders who are individual citizens or residents of the United States and who purchase common units pursuant to this offering and, unless otherwise noted in the following discussion, is the opinion of Duane Morris LLP, counsel to our general partner and us, insofar as it relates to legal conclusions with respect to matters of U.S. federal income tax law. This section is based upon current provisions of the Internal Revenue Code of 1986, as amended (the "Code"), existing and proposed Treasury Regulations promulgated under the Code and current administrative rulings and court decisions, all of which are subject to change (including retroactively). Later changes in these authorities may cause the U.S. federal income tax consequences to vary substantially from the consequences described below. Unless the context otherwise requires, references in this section to "we" or "us" are references to the partnership and its operating subsidiaries (other than those operating subsidiaries that constitute taxable subchapter C corporations for U.S. federal income tax purposes).

The following discussion does not comment on all U.S. federal income tax matters affecting us or the unitholders. Moreover, the discussion focuses on unitholders who are individual citizens or residents of the United States, whose functional currencies are the U.S. dollar and who hold units as capital assets (generally, property that is held for investment). The following discussion has only limited application to entities that are treated as corporations, partnerships, estates or trusts for U.S. federal income tax purposes generally as well as to unitholders subject to specialized tax treatment, such as tax-exempt organizations, individuals who are neither citizens nor residents of the United States, banks, individual retirement accounts ("IRAs"), real estate investment trusts (REITs), regulated investment companies/mutual funds or unitholders or other beneficial owners of common units whose units have been transferred or loaned to a short seller to complete a short sale.

Accordingly, we urge each prospective unitholder to consult, and depend on, his, her or its own tax advisor in analyzing the U.S. federal, state, local and foreign tax consequences particular to him, her or it of his, her or its ownership or disposition of our common units.

No ruling has been or will be requested from the IRS regarding any matter affecting us or any prospective unitholder. Instead, we will rely on opinions of Duane Morris LLP as to certain U.S. federal income tax matters. Unlike a ruling, an opinion of counsel represents only that counsel's best legal judgment and does not bind the IRS or the courts. Accordingly, the opinions and statements made herein may not be sustained by a court if contested by the IRS. Any contest of this sort with the IRS may materially and adversely impact the market for the common units and the prices at which the common units trade. In addition, the costs of any contest with the IRS, principally legal, accounting and related fees, will result in a reduction in cash available for distribution to our unitholders and our general partner and thus will be borne indirectly by our unitholders and our general partner. Furthermore, the U.S. federal income tax treatment of us, or of an investment in us, may be modified by future legislative, regulatory or administrative changes or court decisions (with any one or more of which changes possibly being retroactively applied).

All statements as to matters of law and legal conclusions, but not as to factual matters, contained in this section, unless otherwise noted, are the opinion of Duane Morris LLP and are based on the representations made by us and our general partner to Duane Morris LLP being true, correct and complete in all respects.

For the reasons described below, Duane Morris LLP has not rendered an opinion with respect to the following specific U.S. federal income tax issues: (1) the treatment of a unitholder

whose common units are loaned to a short seller to cover a short sale of common units (please read "—Tax Consequences of Unit Ownership—Treatment of Short Sales"); (2) whether our monthly convention for allocating taxable income and losses is permitted by existing Treasury Regulations (please read "—Disposition of Common Units—Allocations Between Transferors and Transferees"); and (3) whether our method for depreciating Code Section 743 adjustments is sustainable in certain cases (please read "—Tax Consequences of Unit Ownership—Section 754 Election" and "—Uniformity of Units").

Partnership Status

We expect to be treated as a partnership for U.S. federal income tax purposes and, therefore, generally will not be liable for U.S. federal income taxes. Instead, in general and as described below, each of our unitholders will take into account (and report on his, her or its own U.S. federal income tax return) his, her or its allocable share of our income, gains, losses and deductions for each tax year in computing his, her or its U.S. federal income tax liability as if he, she or it realized such income, gains, losses and deductions directly from the source from which realized by us or incurred in the same manner as incurred by us, even if no cash distributions are made by us to him, her or it. Distributions of cash by us to a unitholder generally will not give rise to taxable income or gain to such unitholder for U.S. federal income tax purposes unless the amount of cash so distributed to the unitholder exceeds the unitholder's adjusted U.S. federal income tax basis in his, her or its units.

Section 7704 of the Code provides that publicly traded partnerships will, as a general rule, be taxed as corporations for U.S. federal income tax purposes. However, an exception, referred to in this discussion as the "Qualifying Income Exception," exists with respect to publicly traded partnerships of which 90% or more of the gross income for every taxable year consists of "qualifying income" within the meaning of Section 7704 of the Code ("7704 qualifying income") and which includes:

- income and gains derived from the exploration, development, mining or production, processing, refining, transportation (including pipelines transporting gas, oil, or products thereof) or the marketing of any mineral or natural resource (including fertilizer, geothermal energy, and timber), industrial source carbon dioxide, or the transportation or storage of any "alcohol fuel mixture," "biodiesel mixture" or "alternative fuel" or any "alcohol fuel" or any "biodiesel fuel;"
- "rents" from the leasing of real property;
- interest (other than interest derived from the conduct of a financial business);
- dividends;
- gains from the sale of real property; and
- gains from the sale or disposition of a capital asset (or depreciable or amortizable personal property used in a trade or business and that is held for more than 1 year or real property used in a trade or business and that is held for more than 1 year (any such property, "1231(b) Property")) held for the production of 7704 qualifying income.

We expect that a significant amount of our 7704 qualifying income will be comprised of real property rents from LGO attributable to the 181 sites that LGO will lease from us following this offering. In general, any real property rents that we receive from a tenant of ours in which we own, directly or indirectly (a) in the case where such tenant is a corporation for U.S. federal income tax purposes (a "Corporate Tenant"), stock of such tenant possessing ten percent (10%)

or more of the total combined voting power of all classes of stock entitled to vote or ten percent (10%) or more of the total value of shares of all classes of stock of such tenant, and (b) in the case where such tenant is not a corporation for U.S. federal income tax purposes (a "Non-Corporate Tenant"), an interest of ten percent (10%) or more in the assets or net profits of such tenant (in each case, the "Related Tenant Test"), would not constitute 7704 qualifying income. In determining such ownership, we are required to apply certain constructive ownership rules, including one that would treat us as owning any stock of a Corporate Tenant or interest in the assets or net profits of a Non-Corporate Tenant that is actually or constructively owned by any person that owns, directly or indirectly, five percent (5%) or more (by value) of our interests. If we were to constructively own, directly or indirectly, an interest of ten percent (10%) or more in the assets or net profits of LGO (which is a Non-Corporate Tenant of ours) under the Related Tenant Test, then the real property rents that we receive from LGO would not constitute 7704 qualifying income and, thus, we would likely no longer qualify to be treated as a "partnership" (and instead would be treated as a corporation) for U.S. federal income tax purposes.

Upon the consummation of this offering, each of Joseph V. Topper, Jr. and John B. Reilly, III will actually or constructively own five percent (5%) or more (by value) of our interests and, together, will own an interest of five percent (5%) of the assets and net profits of LGO. Accordingly, for purposes of the Related Tenant Test, we will be deemed to own an interest of five percent (5%) of the assets and net profits of LGO. In order to minimize the risk of our failing the Related Tenant Test with respect to LGO or any of our other tenants, both our certificate of limited partnership and partnership agreement and LGO's certificate of formation and operating agreement contain provisions that expressly prohibit our units and the interests in the assets and net profits of LGO from being actually or constructively owned by any person if it would result in our actually or constructively owning (A) in the case of LGO, more than the five percent (5%) interest in LGO's assets and net profits that we are deemed to currently own (the "LGO Ownership Limitation"), and (B) (i) in the case of a Corporate Tenant of ours, stock of such tenant possessing ten percent (10%) or more of the total combined voting power of all classes of stock entitled to vote or ten percent (10%) or more of the total value of shares of all classes of stock of such tenant, and (ii) in the case of a Non-Corporate Tenant of ours (other than LGO), an interest of ten percent (10%) or more in such tenant's assets or net profits ("Non-LGO Tenant Ownership Limitation").

Any transfer of (or certain non-transfer events with respect to) units or interests in the assets or net profits of LGO that would result in a violation of the LGO Ownership Limitation or the Non-LGO Tenant Ownership Limitation (any such transfer or non-transfer event, a "Prohibited Event" and the holder of such units or interest, a "Prohibited Owner") will be void ab initio. Furthermore, any such units and, in the case of a violation of the LGO Ownership Limitation, the breaching LGO member's entire interest in LGO would automatically and by operation of law be transferred to a trust ("Trust"), the beneficiary or beneficiaries of which will be one or more organizations exempt from U.S. federal income tax under Section 501(c)(3) of the Code and the trustee of which will be such person(s) [unaffiliated with us] that our general partner or the manager of LGO, as applicable, shall designate. If there should be a Prohibited Event prior to our becoming aware of such event having occurred and, as a result, we make distributions and allocations of our income, gain, losses, deductions and credits following the transfer of the applicable units to the Prohibited Owner rather than to the Trust, then we will take all reasonable measures that we determine reasonably necessary to recover the amount of any such distributions and to effectuate the re-allocation of such income, gain, losses, deductions and credits from the Prohibited Owner to the Trust (including, if not foreclosed by an applicable statute of limitations, by filing one or more amended tax returns).

LGO's certificate of formation and operating agreement also require that, by the seventy-fifth (75th) day following the end of each calendar year, each LGO member shall furnish to both the LGO manager and a representative of ours a certification stating to the effect that there was no Prohibited Event during such calendar year. Our certificate of limited partnership and limited partnership agreement further require each actual or constructive owner of units constituting 4.9% or more (by value) of our interests to provide a certification to us stating such owner's name and address, the number and class of units owned or constructively owned by such owner, a description of how such units are held and such other information that we may request in order to allow us to monitor compliance with the Related Tenant Test. Our general partner may permit ownership of units that cause a violation of the Related Tenant Test if it would not result in less than ninety-five percent (95%) of our gross income constituting 7704 qualifying income.

As we have represented to Duane Morris LLP, we estimate that less than % of our total gross income following the completion of this offering will constitute gross income that is not 7704 qualifying income; however, this estimate could change from time to time. Based upon and subject to this estimate, the factual representations made by us and our general partner to Duane Morris LLP and a review of the applicable legal authorities, Duane Morris LLP is of the opinion as of immediately following completion of this offering that at least 90% of our gross income following the completion of this offering will constitute 7704 qualifying income. However, the portion of our gross income that will be 7704 qualifying income may change from time to time.

No ruling has been or will be sought from the IRS and the IRS has made no determination as to our status or the status of any of our direct or indirect subsidiaries for U.S. federal income tax purposes or whether our operations generate 7704 qualifying income. Instead, we will rely on the opinion of Duane Morris LLP on such matters that, based upon the Code, Treasury Regulations, published revenue rulings and court decisions and the representations that we and our general partner have made to Duane Morris LLP (including, among other representations, those representations described below), we will be classified as a partnership for U.S. federal income tax purposes.

In rendering its opinion, Duane Morris LLP has relied on factual representations made by us and our general partner (and the accuracy and completeness thereof), among which include:

- upon the consummation of this offering, neither we nor any of our direct or indirect subsidiaries, other than Lehigh Gas Wholesale Services, Inc., is or otherwise has elected or will elect to be treated as, a corporation for U.S. federal income tax purposes; and
- for each taxable year of the partnership, more than 90% of our gross income will be income from sources that Duane Morris LLP is able to opine is 7704 qualifying income.

If we fail to meet the Qualifying Income Exception, other than a failure that is determined by the IRS to be inadvertent and that is cured within a reasonable time after discovery (in which case the IRS may also require us to make adjustments with respect to our unitholders or pay other amounts), we will be treated as if we had transferred all of our assets, subject to our liabilities, to a newly formed corporation, on the first day of the taxable year in which we fail to meet the Qualifying Income Exception, in return for stock in that corporation, and then distributed that stock to the unitholders in liquidation of their interests in us. This deemed contribution and liquidation should be tax-free for U.S. federal income tax purposes to unitholders and us so long as we, at that time, do not have liabilities in excess of the U.S. federal income tax basis of our assets. Thereafter, we would be treated as an association taxable as a corporation for U.S. federal income tax purposes.

If we were required to treat ourselves as an association taxable as a corporation for U.S. federal income tax purposes for any taxable year, our income, gains, losses and deductions would be reflected and reportable only on our own U.S. federal income tax return and would not be passed through to or be reportable by the unitholders, and we would be subject to U.S. federal income tax on our taxable income and gain at the regular U.S. federal corporate income tax rates. In addition, the regular distributions made to a unitholder would be required for U.S. federal income tax purposes to be treated and reported by the unitholder as taxable dividend income to the extent of our current or accumulated earnings and profits and/or, in the absence of earnings and profits, a nontaxable return of capital to the extent of the unitholder's U.S. federal income tax basis in his, her or its common units and then as taxable capital gain. Accordingly, taxation as a corporation would result in a material reduction in a unitholder's cash flow and after-tax return and thus would likely result in a substantial reduction of the value of the common units.

The discussion below is based on Duane Morris LLP's opinion that we will be classified as a partnership for U.S. federal income tax purposes.

Tax Consequences of Unit Ownership

Limited Partner Status

Unitholders who are admitted as limited partners of Lehigh Gas Partners LP pursuant to this offering, as well as unitholders whose common units are held in street name or by a nominee and who have the right to direct the nominee in the exercise of all substantive rights attendant to the ownership of their common units, will be treated as partners of Lehigh Gas Partners LP for U.S. federal income tax purposes.

A beneficial owner of common units whose common units have been transferred or loaned to a short seller to complete a short sale would appear to lose his, her or its status as a partner with respect to those units for U.S. federal income tax purposes. Please read "**—Tax Consequences of Unit Ownership—Treatment of Short Sales.**" Thus, none of our income, gain, loss or deductions would appear to be reportable by such a beneficial owner unitholder and any distributions made to such a beneficial owner would appear to be fully taxable as ordinary income. Any person who might transfer or loan any common units that he may purchase pursuant to this offering to a short seller is urged to consult his, her or its own tax advisors with respect to his, her or its U.S. federal income tax consequences of holding our common units.

Any reference below to a person who purchases our common units pursuant to this offering or to a "unitholder" constitutes a "partner" of the partnership for U.S. federal income tax purposes. Each purchaser of common units pursuant to this offering is urged to consult his own tax advisors to ascertain whether he will constitute a "partner" of the partnership for U.S. federal income tax purposes and, if not, the U.S. federal income tax consequences applicable to him, her or it under the circumstances.

Flow-Through of Taxable Income

Subject to the discussion below under "**—Entity-Level Collections**" with respect to payments we may be required to make on behalf of our unitholders and the U.S. federal (and state and local) income tax to which our taxable wholly-owned corporate subsidiary, Lehigh Gas Wholesale Services, Inc., will be subject on its taxable income and gain, upon the consummation of the offering, we will not pay any U.S. federal income tax. Instead, each unitholder will be required to report on his, her or its U.S. federal income tax return his, her or its allocable share of our income, gains, losses and deductions for our taxable year or years ending with or within

its taxable year and such unitholder will be liable to pay U.S. federal (as well as state and local) income tax on such taxable income or gain so allocable to him, her or it without regard to whether we make any cash distributions to him, her or it. Our taxable year ends on December 31. In general, we will adopt the taxable year that we are required to adopt, from time to time, as determined by our general partner; in the event we are required to use a taxable year other than a year ending on December 31, then our partnership agreement requires that our general partner use reasonable efforts to change our taxable year to a year ending on December 31st.

Treatment of Distributions

Distributions by us to a unitholder generally will not be taxable to the unitholder for U.S. federal income tax purposes, except to the extent that the amount of any cash (or the fair market value of any marketable securities that are required to be treated as cash) distributed to a unitholder exceeds such unitholder's U.S. federal income tax basis in his, her or its common units immediately before the distribution. Our cash distributions in excess of a unitholder's U.S. federal income tax basis generally will be considered to be gain from the sale or exchange of the common units, taxable in accordance with the rules described under "—Disposition of Common Units" below. Any reduction in a unitholder's share of those of our liabilities for which no partner, including the general partner, bears the economic risk of loss (any such liabilities, "nonrecourse liabilities"), as provided and determined in accordance with the rules of Code Section 752 and the Treasury Regulations thereunder, will be treated as a distribution by us of cash to that unitholder under said rules. To the extent our distributions cause a unitholder's "at-risk" amount to be less than zero at the end of any taxable year, such unitholder must recapture any losses deducted in previous years. Please read "—Tax Consequences of Unit Ownership—Limitations on Deductibility of Losses."

For example, a decrease in a unitholder's percentage interest in us because of our issuance of additional common units will decrease his, her or its share of our nonrecourse liabilities, and thus will result in a corresponding deemed distribution of cash. This deemed distribution may constitute a non-pro rata distribution. In general, under the rules of Code Section 752 and the Treasury Regulations thereunder, a unitholder's share of our nonrecourse liabilities generally will be based upon that unitholder's share of the unrealized appreciation (or depreciation) in our assets, to the extent thereof, with any excess liabilities allocated based on the unitholder's share of our profits. Please see "—Disposition of Common Units." A non-pro rata distribution of money or property (including a deemed distribution described above) may result in ordinary income to a unitholder, regardless of his, her or its U.S. federal income tax basis in his, her or its common units, if the distribution reduces the unitholder's share of our "unrealized receivables," including depreciation recapture, and/or substantially appreciated "inventory items," both as defined in Section 751 of the Code (collectively, our "Section 751 Assets"). To that extent, he, she or it will generally be treated as having been distributed his, her or its proportionate share of the Section 751 Assets and then having exchanged those assets with us in return for the non-pro rata portion of the actual distribution made to him, her or it. This latter deemed exchange will generally result in the unitholder's realization of ordinary income, which will generally equal the excess of (1) the non-pro rata portion of that distribution, over (2) the unitholder's U.S. federal income tax basis for the share of Section 751 Assets deemed relinquished in the exchange.

Ratio of Taxable Income to Distributions

We estimate that a purchaser of common units in this offering who owns those common units from the date of closing of this offering through the record date for distributions for the period ending December 31, 2015, will be allocated, on a cumulative basis, an amount of U.S. federal taxable income for that period that will be % or less of the cash distributed with

respect to that period. Thereafter, we anticipate that the ratio of allocable U.S. federal taxable income to cash distributions to the unitholders will increase. These estimates are based upon the assumption that gross income from operations will approximate the amount required to make the minimum quarterly distribution on all units and other assumptions with respect to capital expenditures, cash flow, net working capital, distribution coverage ratio and anticipated cash distributions. These estimates and assumptions are subject to, among other things, numerous business, economic, regulatory, legislative, competitive and political uncertainties beyond our control. Further, the estimates are based on current tax law and tax reporting positions that we will adopt and with which the IRS could disagree. Accordingly, we cannot assure you that these estimates will prove to be correct. The actual ratio of U.S. federal taxable income to cash distributions could be higher or lower than expected, and any differences could be material and could materially affect the value of the common units. For example, the ratio of U.S. federal taxable income to cash distributions to a purchaser of common units in this offering will be greater, and perhaps substantially greater, than our estimate with respect to the period described above if:

- the income from operations exceeds the amount required to make minimum quarterly distributions on all units, yet we only distribute the minimum quarterly distributions on all units; or
- we make a future offering of common units and use the proceeds of the offering in a manner that does not produce substantial additional deductions during the period described above, such as to repay indebtedness outstanding at the time of this offering or to acquire property that is not eligible for depreciation or amortization for U.S. federal income tax purposes or that is depreciable or amortizable at a rate significantly slower than the rate applicable to our assets at the time of this offering.

Basis of Units

A unitholder's initial tax basis of his, her or its units for U.S. federal income tax purposes will be the amount he paid for the units plus his, her or its share of our nonrecourse liabilities, as determined under Code Section 752 and the Treasury Regulations thereunder. That basis will be: (a) increased by (i) the unitholder's allocable share of our income and gain, and (ii) any increase in the unitholder's share of our nonrecourse liabilities as determined under Code Section 752 and the Treasury Regulations thereunder; and (b) decreased, but not below zero, by (i) distributions from us to the unitholder, (ii) the unitholder's allocable share of our losses, (iii) any decrease in the unitholder's share of our nonrecourse liabilities as determined under Code Section 752 and the Treasury Regulations thereunder, and (iv) the unitholder's allocable share of our expenditures that are not deductible in computing taxable income and are not required to be capitalized. For this purpose, a unitholder will generally not have any share of our debt that is recourse to the general partner. Please read "—Disposition of Common Units—Recognition of Gain or Loss."

Limitations on Deductibility of Losses

The deduction by a unitholder of his, her or its allocable share of our losses will be limited to his, her or its U.S. federal income tax basis in his, her or its units. Also, a unitholder who or that is an individual, estate, trust or a subchapter C corporation with respect to which the stock ownership requirements of Code Section 542(a)(2) are met (a "Closely-Held Corporation")—generally, a corporation more than 50% of the value of the stock of which is owned directly or indirectly and by attribution under the constructive ownership rules of Code Section 544 as modified by Code Section 465(a)(3) by or for five or fewer individuals (with certain tax-exempt entities also being treated as an individual for this purpose)—is limited in the amount of our

losses that a unitholder may deduct to the amount for which the unitholder is considered to be "at risk" with respect to our activities, if that is less than his, her or its U.S. federal income tax basis. A unitholder subject to these limitations must recapture his, her or its losses deducted in previous years to the extent that distributions (including distributions as a result of a reduction in a unitholder's share of nonrecourse liabilities as determined under Code Section 752 and the Treasury Regulations thereunder) cause his, her or its at risk amount to be less than zero at the end of any taxable year. Losses disallowed to a unitholder or recaptured as a result of these limitations will carry forward and will be allowable as a deduction in a later year to the extent that the unitholder's U.S. federal income tax basis or at risk amount, whichever is the limiting factor, is subsequently increased. Upon the taxable disposition of a unit, any gain recognized by a unitholder can be off-set by losses that were previously suspended by the at risk limitation but may not be off-set by losses suspended by the basis limitation. Any loss previously suspended by the at risk limitation in excess of that gain would no longer be utilizable.

In general, a unitholder will be at risk to the extent of the U.S. federal income tax basis of his, her or its units, excluding any portion of that basis attributable to his, her or its share of our nonrecourse liabilities other than those nonrecourse liabilities that constitute "qualified nonrecourse financing" (within the meaning of Section 465(b)(6) of the Code), reduced by (i) any portion of that basis representing amounts otherwise protected against loss because of a guarantee, stop loss agreement or other similar agreement, and (ii) any amount of money he borrows to acquire or hold his, her or its units, if the lender of those borrowed funds owns an interest in us, is related to the unitholder or can look only to the units for repayment. A unitholder's at risk amount will increase or decrease as the U.S. federal income tax basis of the unitholder's units increases or decreases, other than U.S. federal income tax basis increases or decreases attributable to increases or decreases in his, her or its share of our nonrecourse liabilities.

In addition to the above-described basis and at risk limitations on the deductibility of losses, the passive activity loss limitation of Code Section 469 generally provides that individuals, estates, trusts, Closely-Held Corporations and "personal service corporations" (as defined in Code Section 469(j)(2)) can deduct losses from a "passive activity"—generally any activity which involves the conduct of a trade or business and in which the taxpayer does not materially participate—only to the extent of the taxpayer's income from passive activities. However, in the case of publicly traded partnerships, the passive activity loss limitation is applied separately with respect to items attributable to each publicly-traded partnership. Consequently, for any unitholder who or that may be subject to this "passive activity loss" limitation, any passive losses we generate will be available to off-set only our passive income generated in the future and will not be available to off-set: (a) such unitholder's income from other passive activities, (b) certain "portfolio income" derived by such unitholder from investments (including our investments)—generally, interest, dividends, annuities and royalties as well as gain not derived in the ordinary course of a trade or business which is attributable to the disposition of property producing such income or held for investment ("Portfolio Income"), (c) such unitholder's income from his, her or its other publicly traded partnership investments, or (d) such unitholder's salary or active business income. Thus, even though we will be able to be classified as a partnership for U.S. federal income tax purposes despite being a "publicly traded partnership" by reason of the application of the Qualifying Income Exception, our "publicly traded partnership" status will nonetheless cause those of our unitholders who or that are otherwise subject to the passive activity loss limitation to be subject to the even more restrictive limitation that prohibits a unitholder from applying either: (i) any losses from his, her or its investment in us to off-set his, her or its income or gain from any of his, her or its other passive activities (including any of his, her or its other publicly traded partnership investments), or (ii) any losses from any of his, her or its other passive activity investments (including any of his, her or its other publicly traded

partnership investments) against his, her or its gains from an investment in us. A unitholder's passive losses that are not deductible because they exceed his, her or its allocable share of income we generate may be deducted by the unitholder in full when he, she or it disposes of his, her or its entire investment in us in a fully taxable transaction with an unrelated party. The passive loss limitations are applied after other applicable limitations on deductions, including the at risk rules and the basis limitation.

Limitations on Interest Deductions

The deductibility of a non-corporate taxpayer's "investment interest expense" is generally limited to the amount of that taxpayer's "net investment income." Investment interest expense includes:

- interest on indebtedness properly allocable to property held for investment;
- our interest expense attributed to portfolio income; and
- the portion of interest expense incurred to purchase or carry an interest in a passive activity to the extent attributable to portfolio income.

The computation of a unitholder's investment interest expense will take into account interest on any margin account borrowing or other loan incurred to purchase or carry a unit. Net investment income includes gross income from property held for investment and amounts treated as Portfolio Income under the passive loss rules, less deductible expenses, other than interest, directly connected with the production of investment income, but generally does not include gains attributable to the disposition of property held for investment or qualified dividend income. The IRS has indicated that the net passive income earned by a publicly traded partnership will be treated as investment income to its unitholders for purposes of the investment interest deduction limitation. In addition, the unitholder's share of our portfolio income will be treated as investment income.

Entity-Level Collections

If we are required or elect under applicable law to pay any U.S. federal, state, local or foreign income tax on behalf of any unitholder or our general partner or any former partner, we are authorized to pay those taxes from our funds. That payment, if made, will be treated as a distribution of cash to the unitholder on whose behalf the payment was made. If the payment is made on behalf of a person whose identity cannot be determined, we are authorized to treat the payment as a distribution to all current unitholders. Pursuant to the terms of our partnership agreement, we are authorized to amend our partnership agreement in the manner necessary to maintain uniformity of intrinsic tax characteristics of units and to adjust later distributions, so that after giving effect to these distributions, the priority and characterization of distributions otherwise applicable under our partnership agreement is maintained as nearly as is practicable. Payments by us as described above could give rise to an overpayment of tax on behalf of an individual unitholder in which event the unitholder may be entitled to file a claim in order to obtain a credit or refund of the overpayment amount. Unitholders are urged to consult their tax advisors to determine the consequences to them of any tax payment we make on their behalf.

Allocation of Income, Gain, Loss and Deduction

In general, if we have a net profit, our items of income, gain, loss and deduction will be allocated among our unitholders in accordance with their percentage interests in us. At any time that distributions are made to the common units in excess of distributions to the subordinated units, or incentive distributions are made to our general partner, gross income will be allocated

to the recipients to the extent of these distributions. Gross income may also be allocated to holders of subordinated units after the close of the subordination period to the extent necessary to give them economic rights at liquidation identical to the rights of common units. If we have a net loss, our items of income, gain, loss and deduction will be allocated first to our unitholders in accordance with their percentage interests in us to the extent of their positive capital accounts and, second, to our general partner.

Specified items of our income, gain, loss and deduction will be allocated under Section 704(c) of the Code to account for any difference between the U.S. federal income tax basis and fair market value of our assets at the time such assets are contributed to us and at the time of any subsequent offering of our units. These "Section 704(c) Allocations" are required to eliminate the difference between a partner's "book" capital account, credited with the fair market value of Contributed Property, and the tax capital account, credited with the U.S. federal income tax basis of Contributed Property, referred to in this discussion as the "Book-Tax Disparity." The effect of these Section 704(c) Allocations, to a unitholder purchasing common units from us in this offering will be essentially the same as if the U.S. federal income tax bases of our assets were equal to their fair market value at the time of such offering. In the event we issue additional common units or engage in certain other transactions in the future, "reverse Section 704(c) Allocations," similar to the Section 704(c) Allocations described above, will be made to the general partner and our other unitholders immediately prior to such issuance or other transactions to account for the Book-Tax Disparity of all property held by us at the time of such issuance or future transaction. In addition, items of recapture income will be allocated to the extent possible to the unitholder who was allocated the deduction giving rise to the treatment of that gain as recapture income in order to minimize the recognition of ordinary income by some unitholders. Finally, although we do not expect that our operations will result in the creation of negative capital accounts, if negative capital accounts nevertheless result, items of our income and gain will be allocated in an amount and manner sufficient to eliminate the negative balance as quickly as possible.

An allocation to a unitholder of items of our income, gain, loss or deduction, other than an allocation required by Section 704(c) of the Code to eliminate the Book-Tax Disparity, will generally be given effect for U.S. federal income tax purposes only if such allocation has substantial economic effect or, otherwise, is in accordance with his, her or its interest in us, which will be determined by taking into account all the facts and circumstances, including:

- his, her or its relative contributions to us;
- the interests of all the unitholders (including the general partner) in our profits and losses;
- the interest of all the unitholders (including the general partner) in our cash flow; and
- the rights of all the unitholders (including the general partner) to distributions of our capital upon our liquidation.

Duane Morris LLP is of the opinion that, with the exception of the issues described in "—Section 754 Election" and "—Disposition of Common Units—Allocations Between Transferors and Transferees," allocations under our partnership agreement will be given effect for U.S. federal income tax purposes in determining a partner's share of an item of income, gain, loss or deduction.

Treatment of Short Sales

A unitholder whose units are loaned to a "short seller" to cover a short sale of units may be considered as having disposed of those units. If so, he would no longer be treated for U.S. federal income 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. As a result, during this period:

- any of our income, gain, loss or deduction with respect to those units would not be reportable by the unitholder; and
- any cash distributions received by the unitholder as to those units would be fully taxable to such unitholder and, it would appear, as ordinary income for U.S. federal income tax purposes.

Duane Morris LLP has not rendered an opinion regarding the U.S. federal income tax treatment of a unitholder whose units are loaned to a short seller to cover a short sale of units. The IRS has previously announced that it is studying issues relating to the U.S. federal income tax treatment of short sales of partnership interests. Please also read "—Disposition of Common Units—Recognition of Gain or Loss." Thus, unitholders should consult their tax advisors regarding the U.S. federal income tax effect on loaning their common units to a short seller.

Alternative Minimum Tax

Each unitholder will be required to take into account his, her or its allocable share of any items of our income, gain, loss or deduction for purposes of the U.S. federal alternative minimum tax. The current U.S. federal alternative minimum tax rate for noncorporate taxpayers is 26% on the first \$175,000 of alternative minimum taxable income in excess of the exemption amount and 28% on any additional alternative minimum taxable income. Prospective unitholders are urged to consult with their tax advisors as to the impact of an investment in units on their liability for the alternative minimum tax.

Tax Rates

Under current law, the highest marginal U.S. federal income tax rate applicable to ordinary income of individuals is 35% and the highest marginal U.S. federal income tax rate applicable to long-term capital gain (generally, gain on the sale or other taxable disposition of either a capital asset or 1231(b) Property) of individuals is 15%, except that the portion of any such gain that constitutes a "recapture" of previously-claimed depreciation or amortization deductions on any such 1231(b) Property that is personal property would be ordinary income taxable at a maximum U.S. federal income tax rate of 35%, and any depreciation deductions on any such 1231(b) Property that is real property, which we refer to as "unrecaptured section 1250 gain," would be subject to a maximum U.S. federal income tax rate of 25%. However, absent new legislation extending the current rates, beginning January 1, 2013, the highest marginal U.S. federal income tax rate applicable to ordinary income and long-term capital gains of individuals will increase to 39.6% and 20%, respectively, with any unrecaptured section 1250 gain continuing to be subject to a maximum U.S. federal income tax rate of 25%. Moreover, these rates are subject to change by new legislation at any time.

A 3.8% Medicare tax on certain investment income earned by individuals, estates, and trusts will apply for taxable years beginning after December 31, 2012. For these purposes, investment income would generally include a unitholder's allocable share of our income and gain realized by a unitholder from a sale of units. In the case of an individual, the tax will be imposed on the lesser of (i) the unitholder's net investment income from all investments, or (ii) the amount by

which the unitholder's modified adjusted gross income exceeds \$250,000 (if the unitholder is married and filing jointly or a surviving spouse), \$125,000 (if the unitholder is married and filing separately) or \$200,000 (if the unitholder is unmarried). In the case of an estate or trust, the tax will be imposed on the lesser of (i) undistributed net investment income, or (ii) the excess adjusted gross income over the dollar amount at which the highest income tax bracket applicable to an estate or trust begins.

Section 754 Election

We will make the election permitted by Section 754 of the Code. That election is irrevocable without the consent of the IRS. That election will generally permit us to adjust a common unit purchaser's U.S. federal income tax basis in our assets ("inside basis") under Section 743(b) of the Code to reflect the unitholder's purchase price. The Code Section 743(b) adjustment separately applies to any transferee of a unitholder who purchases outstanding common units from another unitholder based upon the values and bases of our assets at the time of the transfer to the transferee. The Code Section 743(b) adjustment does not apply to a person who purchases common units directly from us, and belongs only to the purchaser and not to other unitholders.

We will adopt the remedial allocation method as to all our properties. Where the remedial allocation method is adopted, the Treasury Regulations under Section 743 of the Code require a portion of the Code Section 743(b) adjustment that is attributable to recovery property subject to depreciation under Section 168 of the Code whose book basis is in excess of its U.S. federal income tax basis to be depreciated over the remaining cost recovery period for the property's unamortized Book Tax Disparity. For purposes of this discussion, a unitholder's inside basis in our assets will be considered to have two components: (1) the unitholder's share of our U.S. federal income tax basis in our assets ("common basis") and (2) the unitholder's Code Section 743(b) adjustment to that basis (which may be positive or negative).

Generally, the timing and calculation of deductions attributable to Code Section 743(b) adjustments to our common basis will depend upon a number of factors, including the nature of the assets to which the adjustment is allocable, the extent to which the adjustment off-sets any Code Section 704(c) type gain or loss with respect to an asset and certain elections we make as to the manner in which we apply Code Section 704(c) principles with respect to an asset to which the adjustment is applicable. Please read "[Tax Consequences of Unit Ownership—Allocation of Income, Gain, Loss and Deduction.](#)"

The timing of these deductions may affect the uniformity of our common units. Under our partnership agreement, our general partner is authorized to cause us to take a position to preserve the uniformity of common units even if that position is not consistent with these and any other Treasury Regulations or if the position would result in lower annual depreciation or amortization deductions than would otherwise be allowable to some unitholders. Please read "[Uniformity of Units.](#)" Duane Morris LLP is not opining as to any such positions (or the validity thereof for U.S. federal income tax purposes) that our general partner may cause us to take. A unitholder's U.S. federal income tax basis in his, her or its common units is reduced by his, her or its allocable share of our deductions (whether or not such deductions were claimed on an individual income tax return) so that any position that we take that understates deductions will overstate the unitholder's U.S. federal income tax basis in his, her or its common units and may cause the unitholder to understate gain or overstate loss for U.S. federal income tax purposes on any sale of such common units. Please read "[Uniformity of Units.](#)"

A Code Section 754 election is advantageous if the transferee's U.S. federal income tax basis in his, her or its common units is higher than the common units' share of the aggregate U.S. federal income tax basis of our assets immediately prior to the transfer. In that case, as a result

of the election, the transferee would have, among other items, a greater amount of depreciation and amortization deductions and the transferee's share of any gain or loss on a sale of assets by us would be less. Conversely, a Code Section 754 election is disadvantageous if the transferee's U.S. federal income tax basis in his common units is lower than those common units' share of the aggregate U.S. federal income tax basis of our assets immediately prior to the transfer. Thus, the fair market value of the common units may be affected either favorably or unfavorably by the election. A basis adjustment is required regardless of whether a Code Section 754 election is made in the case of a transfer of an interest in us if we have a substantial built-in loss immediately after the transfer, or if we distribute property and have a substantial basis reduction. Generally a built-in loss or a basis reduction is substantial if it exceeds \$250,000.

The calculations involved in the Code Section 754 election are complex and will be made on the basis of assumptions as to the value of our assets and other matters. The IRS could seek to reallocate some or all of any Code Section 743(b) adjustment we allocated to our assets subject to depreciation to one or more of the following assets: (i) amortizable goodwill or other "amortizable section 197 intangible" and, thus, generally amortizable ratably over a 15 year period under the straight line method; (ii) nonresidential real property, which is generally depreciable ratably over a 39 year period under the straight line method; and/or (iii) non-depreciable or non-amortizable assets. Generally, goodwill, as an intangible asset, and nonresidential real property would generally be amortizable over a longer period of time (with nonresidential real property being depreciable over an even longer period of time than goodwill) and/or under a less accelerated method than our tangible non-real property assets. We cannot assure any unitholder that the determinations we make will not be successfully challenged by the IRS or that the resulting deductions will not be reduced or disallowed altogether. Should the IRS require a different U.S. federal income tax basis adjustment to be made, and should, in our opinion, the expense of compliance exceed the benefit of the election, we may seek permission from the IRS to revoke our Section 754 election. If permission is granted, a subsequent purchaser of units may be allocated more income for U.S. federal income tax purposes than it would have been allocated had the election not been revoked.

Tax Treatment of Operations

Accounting Method and Taxable Year

In general, we will adopt the taxable year that we are required to adopt, from time to time, as determined by our general partner, which we believe to be a taxable year ending on December 31st (although in the event we are required to use a taxable year other than a year ending on December 31, then our partnership agreement requires that our general partner use reasonable efforts to change our taxable year to a year ending on December 31st). Also, we use the year ending December 31 as our taxable year and the accrual method of accounting for U.S. federal income tax purposes. For U.S. federal income tax purposes, each unitholder will be required to include in income his, her or its allocable share of our income, gain, loss and deduction for our taxable year ending within or with his, her or its taxable year. In addition, a unitholder who has a taxable year ending on a date other than December 31 and who disposes of all of his, her or its units following the close of our taxable year but before the close of his taxable year must include his, her or its allocable share of our income, gain, loss and deduction in income for his, her or its taxable year, with the result that he, she or it will be required to include in his, her or its taxable income for his, her or its taxable year his, her or its allocable share of more than twelve months of our income, gain, loss and deduction. Please read "—Disposition of Common Units—Allocations Between Transferors and Transferees."

Initial U.S. Federal Income Tax Basis, Depreciation and Amortization

The U.S. federal income tax basis of our assets will be used for purposes of computing depreciation, amortization and cost recovery deductions and, ultimately, gain or loss on the disposition of these assets for U.S. federal income tax purposes. The U.S. federal income tax burden associated with the difference between the fair market value of our assets and their U.S. federal income tax basis immediately prior to (1) this offering will ultimately be borne by our general partner and/or its affiliates, and (2) any future offering will be borne by all of our unitholders as of immediately prior to the consummation of such offering. Please read "—Tax Consequences of Unit Ownership—Allocation of Income, Gain, Loss and Deduction."

To the extent allowable, we may elect to use the depreciation and cost recovery methods that will result in the largest deductions being taken in the early years after assets are placed in service. Property we subsequently acquire or construct may be depreciated using accelerated methods permitted by the Code. If we dispose of depreciable or amortizable property by sale, foreclosure or otherwise, all or a portion of any gain, determined by reference to the amount of depreciation or amortization previously deducted and the nature of the property, may be subject to the recapture rules and taxed as ordinary income, rather than capital gain, for U.S. federal income tax purposes. Similarly, a unitholder who or that has taken cost recovery, depreciation or amortization deductions with respect to property we own will likely be required to recapture some or all of those deductions as ordinary income upon a sale of his, her or its units. Please read "—Tax Consequences of Unit Ownership—Allocation of Income, Gain, Loss and Deduction" and "—Disposition of Common Units—Recognition of Gain or Loss."

The costs incurred in selling our units (called "syndication expenses") must be capitalized and cannot be deducted currently, ratably or upon our termination. There are uncertainties regarding the classification of costs as organization expenses, which may be amortized by us, and as syndication expenses, which may not be amortized by us. The underwriting discounts and commissions we incur will be treated as syndication expenses.

Valuation and U.S. Federal Income Tax Basis of Our Properties

The U.S. federal income tax consequences of the ownership and disposition of units will depend in part on our general partner's determinations of the fair market values (and the relative fair market values), and the initial U.S. federal income tax bases, of our assets. Although we may from time to time consult with professional appraisers regarding valuation matters, our general partner will make many (and possibly all) of the fair market value determinations of our assets (including by using a method based on the market value of our common units as a means to measure such fair market value(s)). These determinations are subject to challenge and will not be binding on the IRS or the courts. If our general partner's determinations of fair market value or U.S. federal income tax basis are later found to be incorrect, the character and amount of items of income, gain, loss or deductions previously reported by us to unitholders (and, thus, which the unitholders reported on their own personal U.S. federal income tax returns) might change, and unitholders might be required to adjust their U.S. federal income tax liability for prior years and incur interest and penalties with respect to those adjustments.

Disposition of Common Units

Recognition of Gain or Loss

Gain or loss will be recognized on a sale or other taxable disposition of common units equal to the difference between the amount realized and the unitholder's U.S. federal income tax basis in the common units so sold or disposed of. A common unitholder's amount realized will be

measured by the sum of the cash and the fair market value of other property received by him, her or it plus his, her or its share of our nonrecourse liabilities as determined in accordance with Section 752 of the Code and the Treasury Regulations thereunder. Because the amount realized includes a common unitholder's share of our nonrecourse liabilities, the gain recognized on the sale or other taxable disposition of common units could result in a U.S. federal income tax liability in excess of any cash received from such sale or disposition.

Also, prior distributions from us together with prior allocations of loss by us in excess of cumulative net taxable income for a common unit that decreased a unitholder's U.S. federal income tax basis in that common unit will, in effect, become taxable income if the common unit is sold at a price greater than the unitholder's U.S. federal income tax basis in that common unit, even if the price received is less than his, her or its original cost.

Except as noted below, gain or loss recognized by a unitholder, other than a "dealer" in units, on the sale or exchange of a common unit will generally be taxable as capital gain or loss for U.S. federal income tax purposes. Under current law, capital gain recognized by an individual on the sale or other taxable disposition of common units held by him, her or it for more than one year will generally be taxed at a maximum U.S. federal income tax rate of 15% if such sale or other taxable disposition occurs prior to January 1, 2013 or 20% if such sale or other taxable disposition occurs after December 31, 2012, except that the portion of such gain that constitutes unrecaptured section 1250 gain (absent new legislation extending or adjusting the current rate) will be taxable at a maximum U.S. federal income tax rate of 25% and, a portion, which may be substantial, of this gain or loss will be separately computed and taxed as ordinary income or loss under Section 751 of the Code to the extent attributable to our "unrealized receivables" (which includes potential recapture items, including depreciation recapture) and "inventory items." Ordinary income attributable to "unrealized receivables" (including depreciation recapture) and inventory items may exceed net taxable gain realized upon the sale of a common unit and may be recognized even if there is a net taxable loss realized on the sale of a common unit. Thus, a unitholder may recognize both ordinary income and a capital loss upon a sale of common units. Under current law, in the case of an individual, the net capital losses of an individual may off-set capital gains and no more than \$3,000 of ordinary income per year, with any such unused net capital losses able to be carried forward (but not carried back) to off-set future years' capital gains and up to \$3,000 of ordinary income per year, whereas in the case of a subchapter C corporation, the net capital losses of a subchapter C corporation may only be used to off-set capital gains, with any unused capital losses able to be carried back three years (subject to certain limitations) and carried forward five years.

The IRS has ruled that a partner who acquires interests in a partnership in separate transactions must combine those interests and maintain a single adjusted U.S. federal income tax basis for all those interests. Upon a sale or other disposition of less than all of those interests, a portion of that U.S. federal income tax basis must be allocated to the interests sold using an "equitable apportionment" method, which generally means that the U.S. federal income tax basis allocated to the interest sold equals an amount that bears the same relation to the partner's U.S. federal income tax basis in his, her or its entire interest in the partnership as the value of the interest sold bears to the value of the partner's entire interest in the partnership. Treasury Regulations under Section 1223 of the Code allow a selling unitholder who can identify common units transferred with an ascertainable holding period to elect to use the actual holding period of the common units transferred. Thus, according to the ruling discussed above, a unitholder will be unable to select high or low basis common units to sell as would be the case with corporate stock, but, according to the Treasury Regulations, the unitholder may designate specific common units sold for purposes of determining the holding period of common units transferred. A

unitholder electing to use the actual holding period of units transferred must consistently use that identification method for all subsequent sales or exchanges of common units. A unitholder considering the purchase of additional units or a sale of units purchased in separate transactions is urged to consult his tax advisor as to the possible U.S. federal income tax consequences of this ruling and application of the Treasury Regulations.

Specific provisions of the Code affect the U.S. federal income taxation of some financial products and securities, including partnership interests, by treating a taxpayer as having sold an "appreciated" partnership interest, one in which gain would be recognized if it were sold, assigned or terminated at its fair market value, if the taxpayer or related persons enter(s) into:

- a short sale;
- an off-setting notional principal contract; or
- a futures or forward contract with respect to the partnership interest or substantially identical property.

Moreover, if a taxpayer has previously entered into a short sale, an off-setting notional principal contract or a futures or forward contract with respect to the partnership interest, the taxpayer will be treated as having sold that position if the taxpayer or a related person then acquires the partnership interest or substantially identical property. The Secretary of the Treasury is also authorized to issue regulations that treat a taxpayer that enters into transactions or positions that have substantially the same effect as the preceding transactions as having constructively sold the financial position.

Allocations Between Transferors and Transferees

In general, our taxable income and losses will be determined annually, will be prorated on a monthly basis and will be subsequently apportioned among the unitholders in proportion to the number of units owned by each of them as of the opening of the applicable exchange on the first business day of the month, which we refer to in this prospectus as the "Allocation Date;" however, gain or loss realized on a sale or other disposition of our assets other than in the ordinary course of business or, in the discretion of the general partner, any other extraordinary item of income, gain, loss or deduction will be allocated among the unitholders on the Allocation Date in the month in which that gain or loss is recognized. As a result, under the foregoing methods that we intend to adopt, a unitholder transferring common units may be allocated income, gain, loss and deduction realized after the date of transfer.

Although simplifying conventions are contemplated by the Code and most publicly traded partnerships use similar simplifying conventions, the use of the methods that we intend to adopt may not be permitted under existing Treasury Regulations. Recently, however, the Department of the Treasury and the IRS issued proposed Treasury Regulations that provide a safe harbor pursuant to which a publicly traded partnership may use a similar monthly simplifying convention to allocate tax items among transferor and transferee unitholders, although such tax items must be prorated on a daily basis. Nonetheless, the proposed Treasury Regulations do not specifically authorize the use of the methods that we intend to adopt. Accordingly, Duane Morris LLP is unable to opine on the validity of the methods that we intend to adopt for allocating our income, gain, loss and deductions between transferor and transferee unitholders. If any of these methods are not allowed under the Treasury Regulations, or only applies to transfers of less than all of the unitholder's interest, our taxable income, gain, loss and/or deductions might be reallocated among the unitholders. We are authorized to revise our methods of allocation between transferor and transferee unitholders, as well as unitholders whose

interests vary during a taxable year, to conform to a method or methods permitted under future Treasury Regulations.

A unitholder who or that owns common units at any time during a quarter and who or that disposes of them prior to the record date set for a cash distribution for that quarter will be allocated items of our income, gain, loss and deductions attributable to that quarter but will not be entitled to receive that cash distribution.

Notification Requirements

A unitholder who or that sells any of his, her or its units is generally required to notify us of that sale in a writing that must be signed under penalties of perjury and must include certain information about the sale and the parties to the sale within 30 days after the sale. A purchaser of units who purchases units from another unitholder is also generally required to notify us in writing of that purchase within 30 days after the purchase. Upon receiving such notifications, we are required to notify the IRS of that transaction and to furnish specified information to the transferor and transferee. Failure to notify us of a purchase may, in some cases, lead to the imposition of penalties. However, these reporting requirements do not apply to a sale by an individual who is a citizen of the United States and who effects the sale or exchange through a broker who will satisfy such requirements.

Technical Termination

We will be considered to have terminated for U.S. federal income tax purposes if there is a sale or exchange of 50% or more of the total interest in our capital and profits within a twelve-month period. For purposes of determining whether the 50% threshold has been met, multiple sales of the same interest will be counted only once. Our termination would, among other things, result in the closing of our taxable year for all unitholders. In the case of a unitholder reporting on a taxable year other than a calendar year, the closing of our taxable year may also result in more than twelve months of our taxable income or loss being includable in his U.S. federal taxable income for the year of termination.

A technical termination occurring on a date other than December 31 will result in us filing two U.S. federal income tax returns for one fiscal year and the cost of the preparation of these returns will be borne by all unitholders. However, pursuant to an IRS relief procedure the IRS may allow, among other things, a technically terminated partnership to provide a single Schedule K-1 for the calendar year in which a termination occurs. Our termination currently would not affect our classification as a partnership for U.S. federal income tax purposes, but it would result in our being treated as a new partnership for U.S. federal income tax purposes. If we were treated as a new partnership for U.S. federal income tax purposes, we would be required to make new tax elections, including a new election under Section 754 of the Code, and a termination would result in the re-starting of the recovery period for our assets (and, thus, result in a deferral of our deductions for depreciation and amortization deductions allowable in computing our U.S. federal taxable income). A termination could also result in penalties if we were unable to determine that the termination had occurred. Moreover, a termination might either accelerate the application of, or subject us to, any tax legislation enacted before the termination.

Uniformity of Units

Because we cannot match transferors and transferees of common units and for other reasons, we must maintain uniformity of the economic and tax characteristics of the common units to a purchaser of these common units. In the absence of uniformity, we may be unable to completely

comply with a number of U.S. federal income tax requirements, both statutory and regulatory. A lack of uniformity could result from a literal application of Treasury Regulations Section 1.167(c)-1(a)(6), which is not expected to apply to a material portion of our assets. Any non-uniformity could have a negative impact on the value of the common units. Please see "[Tax Consequences of Unit Ownership—Section 754 Election](#)."

Our partnership agreement permits our general partner to take positions in filing our tax returns even under circumstances like those described above. These positions may include reducing for some unitholders the depreciation, amortization or loss deductions to which they would otherwise be entitled or reporting a slower amortization of Code Section 743(b) adjustments for some unitholders than that to which they would otherwise be entitled. Duane Morris LLP is unable to opine as to the validity of such filing positions.

A unitholder's U.S. federal income tax basis in common units is reduced by his, her or its allocable share of our deductions (whether or not such deductions were claimed on an individual income tax return) so that any position that we take that understates deductions will overstate the unitholder's U.S. federal income tax basis in his, her or its common units, and may cause the unitholder to understate gain or overstate loss on any sale of such common units. Please see "[Disposition of Common Units—Recognition of Gain or Loss](#)" above and "[Tax Consequences of Unit Ownership—Section 754 Election](#)" above. The IRS may challenge one or more of any positions we take to preserve the uniformity of common units. If such a challenge were sustained, the uniformity of units might be affected, and, under some circumstances, the gain from the sale of common units might be increased without the benefit of additional deductions.

Tax-Exempt Organizations and Non-U.S. Persons

Ownership of units by an organization exempt from U.S. federal income tax (individually or collectively, a "tax-exempt organization"), including a qualified retirement plan (stock, bonus, pension or profit-sharing plan described in Section 401(a) of the Code) or individual retirement account on the one hand or a non-resident alien, a non-U.S. corporation or other non-U.S. person on the other hand (individually or collectively, a "non-U.S. person") raises issues unique to those investors and, as described below, may have substantially adverse U.S. federal tax consequences to them. If you are a tax-exempt organization or a person who or that is a non-U.S. person, you should consult your tax advisor before investing in our units.

Tax-Exempt Organizations

Income recognized by a tax-exempt organization is generally exempt from U.S. federal income tax. Section 511 of the Code, however, imposes a tax on such an organization's "unrelated trade or business income" ("UBTI"). In general, UBTI means the gross income derived by a tax-exempt organization from any unrelated trade or business (as defined in Section 513 of the Code) regularly carried on by it, less the deductions allowed which are directly connected with the carrying on of such trade or business, both computed with the modifications provided in Section 512(b) of the Code. Among these modifications is the exclusion from UBTI of certain types of passive investment income, including (among other things): rents from real property (with certain exceptions), dividends, royalties and gains from the sale, exchange or other disposition of property other than stock in trade or other property of a kind which would properly be includible in inventory if on hand at the close of the taxable year or property held primarily for sale to customers in the ordinary course of the trade or business; provided that none of such income is derived from "debt-financed property" (as defined in Section 514 of the Code).

In general, a tax-exempt organization generally would not be subject to U.S. federal income tax on its allocable share of our income and gain or on gain that it may recognize on its sale or other taxable disposition of all or some of its units, unless: (a) any such income and gain constitutes UBTI (including income and gain from "debt-financed property"); or (b) the tax-exempt organization acquires any of its units with the proceeds of debt (such that any of the units would constitute "debt-financed property").

In general, if a trade or business regularly carried on by a partnership of which a tax-exempt organization is a member is an unrelated trade or business with respect to such organization, such tax-exempt organization in computing its UBTI would, subject to the exceptions, additions and limitations contained in Code Section 512(b), include its share (whether or not distributed) of the partnership's gross income from such unrelated trade or business and its share of the partnership deductions directly connected with such gross income.

Accordingly, a substantial amount of our income—e.g., our income to be derived from our wholesale motor fuel distribution business; our rents from real property that we acquired with the proceeds of debt (such that this real property would constitute "debt-financed property")—would constitute gross income from an unrelated trade or business and a tax-exempt organization's share thereof as UBTI.

Non-U.S. Persons

A non-U.S. person will be considered to be engaged in business in the United States because of the ownership of units. As a consequence, a non-U.S. person will be required to file U.S. federal income tax returns to report his, her or its allocable share of our income, gain, loss or deduction and pay U.S. federal income tax at regular rates on his, her or its allocable share of our net income or gain. Moreover, under rules applicable to publicly traded partnerships, cash distributions to non-U.S. unitholders will be subject to U.S. federal withholding at the highest applicable effective U.S. federal income tax rates. Each unitholder who or that is a non-U.S. person must obtain a taxpayer identification number from the IRS and submit that number to our transfer agent on a Form W-8BEN or applicable substitute form in order to obtain credit for these withholding taxes. A change in applicable law may require us to change these procedures.

In addition, because a unitholder that would constitute a non-U.S. person and a corporation for U.S. federal tax purposes (a "non-U.S. corporation unitholder") will be treated as engaged in a United States trade or business, that unitholder may be subject to the U.S. federal branch profits tax at a rate of 30%, in addition to regular U.S. federal income tax, on its allocable share of our income and gain, as adjusted for changes in such unitholder's "U.S. net equity," which is effectively connected with the conduct of a United States trade or business. The U.S. federal branch profits tax may be reduced or eliminated by an income tax treaty between the United States and the country in which the non-U.S. corporation unitholder is a "qualified resident." In addition, a non-U.S. corporation unitholder to special information reporting requirements under Section 6038C of the Code.

A non-U.S. person unitholder who or that sells or otherwise disposes of a unit will be subject to U.S. federal income tax on gain realized from the sale or disposition of that unit to the extent the gain is effectively connected with a United States trade or business of such unitholder. Under a ruling published by the IRS, interpreting the scope of "effectively connected income," a non-U.S. person unitholder would be considered to be engaged in a trade or business in the United States by virtue of our United States activities, and part or all of that unitholder's gain would be effectively connected with that unitholder's indirect United States trade or business. Moreover, under the Foreign Investment in Real Property Tax Act, a non-U.S. person unitholder generally will be subject to U.S. federal income tax upon the sale or disposition of a

unit if (i) he, she or it owned (directly or constructively applying certain attribution rules) more than 5% of our units at any time during the five-year period ending on the date of such sale or disposition and (ii) 50% or more of the fair market value of all of our assets consisted of United States real property interests at any time during the shorter of the period during which such unitholder held the units or the five-year period ending on the date of disposition. Currently, among our assets includes a substantial amount (by value) of United States real property interests, and we do not expect this to change in the foreseeable future. Therefore, non-U.S. person unitholders may be subject to U.S. federal income tax on gain from the sale or disposition of their units should (as may possibly be the case) the aggregate fair market value of our United States real property interests constitute 50% or more of the fair market value of: (i) our United States real property interests, (ii) our interests in real property located outside the U.S. plus (iii) any other of our assets that we use or hold for use in a trade or business.

Administrative Matters

Information Returns and Audit Procedures

We intend to furnish to each unitholder, within 90 days after the close of each calendar year, specific tax information, including a Schedule K-1, which describes his, her or its allocable share of our income, gain, loss and deduction for our preceding taxable year. In preparing this information, which will not be reviewed by counsel, we will take various accounting and reporting positions, some of which have been mentioned earlier, to determine each unitholder's allocable share of our income, gain, loss and deduction. We cannot assure you that those positions will yield a result that conforms to the requirements of the Code, Treasury Regulations or administrative interpretations of the IRS. Neither we nor Duane Morris LLP can assure prospective unitholders that the IRS will not successfully contend in court that those positions are impermissible. Any challenge by the IRS could negatively affect the value of the units.

The IRS may audit our U.S. federal income tax information returns (i.e., the Form 1065). Adjustments resulting from an IRS audit may require each unitholder to adjust a prior year's U.S. federal income tax liability, and possibly may result in an audit of his, her or its own U.S. federal income tax return(s). Any audit of a unitholder's U.S. federal income return could result in adjustments not related to our U.S. federal income tax returns as well as those related to our U.S. federal income tax returns.

Partnerships generally are treated as separate entities for purposes of U.S. federal tax audits, judicial review of administrative adjustments by the IRS and tax settlement proceedings. The tax treatment of partnership items of income, gain, loss and deduction are determined in a partnership proceeding rather than in separate proceedings with the partners. The Code requires that one partner be designated as the "Tax Matters Partner" for these purposes. Our partnership agreement names our general partner as our Tax Matters Partner. Our partnership agreement designates our general partner to be our Tax Matters Partner. If our general partner either: (i) is not permitted under applicable law to be so designated, or (ii) otherwise determines (for any reason or for no reason) to not serve as Tax Matters Partner, then such person(s) that our general partner shall so designate(s) (and that is permitted to be our Tax Matters Partner under applicable law) shall be our Tax Matters Partner. Our Tax Matters Partner is authorized and required to represent us (at our expense) in connection with all examinations of our affairs by tax authorities, including resulting administrative and judicial proceedings, and to expend our funds for professional services and costs associated therewith. Each unitholder agrees to cooperate with our Tax Matters Partner and to do or refrain from doing any or all things reasonably required by our Tax Matters Partner to conduct such proceedings.

The Tax Matters Partner has made and will make some elections on our behalf and on behalf of unitholders. In addition, the Tax Matters Partner can extend the statute of limitations for assessment of tax deficiencies against unitholders for items in our U.S. federal income tax returns. The Tax Matters Partner may bind a unitholder with less than a 1% profits interest in us to a settlement with the IRS unless that unitholder elects, by filing a statement with the IRS, not to give that authority to the Tax Matters Partner. The Tax Matters Partner may seek judicial review, by which all the unitholders are bound, of a final partnership administrative adjustment and, if the Tax Matters Partner fails to seek judicial review, judicial review may be sought by any unitholder having at least a 1% interest in profits or by any group of unitholders having in the aggregate at least a 5% interest in profits. However, only one action for judicial review will go forward, and each unitholder with an interest in the outcome may participate.

A unitholder must file a statement with the IRS identifying the treatment of any item on his, her or its U.S. federal income tax return that is not consistent with the treatment of the item on our U.S. federal income tax return. Intentional or negligent disregard of this consistency requirement may subject a unitholder to substantial penalties.

Nominee Reporting

Persons who hold an interest in us as a nominee for another person are required to furnish to us:

- the name, address and taxpayer identification number of the beneficial owner and the nominee;
- a statement regarding whether the beneficial owner is:
 - (1) a person that is a non-U.S. person;
 - (2) a non-United States government, an international organization or any wholly owned agency or instrumentality of either of the foregoing; or
 - (3) a tax-exempt organization;
- the amount and description of units held, acquired or transferred for the beneficial owner; and
- specific information including the dates of acquisitions and transfers, means of acquisitions and transfers, and acquisition cost for purchases, as well as the amount of net proceeds from sales.

Brokers and financial institutions are required to furnish additional information, including whether they are U.S. persons and specific information on units they acquire, hold or transfer for their own account. A penalty of \$100 per failure, up to a maximum of \$1,500,000 per calendar year, is imposed by the Code for failure to report that information to us. The nominee is required to supply the beneficial owner of the units with the information furnished to us.

Accuracy-Related Penalties

An additional tax equal to 20% of the amount of any portion of an underpayment of tax that is attributable to one or more specified causes, including negligence or disregard of rules or regulations, substantial understatements of income tax and substantial valuation misstatements, is imposed by the Code. No penalty will be imposed, however, for any portion of an

underpayment if it is shown that there was a reasonable cause for that portion and that the taxpayer acted in good faith regarding that portion.

For individuals, a substantial understatement of income tax in any taxable year exists if the amount of the understatement exceeds the greater of 10% of the tax required to be shown on the return for the taxable year or \$5,000. The amount of any understatement subject to penalty generally is reduced if any portion is attributable to a position adopted on the return:

- for which there is, or was, "substantial authority;" or
- as to which there is a reasonable basis and the pertinent facts of that position are disclosed on the return.

If any item of income, gain, loss or deduction included in the allocable shares of unitholders might result in that kind of an "understatement" of income for which no "substantial authority" exists, we must disclose the pertinent facts on our U.S. federal income tax return. In addition, we will make a reasonable effort to furnish sufficient information for unitholders to make adequate disclosure on their U.S. federal income tax returns and to take other actions as may be appropriate to permit unitholders to avoid liability for this penalty. More stringent rules apply to "tax shelters," which we do not believe includes us, or any of our investments, plans or arrangements.

A substantial valuation misstatement exists if (a) the value of any property, or the U.S. federal income tax basis of any property, claimed on a tax return is 150% or more of the amount determined to be the correct amount of the valuation or U.S. federal income tax basis, (b) the price for any property or services (or for the use of property) claimed on any such return with respect to any transaction between persons described in Code Section 482 is 200% or more (or 50% or less) of the amount determined under Section 482 to be the correct amount of such price, or (c) the net Code Section 482 transfer price adjustment for the taxable year exceeds the lesser of \$5 million or 10% of the taxpayer's gross receipts. No penalty is imposed unless the portion of the underpayment attributable to a substantial valuation misstatement exceeds \$5,000 (\$10,000 for most corporations). The penalty is increased to 40% in the event of a gross valuation misstatement. We do not anticipate making any valuation misstatements.

In addition, the 20% accuracy-related penalty also applies to any portion of an underpayment of tax that is attributable to transactions lacking economic substance. To the extent that such transactions are not disclosed, the penalty imposed is increased to 40%. Additionally, there is no reasonable cause defense to the imposition of this penalty to such transactions.

Reportable Transactions

If we were to engage in a "reportable transaction," we (and possibly you and others) would be required to make a detailed disclosure of the transaction to the IRS. A transaction may be a reportable transaction based upon any of several factors, including the fact that it is a type of tax avoidance transaction publicly identified by the IRS as a "listed transaction" or that it produces certain kinds of losses for partnerships, individuals, S corporations, and trusts in excess of \$2 million in any single year, or \$4 million in any combination of 6 successive tax years. Our participation in a reportable transaction could increase the likelihood that our federal income tax information return (and possibly your tax return) would be audited by the IRS. Please read "*—Administrative Matters—Information Returns and Audit Procedures.*"

Moreover, if we were to participate in a reportable transaction with a significant purpose to avoid or evade tax, or in any listed transaction, you may be subject to the following provisions of the American Jobs Creation Act of 2004:

- accuracy-related penalties with a broader scope, significantly narrower exceptions, and potentially greater amounts than described above at "—Administrative Matters—Accuracy-Related Penalties;"
- for those persons otherwise entitled to deduct interest on federal tax deficiencies, non-deductibility of interest on any resulting tax liability; and
- in the case of a listed transaction, an extended statute of limitations.

We do not expect to engage in any "reportable transactions."

State, Local, Foreign and Other Tax Considerations

In addition to U.S. federal income taxes, you likely will be subject to other taxes, such as state, local and foreign income taxes, unincorporated business taxes, and estate, inheritance or intangible taxes that may be imposed by the various jurisdictions in which we do business or own property or in which you are a resident. Although an analysis of those various taxes is not presented here, each prospective unitholder should consider their potential impact on his, her or its investment in us. We currently own property and/or do business in Pennsylvania, New Jersey, Ohio, New York, Massachusetts, Kentucky, New Hampshire and Maine, all of which impose a personal income tax on individuals (except that New Hampshire only imposes a personal income tax on interest, dividends, and gambling winnings). We may also own property or do business in other jurisdictions in the future. Although you may not be required to file a return and pay taxes in some jurisdictions because your income from that jurisdiction falls below the filing and payment requirement, you will be required to file income tax returns and to pay income taxes in many of the jurisdictions in which we do business or own property and may be subject to penalties for failure to comply with those requirements. In some jurisdictions, tax losses may not produce a tax benefit in the year incurred and may not be available to off-set income in subsequent taxable years. Some of the jurisdictions may require us, or we may elect, to withhold a percentage of income from amounts to be distributed to a unitholder who is not a resident of the jurisdiction. Withholding, the amount of which may be greater or less than a particular unitholder's income tax liability to the jurisdiction, generally does not relieve a nonresident unitholder from the obligation to file an income tax return. Amounts withheld will be treated as if distributed to unitholders for purposes of determining the amounts distributed by us. Please read "—Tax Consequences of Unit Ownership—Entity-Level Collections." Based on current law and our estimate of our future operations, the general partner anticipates that any amounts required to be withheld will not be material.

It is the responsibility of each unitholder to investigate the legal and tax consequences, under the laws of pertinent jurisdictions, of his, her or its investment in us. Accordingly, each prospective unitholder is urged to consult, and depend upon, his, her or its tax counsel or other advisor with regard to those matters. Further, it is the responsibility of each unitholder to file all state, local and foreign, as well as U.S. federal income tax returns, that may be required of him, her or it. Duane Morris LLP has not rendered an opinion on the state, local or foreign tax consequences of an investment in us.

INVESTMENT BY EMPLOYEE BENEFIT PLANS

An investment in our common units or notes by an employee benefit plan is subject to additional considerations because the investments of these plans are subject to the fiduciary responsibility and prohibited transaction provisions of the Employee Retirement Income Security Act of 1974, as amended "ERISA," and restrictions imposed by Section 4975 of the Code. For these purposes, the term "employee benefit plan" includes, but is not limited to, qualified pension, profit-sharing and stock bonus plans, Keogh plans, simplified employee pension plans and tax deferred annuities or IRAs established or maintained by an employer or employee organization, and any entity deemed to hold the assets of such plans. Among other things, consideration should be given to:

- whether the investment is prudent under Section 404(a)(1)(B) of ERISA;
- whether in making the investment, that plan will satisfy the diversification requirements of Section 404(a)(1)(C) of ERISA; and
- whether the investment in our common units will result in recognition of unrelated business taxable income by the plan and, if so, the potential after-tax investment return.

The person with investment discretion with respect to the assets of an employee benefit plan, often called a fiduciary, should determine whether an investment in our common units or notes is authorized by the appropriate governing instrument and is a proper investment for the plan.

In addition to considering whether the purchase of our common units is a prohibited transaction, a fiduciary of an employee benefit plan should consider whether the plan will, by investing in us, be deemed to own an undivided interest in our assets, with the result that our operations would be subject to the regulatory restrictions of ERISA, including its prohibited transaction rules, as well as the prohibited transaction rules of the Code.

The Department of Labor regulations provide guidance with respect to whether the assets of an entity in which employee benefit plans acquire equity interests would be deemed "plan assets" under some circumstances. Under these regulations, an entity's assets would not be considered to be "plan assets" if, among other things:

- the equity interests acquired by employee benefit plans are publicly offered securities—i.e., the equity interests are widely held by 100 or more investors independent of the issuer and each other, freely transferable and registered under some provisions of the federal securities laws;
- the entity is an "operating company," meaning it is primarily engaged in the production or sale of a product or service other than the investment of capital either directly or through a majority-owned subsidiary or subsidiaries; or
- there is no significant investment by benefit plan investors, which is defined to mean that less than 25% of the value of each class of equity interest, disregarding some interests held by the general partner, its affiliates, and some other persons, is held by the employee benefit plans referred to above, IRAs and other employee benefit plans not subject to ERISA, including governmental plans.

Our assets should not be considered "plan assets" under these regulations because it is expected that the investment will satisfy the requirements in the first bullet.

Plan fiduciaries contemplating a purchase of common units should consult with their own counsel regarding the consequences under ERISA and the Code in light of the serious penalties imposed on persons who engage in prohibited transactions or other violations.

UNDERWRITING

Subject to the terms and conditions in an underwriting agreement dated _____, 2012, the underwriters named below, for whom Raymond James & Associates, Inc. is acting as representative, have severally agreed to purchase from us the number of common units set forth opposite their names below:

<u>Underwriters</u>	<u>Number of Common Units</u>
Raymond James & Associates, Inc.	
Total	

The underwriting agreement provides that the obligations of the underwriters to purchase and accept delivery of the common units offered by this prospectus are subject to approval by their counsel of legal matters and to certain other customary conditions set forth in the underwriting agreement.

The underwriters are obligated to purchase and accept delivery of all of the common units offered by this prospectus, if any of the units are purchased, other than those covered by the over-allotment option described below.

The underwriters propose to offer the common units directly to the public at the public offering price indicated on the cover page of this prospectus and to various dealers at that price less a concession not in excess of \$ _____ per unit. If all of the common units are not sold at the public offering price, the underwriters may change the public offering price and other selling terms. The common units are offered by the underwriters as stated in this prospectus, subject to receipt and acceptance by them. The underwriters reserve the right to reject an order for the purchase of the common units in whole or in part.

Option to Purchase Additional Common Units

We have granted the underwriters an option, exercisable for 30 days after the date of this prospectus, to purchase, from time to time, up to an aggregate of _____ additional common units to cover over-allotments, if any, at the public offering price less the underwriting discounts set forth on the cover page of this prospectus. If the underwriters exercise this option, each underwriter, subject to certain conditions, will become obligated to purchase its pro rata portion of these additional units based on the underwriters' percentage purchase commitment in this offering as indicated in the table above. The underwriters may exercise the over-allotment option only to cover over-allotments made in connection with the sale of the common units offered in this offering.

Discounts and Expenses

The following table shows the amount per common unit and total underwriting discounts we will pay to the underwriters. The amounts are shown assuming both no exercise and full exercise of the underwriters' over-allotment option.

	<u>Per Unit</u>	<u>No Exercise</u>	<u>Full Exercise</u>
Initial public offering price	\$	\$	\$
Underwriting discounts	\$	\$	\$
Proceeds (before expenses) to us	\$	\$	\$

We will pay Raymond James & Associates, Inc. a structuring fee of \$ _____ for evaluation, analysis and structuring of the partnership.

The other expenses of this offering that are payable by us are estimated to be \$ _____ million (exclusive of underwriting discounts and structuring fee).

Indemnification

We and our general partner have agreed to indemnify the underwriters against various liabilities that may arise in connection with this offering, including liabilities under the Securities Act for errors or omissions in this prospectus or the registration statement of which this prospectus is a part. However, we will not indemnify the underwriters if the error or omission was the result of information the underwriters supplied in writing for inclusion in this prospectus or the registration statement.

Lock-Up Agreements

Subject to specified exceptions, we, our general partner, executive officers and directors of our general partner and certain affiliates of our general partner have agreed with the underwriters, for a period of 180 days after the date of this prospectus, not to offer, sell, contract to sell or otherwise dispose of or transfer any common units or any securities convertible into or exchangeable for common units without the prior written consent of the representatives. These agreements also preclude any hedging collar or other transaction designed or reasonably expected to result in a disposition of common units or securities convertible into or exercisable or exchangeable for common units. The representatives may, in their discretion and at any time without notice, release all or any portion of the securities subject to these agreements. The representatives do not have any present intent or any understanding to release all or any portion of the securities subject to these agreements.

The 180-day period described in the preceding paragraphs will be extended if:

- during the last 17 days of the 180-day period, we issue a release concerning distributable cash or announce material news or a material event relating to us occurs; or
- prior to the expiration of the 180-day period, we announce that we will release distributable cash results during the 16-day period beginning on the last day of the 180-day period, in which case the restrictions described in the preceding paragraphs will continue to apply until the expiration of the 18-day period beginning on the issuance of the earnings release, the announcement of the material news or the occurrence of the material event.

Stabilization

Until this offering is completed, rules of the SEC may limit the ability of the underwriters and various selling group members to bid for and purchase the common units. As an exception to these rules and in accordance with Regulation M under the Exchange Act, the underwriters may engage in activities that stabilize, maintain or otherwise affect the price of the common units in order to facilitate the offering of the common units, including:

- short sales;
- syndicate covering transactions;

- imposition of penalty bids; and
- purchases to cover positions created by short sales.

Stabilizing transactions may include making short sales of common units, which involve the sale by the underwriters of a greater number of common units than it is required to purchase in this offering and purchasing common units from us by exercising the over-allotment option or in the open market to cover positions created by short sales. Short sales may be "covered" shorts, which are short positions in an amount not greater than the underwriters' over-allotment option referred to above, or may be "naked" shorts, which are short positions in excess of that amount.

Each underwriter may close out any covered short position either by exercising its over-allotment option, in whole or in part, or by purchasing common units in the open market after the distribution has been completed. In making this determination, each underwriter will consider, among other things, the price of common units available for purchase in the open market compared to the price at which the underwriter may purchase common units pursuant to the over-allotment option.

A naked short position is more likely to be created if the underwriters are concerned that there may be downward pressure on the price of the common units in the open market after pricing that could adversely affect investors who purchased in this offering. To the extent that the underwriters create a naked short position, they will purchase common units in the open market to cover the position after the pricing of this offering.

The underwriters also may impose a penalty bid on selling group members. This means that if the underwriters purchase common units in the open market in stabilizing transactions or to cover short sales, the underwriters can require the selling group members that sold those common units as part of this offering to repay the selling concession received by them.

As a result of these activities, the price of the common units may be higher than the price that otherwise might exist in the open market. If the underwriters commence these activities, they may discontinue them without notice at any time. The underwriters may carry out these transactions on the NYSE or otherwise.

Relationships

The underwriters and their affiliates may provide in the future investment banking, financial advisory or other financial services for us and our affiliates, for which they may receive advisory or transaction fees, as applicable, plus out-of-pocket expenses, of the nature and in amounts customary in the industry for these financial services.

Discretionary Accounts

The underwriters may confirm sales of the common units offered by this prospectus to accounts over which they exercise discretionary authority but do not expect those sales to exceed 5% of the total common units offered by this prospectus.

Listing

We have applied to list our common units on the NYSE under the symbol "LGP." In connection with the listing of our common units on the NYSE, the underwriters will undertake to sell round lots of 100 units or more to a minimum of 400 beneficial owners.

Determination of Initial Offering Price

Prior to this offering, there has been no public market for the common units. Consequently, the initial public offering price for the common units will be determined by negotiations among us and the underwriters. The primary factors to be considered in determining the initial public offering price will be:

- estimates of distributions to our unitholders;
- overall quality of our properties and operations;
- industry and market conditions prevalent in our industry;
- the information set forth in this prospectus and otherwise available to the representatives; and
- the general conditions of the securities markets at the time of this offering.

Electronic Prospectus

A prospectus in electronic format may be available on the Internet sites or through other online services maintained by one or more of the underwriters and selling group members participating in this offering, or by their affiliates. In those cases, prospective investors may view offering terms online and, depending upon the underwriter or the selling group member, prospective investors may be allowed to place orders online. The underwriters may agree with us to allocate a specific number of common units for sale to online brokerage account holders. Any such allocation for online distributions will be made by the underwriters on the same basis as other allocations.

Other than the prospectus in electronic format, the information on any underwriter's or any selling group member's website and any information contained in any other website maintained by the underwriters or any selling group member is not part of this prospectus or the registration statement of which this prospectus forms a part, has not been approved or endorsed by us or any underwriters or any selling group member in its capacity as underwriter or selling group member and should not be relied upon by investors.

FINRA Conduct Rules

Because FINRA is expected to view the common units offered hereby as interests in a direct participation program, this offering is being made in compliance with Rule 2310 of the FINRA Conduct Rules. Investor suitability with respect to the common units should be judged similarly to the suitability with respect to other securities that are listed for trading on a national securities exchange.

VALIDITY OF OUR COMMON UNITS

The validity of the common units will be passed upon for us by Duane Morris LLP, Philadelphia, Pennsylvania. Certain legal matters in connection with the common units offered hereby will be passed upon for the underwriters by Vinson & Elkins L.L.P., New York, New York.

EXPERTS

The combined balance sheets of Lehigh Gas Entities and affiliated entities under common control as of December 31, 2011 and 2010, and the related combined statements of operations, owners' deficit and comprehensive income (loss) and cash flows for each of the three years in the period ended December 31, 2011 and the consolidated balance sheets of Lehigh Gas Partners LP and subsidiaries as of December 31, 2011 and December 2, 2011 (date of inception), included elsewhere in this prospectus and in the registration statement of which this prospectus forms a part have been so included in reliance upon the reports of Grant Thornton LLP, independent registered public accountants, upon the authority of said firm as experts in accounting and auditing in giving said reports.

WHERE YOU CAN FIND MORE INFORMATION

We have filed with the SEC a registration statement on Form S-1 regarding the common units. This prospectus does not contain all of the information found in the registration statement. For further information regarding us and the common units offered by this prospectus, you may desire to review the full registration statement, including its exhibits and schedules, filed under the Securities Act of 1933. The registration statement of which this prospectus forms a part, including its exhibits and schedules, may be inspected and copied at the public reference room maintained by the SEC at 100 F Street, N.E., Room 1580, Washington, D.C. 20549. Copies of the materials may also be obtained from the SEC at prescribed rates by writing to the public reference room maintained by the SEC at 100 F Street, N.E., Room 1580, Washington, D.C. 20549. You may obtain information on the operation of the public reference room by calling the SEC at 1-800-SEC-0330. The SEC maintains a web site on the Internet at <http://www.sec.gov>. Our registration statement, of which this prospectus constitutes a part, can be downloaded from the SEC's web site. Our registration statement can also be inspected and copied at the offices of the New York Stock Exchange, Inc., 20 Broad Street, New York, New York 10005.

As a result of the offering, we will file with or furnish to the SEC periodic reports and other information. These reports and other information may be inspected and copied at the public reference facilities maintained by the SEC or obtained from the SEC's website as provided above. Our website on the Internet is located at <http://>, and we expect to make our periodic reports and other information filed with or furnished to the SEC available, free of charge, through our website, as soon as reasonably practicable after those reports and other information are electronically filed with or furnished to the SEC. Information on our website or any other website is not incorporated by reference into this prospectus and does not constitute a part of this prospectus.

We intend to furnish or make available to our unitholders annual reports containing our audited financial statements prepared in accordance with GAAP. Our annual report will contain a detailed statement of any transactions with our general partner or its affiliates, and of fees, commissions, compensation and other benefits paid, or accrued to our general partner or its affiliates for the fiscal year completed, showing the amount paid or accrued to each recipient and the services performed. We also intend to furnish or make available to our unitholders quarterly reports containing our unaudited interim financial information, including the information required by Form 10-Q, for the first three fiscal quarters of each fiscal year.

FORWARD-LOOKING STATEMENTS

This prospectus contains forward-looking statements about our business, operations, and industry that involve risks and uncertainties, such as statements regarding our plans, objectives, expectations and intentions. You can identify these forward-looking statements by the use of forward-looking words such as "outlook", "intends", "plans," "estimates," "believes," "expects," "potential," "continues," "may," "will," "should," "seeks," "approximately," "predicts," "anticipates," "foresees," or the negative version of these words or other comparable words and phrases. Any forward-looking statements contained in this prospectus speak only as of the date on which we make it and are based upon our historical performance and on current plans, estimates and expectations. Our future results and financial condition may differ materially from those we currently anticipate as a result of the various factors. Among those factors that could cause actual results to differ materially are:

- Availability of cash flow to pay minimum quarterly distribution on our common units;
- The availability and cost of competing motor fuels resources;
- A rise in fuel prices or a decrease in demand for motor fuels;
- The consummation of financing, acquisition or disposition transactions and the effect thereof on our business;
- Our existing or future indebtedness;
- Our liquidity, results of operations and financial condition;
- Future legislation and changes in regulations or governmental policies or changes in enforcement or interpretations thereof;
- Changes in energy policy;
- Increases in energy conservation efforts;
- Technological advances;
- Volatility in the capital and credit markets;
- The impact of worldwide economic and political conditions;
- The impact of wars and acts of terrorism;
- Weather conditions or catastrophic weather-related damage;
- Earthquakes and other natural disasters;
- Unexpected environmental liabilities;
- The outcome of pending or future litigation; and
- Other factors, including those discussed in "Risk Factors."

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LEHIGH GAS PARTNERS LP

UNAUDITED PRO FORMA CONDENSED COMBINED FINANCIAL STATEMENTS

Introduction

The accompanying unaudited pro forma condensed combined financial statements of Lehigh Gas Partners LP a newly formed Delaware limited partnership (the "Partnership"), are derived from Lehigh Gas Corporation and its subsidiaries and affiliates' (the "Predecessor" or "LGC") audited historical combined financial statements for the year ended December 31, 2011, and the unaudited historical condensed combined financial statements as of and for the three months ended March 31, 2012, and have been prepared to reflect the formation of the Partnership, the contribution of certain assets of the Predecessor to the Partnership, the new credit agreement, the initial public offering (the "Offering") and use of proceeds from the Offering.

In connection with the Offering, certain assets and liabilities of the Predecessor will be contributed to the Partnership, and the Partnership will begin providing wholesale fuel distribution services for Lehigh Gas—Ohio, LLC ("LGO"), an affiliate to the Predecessor, and other third-party customers. Please read Note 1 to our unaudited pro forma condensed combined Financial Statements for a detailed description of the pro forma adjustments to our historical operating results. The assets, liabilities and results of operations of the Predecessor for periods prior to their actual contribution to the Partnership are presented as the Predecessor.

The unaudited pro forma condensed combined financial statements of the Partnership should be read together with the historical combined financial statements of the Predecessor included elsewhere in this prospectus. The unaudited pro forma condensed combined financial statements of the Partnership were derived by making certain adjustments to the historical combined financial statements of the Predecessor for the year ended December 31, 2011, and as of and for the three months ended March 31, 2012. The adjustments are based on currently available information and certain estimates and assumptions. Therefore, the actual adjustments may differ from the pro forma adjustments. However, management believes that the estimates and assumptions provide a reasonable basis for presenting the significant effects of the contemplated transactions and that the pro forma adjustments give appropriate effect to those estimates and assumptions and are properly applied in the unaudited pro forma condensed combined financial statements.

The unaudited pro forma condensed combined financial statements are not necessarily indicative of the results that actually would have occurred if the Partnership had assumed the operations of the Predecessor on the dates indicated nor are they indicative of future results, in part because of the exclusion of various operating expenses.

UNAUDITED PRO FORMA CONDENSED COMBINED BALANCE SHEET
As of March 31, 2012
(Amounts in thousands)

	Lehigh Gas Entities (Predecessor)	Adjustments for Pre- Offering Transactions	Subtotal	Adjustments for this Offering	Lehigh Gas Partners LP Proforma
Assets:					
Current assets:					
Cash and cash equivalents	\$ 1,676	\$ (42)(aa)	\$ 1,634	\$ —	\$ 1,634
Accounts receivable, less allowance for doubtful accounts of \$37	5,387	(1,599)(a)	3,788	—	3,788
Accounts Receivable from affiliates	16,919	(7,545)(b)	9,374	—	9,374
Inventories	1,083	(1,083)(c)	—	—	—
Environmental indemnification asset—current portion	5,928	(5,928)(e)	—	—	—
Notes receivable	675	(675)(d)	—	—	—
Assets of operations held for sale	8,686	(8,686)	—	—	—
Other current assets	5,273	(4,187)(f)	1,086	—	1,086
Total current assets	45,627	(29,745)	15,882	—	15,882
Property and equipment, net	191,214	(23,586)(g)	167,628	—	167,628
Intangibles assets, net	11,464	(704)(h)	10,760	—	10,760
Goodwill	4,487	(785)(j)	3,702	—	3,702
Environmental indemnification asset—noncurrent portion	16,125	(16,125)(e)	—	—	—
Notes receivable	1,350	(1,350)(d)	—	—	—
Deferred financing fees, net and other assets	4,834	(1,067)(i)	3,767	—	3,767
Total assets	\$ 275,101	\$ (73,362)	\$ 201,739	\$ —	\$ 201,739
Liabilities and owners' deficit:					
Current liabilities:					
Current portion of debt, net	\$ 11,228	\$ —	\$ 11,228	\$ (11,228)(z)	\$ —
Current portion of financing obligations	5,317	(4,888)(m)	429	—	429
Accounts payable	21,839	(1,323)(k)	20,516	—	20,516
Fuel taxes payable	9,005	(608)(k)	8,397	—	8,397
Environmental reserve—current portion	6,480	(6,480)(e)	—	—	—
Liabilities of operations held for sale	8,686	(8,686)	—	—	—
Accrued expenses and other current liabilities	3,326	(751)(l)	2,575	—	2,575
Total current liabilities	65,881	(22,736)	43,145	(11,228)	31,917
Long-term portion of debt, net of discount	166,184	—	166,184	(64,872)(z)	101,312
Long-term portion of financing obligations	40,510	(1,281)(m)	39,229	—	39,229
Mandatorily redeemable preferred equity	12,000	—	12,000	(12,000)(z)	—
Environmental reserve—noncurrent portion	18,818	(18,609)(e)	209	—	209
Other long-term liabilities	6,960	(1,201)(y)	5,759	—	5,759
Total liabilities	310,353	(43,827)	266,526	(88,100)	178,426
Owners' equity (deficit)	(35,252)	(29,535)	(64,787)	88,100	23,313
Total liabilities and owners' equity (deficit)	\$ 275,101	\$ (73,362)	\$ 201,739	\$ —	\$ 201,739

The accompanying notes are an integral part of these Unaudited Pro Forma Condensed Combined Financial Statements.

UNAUDITED PRO FORMA COMBINED STATEMENT OF OPERATIONS

For the Three Months Ended March 31, 2012

(Amounts in thousands)

	Lehigh Gas Entities (Predecessor)	Adjustments for Pre- Offering Transactions	Subtotal	Adjustments for this Offering	Lehigh Gas Partners LP Proforma
Revenues:					
Revenues from fuel sales	\$ 273,770	\$ (9,978)(o)	\$ 263,792	\$ —	\$ 263,792
Revenues from fuel sales to affiliates	134,767	(4,170)(o)	130,597	—	130,597
Rental income	3,064	(417)(g)	2,647	—	2,647
Rental income from affiliates	1,852	973(p)	2,825	—	2,825
Revenues from retail merchandise and other	3	—	3	—	3
Total revenues	<u>413,456</u>	<u>(13,592)</u>	<u>399,864</u>	<u>—</u>	<u>399,864</u>
Costs and Expenses:					
Cost of revenues from fuel sales	269,111	(9,688)(o)	259,423	—	259,423
Cost of revenues from fuel sales to affiliates	132,167	(3,441)(o)	128,726	—	128,726
Cost of revenues for retail merchandise and other	—	—	—	—	—
Rent expense	2,067	(474)(q)	1,593	—	1,593
Operating expenses	1,709	(983)(r)	726	—	726
Depreciation and amortization	4,739	(228)(r)	4,511	—	4,511
Selling, general and administrative expenses	5,291	(2,823)(r)	2,468	—	2,468
(Gain) loss on sale of assets	(960)	—	(960)	—	(960)
Total costs and operating expenses	<u>414,124</u>	<u>(17,637)</u>	<u>396,487</u>	<u>—</u>	<u>396,487</u>
Operating income	(668)	4,045	3,377	—	3,377
Interest expense, net	(3,379)	—	(3,379)	1,775(z)	(1,604)
Other income net	718	—	718	—	718
Income from continuing operations	(3,329)	4,045	716	1,775	2,491
Income tax expense from continuing operations	—	75(s)	75	—	75
Net income from continuing operations	<u>\$ (3,329)</u>	<u>\$ 3,970</u>	<u>\$ 641</u>	<u>\$ 1,775</u>	<u>\$ 2,416</u>

The accompanying notes are an integral part of these Unaudited Pro Forma Condensed Combined Financial Statements.

UNAUDITED PRO FORMA CONDENSED COMBINED STATEMENT OF OPERATIONS

For the Year Ended December 31, 2011

(Amounts in thousands)

	Lehigh Gas Entities (Predecessor)	Adjustments for Pre- Offering Transactions	Subtotal	Adjustments for this Offering	Lehigh Gas Partners LP Proforma
Revenues:					
Revenues from fuel sales	\$ 1,242,040	\$ (110,607)(t)	\$ 1,131,433	\$ —	\$ 1,131,433
Revenues from fuel sales to affiliates	365,106	294,342(u)	659,448	—	659,448
Rental income	12,433	(2,333)(g)	10,100	—	10,100
Rental income from affiliates	7,792	3,757(v)	11,549	—	11,549
Revenues from retail merchandise and other	1,389	(1,375)(n)	14	—	14
Total revenues	1,628,760	183,784	1,812,544	—	1,812,544
Costs and Expenses:					
Cost of revenues from fuel sales	1,209,719	(105,260)(w)	1,104,459	—	1,104,459
Cost of revenues from fuel sales to affiliates	359,005	290,268(x)	649,273	—	649,273
Cost of revenues for retail merchandise and other	1,068	(1,068)(n)	—	—	—
Rent expense	9,402	(2,137)(q)	7,265	—	7,265
Operating expenses	6,634	(3,103)(r)	3,531	—	3,531
Depreciation and amortization	12,073	(913)(r)	11,160	—	11,160
Selling, general and administrative expenses	12,709	(3,524)(r)	9,185	—	9,185
(Gain) loss on sale of assets	(3,188)	—	(3,188)	—	(3,188)
Total costs and operating expenses	1,607,422	174,263	1,781,685	—	1,781,685
Operating income	21,338	9,521	30,859	—	30,859
Interest expense, net	(12,140)	—	(12,140)	5,794(z)	(6,346)
Other income net	1,245	(271)(p)	974	—	974
Income from continuing operations	10,443	9,250	19,693	5,794	25,487
Income tax expense from continuing operations	—	300(s)	300	—	300
Net income from continuing operations	10,443	8,950	19,393	5,794	25,187

The accompanying notes are an integral part of these Unaudited Pro Forma Condensed Combined Financial Statements.

(Amounts in thousands)

1. Organization and Basis of Presentation

The unaudited pro forma condensed combined financial statements of Lehigh Gas Partners LP ("Partnership") are derived from the historical combined financial statements of Lehigh Gas Corporation and its subsidiaries and affiliates' (the "Predecessor"). In connection with the Offering, certain assets and liabilities of the Predecessor will be contributed to the Partnership, and the Partnership will begin providing wholesale fuel distribution services for Lehigh Gas—Ohio, LLC ("LGO"), an affiliate to the Predecessor, and other third-party customers. The assets, liabilities and results of operations of the Predecessor for the periods prior to their actual contribution to the Partnership are presented as the Predecessor.

The unaudited pro forma condensed combined financial statements reflect the following transactions:

- The contribution to the Partnership by Predecessor of substantially all of its wholesale motor fuel distribution business, other than retail motor fuel distribution business, marginally performing assets and environmental indemnification assets and environmental liabilities;
- The contribution to the Partnership by Predecessor of certain owned and leased properties;
- Upon completion of the offering, the Topper Group will own approximately % of our outstanding common units and % of our subordinated units. LGC will own % of our common units and % of our subordinated units. At the end of the subordination period, assuming no additional issuances of units (other than upon the conversion of the subordinated units), the Topper Group will own % and LGC will own % of our common units;
- The issuance to Lehigh Gas GP LLP, our general partner, of a 0.0% non-economic general partner interest.
- The issuance and sale by the Partnership of common units to the public, representing a % limited partner interest in the Partnership, at an assumed initial public offering price of \$ per unit;
- The payment by the Partnership of the estimated underwriting discount and structuring fee (approximately \$) and of the offering expenses (approximately \$);
- The Partnership's entry in to a new credit agreement with a revolving credit facility, which will be drawn upon at the closing of this offering; and
- Unitholders' share of our income will be taxable to them for U.S. federal income tax purposes even if they do not receive any cash distributions from the Partnership.

(Amounts in thousands)

2. Pro Forma Adjustments and Assumptions

The unaudited pro forma condensed combined balance sheet gives effect to the adjustments as if they had occurred on March 31, 2012. The unaudited pro forma condensed combined statement of operations give effect to the adjustments as if they had occurred beginning January 1, 2012 for the three months ended March 31, 2012 and January 1, 2011 for the year ended December 31, 2011. The adjustments are based upon currently available information and certain estimates and assumptions; therefore, actual adjustments will differ from the pro forma adjustments. A general description of these adjustments is provided as follows:

- a. Reflects the elimination of receivables for marginally performing assets of the Predecessor that are not being contributed to the Partnership.
- b. Reflects the elimination of receivables from affiliates for marginally performing assets of the Predecessor that are not being contributed to the Partnership.
- c. Reflects the elimination of the inventories in connection with the retail motor fuel assets and operations that are not being contributed to the Partnership.
- d. Reflects the elimination of the notes receivable from the divestiture of 29 Sunoco sites in the fourth quarter of 2010 and first quarter of 2011 which are not being contributed to the Partnership.
- e. Reflects the elimination of the environmental indemnification assets and other miscellaneous assets that are not being contributed to the partnership and environmental liabilities and other miscellaneous liabilities that will not be the responsibility of the Partnership.
- f. Reflects the elimination of \$3,535 of other receivables and the elimination of \$652 in prepaid expenses in connection with marginally performing assets of the Predecessor that are not being contributed to the Partnership.
- g. Reflects the elimination of marginally performing assets of the Predecessor that are not being contributed to the Partnership.
- h. Reflects the elimination of the intangible assets acquired in connection with our wholesale distribution of motor fuels for leased sites and related to marginally performing assets that are not being contributed to the Partnership.
- i. Reflects the elimination of \$674 for an equity method investment and \$393 in deferred rent expense and deposits that are not being contributed to the Partnership.
- j. Reflects the elimination of the allocable portion of goodwill in connection with marginally performing assets that are not being contributed to the Partnership.

(Amounts in thousands)

2. Pro Forma Adjustments and Assumptions (Continued)

- k. Reflects the elimination of liabilities related to wholesale motor fuel purchases in connection with the marginally performing assets that are not being contributed to the Partnership.
- l. Reflects the elimination of \$319 in payroll related expenses, \$133 for environmental remediation matters, and \$299 for other expenses related to the marginally performing assets that are not being contributed to the Partnership.
- m. Reflects the transactions previously reported as sales-leaseback transactions and sales of real estate, which are now accounted for as financing obligations due to continuing involvement which are not being contributed to the Partnership.
- n. Reflects the elimination of retail merchandise and other operations that are not being contributed to the Partnership.
- o. Reflects the elimination of the revenues and costs for the wholesale distribution of motor fuels from marginally performing assets that are not being contributed to the Partnership.
- p. Reflects the inclusion of \$1,604 in rental income upon entering into a 15-year lease agreement with LGO that is offset by the elimination of \$631 in rental income from marginally performing assets not being contributed to the Partnership for the three months ended March 31, 2012.
- q. Reflects the elimination of rent expense for the marginally performing leased assets not being contributed to the Partnership.
- r. Reflects the elimination of operating expenses, depreciation and amortization, and selling, general and administrative expenses for marginally performing assets not being contributed to the Partnership.
- s. Reflects the adjustment for income tax provision to federal income tax and the state income tax expense to be incurred by a taxable subsidiary included in the Partnership.
- t. Reflects the inclusion of \$6,188 in wholesale distribution revenues of motor fuels business contributed by LGO into the Partnership that was offset by the elimination of \$116,795 in wholesale distribution revenues from marginally performing assets not being contributed to the Partnership.
- u. Reflects the inclusion of \$324,824 in wholesale distribution revenues to LGO resulting from entering into a 15-year supply agreement with LGO that is offset by the elimination of \$30,482 of revenue from marginally performing assets not being contributed to the Partnership.

(Amounts in thousands)

2. Pro Forma Adjustments and Assumptions (Continued)

- v. Reflects the inclusion of \$6,716 in rental income upon entering into a 15-year lease agreement with LGO that is offset by the elimination of \$2,959 in rental income from marginally performing assets not being contributed to the Partnership.
- w. Reflects the inclusion of \$6,095 in wholesale distribution revenue of motor fuels business contributed by LGO into the Partnership that was offset by the elimination of \$111,355 in wholesale distribution marginally revenues from marginally performing assets not being contributed to the Partnership.
- x. Reflects the inclusion of wholesale distribution revenue to LGO resulting from entering into a 15-year supply agreement with LGO that is offset by the elimination of marginally performing assets not being contributed to the Partnership.
- y. Subsequent to the issuance of the Predecessor Entity historical combined financial statements as of and for each of the years ended December 31, 2010 and 2011, we identified an immaterial misstatement related to rent income. Specifically, during 2010, the Predecessor Entity received in the aggregate approximately \$2,200 of upfront payments from certain lessees in conjunction with the execution of various lease agreements, of which the Predecessor Entity recognized the entire \$1,570 of upfront payments as other income in 2010. We determined the correct accounting for the upfront fees is to have initially deferred and then recognized these payments as rent income on a straight-line basis over the term of the respective lease agreements. The misstatement resulted in understating by approximately \$2,000 the net loss for the year ended December 31, 2010, understating by approximately \$30 the net income for the year ended December 31, 2011, and overstating by approximately \$80 the net loss for the three months ended March 31, 2012. We also determined the immaterial misstatement relating to deferred rent income will be recorded as part of the contribution by the Predecessor Entity to the Partnership of certain owned and leased properties. Accordingly, approximately \$1,570 of remaining unrecognized deferred rent income is included as a pro forma adjustment in the March 31, 2012 (unaudited) pro forma combined balance sheet as a deferred rent income liability and a corresponding reduction to equity. The increase in deferred rent is offset by the elimination of \$369 of deposits for marginally performing assets not being contributed to the Partnership.
- z. Reflects the proceeds from the from the sale of common units in the offering to repay in full the Predecessor's existing credit agreement, outstanding mortgage notes, and mandatorily redeemable preferred member interests. The repayments will also reflect a reduction to interest expense due to the reduction in outstanding debt balances.
- aa. Reflects the elimination of cash accounts in connection with retail fuel and merchandise business that are not being contributed to the Partnership.

Lehigh Gas Entities (Predecessor)

UNAUDITED CONDENSED COMBINED BALANCE SHEETS

As of March 31, 2012 and December 31, 2011

(Amounts in thousands)

	March 31, 2012	December 31, 2011
Assets		
Current assets:		
Cash and cash equivalents	\$ 1,676	\$ 2,082
Accounts receivable, less allowance for doubtful accounts of \$61 and \$37 at March 31, 2012 and December 31, 2011, respectively	5,387	5,766
Accounts receivable from affiliates	16,919	5,854
Inventories	1,083	1,247
Environmental indemnification asset—current portion	5,928	6,418
Notes receivable	675	675
Assets of operations held for sale	8,686	743
Other current assets	5,273	5,197
Total current assets	45,627	27,982
Property and equipment, net	191,214	202,393
Intangible assets, net	11,464	12,379
Goodwill	4,487	4,487
Environmental indemnification asset—noncurrent portion	16,125	16,063
Notes receivable	1,350	1,350
Deferred financing fees, net and other assets	4,834	4,974
Total assets	<u>\$ 275,101</u>	<u>\$ 269,628</u>
Liabilities and Owners' Deficit		
Current liabilities:		
Current portion of long-term debt, net	\$ 11,228	\$ 7,757
Current portion of financing obligations	5,317	5,294
Accounts payable	21,839	13,166
Fuel taxes payable	9,005	7,777
Environmental reserve—current portion	6,480	6,418
Liabilities of operations held for sale	8,686	183
Accrued expenses and other current liabilities	3,326	3,605
Total current liabilities	65,881	44,200
Long-term portion of debt, net of discount	166,184	177,529
Long-term financing obligations	40,510	40,426
Mandatorily redeemable preferred equity	12,000	12,000
Environmental reserve—noncurrent portion	18,818	19,401
Other long-term liabilities	6,960	7,027
Total liabilities	310,353	300,583
Commitments and contingencies (Note 10)		
Owners' deficit	(35,252)	(30,955)
Total liabilities and owners' deficit	<u>\$ 275,101</u>	<u>\$ 269,628</u>

The accompanying notes are an integral part of these Unaudited Condensed Combined Financial Statements.

Lehigh Gas Entities (Predecessor)**UNAUDITED CONDENSED COMBINED STATEMENTS OF OPERATIONS
AND COMPREHENSIVE INCOME (LOSS)****For the Three Months Ended March 31, 2012 and 2011****(Amounts in thousands)**

	March 31, 2012	March 31, 2011
Revenues:		
Revenues from fuel sales	\$ 273,770	\$ 282,990
Revenues from fuel sales to affiliates	134,767	55,831
Rental income	3,064	2,934
Rental income from affiliates	1,852	1,752
Revenues from retail merchandise and other	3	292
Total revenues	<u>413,456</u>	<u>343,799</u>
Costs and Expenses:		
Cost of revenues from fuel sales	269,111	277,146
Cost of revenues from fuel sales to affiliates	132,167	54,973
Cost of revenues for retail merchandise and other	—	230
Rent expense	2,067	2,143
Operating expenses	1,709	1,420
Depreciation and amortization	4,739	2,570
Selling, general and administrative expenses	5,291	3,082
Gain on sale of assets	(960)	(704)
Total costs and operating expenses	<u>414,124</u>	<u>340,860</u>
Operating (loss) income	(668)	2,939
Interest expense, net	(3,379)	(1,778)
Other income, net	718	314
(Loss) income from continuing operations	(3,329)	1,475
Income (loss) from discontinued operations	216	(960)
Net (loss) income and comprehensive (loss) income	<u>\$ (3,113)</u>	<u>\$ 515</u>

The accompanying notes are an integral part of these Unaudited Condensed Combined Financial Statements.

Lehigh Gas Entities (Predecessor)**UNAUDITED CONDENSED COMBINED STATEMENTS OF OWNERS' DEFICIT****(Amounts in thousands)**

	<u>Owners' Deficit</u>
December 31, 2011	\$ (30,955)
Net loss and comprehensive loss	(3,113)
Contributions from owners	1,339
Distributions to owners	(2,523)
March 31, 2012	<u>\$ (35,252)</u>

The accompanying notes are an integral part of these Unaudited Condensed Combined Financial Statements.

Lehigh Gas Entities (Predecessor)

UNAUDITED CONDENSED COMBINED STATEMENTS OF CASH FLOWS

For the Three Months Ended March 31, 2012 and 2011

(Amounts in thousands)

	March 31, 2012	March 31, 2011
Cash Flows From Operating Activities		
Net (loss) income	\$ (3,113)	\$ 515
Adjustments to reconcile net (loss) income to cash provided by (used in) operating activities:		
Depreciation and amortization	4,743	2,672
Amortization of debt discount	231	161
Amortization of deferred financing fees	160	132
Accretion of below market leases	126	114
Gain on disposal of assets	(1,204)	(163)
Changes in operating assets and liabilities, net of effects of acquisitions:		
Accounts receivable	(76)	2,978
Accounts receivable from affiliates	(6,041)	(3,417)
Inventories	(34)	(153)
Environmental indemnification asset	428	2,393
Other current assets	(105)	(1,483)
Other assets	97	(6,540)
Accounts payable	8,767	1,681
Fuel taxes payable	1,228	(1,855)
Accrued expenses and other current liabilities	(268)	(382)
Environmental reserves	(521)	(1,026)
Other long-term liabilities	27	(6)
Net cash provided by (used in) operating activities	4,445	(4,379)
Cash Flows From Investing Activities		
Proceeds from sale of property and equipment	2,780	8,079
Issuance of notes receivable	—	(2,700)
Repayments of notes receivable	—	3,600
Purchase of property and equipment	(687)	(835)
Cash paid in connection with acquisitions, net of cash	(500)	—
Net cash provided by investing activities	1,593	8,144
Cash Flows From Financing Activities		
Proceeds from long-term debt	9,500	1,941
Repayment of long-term debt	(9,102)	(1,753)
Proceeds from financing obligations	—	5,000
Payments on notes payable	—	(1,323)
Repayment of financing obligations	(1,093)	(51)
Advances to affiliates	(4,448)	(1,028)
Payment of deferred financing fees	(117)	(201)
Contributions from owners	1,339	388
Distributions to owners	(2,523)	(3,810)
Net cash (used in) financing activities	(6,444)	(837)
Net (decrease) increase in cash and cash equivalents	(406)	2,928
Cash and Cash Equivalents		
Beginning of period	2,082	2,988
End of period	<u>\$ 1,676</u>	<u>\$ 5,916</u>

SUPPLEMENTAL SCHEDULE OF NONCASH INVESTING AND FINANCING ACTIVITIES:

	March 31, 2012	March 31, 2011
Non-cash transfer of assets and liabilities from Kwik Pik Ohio LLC to Lehigh Gas Ohio—LLC		
Total assets	\$ 588	—
Total liabilities	\$ (588)	—

The accompanying notes are an integral part of these Unaudited Condensed Combined Financial Statements.

Lehigh Gas Entities (Predecessor)

NOTES TO THE UNAUDITED CONDENSED COMBINED FINANCIAL STATEMENTS

For the Three Months Ended March 31, 2012 and 2011

(Amounts in thousands)

1. Organization and Basis of Presentation

The accompanying Selected Lehigh Gas Entities (the "Predecessor Entity") special purpose combined financial statements represent the financial statement combination of certain entities under common control (Lehigh Gas Corporation, Energy Realty OP LP, EROP-Ohio Holdings, LLC, Lehigh-Kimber Petroleum Corporation, Lehigh-Kimber Realty LLC, Kwik Pik-Ohio LLC and Kwik Pik Realty-Ohio LLC). As more fully discussed below, taken together, the Predecessor Entity along with other affiliated entities under common control not part of the combined group, are collectively referred to as the Lehigh Gas Group ("LGG").

Lehigh Gas Corporation ("LGC"), a Delaware corporation, is one of the seven entities that comprise the Predecessor Entity and is the entity that has been in operation and under common control for the entirety of the periods presented in the combined financial statements. Accordingly, LGC is deemed to be the acquirer of the other entities included in the Predecessor Entity who were acquired during the periods presented in the combined financial statements and are included in the combined financial statements. During the periods covered by the combined financial statements, acquisitions have occurred of certain fee ownership interests in and/or leasehold ownership interests in gas stations and convenience stores ("Locations") and contractual rights to distribute motor fuels ("wholesale fuel supply agreements") to independent dealers who own or lease their retail locations from unrelated third-parties.

In anticipation of the Predecessor Entity contribution of certain assets, operations, and/or equity interests ("Contributed Assets") and certain liabilities to Lehigh Gas Partners LP, a newly formed Delaware limited partnership (the "Partnership"), the Partnership is filing with the United States Securities and Exchange Commission ("SEC") a registration statement on Form-S-1 ("Registrations Statement") for the initial public offering of common units representing limited partnership interests in the Partnership. The Partnership will issue and sell common units and subordinated units to the shareholders or their assigns of the Predecessor Entity in consideration of their transfer of the Contributed Assets to the Partnership. An entity ultimately controlled by the majority shareholder of the Predecessor Entity will control the general partner that will manage the Partnership's business. Accordingly, the accompanying special purpose condensed combined financial statements are presented in accordance with SEC requirements for predecessor financial statements to be included in the Registration Statement. The management of the Partnership has determined the presentation of the accompanying condensed combined financial statements includes the most significant and relevant historical financial information representing the past performance of the Contributed Assets forming the Partnership and is therefore relevant financial information for prospective investors.

The accompanying special purpose condensed combined financial statements exclude certain affiliate entities under common control during the periods presented, including Lehigh Gas—Ohio Holdings LLC ("LGO") and other entities owned and/or operated by the equityholders of the Predecessor Entity. Therefore, these entities' assets, liabilities, operations and/or equity interests will not be contributed to the Partnership. Additionally, certain liabilities, and certain assets and operations of the Predecessor Entity are also not to be contributed ("Non-Contributed Assets") to the Partnership as they do not fit the strategic and geographic

Lehigh Gas Entities (Predecessor)

NOTES TO THE UNAUDITED CONDENSED COMBINED FINANCIAL STATEMENTS (Continued)

For the Three Months Ended March 31, 2012 and 2011

(Amounts in thousands)

1. Organization and Basis of Presentation (Continued)

plans of the Partnership. However, the Non-Contributed Assets, liabilities, and operations are not significant, and are included in the accompanying special purpose historical condensed combined financial statements.

The Predecessor Entity is principally engaged in the business of: (i) distributing motor fuels (using third-party transportation services providers)—on a wholesale basis to sub-wholesalers, independent dealers, Lessee Dealers (as defined below), related entities, and others, and (ii) ownership or lease of Locations and, in turn, generating rental-fee income revenue from the lease or subleases of the Locations to related and /or unrelated operators ("Lessee Dealers"). The Partnership, upon the transfer of the Contributed Assets, will be engaged in substantially the same business and revenue generating activities as the Predecessor Entity.

The accompanying condensed combined financial statements include the accounts of the Predecessor Entity. All significant intercompany balances and transactions have been eliminated in combination. The historical cost-based accounts of the Company, including revenues for rental income and contra-expense amounts for management fees, have been charged to other affiliated entities outside of the Predecessor Entity. The Predecessor Entity believes these charges are reasonable. However, because of certain related party relationships and transactions (Note 12 Related Party Transactions), these combined financial statements may not necessarily be indicative of the conditions that could have existed or results of operations that could have occurred if the Predecessor Entity had entered into similar arrangements with non-affiliated entities.

Interim Financial Statements

The accompanying interim unaudited condensed combined financial statements and related disclosures are unaudited and have been prepared in accordance with U.S. generally accepted accounting principles (GAAP) on the same basis as the audited combined financial statements for the year ended December 31, 2011 included elsewhere in this prospectus and, in the opinion of management, include all adjustments of a normal recurring nature considered necessary to present fairly the Predecessor Entity's financial position, results of its operations, and cash flows for the three months ended March 31, 2012 and 2011. The results of operations for the three months ended March 31, 2012 are not necessarily indicative of the results that may be expected for the year ending December 31, 2012 or any other future periods. Certain information and note disclosures normally included in the financial statements prepared in accordance with GAAP have been condensed or omitted under the SEC's rules and regulations. These unaudited interim condensed combined financial statements should be read in conjunction with the audited combined financial statements and accompanying notes for the year ended December 31, 2011.

Significant Accounting Policies

The Predecessor Entity's significant accounting policies are disclosed in the audited combined financial statements for the year ended December 31, 2011 included elsewhere in this

Lehigh Gas Entities (Predecessor)**NOTES TO THE UNAUDITED CONDENSED COMBINED FINANCIAL STATEMENTS (Continued)****For the Three Months Ended March 31, 2012 and 2011****(Amounts in thousands)****1. Organization and Basis of Presentation (Continued)**

prospectus. Since the date of those financial statements, there have been no changes to the Predecessor Entity's significant accounting policies.

Revenue Recognition

Revenues from wholesale fuel sales are recognized when fuel is delivered to the customer. The Predecessor Entity charges its dealers for third party transportation costs, which are included in revenues and cost of sales. Rental income is recognized on a straight-line basis over the term of the lease. Retail merchandise sales are recognized net of applicable provisions for discounts and allowances upon delivery, generally at the point of sale.

The amounts recorded for bad debts are generally based upon a specific analysis of aged accounts while also factoring in any new business conditions that might impact the historical analysis, such as market conditions and bankruptcies of particular customers. Bad debt provisions are included in selling, general and administrative expenses. The following table presents the Predecessor Entity's products as a percentage of total sales for the three months ended March 31:

	<u>March 31,</u> <u>2012</u>	<u>March 31,</u> <u>2011</u>
Gasoline	93.6%	91.5%
Diesel fuel	6.3%	8.2%
Other	0.1%	0.3%
Total	<u>100.0%</u>	<u>100.0%</u>

Cost of Sales

The Predecessor Entity includes in "Cost of Sales" all costs incurred to acquire wholesale fuel, including the costs of purchasing, storing and transporting inventory prior to delivery to our wholesale customers. Cost of sales does not include any depreciation of our property, plant and equipment. Depreciation is separately classified in the Predecessor Entity's Condensed Combined Statements of Operations. Total cost of sales of suppliers who accounted for 10% or more of the Predecessor Entity's total combined cost of sales during the three months ended March 31:

	<u>March 31,</u> <u>2012</u>	<u>March 31,</u> <u>2011</u>
ExxonMobil	40.1%	50.2%
Motiva Enterprises	22.1%	23.1%
Valero	4.4%	11.1%

Lehigh Gas Entities (Predecessor)

NOTES TO THE UNAUDITED CONDENSED COMBINED FINANCIAL STATEMENTS (Continued)

For the Three Months Ended March 31, 2012 and 2011

(Amounts in thousands)

1. Organization and Basis of Presentation (Continued)

Recent Accounting Pronouncements

In December 2011, the FASB issued ASU No. 2011-12, "Comprehensive Income (Topic 220): Deferral of the Effective Date for Amendments to the Presentation of Reclassifications of Items Out of Accumulated Other Comprehensive Income in Accounting Standards Update No. 2011-05". In June 2011, the FASB issued ASU No. 2011-05, "Comprehensive Income (Topic 220): Presentation of Comprehensive Income". Both ASU's are effective for interim reporting periods beginning after December 15, 2011. ASU 2011-05 eliminates the option to present the components of other comprehensive income as part of the statement of changes in equity. In addition, items of other comprehensive income that are reclassified to profit or loss are required to be presented separately on the face of the financial statements. This guidance is intended to increase the prominence of other comprehensive income in financial statements by requiring that such amounts be presented either in a single continuous statement of income and comprehensive income or separately in consecutive statements of income and comprehensive income. ASU 2011-12 defers the changes in ASU 2011-05 that pertain to how, when and where reclassification adjustments are presented. The company adopted this guidance as of January 1, 2012, retrospectively for the all periods presented. The adoption of this ASU did not have a material impact on the condensed combined financial statements.

In May 2011, the FASB issued ASU No. 2011-04, "*Fair Value Measurement (Topic 820): Amendments to Achieve Common Fair Value Measurement and Disclosure Requirements in U.S. GAAP and IFRS.*" This ASU provides a consistent definition of fair value to ensure that the fair value measurement and disclosure requirements are similar between U.S. GAAP and International Financial Reporting Standards (IFRS). This ASU changes certain fair value measurement principles and enhances the disclosure requirements and is effective for interim and annual periods beginning after December 15, 2011 and should be applied prospectively. The adoption of this ASU did not have a material impact on the condensed combined financial statements.

2. Acquisitions

In evaluating potential acquisition candidates, the Predecessor Entity considers a number of factors, including strategic fit, desirability of location, purchase price, and the Predecessor Entity's ability to improve the productivity and profitability of a location and/or wholesale supply agreement through the implementation of the Predecessor Entity's operating strategy. The ability to create accretive financial results and/or operational efficiencies due to the relative operational scale and- /or geographic concentration, among other strategic factors, may result in a purchase price in excess of the fair value of identifiable assets acquired and liabilities assumed, resulting in the recognition of goodwill. The Predecessor Entity strives to make its acquisitions accretive to owners' equity and provide a reasonable long-term return on investment. Goodwill recorded in connection with the acquisitions is primarily attributable to the assembled workforce of the acquired businesses and the synergies expected to arise after the Predecessor Entity's acquisitions of those businesses.

Lehigh Gas Entities (Predecessor)

NOTES TO THE UNAUDITED CONDENSED COMBINED FINANCIAL STATEMENTS (Continued)

For the Three Months Ended March 31, 2012 and 2011

(Amounts in thousands)

2. Acquisitions (Continued)

The Predecessor Entity concluded that the historical balance sheet and operating information concerning the acquisitions discussed below, would not be meaningful to investors of the Partnership because, among other reasons, the Predecessor Entity changed fundamentally the nature of the revenue producing assets acquired from the manner in which they were used by their respective sellers. Thus, presenting historical financial information regarding the acquisitions would mislead investors in the Partnership. Moreover, the sellers were unwilling to provide complete financial information for the acquisitions for periods prior to the closing date of the acquisition and, accordingly, the preparation of historical financial information is impracticable.

Shell Retail Gas Stations and Wholesale Fuel Supply Agreement Acquisition

The Predecessor Entity acquired from Motiva Enterprises, LLC ("Motiva"), an unrelated third-party, a total of 26 Shell Oil Company ("Shell") branded gas stations and convenience stores ("Shell Locations") located in the State of New Jersey under the terms of an Asset Purchase and Sale Agreement (the "Motiva Asset Agreement") and also acquired 56 wholesale fuel supply agreements under the terms of an Agreement to Assign Retailer Instruments with Reversionary Rights (the "Motiva Assignment Agreement"). Taken together, the Motiva Asset Agreement and the Motiva Assignment Agreement are collectively referred to herein as the "Motiva Transaction". The Motiva Transaction was accounted for as a business combination for accounting purposes.

The Motiva Transaction acquisition closing dates were in May 2011 with respect to the acquisition of 14 Shell Locations and the wholesale fuel sale supply agreements and in August 2011 for the remaining 12 Shell Locations. The Predecessor Entity acquired fee simple interest in 21 of the Shell Locations and leasehold interests in the other 5 of the Shell Locations, with all of the Shell Locations considered company owned and independent dealer operated on the acquisition closing dates. The Motiva Transaction is expected to enhance the Predecessor Entity's presence in the New Jersey marketplace by increasing market share, expanding and enhancing the geographical distribution of operations, and further increasing the wholesale supply business.

The Motiva Transaction aggregate purchase price consideration was \$30,414 of cash consideration, funded with proceeds of \$20,337 of borrowings under a credit agreement and the remaining balance from available cash-on-hand.

Lehigh Gas Entities (Predecessor)**NOTES TO THE UNAUDITED CONDENSED COMBINED FINANCIAL STATEMENTS (Continued)****For the Three Months Ended March 31, 2012 and 2011****(Amounts in thousands)****2. Acquisitions (Continued)**

The following table summarizes the fair values of the assets acquired and liabilities assumed at the Motiva Acquisition Date:

Land	\$ 10,850
Buildings	7,830
Equipment	5,470
Wholesale fuel supply agreements	5,734
Lease agreements with above average market value	337
Total identifiable assets	<u>\$ 30,221</u>
Environmental liabilities	<u>\$ 1,521</u>
Total liabilities assumed	1,521
Net identifiable assets acquired	28,700
Goodwill	1,714
Net assets acquired	<u>\$ 30,414</u>

The fair values of the assets acquired and liabilities assumed as presented above are based on information available as of the acquisition closing dates. The fair values have been determined based upon estimates and assumptions of management.

The fair value of land, buildings, and equipment ("tangible assets") was determined using a Cost Approach, with the fair value of an asset estimated by reference to the replacement cost to obtain a substitute asset of comparable features and functionality, and is the amount a willing market participant would pay for such an asset, taking into consideration the asset condition as well as any physical deterioration, functional obsolescence, and/or economic obsolescence. The buildings and equipment are being depreciated on a straight-line basis, with estimated useful life of 20 years for buildings and 3 to 10 years for equipment. Land is not depreciated.

The fair value of the wholesale fuel supply agreements was determined using an Income Approach, with the fair value estimated to be the present value of incremental after-tax cash flows attributable solely to the wholesale fuel supply agreements over their estimated remaining useful life, using probability-weighted cash flows, generally assumed to extend through the term of the wholesale fuel supply contracts, and using discount rates considered appropriate given the inherent risks associated with this type of agreement. The Predecessor Entity believes the level and timing of cash flows represent relevant market participant assumptions. The wholesale fuel supply agreements are being amortized on a proportional basis corresponding to the average attrition rate of the wholesale fuel supply agreements over an estimated weighted average useful life of approximately 10 years.

Lehigh Gas Entities (Predecessor)

NOTES TO THE UNAUDITED CONDENSED COMBINED FINANCIAL STATEMENTS (Continued)

For the Three Months Ended March 31, 2012 and 2011

(Amounts in thousands)

2. Acquisitions (Continued)

Under the terms of a separate brand fee agreement with Shell Oil Company, the Predecessor Entity is entitled to operate the Shell Locations' acquired in the Motiva Transaction under the Shell-branded trade name and related trade logos.

Other

During 2011, as part of the Predecessor Entity's effort to increase market share, expand and enhance the geographical distributions and further increase the wholesale supply business, the Predecessor Entity acquired 4 locations which individually and in the aggregate represented immaterial acquisitions for the periods presented.

3. Discontinued Operations and Assets Held for Sale

Discontinued Operations

As part of certain sale transactions, the Predecessor Entity may continue to distribute motor fuels on a wholesale basis to a divested site. In addition the Predecessor Entity has the right to monitor and, if necessary, impose conditions on the operations of a divested site to ensure that the purchaser is complying with the terms and conditions of the franchise agreement covering such site. Accordingly, the Predecessor Entity has the ability to exert significant influence over the divested site and thus the Predecessor Entity has significant continuing involvement and are not deemed discontinued operations.

The Predecessor Entity classifies locations as discontinued when operations and cash flows will be eliminated from the ongoing operations and the Predecessor Entity will not retain any significant continuing involvement in the operations after the respective sale transactions. For all periods presented, all of the operating results for these discontinued operations were removed from continuing operations and were presented separately as discontinued operations in the Condensed Combined Statements of Operations. The Notes to the Condensed Combined Financial Statements were adjusted to exclude discontinued operations unless otherwise noted.

Lehigh Gas Entities (Predecessor)**NOTES TO THE UNAUDITED CONDENSED COMBINED FINANCIAL STATEMENTS (Continued)****For the Three Months Ended March 31, 2012 and 2011****(Amounts in thousands)****3. Discontinued Operations and Assets Held for Sale (Continued)**

The following operating results of the locations are included in discontinued operations for the three months ended March 31:

	<u>2012</u>	<u>2011</u>
Revenues:		
Revenues from fuel sales	\$ 3,776	\$ 6,896
Rental income	—	8
Total revenues	<u>3,776</u>	<u>6,904</u>
Costs and Expenses:		
Cost of revenues from fuel sales	3,748	6,832
Operating expenses	25	116
Depreciation and amortization	4	102
(Gain) loss on sale of assets	(244)	540
Total costs and operating expenses	<u>3,533</u>	<u>7,590</u>
Operating income (loss)	243	(686)
Interest expense, net	(27)	(274)
Other income, net	—	—
Income (loss) from discontinued operations	<u>\$ 216</u>	<u>\$ (960)</u>

Discontinued operations have not been segregated in the Condensed Combined Statements of Cash Flows.

Assets of Operations Held for Sale

In addition to the discontinued operations disclosed above, the Predecessor Entity has classified 19 and 2 locations as of March 31, 2012 and December 31, 2011, respectively, as held-for-sale. In connection with the classification as held-for-sale, the Predecessor Entity recognized a loss of \$1,325 for the three month periods ended March 31, 2012 and this amount has been included in depreciation and amortization expense. The loss represents the impairment recognized to present the held-for-sale locations at the lower of cost or fair value, less costs to sell. The fair values, less costs to sell were determined based on negotiated amounts in agreements with unrelated third parties. No impairment was recognized to present the 2 locations at the lower of cost or fair value at December 31, 2011. The Predecessor Entity expects to complete the sale of these locations within the next twelve months. The losses, including the direct costs to transact a sale, for the held-for-sale locations could differ from the ultimate sales

Lehigh Gas Entities (Predecessor)**NOTES TO THE UNAUDITED CONDENSED COMBINED FINANCIAL STATEMENTS (Continued)****For the Three Months Ended March 31, 2012 and 2011****(Amounts in thousands)****3. Discontinued Operations and Assets Held for Sale (Continued)**

price due to the fluidity of the negotiations, price volatility, changing interest rates, and future economic conditions.

	<u>March 31,</u> <u>2012</u>	<u>December 31,</u> <u>2011</u>
Assets held for sale:		
Property and equipment, at cost:		
Land	\$ 6,759	\$ 388
Buildings and improvements	3,032	376
Equipment and other	1,592	20
Total property and equipment, at cost	<u>11,383</u>	<u>784</u>
Less accumulated depreciation	<u>(2,697)</u>	<u>(41)</u>
Total assets held for sale	<u>8,686</u>	<u>743</u>
Liabilities related to assets held for sale:		
Long-term debt	8,686	183
Total liabilities related to assets held for sale	<u>8,686</u>	<u>183</u>
Net assets held for sale	<u>\$ —</u>	<u>\$ 560</u>

4. Inventory

Inventory consisted of the following at March 31, 2012 and December 31, 2011:

	<u>March 31,</u> <u>2012</u>	<u>December 31,</u> <u>2011</u>
Gasoline	\$ 871	\$ 943
Diesel fuel	158	174
Kerosene	54	44
Store merchandise	—	86
Total inventory	<u>\$ 1,083</u>	<u>\$ 1,247</u>

Inventory amounts in the table above are shown net of obsolescence. Our reserve for obsolescence is not material to the Condensed Combined Balance Sheets for any of the periods presented.

Lehigh Gas Entities (Predecessor)**NOTES TO THE UNAUDITED CONDENSED COMBINED FINANCIAL STATEMENTS (Continued)****For the Three Months Ended March 31, 2012 and 2011****(Amounts in thousands)****5. Property and Equipment, net**

Property and equipment, net consisted of the following at March 31, 2012 and December 31, 2011:

	March 31, 2012	December 31, 2011
Land	\$ 103,650	\$ 110,614
Buildings and improvements	75,042	77,497
Leasehold improvements	4,256	4,778
Equipment and other	37,797	38,118
Property and Equipment—Total	220,745	231,007
Less: Accumulated depreciation and amortization	(29,531)	(28,614)
Property and equipment, net	<u>\$ 191,214</u>	<u>\$ 202,393</u>

Depreciation expense was approximately \$3,867 and \$2,245 for the three months ended March 31, 2012 and 2011, respectively.

6. Goodwill and Intangible Assets

Intangible assets consist of the following:

	March 31, 2012			December 31, 2011		
	Gross Amount	Accumulated Amortization	Net Amount	Gross Amount	Accumulated Amortization	Net Amount
Dealer contracts	\$ 20,428	\$ (9,750)	\$ 10,678	\$ 20,428	\$ (8,879)	\$ 11,549
Customer lists	150	—	150	150	—	150
Trademarks	134	(30)	104	134	(27)	107
Above market leases	822	(290)	532	822	(249)	573
Total	<u>\$ 21,534</u>	<u>\$ (10,070)</u>	<u>\$ 11,464</u>	<u>\$ 21,534</u>	<u>\$ (9,155)</u>	<u>\$ 12,379</u>

The aggregate amortization expense was approximately \$915 and \$457 for the three months ended March 31, 2012, and 2011, respectively.

Lehigh Gas Entities (Predecessor)**NOTES TO THE UNAUDITED CONDENSED COMBINED FINANCIAL STATEMENTS (Continued)****For the Three Months Ended March 31, 2012 and 2011****(Amounts in thousands)****7. Debt**

	March 31, 2012	December 31, 2011
Revolving term loan, net of discount	\$ 171,360	\$ 164,264
Term loan, net of discount	—	6,077
Mortgage Notes	14,738	15,128
	<u>186,098</u>	<u>185,469</u>
Less liabilities of operations held for sale	8,686	183
Less current portion	11,228	7,757
Long-term portion	<u>\$ 166,184</u>	<u>\$ 177,529</u>

Revolving Term Loan

On December 30, 2010, the Predecessor Entity entered into a \$175,000 revolving term loan credit facility with a syndicate of lenders. The term loan portion of \$135,000 is payable in quarterly principal amounts of \$1,600, which payments commenced on September 30, 2011. The revolving facility had a borrowing capacity of \$40,000 of which \$15,000 may be drawn upon for operating purposes, \$5,000 may be used for short term advances and \$20,000 may be used to issue letters of credit. The Predecessor Entity is subject to an initial fee of 25 basis points of the stated amount for any letters of credit issued. The Predecessor Entity had approximately \$13,593 and \$11,200 in outstanding letters of credit as of March 31, 2012 and December 31, 2011, respectively.

Both the term and revolving portions of the credit facility mature on December 30, 2015. Pursuant to the terms of the credit facility, the Predecessor Entity may increase its borrowing capacity by \$75,000 for acquisition related purposes. During 2011, the Predecessor Entity increased the borrowing capacity under its term loan by \$20,000 in connection with the Shell acquisition as discussed in Note 2.

In February 2012, the Predecessor Entity increased the borrowing capacity of the revolving facility by \$8,000 in order to pay off the Term Loan discussed below. The initial proceeds used under the revolving term facility were used to refinance several credit facilities held by the Predecessor Entity. After these amendments, the term loan portion of the facility is \$155,000 and the borrowing capacity of the revolving credit facility is \$48,000. In addition, the quarterly principal amounts increased to \$2,600. Borrowings under the revolving term loan credit facility bear interest at a floating rate which, at the Predecessor Entity's option, may be determined by reference to a LIBOR rate or a base rate plus an applicable margin ranging from 1.25% to 3.00%. Short term advances bear interest at a base rate plus an applicable margin. The Predecessor Entity's applicable margin is determined by certain combined leverage ratios at the time of borrowing as set forth in the credit agreement. The Predecessor Entity is subject to a commitment fee of 50 basis points for any excess borrowing capacity over the outstanding

Lehigh Gas Entities (Predecessor)

NOTES TO THE UNAUDITED CONDENSED COMBINED FINANCIAL STATEMENTS (Continued)

For the Three Months Ended March 31, 2012 and 2011

(Amounts in thousands)

7. Debt (Continued)

principal borrowings under the revolver portion of the credit facility. As of March 31, 2012 and December 31, 2011, the credit facility had an interest rate of 3.2% and 3.4%, respectively. Interest incurred for the three months ended March 31, 2012 and 2011 was \$1,500 and \$221, respectively.

In connection with obtaining the revolving term loan credit facility, the Predecessor Entity paid \$4,226 in fees to the lenders and to third parties. In connection with the February 2012 amendment to the revolving portion of the facility, the Company paid \$117 in lender fees.

Financing fees of \$2,580 and \$1,763 were recorded as discount to the carrying value of the debt and deferred financing fees, respectively. The debt discount and deferred financing fees are being amortized into interest expense over the terms of the related debt. For the three months ended March 31, 2012 and 2011, amortization of debt discount and deferred financing fees were \$335 and \$274, respectively.

The revolving term loan credit facility is secured by liens and security interests with first priority security interest in the Predecessor Entity's assets, including its properties. All borrowers are jointly and severally liability for obligations under the facility. Lehigh Gas—Ohio, LLC, a related party, is a borrower under the revolving term loan facility. The revolving term loan facility contains covenants that, subject to specified exceptions, restrict the Predecessor Entity's ability to, among other things, incur additional indebtedness, incur liens, liquidate or dissolve, sell, transfer, lease or dispose of assets, or make loans, investments or guarantees. The revolving term loan facility includes a number of affirmative and negative covenants, which could restrict the Predecessor Entity's operations. If the Predecessor Entity were to be in default the lenders could accelerate the Predecessor Entity's obligation to pay all outstanding amounts. The Predecessor Entity is subject to various financial covenant restrictions under the revolving term loan facility. In May 2012, the Predecessor Entity entered into an amendment to change certain financial covenants as of December 31, 2011 and through December 31, 2012, [resulting in compliance with the financial covenants as of March 31, 2012.]

Term Loan

On December 30, 2009 the Predecessor Entity issued a promissory note. The Predecessor Entity made monthly installment payments of \$53, which included components of principal and interest up to the December 30, 2014 maturity date of the term loan. Borrowings under the term loan facility bore interest at a floating rate, which were determined by reference to a base rate plus an applicable margin of 2.0%. As of December 31, 2011, the term loan had an interest rate of 5.25%. In February 2012, this term loan was paid in its entirety. Interest incurred for the three months ended March 31, 2012 and 2011 was \$44 and \$91, respectively.

In connection with obtaining the term loan, the Predecessor Entity paid \$101 in lender fees and recorded as discount to the carrying value of the debt. The debt discount is being amortized into interest expense over the term of the related debt. Upon paying the term loan in its entirety

Lehigh Gas Entities (Predecessor)**NOTES TO THE UNAUDITED CONDENSED COMBINED FINANCIAL STATEMENTS (Continued)****For the Three Months Ended March 31, 2012 and 2011****(Amounts in thousands)****7. Debt (Continued)**

in February 2012, the unamortized portion of the discount was immediately expensed. For the three months ended March 31, 2012 and 2011, amortization of debt discount was \$52 and \$4, respectively.

Mortgage Notes

In June and December of 2008, the Predecessor Entity entered into several mortgage notes with two lenders for an aggregate initial borrowing amount of \$23,586. Pursuant to the terms of the mortgage notes, the Predecessor Entity makes monthly installment payments that are comprised of principal and interest through maturity dates of June 23, 2023 and December 23, 2023. Since the initial borrowing the Predecessor Entity has made additional principal payments. The balance outstanding at March 31, 2012 and December 31, 2011 is \$14,737 and \$15,128, respectively. The mortgage notes bear interest at a floating rate which may be determined by reference to an index rate plus an applicable margin not to exceed 5.0%. As of March 31, 2012 and December 31, 2011 the weighted average interest rate was 3.9% and 4.0%, respectively. Interest expense for the three months ended March 31, 2012 and 2011 was \$150, and \$166, respectively. The mortgage notes are secured by a first priority security interest in certain properties of the Predecessor Entity. The mortgage notes contain a number of affirmative and negative covenants. The Predecessor Entity is also required to comply with certain financial covenants. In May 2012, the Predecessor Entity obtained a waiver to cure its violation of certain financial covenants as of December 31, 2011. In connection with obtaining the mortgage notes, the Predecessor Entity incurred \$245 in related expenses that were recorded as deferred financing fees. The deferred financing fees are being amortized into interest expense over the terms of the related debt. Amortization of deferred financing for the three months ended March 31, 2012 and 2011 was \$4 and \$15, respectively.

8. Fair Value Measurements

The Predecessor Entity measures and reports certain financial and non-financial assets and liabilities on a fair value basis. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date (exit price). GAAP specifies a three-level hierarchy that is used when measuring and disclosing fair value. The fair value hierarchy gives the highest priority to quoted prices available in active markets (i.e., observable inputs) and the lowest priority to data lacking transparency (i.e., unobservable inputs). An instrument's categorization within the fair value

Lehigh Gas Entities (Predecessor)

NOTES TO THE UNAUDITED CONDENSED COMBINED FINANCIAL STATEMENTS (Continued)

For the Three Months Ended March 31, 2012 and 2011

(Amounts in thousands)

8. Fair Value Measurements (Continued)

hierarchy is based on the lowest level of significant input to its valuation. The following is a description of the three hierarchy levels.

- Level 1 Unadjusted quoted prices in active markets that are accessible at the measurement date for identical, unrestricted assets or liabilities. Active markets are considered to be those in which transactions for the assets or liabilities. Active markets are considered to be those in which transactions for the assets or liabilities occur in sufficient frequency and volume to provide pricing information on an ongoing basis.
- Level 2 Quoted prices in markets that are not active, or inputs which are observable, either directly or indirectly, for substantially the full term of the asset or liability. This category includes quoted prices for similar assets or liabilities in active markets and quoted prices for identical or similar assets or liabilities in inactive markets.
- Level 3 Unobservable inputs that are not corroborated by market data. This category is comprised of financial and non-financial assets and liabilities whose fair value is estimated based on internally developed models or methodologies using significant inputs that are generally less readily observable from objective sources.

Transfers into or out of any hierarchy level are recognized at the end of the reporting period in which the transfer occurred. There were no significant transfers between any levels during the three months ended March 31, 2012 or 2011.

Following are descriptions of the valuation methodologies used to measure material assets and liabilities at fair value and details of the valuation models, key inputs to those models and significant assumptions utilized.

Derivative instruments—The Predecessor Entity executes derivative contracts, such as interest rate swaps, as part of their overall risk management strategies. The majority of the Predecessor Entity's derivatives outstanding are reported at fair value based upon market quotes that are deemed to be observable inputs in an active market for similar assets and liabilities and are considered Level 2 inputs for purposes of fair value disclosures. The Predecessor Entity has not changed its valuation techniques or inputs during the three months ended March 31, 2012. At March 31, 2012 and December 31, 2011 the fair value of these derivative instruments were approximately \$409 and \$498, respectively, which were included in other liabilities in the Condensed Combined Balance Sheet.

For assets and liabilities measured on a non-recurring basis during the year, accounting guidance requires quantitative disclosures about the fair value measurements separately for each major category. See Note 2. Acquisitions for acquired assets and liabilities measured on a non-recurring basis for the three months ended March 31, 2012. There were no other remeasured assets or liabilities at fair value on a non-recurring basis during the three months ended March 31, 2012.

Lehigh Gas Entities (Predecessor)**NOTES TO THE UNAUDITED CONDENSED COMBINED FINANCIAL STATEMENTS (Continued)****For the Three Months Ended March 31, 2012 and 2011****(Amounts in thousands)****8. Fair Value Measurements (Continued)****Financial Instruments**

The fair value of the Predecessor Entity's financial instruments consisting of accounts receivable, accounts payable and debt approximated their carrying value as of March 31, 2012 and December 31, 2011.

9. Environmental Liabilities

The Predecessor Entity currently owns or leases properties where refined petroleum products are being or have been handled. These properties and the refined petroleum products handled thereon may be subject to federal and state environmental laws and regulations. Under such laws and regulations, the Predecessor Entity could be required to remove or remediate containerized hazardous liquids or associated generated wastes (including wastes disposed of or abandoned by prior owners or operators), to clean up contaminated property arising from the release of liquids or wastes into the environment, including contaminated groundwater, or to implement best management practices to prevent future contamination.

The Predecessor Entity maintains insurance of various types with varying levels of coverage that it considers adequate under the circumstances to cover its operations and properties. The insurance policies are subject to deductibles that the Predecessor Entity considers reasonable and not excessive. In addition, the Predecessor Entity has entered into indemnification and escrow agreements with various sellers in conjunction with several of its acquisitions. Allocation of environmental liability is an issue negotiated in connection with each of the Predecessor Entity's acquisition transactions. In each case, the Predecessor Entity makes an assessment of potential environmental liability exposure based on available information. Based on that assessment and relevant economic and risk factors, the Predecessor Entity determines whether to, and the extent to which it will, assume liability for existing environmental conditions.

The following table presents a summary roll forward of the Predecessor Entity's environmental liabilities, on an undiscounted basis, at March 31, 2012:

<u>Environmental Liability Related to:</u>	<u>Balance at December 31, 2011</u>	<u>Additions 2012</u>	<u>Payments in 2012</u>	<u>Balance at March 31, 2012</u>
Total Environmental Liabilities	\$ 25,819	\$ 689	\$ 1,210	\$ 25,298
Current portion	6,418			6,480
Long-term portion	19,401			18,818
Total environmental liabilities	\$ 25,819			\$ 25,298

The Predecessor Entity's estimates used in these reserves are based on all known facts at the time and its assessment of the ultimate remedial action outcomes. The Predecessor Entity will

Lehigh Gas Entities (Predecessor)**NOTES TO THE UNAUDITED CONDENSED COMBINED FINANCIAL STATEMENTS (Continued)****For the Three Months Ended March 31, 2012 and 2011****(Amounts in thousands)****9. Environmental Liabilities (Continued)**

adjust loss accruals as further information becomes available or circumstances change. Among the many uncertainties that impact the Predecessor Entity's estimates are the necessary regulatory approvals for, and potential modification of, its remediation plans, the amount of data available upon initial assessment of the impact of soil or water contamination, changes in costs associated with environmental remediation services and equipment and the possibility of existing legal claims giving rise to additional claims. Therefore, although the Predecessor Entity believes that these reserves are adequate, no assurances can be made that any costs incurred in excess of these reserves or outside of indemnifications or not otherwise covered by insurance would not have a material adverse effect on the Predecessor Entity's financial condition, results of operations or cash flows. The Predecessor Entity utilizes the services of an environmental remediation firm and advances of \$3,379 and \$3,105 at March 31, 2012 and December 31, 2011, respectively, were included in other current assets in the Unaudited Condensed Combined Balance Sheets.

A significant portion of the environmental reserves above has a corresponding indemnification asset recorded in the accompanying Unaudited Condensed Combined Balance Sheets. These indemnification assets consist primarily of third-party escrowed funds, state funds and insurance coverage. The breakdown of the indemnification assets is as follows at March 31, 2012 and December 31, 2011:

	Balance at March 31, 2012	Balance at December 31, 2011
Third-Party Escrows	\$ 9,672	\$ 10,041
State Funds	5,793	5,619
Insurance Coverage	6,588	6,821
Total indemnification assets	<u>\$ 22,053</u>	<u>\$ 22,481</u>
Current portion	5,928	6,418
Long-term portion	16,125	16,063
Total indemnification assets	<u>\$ 22,053</u>	<u>\$ 22,481</u>

State funds represent probable state reimbursement amounts that would be payable to the Predecessor Entity under state funds. Reimbursement will depend upon the continued maintenance and solvency of the state. Insurance coverage represents amounts deemed probable of reimbursement under insurance policies.

Lehigh Gas Entities (Predecessor)**NOTES TO THE UNAUDITED CONDENSED COMBINED FINANCIAL STATEMENTS (Continued)****For the Three Months Ended March 31, 2012 and 2011****(Amounts in thousands)****10. Commitments and Contingencies****Legal Actions**

In the normal course of business, the Predecessor Entity has and may become involved in legal actions relating to the ownership and operation of their properties and business. No provision has been made in the financials as management concluded that losses from outstanding legal actions are not reasonably possible. In management's opinion, the resolutions of any such pending legal actions are not expected to have a material adverse effect on its combined financial position, results of operations and cash flows. The Predecessor Entity maintains liability insurance on certain aspects of its businesses in amounts deemed adequate by management. However, the Predecessor Entity can provide no assurance that this insurance will be adequate to protect them from all material expenses related to potential future claims or these levels of insurance will be available in the future at economically acceptable prices.

11. Motor Fuels Taxes Payable and Accrued Expenses and Other Current Liabilities**Motor Fuels Taxes Payable**

The motor fuels taxes collected on-behalf-of state, local and federal authorities excludes such amounts from sales revenue and cost of goods sold. As of March 31, 2012 and December 31, 2011, the fuel tax payable represent amounts due to various state taxing authorities.

Accrued Expenses and Other Current Liabilities

Accrued expenses and other current liabilities consisted of the following at:

	<u>March 31,</u> <u>2012</u>	<u>December 31,</u> <u>2011</u>
Interest expense	\$ 707	\$ 2,117
Payroll expense	319	169
Professional fees	1,146	290
Other items, net	1,154	1,029
Total accrued expenses and other current liabilities	<u>\$ 3,326</u>	<u>\$ 3,605</u>

Lehigh Gas Entities (Predecessor)

NOTES TO THE UNAUDITED CONDENSED COMBINED FINANCIAL STATEMENTS (Continued)

For the Three Months Ended March 31, 2012 and 2011

(Amounts in thousands)

12. Related-Party Transactions

The related party transactions with the Predecessor Entity and other affiliated entities under common control not part of the Predecessor Entity ("Affiliates") are as follows:

Property and Equipment

In March of 2012, the Predecessor Entity purchased property and equipment from one of its owners for approximately \$1,450. The purchase was recorded as an addition to property and equipment at its historical carrying value of \$500. The excess purchase price over the historical carrying value of \$950 was recorded as a distribution to the owner in the Predecessor Entity's Unaudited Condensed Combined Statements of Owners' Deficit and Statements of Cash Flows.

Advances to Affiliates

The Predecessor Entity serves as a lender and borrower of funds and a clearinghouse for the settlement of receivables and payables for its Affiliates. Amounts due from Affiliates for these types of transactional activities amounted to \$4,448 and \$5,854 at March 31, 2012 and December 31, 2011, respectively.

Revenues from Fuel Sales to Affiliates

The Predecessor Entity sells refined petroleum products to its Affiliates at prevailing market prices at the time of delivery. Revenues and cost of revenues from fuel sales to affiliates are disclosed in the accompanying Condensed Combined Statements of Operations.

Mandatorily Redeemable Preferred Equity

In December 2008, the Predecessor Entity issued non-voting preferred member interests of \$12,000 to certain related individuals. The holders of the preferred interests receive semi-annual dividend payments at an increasing coupon rate, not to exceed 18.0%. The initial coupon rate of 9.0% increases 3.0% every six months and is capped at 18.0%. In the event of a default, as defined by the preferred interest agreement, the interest rate may increase to 24.0%. As of March 31, 2012 and December 31, 2011, the interest rate was 12%.

At any time following the initial issuance, the Predecessor Entity retains the right to repurchase the preferred member interests at a price equal to the initial issuance plus any accrued and unpaid dividends. The preferred member interests are to be redeemed by the Predecessor Entity on or before December 22, 2015. At the time of redemption, the Predecessor Entity will pay the preferred members an amount equal to their unreturned capital and any unpaid preferred dividends accruing up to the point of repurchase.

In February 2011, the Predecessor Entity amended the terms under the preferred membership interest agreement. Pursuant to the amendment, the holders of preferred member interest receive semi-annual dividend payments at a rate of 12% with a default rate of 18%. In

Lehigh Gas Entities (Predecessor)

NOTES TO THE UNAUDITED CONDENSED COMBINED FINANCIAL STATEMENTS (Continued)

For the Three Months Ended March 31, 2012 and 2011

(Amounts in thousands)

12. Related-Party Transactions (Continued)

In addition, the holder has the option to request payment of all interest and principal due any time after October 1, 2013. Pursuant to an amendment in May 2012, the interest rate will increase to 15% for the period from September 1, 2012 through August 31, 2013. The Predecessor Entity recorded the issuance of preferred member interests as a component of its long term liabilities.

Dividend payments, including accrued dividends, are recorded as interest expense. For the three months ended March 31, 2012 and 2011, the Predecessor Entity recorded preferred interest expense of \$360.

Management Fees

The Predecessor Entity charges management fees to its Affiliates and these amounts are included as contra-expense amounts in selling, general and administrative expenses in the accompanying Condensed Combined Statements of Operations. The amounts recorded for these management fees was approximately \$912 and \$508 for the three months ended March 31, 2012 and 2011, respectively. These management fees reflect the allocation of certain overhead expenses of the Predecessor Entity and include costs of centralized corporate functions, such as legal, accounting, information technology, insurance and other corporate services. The allocation methods for these costs include: estimates of the costs and level of support attributable to its Affiliates for legal, accounting, usage and headcount for information technology.

Note Receivable

In May 2009, the Predecessor Entity received a secured promissory note for \$240 from a related party. Pursuant to the terms of the note, the Predecessor Entity is entitled to receive monthly installment payments of principal and interest payments May 2029 and shall bear interest at a fixed rate of 7% per annum. The Predecessor Entity received interest income of \$4 for each of the three months ended March 31, 2012 and 2011, respectively. At March 31, 2012 and December 31, 2011 the unpaid principal balance of the note of approximately \$201 and \$204, respectively, were included in deferred financing fees and other assets in the accompanying Condensed Combined Balance Sheet.

Operating Leases of Gasoline Stations as Lessor

The Predecessor Entity leases certain gas stations to its Affiliates under cancelable operating leases. The rental income under these agreements totaled \$1,852 and \$1,752 for the three months ended March 31, 2012 and 2011, respectively.

Operating Leases of Gasoline Stations as Lessee

The Predecessor Entity leases certain gas stations from its Affiliates under cancelable operating leases. Total expenses incurred under these agreements totaled \$138 and \$138 for the three months ended March 31, 2012 and 2011, respectively.

Lehigh Gas Entities (Predecessor)

NOTES TO THE UNAUDITED CONDENSED COMBINED FINANCIAL STATEMENTS (Continued)

For the Three Months Ended March 31, 2012 and 2011

(Amounts in thousands)

12. Related-Party Transactions (Continued)

Operating Lease of Office Space

The Predecessor Entity leases their principal offices from an entity in which is owned and operated by a related party. Total rent expense recognized under this lease was \$45 for each of the three months ended March 31, 2012 and 2011. The office lease has a 10-year term that commenced on February 1, 2010. The Predecessor Entity has the option to renew the lease for up to 3 additional 5-year periods at the then rate as defined under the terms of the agreement.

13. Subsequent Events

Lease Agreement

In May 2012, the Predecessor Entity entered into a 15-year unitary net lease and sublease agreement with renewal options of up to an additional 25 years. The Predecessor Entity agreed to lease buildings, improvements, equipment and real property located at 105 gas stations in the states of Massachusetts, New Hampshire and Maine. The Predecessor Entity will pay fixed annual rent of approximately \$5,400 per year and such rent shall increase by 1.5% per year. In addition to this fixed annual rent, the Predecessor Entity will also pay, as additional rent, an amount equal to two cents per gallon of gasoline or other fuel delivered to the locations during the lease term. During the initial 3-year term of the lease, the Predecessor Entity is required to make capital expenditures to the locations of at least \$4,280 plus one cent per each gallon of gasoline sold at these locations during the initial 3-year period. However, the Predecessor Entity is entitled to a rent credit equal to 50% of the capital expenditures up to a maximum of \$2,140.

New Credit Agreement

In connection with the closing of the offering, the Predecessor Entity will enter into a five-year senior secured revolving credit facility in an aggregate principal amount of \$250,000, which limit may be increased to \$325,000 if certain conditions are met, and the Predecessor Entity will use the proceeds of this new facility to repay in full the remaining borrowings under their existing credit agreement. This new credit agreement will mature in 2017, at which point all amounts outstanding under the credit agreement will become due. This credit agreement is subject to certain contingent events, one of which is the consummation of an initial public offering.

All obligations under this new credit agreement will be secured by substantially all of the Predecessor Entity's assets. Indebtedness under the new credit agreement will bear interest, at the Predecessor Entity's option, (1) a rate equal to the London Interbank Offered Rate, or "LIBOR" rate, for interest periods of one, two, three or six months, plus a margin of 2.25% to 3.00% per annum, or (2) (a) a base rate equal to the greatest of, (i) the federal funds rate, plus 0.5%, (ii) the LIBOR rate for one month interest periods, plus 1.00% per annum or (iii) the rate of interest established by the lender, from time to time, as its prime rate, plus (b) a margin of 1.25% to 2.00% per annum. In addition, the Predecessor Entity will incur a commitment fee

Lehigh Gas Entities (Predecessor)

NOTES TO THE UNAUDITED CONDENSED COMBINED FINANCIAL STATEMENTS (Continued)

For the Three Months Ended March 31, 2012 and 2011

(Amounts in thousands)

13. Subsequent Events (Continued)

based on the unused portion of the working capital facility at a rate of 0.50% per annum. Furthermore, the Predecessor Entity has the right to a swingline loan under the credit agreement in an amount up to \$5,000. Swingline loans will bear interest at the applicable base rate, plus a margin of 1.25% to 2.00% depending on the Predecessor Entity's consolidated total leverage ratio. Standby letters of credit will be subject to a 0.25% fronting fee and other customary administrative charges. Standby letters of credit will bear interest at a rate of 2.25% to 3.00% per annum, depending on the Predecessor Entity's consolidated total leverage ratio.

The new credit agreement will prohibit the Predecessor Entity from making distributions to unit holders if any potential default or event of default occurs or would result from the distribution. In addition, the new credit agreement will contain various financial and non-financial covenants.

Lehigh Gas Partners LP**UNAUDITED CONDENSED CONSOLIDATED BALANCE SHEETS****As of March 31, 2012 and December 31, 2011**

	March 31, 2012	December 31, 2011
Assets	\$ —	\$ —
Liabilities	\$ —	\$ —
Partners' Capital		
Limited Partners	\$ 1,000	\$ 1,000
General Partner	—	—
Less: Contribution Receivable from Partners	(1,000)	(1,000)
Total Partners' Capital	\$ —	\$ —
Total Liabilities and Partners' Capital	\$ —	\$ —

The accompanying notes are an integral part of this condensed consolidated balance sheets

Lehigh Gas Partners, LP

UNAUDITED NOTES TO CONSOLIDATED BALANCE SHEETS

As of March 31, 2012

1. Nature of Operations

Lehigh Gas Partners, LP (the "Partnership") is a Delaware limited partnership formed in December 2011. Lehigh Gas GP LLP (the "General Partner") is a limited liability company formed in December 2011 to as the general partner of the Partnership.

In December 2011, Lehigh Gas Corporation, a Delaware corporation, agreed to contribute \$1,000 to the Partnership in exchange for a 100% limited partner interest. The agreement to contribute has been recorded as contributions receivable and are reflected in the accompanying consolidated balance sheets as reductions to partners' capital.

There have been no other transactions involving the Partnership as of March 31, 2012. The Partnership will ultimately receive the transfer from the Selected Lehigh Gas Entities (the "Predecessor Entity") of certain contributed assets, liabilities, operations and/or equity interests (the "Contributed Assets"). Taken together with other affiliated entities and including the Predecessor, the entities are under common control and are collectively referred to as the Lehigh Gas Group (LGG).

The Partnership, pursuant to an initial public offering, intends to sell common units representing limited partnership interests in the Partnership. The Partnership will issue and sell common units and subordinated units to the shareholders (or their assigns) of the Predecessor Entity in consideration of their transfer of the Contributed Assets to the Partnership.

The Partnership, upon the transfer of the Contributed Assets will be engaged in substantially the same business and revenue generating activities as the Predecessor Entity, principally: (i) distributing motor fuels (using unrelated third-party transportation services providers)—on a wholesale basis to sub-wholesalers, independent dealers, Lessee Dealers, related entities, and others, and (ii) ownership or lease of Locations and, in turn, generating rental-fee income revenue from the lease or subleases of the Locations to third-party operators.

2. Basis of Presentation

Interim Financial Statements

The accompanying interim unaudited condensed consolidated financial statements and related disclosures are unaudited and have been prepared in accordance with U.S. generally accepted accounting principles (GAAP) on the same basis as the audited consolidated financial statements for the year ended December 31, 2011 included elsewhere in this prospectus and, in the opinion of management, include all adjustments of a normal recurring nature considered necessary to present fairly the Partnership's financial position for the three months ended March 31, 2012. Certain information and note disclosures normally included in the financial statements prepared in accordance with GAAP have been condensed or omitted under the SEC's rules and regulations. These unaudited interim condensed consolidated financial statements should be read in conjunction with the audited consolidated financial statements and accompanying notes for the year ended December 31, 2011.

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

Board of Directors and General Partner
Lehigh Gas Partners LP

We have audited the accompanying combined balance sheets of Lehigh Gas Entities and affiliated entities under common control (collectively "Predecessor Entity") as of December 31, 2011 and 2010, and the related combined statements of operations, owners' deficit and comprehensive income (loss) and cash flows for each of the three years in the period ended December 31, 2011. These financial statements are the responsibility of the Predecessor Entity's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement. The Predecessor Entity is not required to have, nor were we engaged to perform an audit of its internal control over financial reporting. Our audit included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Predecessor Entity's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the combined financial statements referred to above present fairly, in all material respects, the financial position of Lehigh Gas Entities and affiliated entities under common control as of December 31, 2011 and 2010, and the results of their operations and their cash flows for each of the three years in the period ended December 31, 2011, in conformity with accounting principles generally accepted in the United States of America.

As discussed in Note 3, certain entities that comprise the Predecessor Entity had been previously included in combined financial statements with other affiliated entities not part of the Predecessor Entity. Note 3 describes certain corrections of amounts previously reported for the entities that comprise the Predecessor Entity in those previously issued combined financial statements.

/s/ GRANT THORNTON LLP

Philadelphia, Pennsylvania
May 11, 2012

Lehigh Gas Entities (Predecessor)

COMBINED BALANCE SHEETS

As of December 31, 2011 and 2010

(Amounts in thousands)

	2011	2010
Assets		
Current assets:		
Cash and cash equivalents	\$ 2,082	\$ 2,988
Accounts receivable, less allowance for doubtful accounts of \$37 and \$90 at December 31, 2011 and 2010, respectively	5,766	3,813
Accounts receivable from affiliates	5,854	5,418
Inventories	1,247	1,355
Environmental indemnification asset—current portion	6,418	6,959
Notes receivable	675	3,600
Assets of operations held for sale	743	10,181
Other current assets	5,197	3,726
Total current assets	27,982	38,040
Property and equipment, net	202,393	185,579
Intangibles assets, net	12,379	8,910
Goodwill	4,487	2,773
Environmental indemnification asset—noncurrent portion	16,063	17,824
Notes receivable	1,350	—
Deferred financing fees, net and other assets	4,974	4,289
Total assets	\$ 269,628	\$ 257,415
Liabilities and owners' deficit		
Current liabilities:		
Current portion of debt, net	\$ 7,757	\$ 9,028
Current portion of financing obligations	5,294	9,835
Accounts payable	13,166	12,165
Fuel taxes payable	7,777	8,658
Environmental reserve—current portion	6,418	6,959
Notes payable	—	1,323
Liabilities of operations held for sale	183	5,279
Accrued expenses and other current liabilities	3,605	2,705
Total current liabilities	44,200	55,952
Long-term portion of debt, net of discount	177,529	156,940
Long-term financing obligations	40,426	25,834
Mandatorily redeemable preferred equity	12,000	12,000
Environmental reserve—noncurrent portion	19,401	23,535
Other long-term liabilities	7,027	9,285
Total liabilities	300,583	283,546
Commitments and contingencies (Note 18)		
Owners' deficit	(30,955)	(26,131)
Total liabilities and owners' deficit	\$ 269,628	\$ 257,415

The accompanying notes are an integral part of these Combined Financial Statements.

Lehigh Gas Entities (Predecessor)**COMBINED STATEMENTS OF OPERATIONS****For the Years Ended December 31, 2011, 2010 and 2009****(Amounts in thousands)**

	2011	2010	2009
Revenues:			
Revenues from fuel sales	\$ 1,242,040	\$ 847,090	\$ 490,261
Revenues from fuel sales to affiliates	365,106	329,974	310,794
Rental income	12,433	11,740	10,508
Rental income from affiliates	7,792	7,169	10,324
Revenues from retail merchandise and other	1,389	1,939	59
Total revenues	<u>1,628,760</u>	<u>1,197,912</u>	<u>821,946</u>
Costs and Expenses:			
Cost of revenues from fuel sales	1,209,719	820,959	472,359
Cost of revenues from fuel sales to affiliates	359,005	324,963	305,335
Cost of revenues for retail merchandise and other	1,068	1,774	7
Rent expense	9,402	6,422	4,494
Operating expenses	6,634	4,211	4,407
Depreciation and amortization	12,073	12,085	8,172
Selling, general and administrative expenses	12,709	13,099	13,389
(Gain) loss on sale of assets	(3,188)	271	(752)
Total costs and operating expenses	<u>1,607,422</u>	<u>1,183,784</u>	<u>807,411</u>
Operating income	21,338	14,128	14,535
Interest expense, net	(12,140)	(15,775)	(10,453)
Gain on extinguishment of debt	—	1,200	—
Other income, net	1,245	4,119	1,685
Income from continuing operations	<u>10,443</u>	<u>3,672</u>	<u>5,767</u>
(Loss) income from discontinued operations	(848)	(6,655)	311
Net income (loss)	<u>\$ 9,595</u>	<u>\$ (2,983)</u>	<u>\$ 6,078</u>

The accompanying notes are an integral part of these Combined Financial Statements.

Lehigh Gas Entities (Predecessor)**COMBINED STATEMENTS OF OWNERS' DEFICIT AND COMPREHENSIVE INCOME (LOSS)****For the Years Ended December 31, 2011, 2010 and 2009****(Amounts in thousands)**

	Owners' Deficit
January 1, 2009	\$ (22,653)
Net income and comprehensive income	6,078
Issuance of preferred interests	2,366
Contributions from owners	13,834
Distributions to owners	(20,917)
December 31, 2009	\$ (21,292)
Net loss and comprehensive loss	(2,983)
Contributions from owners	20,124
Conversion of convertible note into owners' equity	6,963
Repurchase of equity interests	(2,366)
Distributions to owners	(26,577)
December 31, 2010	\$ (26,131)
Net income and comprehensive income	9,595
Contributions from owners	4,374
Distributions to owners	(18,793)
December 31, 2011	\$ (30,955)

The accompanying notes are an integral part of these Combined Financial Statements.

Lehigh Gas Entities (Predecessor)
COMBINED STATEMENTS OF CASH FLOWS
For the Years Ended December 31, 2011, 2010 and 2009
(Amounts in thousands)

	2011	2010	2009
Cash Flows From Operating Activities			
Net income (loss)	\$ 9,595	\$ (2,983)	\$ 6,078
Adjustments to reconcile net income (loss) to cash provided by operating activities:			
Depreciation and amortization	12,153	13,540	9,664
Amortization of debt discount	678	1,499	1,070
Amortization of deferred financing fees	662	844	434
Accretion of below market leases	(199)	(245)	(20)
(Gain) loss on change in fair value of derivative instruments	(1,334)	529	161
Gain on extinguishment of debt	—	(1,200)	—
(Gain) loss on disposal of assets	(2,648)	7,952	(3,627)
Changes in operating assets and liabilities, net of effects of acquisitions:			
Accounts receivable	(1,953)	197	(1,360)
Accounts receivable from affiliates	(409)	9,244	2,846
Inventories	108	84	—
Environmental indemnification asset	2,302	2,248	8,245
Other current assets	(1,470)	(692)	1,133
Other assets	98	(193)	(506)
Accounts payable	1,001	2,144	3,809
Fuel taxes payable	(881)	1,527	(82)
Accrued expenses and other current liabilities	900	(1,392)	(2,432)
Environmental reserves	(6,485)	(2,674)	(4,956)
Other long-term liabilities	(558)	463	3,216
Net cash provided by operating activities	11,560	30,892	23,673
Cash Flows From Investing Activities			
Proceeds from sale of property and equipment	16,071	19,045	13,099
Issuance of notes receivable	(2,700)	—	(3,600)
Principal payments on notes receivable	4,275	—	—
Purchase of property and equipment	(2,772)	(2,401)	(1,516)
Cash paid in connection with acquisitions, net of cash acquired	(33,749)	(2,126)	(70,217)
Net cash (used in) provided by investing activities	(18,875)	14,518	(62,234)
Cash Flows From Financing Activities			
Proceeds from long-term debt	31,038	148,443	55,196
Repayment of long-term debt	(17,493)	(183,774)	(16,317)
Proceeds from financing obligations	21,716	14,722	3,184
Repayment of financing obligations	(11,669)	(3,037)	(7,509)
Proceeds from issuance of convertible note	—	—	6,000
Repurchase of equity interests	—	(1,043)	—
Issuance of notes payable	—	1,323	—
Payments on notes payable	(1,323)	—	—
Payment of deferred financing fees	(1,441)	(4,531)	(1,280)
Contributions from owners	4,374	9,140	8,368
Distributions to owners	(18,793)	(23,986)	(11,481)
Net cash provided by (used in) financing activities	6,409	(42,743)	36,161
Net (decrease) increase in cash and cash equivalents	(906)	2,667	(2,400)
Cash and Cash Equivalents			
Beginning of year	2,988	321	2,721
End of year	<u>\$ 2,082</u>	<u>\$ 2,988</u>	<u>\$ 321</u>
Supplemental Disclosure of Cash Flow Information:			
Interest paid	<u>\$ 12,150</u>	<u>\$ 13,271</u>	<u>\$ 10,759</u>
SUPPLEMENTAL SCHEDULE OF NONCASH INVESTING AND FINANCING ACTIVITIES:			
Noncash Contributions from owners	—	10,984	5,466
Noncash Distributions from owners	—	(2,591)	(9,436)

The accompanying notes are an integral part of these Combined Financial Statements.

Lehigh Gas Entities (Predecessor)

NOTES TO THE COMBINED FINANCIAL STATEMENTS

For the Years Ended December 31, 2011, 2010 and 2009

(Amounts in thousands)

1. Organization and Basis of Presentation

The accompanying Selected Lehigh Gas Entities (the "Predecessor Entity") special purpose combined financial statements represent the financial statement combination of certain entities under common control (Lehigh Gas Corporation, Energy Realty OP LP, EROP-Ohio Holdings, LLC, Lehigh Kimber Petroleum Corporation, Lehigh Kimber Realty, LLC, Kwik Pik Ohio, LLC and Kwik Pik Realty—Ohio LLC). As more fully discussed below, taken together, the Predecessor Entity along with other affiliated entities under common control not part of the combined group, are collectively referred to as the Lehigh Gas Group ("LGG").

Lehigh Gas Corporation ("LGC"), a Delaware corporation, is one of the seven entities that comprise the Predecessor Entity and is the entity that has been in operation and under common control for the entirety of the periods presented in the combined financial statements. Accordingly, LGC is deemed to be the acquirer of the other entities included in the Predecessor Entity who were acquired during the periods presented in the combined financial statements and are included in the combined financial statements. During the periods covered by the combined financial statements, acquisitions have occurred of certain fee ownership interests in and/or leasehold ownership interests in gas stations and convenience stores ("Locations") and contractual rights to distribute motor fuels ("wholesale fuel supply agreements") to independent dealers who own or lease their retail locations from unrelated third-parties, including from major integrated oil companies ("Independent Dealers").

In anticipation of the Predecessor Entity contribution of certain assets, operations, and/or equity interests ("Contributed Assets") and certain liabilities to Lehigh Gas Partners LP, a newly formed Delaware limited partnership (the "Partnership"), the Partnership is filing with the United States Securities and Exchange Commission ("SEC") a registration statement on Form-S-1 ("Registrations Statement") for the initial public offering of common units representing limited partnership interests in the Partnership. The Partnership will issue and sell common units and subordinated units to the shareholders or their assigns of the Predecessor Entity in consideration of their transfer of the Contributed Assets to the Partnership. An entity ultimately controlled by the majority shareholder of the Predecessor Entity will control the general partner that will manage the Partnership's business. Accordingly, the accompanying special purpose combined financial statements are presented in accordance with SEC requirements for predecessor financial statements to be included in the Registration Statement. The management of the Partnership has determined the presentation of the accompanying combined financial statements includes the most significant and relevant historical financial information representing the past performance of the Contributed Assets forming the Partnership and is therefore relevant financial information for prospective investors.

The accompanying special purpose combined financial statements exclude certain affiliate entities under common control during the periods presented, including Lehigh Gas—Ohio Holdings LLC ("LGO") and other entities owned and/or operated by the equityholders of the Predecessor Entity. Therefore, these entities' assets, liabilities, operations and/or equity interests will not be contributed to the Partnership. Additionally, certain liabilities, and certain assets and operations of the Predecessor Entity are also not to be contributed ("Non-Contributed Assets") to

Lehigh Gas Entities (Predecessor)

NOTES TO THE COMBINED FINANCIAL STATEMENTS (Continued)

For the Years Ended December 31, 2011, 2010 and 2009

(Amounts in thousands)

1. Organization and Basis of Presentation (Continued)

the Partnership as they do not fit the strategic and geographic plans of the Partnership. However, the Non-Contributed Assets, liabilities, and operations are not significant, and are included in the accompanying special purpose historical combined financial statements.

The Predecessor Entity is principally engaged in the business of: (i) distributing motor fuels (using unrelated third-party transportation services providers)—on a wholesale basis to sub-wholesalers, independent dealers, Lessee Dealers (as defined below), related entities, and others, and (ii) ownership or lease of Locations and, in turn, generating rental-fee income revenue from the lease or subleases of the Locations to related and /or unrelated operators ("Lessee Dealers"). The Partnership, upon the transfer of the Contributed Assets, will be engaged in substantially the same business and revenue generating activities as the Predecessor Entity.

The accompanying combined financial statements as of December 31, 2011 and 2010 and for the years ended December 31, 2011, 2010 and 2009 include the accounts of the Predecessor Entity. All significant intercompany balances and transactions have been eliminated in combination. The historical cost-based accounts of the Company, including revenues for rental income and contra-expense amounts for management fees, have been charged to other affiliated entities outside of the Predecessor Entity. The Predecessor Entity believes these charges are reasonable. However, because of certain related party relationships and transactions (Note 19 Related Party Transactions), these combined financial statements may not necessarily be indicative of the conditions that could have existed or results of operations that could have occurred if the Predecessor Entity had entered into similar arrangements with non-affiliated entities.

2. Summary of Significant Accounting Policies

Use of Estimates

The preparation of financial statements in accordance with generally accepted accounting principles in the United States of America ("GAAP") requires us to make estimates and assumptions that affect the reported amounts of our assets, liabilities, revenues, expenses and costs. These estimates are based on our knowledge of current events, historical experience and various other assumptions that we believe to be reasonable under the circumstances.

Critical estimates we make in the preparation of our combined financial statements include, among others, determining the fair value of acquired assets and liabilities; the collectability of accounts receivable; the recoverability of inventories; the useful lives and recoverability of property and equipment and amortized intangible assets; the impairment of goodwill; environmental indemnification assets and liabilities and accruals for various commitments and contingencies. Although we believe these estimates are reasonable, actual results could differ from those estimates.

Lehigh Gas Entities (Predecessor)

NOTES TO THE COMBINED FINANCIAL STATEMENTS (Continued)

For the Years Ended December 31, 2011, 2010 and 2009

(Amounts in thousands)

2. Summary of Significant Accounting Policies (Continued)

Fair Value Measurements

ASC 820 "*Fair Value Measurements and Disclosures*" (ASC 820) defines and establishes a framework for measuring fair value and expands related disclosures. We use fair value measurements to measure, among other items, acquired assets and liabilities in business combinations, leases and derivative contracts. We also use them to assess impairment of locations, intangible assets and goodwill.

Where available, fair value is based on observable market prices or parameters, or is derived from such prices or parameters. Where observable prices or inputs are not available, use of unobservable prices or inputs are used to estimate the current fair value, often using an internal valuation model. These valuation techniques involve some level of management estimation and judgment, the degree of which is dependent on the item being valued.

Segment Reporting

The Predecessor Entity provides segment reporting in accordance with ASC 280 "*Segment Reporting*" (ASC 280) which establishes annual and interim reporting standards for an enterprise's business segments and related disclosures about its products, services, geographic areas and major customers. The Predecessor Entity operates in one operating segment, distribution of motor fuels, consisting of gasoline and diesel fuel, and to own and lease real estate used in the distribution of motor fuels, with a single management team that reports to the chief executive officer, who is our chief operating decision maker, as that term is defined in ASC 280. Accordingly, the Predecessor Entity does not prepare discrete financial information with respect to separate product lines or by location and do not have separately reportable segments. All of the operations are located in the United States, primarily in the northeast region.

Revenue Recognition

Revenues from wholesale fuel sales are recognized when fuel is delivered to the customer. The Predecessor Entity charges its dealers for third party transportation costs, which are included in revenues and cost of sales. Rental income is recognized on a straight-line basis over the term of the lease. Retail merchandise sales are recognized net of applicable provisions for discounts and allowances upon delivery, generally at the point of sale.

The amounts recorded for bad debts are generally based upon a specific analysis of aged accounts while also factoring in any new business conditions that might impact the historical analysis, such as market conditions and bankruptcies of particular customers. Bad debt provisions are included in selling, general and administrative expenses.

Lehigh Gas Entities (Predecessor)**NOTES TO THE COMBINED FINANCIAL STATEMENTS (Continued)****For the Years Ended December 31, 2011, 2010 and 2009****(Amounts in thousands)****2. Summary of Significant Accounting Policies (Continued)**

The following table presents the Predecessor Entity's products as a percentage of total sales for the years ended December 31:

	<u>2011</u>	<u>2010</u>	<u>2009</u>
Gasoline	92.00%	92.00%	91.70%
Diesel fuel	7.90%	7.90%	8.20%
Other	0.10%	0.10%	0.10%
Total	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>

Motor Fuel Taxes

The Predecessor Entity collects motor fuel taxes, which consist of various pass through taxes collected from customers on behalf of taxing authorities, and remits such taxes directly to those taxing authorities. The Predecessor Entity's accounting policy is to exclude the tax collected and remitted from revenues and cost of sales and account for them as liabilities.

Cost of Sales

We include in "Cost of Sales" all costs we incur to acquire wholesale fuel, including the costs of purchasing, storing and transporting inventory prior to delivery to our wholesale customers. Cost of sales does not include any depreciation of our property, plant and equipment. Depreciation is separately classified in our Combined Statements of Operations. Total cost of sales of suppliers who accounted for 10% or more of our total combined cost of sales during the years ended December 31 are as follows:

	<u>2011</u>	<u>2010</u>	<u>2009</u>
ExxonMobil	48.88%	57.12%	61.85%
Motiva Enterprises	24.56%	14.21%	16.83%
Valero	12.13%	13.22%	15.86%

Cash and Cash Equivalents

The Predecessor Entity considers all short-term investments with maturity of three months or less at the date of purchase to be cash equivalents. Cash and cash equivalents are stated at cost, which, for cash equivalents, approximates fair value due to their short-term maturity. The Predecessor Entity is potentially subject to financial instrument concentration of credit risk through its cash and cash equivalents. The Predecessor Entity maintains cash and cash equivalents with several major financial institutions. The Predecessor Entity has not experienced any losses on their cash equivalents.

Lehigh Gas Entities (Predecessor)

NOTES TO THE COMBINED FINANCIAL STATEMENTS (Continued)

For the Years Ended December 31, 2011, 2010 and 2009

(Amounts in thousands)

2. Summary of Significant Accounting Policies (Continued)

Accounts Receivable

The Predecessor Entity accounts receivable result from sales of wholesale motor fuels and rental fees for locations to its customers. The majority of the Predecessor Entity accounts receivable relates to its wholesale motor fuel sales that can generally be described as high volume and low margin activities. Credit is extended to a customer based on evaluation of the customer's financial condition. The Predecessor Entity does not generally require collateral from its customers. Receivables are recorded at face value, without interest or discount.

The Predecessor Entity reviews all accounts receivable balances on at least a quarterly basis and provides an allowance for doubtful accounts based on historical experience and on a specific identification basis.

Inventories

Inventories are valued at the lower of cost or market. Cost is determined using the first-in, first-out ("FIFO") method. Inventories of store merchandise and supplies are valued using the retail method.

Property and Equipment

Property and equipment are recorded at cost. Depreciation is recognized using straight-line and declining balance methods over the estimated useful lives of the related assets, including: 5 to 20 years for buildings and leasehold improvements, 3 to 10 years for equipment, and 3 to 7 for vehicles and office furniture and equipment.

Amortization of leasehold improvements is based upon the shorter of the remaining terms of the leases including renewal periods that are reasonably assured, or the estimated useful lives, which approximate twenty years. Expenditures for major renewals and betterments that extend the useful lives of property and equipment are capitalized. Maintenance and repairs are charged to operations as incurred. Gains or losses on the disposition of property and equipment are recorded in the period incurred for sales that are recognized.

Debt Issuance Costs

Debt issuance costs that are incurred by the Predecessor Entity in connection with the issuance of debt are deferred and amortized to interest expense using the effective interest method over the contractual term of the underlying indebtedness.

Intangibles and Other Long-Lived Assets

Intangibles are recorded at fair value upon acquisition. For assets with determinable useful lives, amortization is computed using estimated useful lives ranging from 2 to 20 years. The

Lehigh Gas Entities (Predecessor)

NOTES TO THE COMBINED FINANCIAL STATEMENTS (Continued)

For the Years Ended December 31, 2011, 2010 and 2009

(Amounts in thousands)

2. Summary of Significant Accounting Policies (Continued)

Predecessor Entity reviews its long-lived assets, including definite lived intangibles, requires a long-lived asset (group) be reviewed for impairment only when events or changes in circumstances indicate the carrying amount of the long-lived asset (group) might not be recoverable. Accordingly, the Predecessor Entity evaluates for impairment whenever indicators of impairment are identified. The impairment evaluation is based on the projected undiscounted cash flows of the particular asset. No impairments of long-lived assets were recorded during 2011, 2010 and 2009.

Goodwill

Goodwill represents the excess of cost over fair value of assets of businesses acquired. Goodwill and indefinite lived intangible assets acquired in a business combination are recorded at fair value as of the date acquired. Acquired intangibles determined to have an indefinite useful life are not amortized, but are instead tested for impairment at least annually in accordance with the provisions of ASC 350 "Intangibles—Goodwill and Other" (ASC 350) and are tested for impairment more frequently if events and circumstances indicate that the asset might be impaired. The annual impairment test of goodwill is performed as of December 31st.

The annual impairment assessment of goodwill is a two-step process:

- In step 1 of the goodwill impairment test, we compare the fair value of the reporting unit with its carrying amount, including goodwill. If the fair value of a reporting unit exceeds its carrying amount, goodwill of the reporting unit is not considered impaired. If the carrying amount of a reporting unit exceeds its fair value, we perform the second step of the goodwill impairment test to measure the amount of impairment loss, if any.
- In step 2 of the goodwill impairment test, we compare the implied fair value of reporting unit goodwill with the carrying amount of that goodwill. If the carrying amount of the reporting unit goodwill exceeds the implied fair value of that goodwill, an impairment loss is recognized in an amount equal to that excess.

ASC 350 requires companies to perform Step 2 of the goodwill impairment test if the carrying value of the reporting unit is zero or negative and adverse qualitative factors indicate that it is more likely than not that a goodwill impairment exists. Goodwill of a reporting unit is tested for impairment between annual tests if an event occurs or circumstances change that would more likely than not reduce the fair value of the reporting unit below its carrying amount.

The Predecessor Entity utilized qualitative factors, such as macroeconomic factors, industry and market considerations, cost factors, overall financial performance, and other relevant entity specific events, in their qualitative assessment of the goodwill for its single reporting unit as of December 31, 2011 and concluded that there was no need to perform Step 2 of the goodwill impairment test.

Lehigh Gas Entities (Predecessor)

NOTES TO THE COMBINED FINANCIAL STATEMENTS (Continued)

For the Years Ended December 31, 2011, 2010 and 2009

(Amounts in thousands)

2. Summary of Significant Accounting Policies (Continued)

Estimates and assumptions used to perform the impairment testing are inherently uncertain and can significantly affect the outcome of the impairment test. The estimates and assumptions we used in the annual assessment for impairment of goodwill included market participant considerations and future forecasted operating results. Changes in operating results and other assumptions could materially affect these estimates.

Environmental and Other Liabilities

The Predecessor Entity accrues for all direct costs associated with the estimated resolution of contingencies at the earliest date at which it is deemed probable a liability has been incurred and the amount of such liability can be reasonably estimated. Costs accrued are estimated based upon an analysis of potential results, assuming a combination of litigation and settlement strategies and outcomes. Estimated losses from environmental remediation obligations generally are recognized no later than completion of the remedial feasibility study. Loss accruals are adjusted as further information becomes available or circumstances change. Costs of future expenditures for environmental remediation obligations are not discounted to their present value. Recoveries of environmental remediation costs from other parties are recognized as assets when their receipt is deemed probable.

The Predecessor Entity is subject to other contingencies, including legal proceedings and claims arising out of its businesses that cover a wide range of matters, including, among others, environmental matters and contract and employment claims. Environmental and other legal proceedings may also include matters with respect to businesses previously owned. Further, due to the lack of adequate information and the potential impact of present regulations and any future regulations, there are certain circumstances in which no range of potential exposure may be reasonably estimated.

Leases

The Predecessor Entity leases certain gas stations from third parties under long-term arrangements with various expiration dates. In addition, the Predecessor Entity leases office space and computer equipment. Accounting and reporting guidance for leases requires leases be evaluated and classified as either operating or capital leases for financial statement reporting purposes. The lease term used for lease evaluation includes option periods only in instances in which the exercise of the option period can be reasonably assured and failure to exercise such options would result in an economic penalty. Minimum rent is expensed on a straight-line basis over the term of the lease including renewal periods that are reasonably assured at the inception of the lease. In addition to minimum rental payments, certain leases require additional payments based on sales volume.

The Predecessor Entity also enters into sale-leaseback transactions for certain locations, and as the Predecessor Entity has a continuing involvement in the underlying locations, the sale-leaseback arrangements are accounted for as financing transactions.

Lehigh Gas Entities (Predecessor)**NOTES TO THE COMBINED FINANCIAL STATEMENTS (Continued)****For the Years Ended December 31, 2011, 2010 and 2009****(Amounts in thousands)****2. Summary of Significant Accounting Policies (Continued)****Acquisition Accounting**

Acquisitions of assets or entities that include inputs and processes and have the ability to create outputs are accounted for as business combinations. The purchase price is recorded for tangible and intangible assets acquired and liabilities assumed based on fair value. The excess of the fair value of the consideration conveyed over the fair value of the net assets acquired is recorded as goodwill. The Combined Statements of Operations for the years presented include the results of operations for each acquisition from their respective date of acquisition.

Assets Held for Sale and Discontinued Operations

The determination to classify an asset as held for sale requires significant estimates by the Predecessor Entity about the location and the expected market for the location, which are based on factors including recent sales of comparable locations, recent expressions of interest in the locations and the condition of the location. We must also determine if it will be possible under those market conditions to sell the location for an acceptable price within one year. When assets are identified by our management as held for sale, we discontinue depreciating the assets and estimate the sales price, net of selling costs, of such assets. We generally consider locations to be held for sale when they meet criteria such as whether the sale transaction has been approved by the appropriate level of management and there are no known material contingencies relating to the sale such that the sale is probable and is expected to qualify for recognition as a completed sale within one year. If, in management's opinion, the expected net sales price of the asset that has been identified as held for sale is less than the net book value of the asset, the asset is written down to fair value less the cost to sell. Assets and liabilities related to assets classified as held for sale are presented separately in the Combined Balance Sheet.

Assuming no significant continuing involvement, both a location classified as held for sale and a sold location are considered a discontinued operation. Locations classified as discontinued operations are reclassified as such in the Combined Statement of Operations for each period presented.

Income Taxes

Each of the Predecessor Entity's respective form of legal ownership is a combination of a corporation, a limited liability company (LLC), or a partnership. The income tax generally is assessed at the individual level of the respective entities' stockholder(s) (who have elected under the Internal Revenue Code (IRC) to be taxed as a Sub-Chapter S Corporation) or partners. Accordingly, the Predecessor Entity special purpose historical combined financial statements do not contain a provision for income taxes, as no income taxes are assessed at the entity level.

The Predecessor Entity performed an evaluation of all material tax positions, if any, for the tax years subject to examination by major tax jurisdictions as of December 31, 2011 (tax years ended December 31, 2011, 2010 and 2009). Tax positions not meeting the more-likely-than-not recognition threshold at the combined financial statement date may not be recognized or continue to be recognized under the accounting guidance for income taxes. Based on such

Lehigh Gas Entities (Predecessor)

NOTES TO THE COMBINED FINANCIAL STATEMENTS (Continued)

For the Years Ended December 31, 2011, 2010 and 2009

(Amounts in thousands)

2. Summary of Significant Accounting Policies (Continued)

evaluation, the Predecessor Entity concluded there were no uncertain tax positions requiring adjustment in its combined financial statements as of December 31, 2011 and 2010, respectively. Where required, the Predecessor Entity recognizes interest and penalties for uncertain tax positions in selling, general and administrative expenses.

Derivative Instruments

The Predecessor Entity uses derivative instruments, typically interest rate swap agreements to hedge the interest payment on its variable rate debt. These interest rate swap agreements generally require the Predecessor Entity to pay a fixed interest rate and receive a variable interest rate based on LIBOR. All derivative instruments are recorded in the Combined Balance Sheet at fair value. Although the Predecessor Entity does not designate any of its derivative instruments as accounting hedges, such derivative instruments provide an economic hedge of the Predecessor Entity's exposure to interest rate risk associated with its cash flow requirements on its variable rate debt.

An economic hedge by definition introduces the potential for earnings variability caused by the changes in fair value of the derivatives that are recorded in the Predecessor Entity's combined income but that are not offset by corresponding changes in the value of the economically hedged assets or liabilities.

Comprehensive Income or Loss

The Predecessor Entity accounts for comprehensive income or loss in accordance with ASC 220, "Comprehensive Income," which established standards for the reporting and presentation of comprehensive income in the consolidated financial statements. The Predecessor Entity has no such transactions which affect comprehensive income/(loss) and, accordingly, comprehensive income or loss equals net income or loss for all periods presented.

Recent Accounting Pronouncements

In December 2010, the Financial Accounting Standards Board ("FASB") issued ASU 2010-28, "Intangible—Goodwill and Other (Topic 350): When to perform Step 2 of the goodwill impairment test for reporting units with zero or negative carrying amounts." This update requires an entity to perform all steps in the test for a reporting unit whose carrying value is zero or negative if it is more likely than not (more than 50%) that a goodwill impairment exists based on qualitative factors, resulting in the elimination of an entity's ability to assert that such a reporting unit's goodwill is not impaired and additional testing is not necessary despite the existence of qualitative factors that indicate otherwise. This ASU is effective for fiscal years beginning after December 15, 2010, and for interim periods within those fiscal years. The adoption of this ASU did not have a material impact on its and/or the Partnership combined financial statements.

In December 2011, the FASB issued ASU No. 2011-12, "Comprehensive Income (Topic 220): Deferral of the Effective Date for Amendments to the Presentation of Reclassifications of Items

Lehigh Gas Entities (Predecessor)

NOTES TO THE COMBINED FINANCIAL STATEMENTS (Continued)

For the Years Ended December 31, 2011, 2010 and 2009

(Amounts in thousands)

2. Summary of Significant Accounting Policies (Continued)

Out of Accumulated Other Comprehensive Income in Accounting Standards Update No. 2011-05". In June 2011, the FASB issued ASU No. 2011-05, "Comprehensive Income (Topic 220): Presentation of Comprehensive Income". Both ASU's are effective for annual reporting periods beginning after December 15, 2011. ASU 2011-05 eliminates the option to present the components of other comprehensive income as part of the statement of changes in equity. In addition, items of other comprehensive income that are reclassified to profit or loss are required to be presented separately on the face of the financial statements. This guidance is intended to increase the prominence of other comprehensive income in financial statements by requiring that such amounts be presented either in a single continuous statement of income and comprehensive income or separately in consecutive statements of income and comprehensive income. ASU 2011-12 defers the changes in ASU 2011-05 that pertain to how, when and where reclassification adjustments are presented. The Predecessor Entity is currently evaluating the impact, if any, this ASU will have on its and/or the Partnership combined financial statements.

In May 2011, the FASB issued ASU No. 2011-04, *Fair Value Measurement (Topic 820): Amendments to Achieve Common Fair Value Measurement and Disclosure Requirements in U.S. GAAP and IFRSs*. This ASU provides a consistent definition of fair value to ensure that the fair value measurement and disclosure requirements are similar between U.S. GAAP and International Financial Reporting Standards (IFRS). This ASU changes certain fair value measurement principles and enhances the disclosure requirements and is effective for interim and annual periods beginning after December 15, 2011 and should be applied prospectively. The Predecessor Entity is currently evaluating the impact, if any, this ASU will have on its and/or the Partnership combined financial statements.

3. Correction of prior period errors related to certain entities that comprise the Predecessor Entity

Certain commonly controlled entities that comprise the Predecessor Entity had been previously included with other common control entities not part of the Predecessor Entity within LGG's combined financial statements as of December 31, 2010 and 2009 and for the years then ended. During the preparation of the Predecessor Entity's combined financial statements, the Predecessor Entity discovered a number of accounting errors related to transactions that had been recorded in the LGG combined financial statements as of and for the year ended 2010 and prior. The errors in LGG's previously issued combined financial statements, which included 5 of the 7 entities contained in the Predecessor Entity as of December 31, 2010 and for each of the years ended December 31, 2010 and 2009 have been corrected during the preparation of the accompanying Combined Financial Statements.

The most significant of these errors related to i) purchase accounting, which was corrected by the elimination of a previously recorded bargain purchase in 2009 and reducing the net book values of property and equipment by \$54,562 as of December 31, 2010, ii) transactions previously reported as sales-leaseback transactions and sales of real estate, which are now accounted for as financing obligations due to continuing involvement in the amount of \$ 35,669, at December 31, 2010, and iii) the resulting impact of these errors on depreciation, amortization,

Lehigh Gas Entities (Predecessor)

NOTES TO THE COMBINED FINANCIAL STATEMENTS (Continued)

For the Years Ended December 31, 2011, 2010 and 2009

(Amounts in thousands)

3. Correction of prior period errors related to certain entities that comprise the Predecessor Entity (Continued)

and interest expense. Corrections of all identified errors, including the errors described above, resulted in a decrease in total assets of \$75,786, an increase in total liabilities of \$52,992, and a decrease in owners' equity of \$128,778 as of December 31, 2010 compared to amounts previously recorded in LGG's combined financial statements. For the years ended December 31, 2010 and 2009, the corrections resulted in a reduction of net income previously recorded in LGG's combined financial statements of \$3,538 and \$60,208, respectively.

4. Acquisitions

In evaluating potential acquisition candidates, the Predecessor Entity considers a number of factors, including strategic fit, desirability of location, purchase price, and the Predecessor Entity's ability to improve the productivity and profitability of a location and/or wholesale supply agreement through the implementation of the Predecessor Entity's operating strategy. The ability to create accretive financial results and/or operational efficiencies due to the relative operational scale and /or geographic concentration, among other strategic factors, may result in a purchase price in excess of the fair value of identifiable assets acquired and liabilities assumed, resulting in the recognition of goodwill. The Predecessor Entity strives to make its acquisitions accretive to owners' equity and provide a reasonable long-term return on investment. Goodwill recorded in connection with the acquisitions is primarily attributable to the assembled workforce of the acquired businesses and the synergies expected to arise after the Predecessor Entity's acquisitions of those businesses.

The Predecessor Entity concluded that the historical balance sheet and operating information concerning the acquisitions discussed below, would not be meaningful to investors of the Partnership because, among other reasons, the Predecessor Entity changed fundamentally the nature of the revenue producing assets acquired from the manner in which they were used by their respective sellers. Thus, presenting historical financial information regarding the acquisitions would mislead investors in the Partnership. Moreover, the sellers were unwilling to provide complete financial information for the acquisitions for periods prior to the closing date of the acquisition and, accordingly, the preparation of historical financial information is impracticable.

Shell Retail Gas Stations and Wholesale Fuel Supply Agreement Acquisition

The Predecessor Entity acquired from Motiva Enterprises, LLC ("Motiva"), an unrelated third-party, a total of 26 Shell Oil Company ("Shell") branded gas stations and convenience stores ("Shell Locations") located in the State of New Jersey under the terms of an Asset Purchase and Sale Agreement (the "Motiva Asset Agreement") and also acquired 56 wholesale fuel supply agreements under the terms of an Agreement to Assign Retailer Instruments with Reversionary Rights (the "Motiva Assignment Agreement"). Taken together, the Motiva Asset Agreement and the Motiva Assignment Agreement are collectively referred to herein as the "Motiva Transaction". The Motiva Transaction was accounted for as a business combination for accounting purposes.

Lehigh Gas Entities (Predecessor)**NOTES TO THE COMBINED FINANCIAL STATEMENTS (Continued)****For the Years Ended December 31, 2011, 2010 and 2009****(Amounts in thousands)****4. Acquisitions (Continued)**

The Motiva Transaction acquisition closing dates were in May 2011 with respect to the acquisition of 14 Shell Locations and the wholesale fuel sale supply agreements and in August 2011 for the remaining 12 Shell Locations. The Predecessor Entity acquired fee simple interest in 21 of the Shell Locations and leasehold interests in the other 5 of the Shell Locations, with all of the Shell Locations considered company owned and independent dealer operated on the acquisition closing dates. The Motiva Transaction is expected to enhance the Predecessor Entity's presence in the New Jersey marketplace by increasing market share, expanding and enhancing the geographical distribution of operations, and further increasing the wholesale supply business.

The Motiva Transaction aggregate purchase price consideration was \$30,414 of cash consideration, funded with proceeds of \$20,337 of borrowings under a credit agreement and the remaining balance from available cash-on-hand.

The following table summarizes the fair values of the assets acquired and liabilities assumed at the Motiva Acquisition Date:

Land	\$ 10,850
Buildings	7,830
Equipment	5,470
Wholesale fuel supply agreements	5,734
Lease agreements with above average market value	337
Total identifiable assets	<u>\$ 30,221</u>
Environmental liabilities	<u>\$ 1,521</u>
Total liabilities assumed	1,521
Net identifiable assets acquired	<u>28,700</u>
Goodwill	1,714
Net assets acquired	<u>\$ 30,414</u>

The fair values of the assets acquired and liabilities assumed as presented above are based on information available as of the acquisition closing dates. The fair values have been determined based upon estimates and assumptions of management.

The fair value of land, buildings, and equipment ("tangible assets") was determined using a Cost Approach, with the fair value of an asset estimated by reference to the replacement cost to obtain a substitute asset of comparable features and functionality, and is the amount a willing market participant would pay for such an asset, taking into consideration the asset condition as well as any physical deterioration, functional obsolescence, and/or economic obsolescence. The buildings and equipment are being depreciated on a straight-line basis, with estimated useful life of 20 years for buildings and 3 to 10 years for equipment. Land is not depreciated.

Lehigh Gas Entities (Predecessor)**NOTES TO THE COMBINED FINANCIAL STATEMENTS (Continued)****For the Years Ended December 31, 2011, 2010 and 2009****(Amounts in thousands)****4. Acquisitions (Continued)**

The fair value of the wholesale fuel supply agreements was determined using an Income Approach, with the fair value estimated to be the present value of incremental after-tax cash flows attributable solely to the wholesale fuel supply agreements over their estimated remaining useful life, using probability-weighted cash flows, generally assumed to extend through the term of the wholesale fuel supply contracts, and using discount rates considered appropriate given the inherent risks associated with this type of agreement. The Predecessor Entity believes the level and timing of cash flows represent relevant market participant assumptions. The wholesale fuel supply agreements are being amortized on a proportional basis corresponding to the average attrition rate of the wholesale fuel supply agreements over an estimated weighted average useful life of approximately 10 years.

Under the terms of a separate brand fee agreement with Shell Oil Company, the Predecessor Entity is entitled to operate the Shell Locations' acquired in the Motiva Transaction under the Shell-branded trade name and related trade logos. See Note 18. Commitments and Contingencies for further details of the brand fee agreement with Shell Oil Company.

The Predecessor Entity recognized \$1,153 of acquisition-related costs that were expensed during 2011. These costs are included in selling, general and administrative expenses in the Combined Statements of Operations.

The amounts of revenue and net income related to assets acquired in the Motiva Transaction included in the Predecessor Entity's Combined Statements of Operations from the acquisition closing date to December 31, 2011 are as follows:

	<u>2011</u>
Revenue	\$ 920
Net Income	\$ 128

BP Retail Gas Stations and Wholesale Fuel Supply Agreement Acquisition

The Predecessor Entity acquired from BP Products North America, Inc. ("BP"), an unrelated third-party, a total of 85 BP branded gas stations and convenience stores ("BP Locations") located in the Cincinnati Ohio, Cleveland, Ohio and Kentucky markets and two wholesale fuel supply agreements under the terms of a Purchase and Sale Agreement (the "BP Agreement"). Taken together, the acquisition of the BP Locations and wholesale fuel supply agreements are collectively referred to herein as the "BP Transaction" herein. The BP Transaction was accounted for as a business combination for accounting purposes.

The BP Transaction acquisition closing dates were in September 2009 with respect to 34 BP Locations in the Cincinnati market (with 25 BP Locations in Ohio and 9 BP Locations in Kentucky) and the wholesale fuel sale supply agreements, and in November 2009 with respect to 50 BP Locations in the Cleveland, Ohio market, and in December 2009 with respect to 1 BP Location in the Cleveland, Ohio market. The Predecessor Entity acquired fee simple interest in 78 of the BP Locations and leasehold interests in the other 7 BP Locations, with all of the BP

Lehigh Gas Entities (Predecessor)**NOTES TO THE COMBINED FINANCIAL STATEMENTS (Continued)****For the Years Ended December 31, 2011, 2010 and 2009****(Amounts in thousands)****4. Acquisitions (Continued)**

Locations considered company owned and independent dealer operated on the acquisition closing dates. The BP Transactions was expected to enhance the presence of the Predecessor Entity in the Ohio and Kentucky marketplaces by increasing market share, expanding and enhancing the geographical distribution of operations and further increasing the wholesale supply business.

The following table summarizes the fair values of the assets acquired and liabilities assumed at the BP Acquisition Date:

Land	\$ 31,721
Buildings	20,281
Equipment	10,665
Inventory	8,282
Environmental remediation indemnification asset	1,480
Wholesale fuel supply agreements	64
Prepaid rent	50
Total identifiable assets	<u>\$ 72,543</u>
Lease agreements with below average market value	<u>\$ 1,332</u>
Environmental liabilities	1,480
Accrued real estate taxes payable	1,362
Total liabilities assumed	<u>4,174</u>
Net assets acquired	<u>\$ 68,369</u>

The BP Transaction aggregate purchase price consideration was \$68,369, comprised of \$56,162 of cash consideration principally funded by \$40,561 with proceeds of borrowings under a credit agreement with KeyBank and the remaining balance from available cash-on-hand—and \$12,207 in aggregate notes payable to BP which were recorded at fair value on the date of issuance based on the interest rate and terms and conditions at the acquisition closing date.

The fair values of the assets acquired and liabilities assumed as presented above were based on information available as of the acquisition closing dates.

The fair value of land, buildings, and equipment ("tangible assets") was determined using a Cost Approach, with the fair value of an asset estimated by reference to the replacement cost to obtain a substitute asset of comparable features and functionality, and is the amount a willing market participant would pay for such an asset, taking into consideration the asset condition as well as any physical deterioration, functional obsolescence, and /or economic obsolescence. The buildings and equipment are being depreciated on a straight-line basis, with estimated useful life of 20 years for buildings and 3 to 10 years for equipment. Land is not depreciated.

The fair value of acquired ("finished goods") inventory is the estimated net realized value resulting from the Predecessor Entity ("acquirer") recognizing a reasonable profit from the selling

Lehigh Gas Entities (Predecessor)

NOTES TO THE COMBINED FINANCIAL STATEMENTS (Continued)

For the Years Ended December 31, 2011, 2010 and 2009

(Amounts in thousands)

4. Acquisitions (Continued)

effort. Such estimated fair value of inventory was computed from a market participant perspective and adjusted for the condition and location of the inventory, if any, and represents an estimate of selling price of the inventory which would be received in the sale of the inventory to another retailer, allowing for the recoupment of the retailer's cost of selling effort and a reasonable profit allowance to the retailer ("buyer") related solely to performing the selling effort. The Predecessor Entity utilized observed average profit margins and costs of selling from the particular market operations acquired in the BP Transaction in developing the estimated fair value of acquired inventory.

The fair value of the discount related to lease agreements with above/below average market value was determined using an Income Approach, with the fair value estimated to be the present value of incremental after-tax cash flows ("excess earnings") attributable solely to the lease agreements over their estimated remaining useful life, generally assumed to extend through the term the lease agreements, and using discount rates considered appropriate given the inherent risks associated with this type of agreement. The Predecessor Entity believes the level and timing of cash flows represent relevant market participant assumptions. The discount related to lease agreements with above/below average market value is being amortized on a straight-line basis over the term of the respective lease agreements, with an estimated weighted average useful life of approximately 5 years.

The Predecessor Entity recognized \$2,606 of acquisition-related costs that were expensed during 2009. These costs are included in selling, general and administrative expenses in the Combined Statements of Operations.

Under the terms of a separate brand fee agreement with BP Products North America, Inc., the Predecessor Entity is entitled to operate the BP Locations' acquired in the BP Transaction under the BP-branded trade name and related trade logos.

Uni-Mart Retail Gas Stations and Wholesale Fuel Supply Agreement Acquisition

The Predecessor Entity acquired from Uni-Mart, LLC and certain of its affiliates ("Uni-Mart"), an unrelated third-party, a total of 24 gas stations and convenience stores operated under the BP brand name and related trade logos ("Uni-Mart Locations") located in various Ohio markets and 4 wholesale fuel supply agreements under the terms of an Asset Purchase Agreement (the "Uni-Mart Agreement"). Taken together, the acquisition of the Uni-Mart Locations and wholesale fuel supply agreements are collectively referred to as the "Uni-Mart Transaction" herein. The Uni-Mart Transaction was accounted for as a business combination.

The Uni-Mart Transaction acquisition closing date was December 30, 2009. The Predecessor Entity acquired fee simple interest in 21 of the Uni-Mart BP Locations and leasehold interests in the other 3 Uni-Mart Locations, with all of the Uni-Mart Locations considered company owned and company operated on the acquisition closing date. The Uni-Mart Transaction was expected to enhance the presence of the Predecessor Entity in the Ohio marketplace by increasing market

Lehigh Gas Entities (Predecessor)**NOTES TO THE COMBINED FINANCIAL STATEMENTS (Continued)****For the Years Ended December 31, 2011, 2010 and 2009****(Amounts in thousands)****4. Acquisitions (Continued)**

share, expanding and enhancing the geographical distribution of operations and further increasing the wholesale supply business.

The Uni-Mart Transaction aggregate purchase price was \$12,133, comprised of \$1,691 of cash consideration from available cash-on-hand, the issuance of a \$193 note payable to Uni-Mart, the issuance of a \$10,000 note payable to Comerica Bank, and the issuance of a \$250 note payable to BP. The debt issued and assumed was at fair value on the date of issuance and assumption based on the interest rates and terms and conditions at the acquisition closing date.

The following table summarizes the fair values of the assets acquired and liabilities assumed at the Uni-Mart Acquisition Date:

Cash and cash equivalents	\$ 34
Land	5,465
Buildings	4,000
Equipment	1,530
Inventory	1,439
Trade name	134
Wholesale fuel supply agreements	74
Prepaid expenses	10
Total identifiable assets	<u>\$ 12,686</u>
Lease agreements with below average market value	<u>\$ 153</u>
Environmental liabilities	243
Accrued real estate taxes payable	119
Accrued expenses	70
Total liabilities assumed	<u>585</u>
Net identifiable assets acquired	12,101
Goodwill	32
Net assets acquired	<u>\$ 12,133</u>

The fair values of the assets acquired and liabilities assumed as presented above are based on information available as of the acquisition closing dates.

The fair value of land, buildings, and equipment ("tangible assets") was determined using a Cost Approach, with the fair value of an asset estimated by reference to the replacement cost to obtain a substitute asset of comparable features and functionality, and is the amount a willing market participant would pay for such an asset, taking into consideration the asset condition as well as any physical deterioration, functional obsolescence, and /or economic obsolescence. The buildings and equipment are being depreciated on a straight-line basis, with estimated useful life of 20 years for buildings and 3 to 10 for equipment. Land is not depreciated.

Lehigh Gas Entities (Predecessor)

NOTES TO THE COMBINED FINANCIAL STATEMENTS (Continued)

For the Years Ended December 31, 2011, 2010 and 2009

(Amounts in thousands)

4. Acquisitions (Continued)

The fair value of acquired ("finished goods") inventory is the estimated net realized value resulting from the Predecessor Entity ("acquirer") recognizing a profit from the selling effort. Such estimated fair value of inventory was computed from a market participant perspective and adjusted for the condition and location of the inventory, if any, and represents an estimate of selling price of the inventory which would be received in the sale of the inventory to another retailer, allowing for the recoupment of the retailer's cost of selling effort and a reasonable profit allowance to the retailer ("buyer") related solely to performing the selling effort. The Predecessor Entity utilized observed average profit margins and costs of selling from the particular market operations acquired in the Uni-Mart Transaction in developing the estimated fair value of acquired inventory.

Under the terms of a separate brand fee agreement with BP Products North America, Inc., the Predecessor Entity is entitled to operate the Uni-Mart Locations' under the BP-branded trade name and related trade logos. Under the terms of a separate agreement, the Predecessor Entity received \$2,000 from BP Products North America, Inc., allowing BP Products North America, Inc., to maintain the wholesale fuel supply to certain of the acquired sites through 2021. The obligation reduces by 20% each year beginning in 2016. This \$2,000 is included in Other Long-Term Liabilities in the accompanying Combined Balance Sheets.

The Predecessor Entity recognized \$260 of acquisition-related costs that were expensed during 2009. These costs are included in selling, general and administrative expenses in the Combined Statements of Operations.

Other

During 2011, 2010 and 2009, as part of our effort to increase market share, expand and enhance the geographical distributions and further increase the wholesale supply business, the Predecessor Entity acquired 4 and 3 locations for 2011 and 2010, respectively. The Predecessor Entity did not acquire any other locations in 2009. These acquisitions were deemed immaterial individually and in the aggregate for the periods presented.

5. Discontinued Operations and Assets Held for Sale

Discontinued Operations

The Predecessor Entity classifies locations as discontinued when operations and cash flows will be eliminated from the ongoing operations and the Predecessor Entity will not retain any significant continuing involvement in the operations after the respective sale transactions. For all periods presented, all of the operating results for these discontinued operations were removed from continuing operations and were presented separately as discontinued operations, in the Combined Statements of Operations. The Notes to the Combined Financial Statements were adjusted to exclude discontinued operations unless otherwise noted.

Lehigh Gas Entities (Predecessor)**NOTES TO THE COMBINED FINANCIAL STATEMENTS (Continued)****For the Years Ended December 31, 2011, 2010 and 2009****(Amounts in thousands)****5. Discontinued Operations and Assets Held for Sale (Continued)**

During the year ended December 31, 2011, 2010 and 2009, the Predecessor Entity committed to sell locations for net sales proceeds of \$16,071, 19,045 and 13,099, respectively.

The following operating results of the locations are included in discontinued operations for all periods presented:

	December 31,		
	2011	2010	2009
Revenues:			
Revenues from fuel sales	\$ 276	\$ 50,608	\$ 39,367
Rental income	8	1,404	435
Total revenues	<u>284</u>	<u>52,012</u>	<u>39,802</u>
Costs and Expenses:			
Cost of revenues from fuel sales	270	49,520	38,519
Operating expenses	26	2,598	942
Depreciation and amortization	79	1,455	1,492
(Gain) loss on sale of assets	540	2,470	(2,875)
Total costs and operating expenses	<u>915</u>	<u>56,043</u>	<u>38,078</u>
Operating income (loss)	(631)	(4,031)	1,724
Interest expense, net	(217)	(2,624)	(1,655)
Other income, net	—	—	242
Income (loss) from discontinued operations	<u>\$ (848)</u>	<u>\$ (6,655)</u>	<u>\$ 311</u>

Discontinued operations have not been segregated in the Combined Statements of Cash Flows.

Assets of Operations Held for Sale

In addition to the discontinued operations disclosed above, the Predecessor Entity has classified 2 and 12 locations as of December 31, 2011 and 2010, respectively, as held-for-sale. No impairment was recognized to present the 2 locations at the lower of cost or fair value at December 31, 2011. In connection with the classification as held-for-sale, the Predecessor Entity recognized a loss of \$1,805 for the year ended December 31, 2010 and this amount has been included in depreciation and amortization expense. The loss represents the impairment recognized to present the held-for-sale locations at the lower of cost or fair value, less costs to sell. The fair values, less costs to sell were determined based on negotiated amounts in agreements with unrelated third parties. No impairment was recognized to present the 2 locations at the lower of cost or fair value at December 31, 2011. The Predecessor Entity expects to complete the sale of these locations within the next twelve months. The losses, including the direct costs to transact a sale, for the held-for-sale locations could differ from the ultimate sales

Lehigh Gas Entities (Predecessor)**NOTES TO THE COMBINED FINANCIAL STATEMENTS (Continued)****For the Years Ended December 31, 2011, 2010 and 2009****(Amounts in thousands)****5. Discontinued Operations and Assets Held for Sale (Continued)**

price due to the fluidity of the negotiations, price volatility, changing interest rates, and future economic conditions.

	<u>December 31,</u>	
	<u>2011</u>	<u>2010</u>
Assets held for sale:		
Property and equipment, at cost:		
Land	\$ 388	\$ 4,652
Buildings and improvements	376	4,993
Equipment and other	20	1,580
Total property and equipment, at cost	<u>\$ 784</u>	<u>\$ 11,225</u>
Less accumulated depreciation	<u>(41)</u>	<u>(1,044)</u>
Total assets held for sale	<u>\$ 743</u>	<u>\$ 10,181</u>
Liabilities related to assets held for sale:		
Long-term debt	\$ 183	\$ 5,279
Total liabilities related to assets held for sale	<u>\$ 183</u>	<u>\$ 5,279</u>
Net assets held for sale	<u>\$ 560</u>	<u>\$ 4,902</u>

6. Notes Receivable

In December 2009, the Predecessor Entity loaned, in the aggregate, \$3,600 and received four individual promissory notes in return. Pursuant to the terms of the notes, the Predecessor Entity was entitled to received eleven monthly installments of accrued interest on the unpaid principal balance through December 2012, as interest only payments, with the first payment commencing on January 2010 and each successive payment being due and payable on the first day of each calendar month thereafter, and one final payment of all accrued interest and unpaid principal on or before December 2012. The notes bear interest at a rate of one-month LIBOR plus 250. During the year ended December 31, 2011, the Predecessor Entity received \$3,600 and \$100 of principal and interest, respectively, in full satisfaction of these notes.

In January 2011, in connection with the sale of 32 locations, the Predecessor Entity received a promissory note for \$2,700 from the third party purchaser. The promissory note is receivable in 4 annual installments of \$675, which commences on or before September 30, 2011. The Predecessor Entity received a \$675 payment from the third party purchase during the year ended December 31, 2011.

Lehigh Gas Entities (Predecessor)**NOTES TO THE COMBINED FINANCIAL STATEMENTS (Continued)****For the Years Ended December 31, 2011, 2010 and 2009****(Amounts in thousands)****7. Inventory**

Inventory consisted of the following at December 31:

	<u>2011</u>	<u>2010</u>
Gasoline	\$ 943	\$ 1,019
Diesel fuel	174	175
Kerosene	44	61
Store merchandise	86	100
Total inventory	<u>\$ 1,247</u>	<u>\$ 1,355</u>

Inventory amounts in the table above are shown net of obsolescence. Our reserve for obsolescence is not material to the Combined Balance Sheets for any of the periods presented.

8. Property and Equipment

Property and equipment, net consisted of the following at December 31:

	<u>2011</u>	<u>2010</u>
Land	\$ 110,614	\$ 101,467
Buildings and improvements	77,497	69,963
Leasehold improvements	4,778	3,507
Equipment and other	38,118	31,678
Property and Equipment—Total	<u>231,007</u>	<u>206,615</u>
Less: Accumulated depreciation and amortization	(28,614)	(21,036)
Property and equipment, net	<u>\$ 202,393</u>	<u>\$ 185,579</u>

The Predecessor Entity entered into sale-leaseback transactions for certain locations, and as the Predecessor Entity has a continuing involvement in the underlying locations, the sale was not recognized and the transactions were accounted for as financing obligations. The above amounts as of December 31, 2011 and 2010 reflect these locations. See Note 11 Financing Obligations and Operating Leases, for further information.

Depreciation expense was approximately \$9,796, \$11,496 and \$7,750 for the years ended December 31, 2011, 2010 and 2009, respectively.

Lehigh Gas Entities (Predecessor)**NOTES TO THE COMBINED FINANCIAL STATEMENTS (Continued)****For the Years Ended December 31, 2011, 2010 and 2009****(Amounts in thousands)****9. Goodwill and Intangible Assets**

Changes in the carrying amount of Goodwill consisted of the following at December 31:

	<u>2011</u>	<u>2010</u>
Balance at January 1	\$ 2,773	\$ 2,773
Goodwill acquired during the period	1,714	—
Balance at December 31	<u>\$ 4,487</u>	<u>\$ 2,773</u>

In May 2011, we acquired Motiva Enterprises, LLC. As a result of this acquisition, we recognized goodwill of approximately \$1,714. This acquisition is discussed in greater detail in Note 4. Acquisitions.

As of December 31, 2011 and 2010, our annual assessment dates, we tested our one reporting unit for impairment. The results of our analyses showed no goodwill impairment.

Intangible assets consist of the following:

	<u>December 31, 2011</u>			<u>December 31, 2010</u>		
	<u>Gross Amount</u>	<u>Accumulated Amortization</u>	<u>Net Amount</u>	<u>Gross Amount</u>	<u>Accumulated Amortization</u>	<u>Net Amount</u>
Dealer contracts	\$ 20,428	\$ (8,879)	\$ 11,549	\$ 14,694	\$ (6,544)	\$ 8,150
Customer lists	150	—	150	150	—	150
Trademarks	134	(27)	107	134	(13)	121
Wholesale supply agreements	—	—	—	74	(15)	59
Above market leases	822	(249)	573	597	(167)	430
Total	<u>\$ 21,534</u>	<u>\$ (9,155)</u>	<u>\$ 12,379</u>	<u>\$ 15,649</u>	<u>\$ (6,739)</u>	<u>\$ 8,910</u>

The aggregate amortization expense was approximately \$2,357, \$2,044 and \$1,914 for the years ended December 31, 2011, 2010 and 2009, respectively.

The following represents the Predecessor Entity's expected amortization expense for the next five years:

2012	\$ 2,355
2013	2,136
2014	1,888
2015	1,519
2016	1,240

Lehigh Gas Entities (Predecessor)**NOTES TO THE COMBINED FINANCIAL STATEMENTS (Continued)****For the Years Ended December 31, 2011, 2010 and 2009****(Amounts in thousands)****10. Debt**

	2011	2010
Revolving term loan, net of discount	\$ 164,264	\$ 145,292
Term loan, net of discount	6,077	6,872
Mortgage Notes	15,128	19,083
	<u>185,469</u>	<u>171,247</u>
Less liabilities of operations held for sale	183	5,279
Less current portion	7,757	9,028
Long-term portion	<u>\$ 177,529</u>	<u>\$ 156,940</u>

Revolving Term Loan

On December 30, 2010, the Predecessor Entity entered into a \$175,000 revolving term loan credit facility with a syndicate of lenders. The term loan portion of \$135,000 is payable in quarterly principal amounts of \$1,600, which payments commenced on September 30, 2011. The revolving facility had a borrowing capacity of \$40,000 of which \$15,000 may be drawn upon for operating purposes, \$5,000 may be used for short term advances and \$20,000 may be used to issue letters of credit. The Predecessor Entity is subject to an initial fee of 25 basis points of the stated amount for any letters of credit issued. The Predecessor Entity had approximately \$11,200 and \$14,200 in outstanding letters of credit as of December 31, 2010 and 2011, respectively. There are no amounts outstanding on these letters of credit at December 31, 2011 and 2010. During the years ended December 31, 2010 and 2011, the Predecessor Entity incurred fees in connection with issuing letters of credit of \$43 and \$0, respectively. Both the term and revolving portions of the credit facility mature on December 30, 2015. Pursuant to the terms of the credit facility, the Predecessor Entity may increase its borrowing capacity by \$75,000 for acquisition related purposes. During 2011, the Predecessor Entity increased the borrowing capacity under its term loan by \$20,000 in connection with the Shell acquisition as discussed in Note 4. Acquisitions. In February 2012, the Predecessor Entity increased the borrowing capacity of the revolving facility by \$8,000 in order to pay off the Term Loan discussed below. The initial proceeds used under the revolving term facility were used to refinance several credit facilities held by the Predecessor Entity. After these amendments, the term loan portion of the facility is \$155,000 and the borrowing capacity of the revolving credit facility is \$48,000.

Borrowings under the revolving term loan credit facility bear interest at a floating rate which, at the Predecessor Entity's option, may be determined by reference to a LIBOR rate or a base rate plus an applicable margin ranging from 1.25% to 3.00%. Short term advances bear interest at a base rate plus an applicable margin. The Predecessor Entity's applicable margin is determined by certain combined leverage ratios at the time of borrowing as set forth in the credit agreement. The Predecessor Entity is subject to a commitment fee of 50 basis points for any excess borrowing capacity over the outstanding principal borrowings under the revolver portion of the credit facility. As of December 31, 2011 and 2010, the credit facility had an interest rate of 3.4% and 5.25%, respectively. Interest incurred for the years ended December 31, 2011 and 2010

Lehigh Gas Entities (Predecessor)

NOTES TO THE COMBINED FINANCIAL STATEMENTS (Continued)

For the Years Ended December 31, 2011, 2010 and 2009

(Amounts in thousands)

10. Debt (Continued)

was \$5,405 and \$44, respectively. The weighted average interest rate for the facility was 3.5% and 5.25%, during the years ended December 31, 2011 and 2010, respectively.

In connection with obtaining the revolving term loan credit facility, the Predecessor Entity paid \$4,226 in lender fees of which \$2,580 were allocated to the term portion of the facility and recorded as a discount to the carrying value of the debt. The discount is being amortized into interest expense over the terms of the related debt. Amortization of the discount for the year ended December 31, 2011 was \$527. The remaining \$1,646 in fees paid in connection with obtaining the facility were recorded as deferred financing fees and are being amortized into interest expense over the terms of the related debt. Amortization of deferred financing fees for the year ended December 31, 2011 was \$393.

The revolving term loan credit facility is secured by liens and security interests with first priority security interest in the Predecessor Entity's assets, including its properties. All borrowers are jointly and severally liability for obligations under the facility. Lehigh Gas—Ohio, LLC, a related party, is a borrower under the revolving term loan facility. The revolving term loan facility contains covenants that, subject to specified exceptions, restrict the Predecessor Entity's ability to, among other things, incur additional indebtedness, incur liens, liquidate or dissolve, sell, transfer, lease or dispose of assets, or make loans, investments or guarantees. The revolving term loan facility includes a number of affirmative and negative covenants, which could restrict the Predecessor Entity's operations. If the Predecessor Entity were to be in default the lenders could accelerate the Predecessor Entity's obligation to pay all outstanding amounts. The Predecessor Entity is subject to various financial covenant restrictions under the revolving term loan facility. In May 2012, the Predecessor Entity entered into an amendment to change certain financial covenants as of December 31, 2011 and through December 31, 2012, resulting in compliance with the financial covenants as of December 31, 2011.

2008 Revolving Term Loan Facility

In 2008, the Predecessor Entity entered into a \$125,000 revolving term loan credit agreement with a syndicate of lenders. The term loan portion of \$105,000 was payable in quarterly principal amounts of \$1,667. The revolving facility had a borrowing capacity of \$20,000. The remaining balance outstanding of \$62,037 for the 2008 Revolving Term Loan was paid in full in December 2010 with proceeds from the new Revolving Term Loan. The Predecessor Entity has no further obligation to the bank related to this 2008 facility as of December 30, 2010. During the years ended December 31, 2010 and 2009, the Predecessor Entity recorded interest expense of \$4,184 and \$5,441, respectively.

In connection with obtaining the 2008 Revolving Term Loan Facility, the Predecessor Entity paid \$1,995 in lender fees and recorded a discount to the carrying value of the debt. The Predecessor Entity also incurred \$403 in third party fees paid in connection with obtaining the debt. The fees were recorded as a deferred financing asset. Both the discount and the deferred financing fees are being amortized into interest expense over the terms of the related debt.

Lehigh Gas Entities (Predecessor)

NOTES TO THE COMBINED FINANCIAL STATEMENTS (Continued)

For the Years Ended December 31, 2011, 2010 and 2009

(Amounts in thousands)

10. Debt (Continued)

Amortization of debt discount and deferred financing fees was \$1,000 and \$920 for the years ended December 31, 2010 and 2009, respectively.

Term Loan

On December 30, 2009 and in connection with the acquisition of Uni-Mart as discussed in Note 4. Acquisitions, the Predecessor Entity issued a promissory note. The Predecessor Entity made installment payments of \$53, which included components of principal and interest up to the December 30, 2014 maturity date of the term loan. Borrowings under the term loan facility bore interest at a floating rate, which were determined by reference to a base rate plus an applicable margin of 2.0%. As of December 31, 2011 and 2010, the credit facility had an interest rate of 5.25%. Interest incurred for the years ended December 31, 2011 and 2010 was \$350 and \$435, respectively. The weighted average interest rate for the facility was 5.25% during the years ended December 31, 2011 and 2010, respectively.

The term loan contained a number of affirmative and negative covenants, which could restrict the Predecessor Entity's operations. If the Predecessor Entity were to be in default the lenders could accelerate the Predecessor Entity's obligation to pay all outstanding amounts. The Predecessor Entity was subject to various financial covenant restrictions under the term loan including tangible net worth and debt servicing ratio covenants. In February 2012, this term loan was paid off in full.

Mortgage Notes

In June and December of 2008, the Predecessor Entity entered into several mortgage notes with two lenders for an aggregate initial borrowing amount of \$23,586. Pursuant to the terms of the mortgage notes, the Predecessor Entity makes monthly installment payments that are comprised of principal and interest through maturity dates of June 23, 2023 and December 23, 2023. Since the initial borrowing the Predecessor Entity has made additional principal payments. As such, the balance outstanding at December 31, 2011 and 2010 is \$15,128 and \$19,083, respectively. The mortgage notes bear interest at a floating rate which may be determined by reference to an index rate plus an applicable margin not to exceed 5.0%. As of December 31, 2011 and 2010, the weighted average interest rate was 4.0% and 3.9%, respectively. Interest expense for the years ended December 31, 2011, 2010, and 2009 was \$659, \$855, and \$377, respectively. The mortgage notes are secured by a first priority security interest in certain properties of the Predecessor Entity. The mortgage notes contain a number of affirmative and negative covenants. The Companies are also required to comply with certain financial covenants. In May 2012, the Predecessor Entity obtained a waiver to cure its violation of certain financial covenants as of December 31, 2011.

In connection with obtaining the mortgage notes, the Predecessor Entity incurred \$245 in related expenses that were recorded as deferred financing fees. The deferred financing fees are being amortized into interest expense over the terms of the related debt. Amortization of deferred financing fees for the years ended December 31, 2011, 2010 and 2009 was \$42, \$28, and \$13, respectively.

Lehigh Gas Entities (Predecessor)

NOTES TO THE COMBINED FINANCIAL STATEMENTS (Continued)

For the Years Ended December 31, 2011, 2010 and 2009

(Amounts in thousands)

10. Debt (Continued)

Promissory Notes

In September and November of 2009, in connection with BP acquisition, the Predecessor Entity issued promissory notes of \$5,515 and \$6,692, respectively. The principal is due, in its entirety, on September 17, 2014. In December 2010, the aggregate outstanding principal balance of the promissory notes was \$11,773. For consideration of early repayment, the lenders agreed to accept a lump sum payment of \$10,573. Proceeds from the Revolving Term Loan were used to extinguish the promissory notes. Upon repayment, the Predecessor Entity recorded a \$1,200 gain on extinguishment of debt. The Predecessor Entity has no further obligation to the lender related to these promissory notes. All remaining deferred financing costs associated with these notes have been written off. During the years ended December 31, 2010 and 2009, the Predecessor Entity recorded interest expense of \$854 and \$157, respectively.

2009 Term Note

In September and November of 2009, the Predecessor Entity had a \$40,596 term note with a syndicate of lenders that is due September 17, 2012. The remaining balance outstanding of \$32,911 was paid in full in December 2010 with proceeds from the Revolving Term Loan. The Predecessor Entity has no further obligation to the bank related to this term note. During the years ended December 31, 2010 and 2009, the Predecessor Entity recorded interest expense of \$2,872 and \$493, respectively.

In connection with obtaining the term note, the Predecessor Entity paid \$921 in lender fees and recorded a discount to the carrying value of the debt. The Predecessor Entity also incurred \$148 in third party fees paid in connection with obtaining the debt. The fees were recorded as a deferred financing asset. Both the discount and the deferred financing fees are being amortized into interest expense over the terms of the related debt. Amortization of the discount and deferred financing fees for the years ended December 31, 2011, 2010, and 2009 were \$158, \$326 and \$67, respectively.

2008 Term Note

In December 2008 the Predecessor Entity had a \$32,000 term note with a syndicate of lenders that was due December 31, 2011. The remaining balance outstanding of \$28,598 was paid in full in December 2010 with proceeds from the Revolving Term Loan. Companies have no further obligation to the bank related to this term note. During the years ended December 31, 2010 and 2009, the Predecessor Entity recorded interest expense of \$1,346 and \$1,269, respectively.

Lehigh Gas Entities (Predecessor)**NOTES TO THE COMBINED FINANCIAL STATEMENTS (Continued)****For the Years Ended December 31, 2011, 2010 and 2009****(Amounts in thousands)****10. Debt (Continued)**

In connection with obtaining the term note, the Predecessor Entity paid \$676 in lender fees and recorded a discount to the carrying value of the debt. The Predecessor Entity also incurred \$777 in third party fees paid in connection with obtaining the debt. The fees were recorded as a deferred financing asset. Both the discount and the deferred financing fees are being amortized into interest expense over the terms of the related debt. As of December 31, 2010, the unamortized portion of the debt discount was written off. As of December 31, 2010, \$200 of unamortized deferred financing fees continued to be amortized over the term of Revolving Term Loan. Amortization of the discount and deferred financing fees for the years ended December 31, 2011, 2010, and 2009 were \$40, \$854 and \$397, respectively.

Maturities

Maturities on long-term debt for each of the next five years as of December 31, 2011 are as follows:

2012	\$ 7,940
2013	7,940
2014	14,020
2015	149,100
2016	2,160
Thereafter	4,309
	<u>\$ 185,469</u>

11. Financing Obligations and Operating Leases**Financing Obligations**

The Predecessor Entity entered into sale-leaseback transactions for certain locations, and since the Predecessor Entity has a continuing involvement in the underlying locations, the sale was not recognized and the leaseback or other arrangements are accounted for as financing obligations as noted in the table below. The Predecessor Entity also leases certain equipment

Lehigh Gas Entities (Predecessor)**NOTES TO THE COMBINED FINANCIAL STATEMENTS (Continued)****For the Years Ended December 31, 2011, 2010 and 2009****(Amounts in thousands)****11. Financing Obligations and Operating Leases (Continued)**

under lease agreements accounted for as a capital lease obligation. The future minimum payments under these financing obligations as of December 31, 2011 are as follows:

	Financing Obligations
2012	\$ 8,328
2013	3,509
2014	3,578
2015	3,649
2016	3,722
Thereafter	63,505
Total future minimum payments	\$ 86,291
Less Interest component	\$ 40,571
Present value of minimum payments	\$ 45,720
Current portion	\$ 5,294
Long-term portion	\$ 40,426

The aggregate interest expense recognized on the financing obligations was \$3,138, \$1,219 and \$1,143 during the year ended December 31, 2011, 2010, and 2009, respectively.

Operating Leases of Gas Stations As Lessor

Our gas stations are leased to tenants under operating leases with various expiration dates ranging through 2028. Future minimum rent under non-cancelable operating leases with terms greater than one year is as follows:

2012	\$ 9,669
2013	6,115
2014	3,534
2015	1,491
2016	984
Thereafter	5,473
Total future minimum rent under gasoline station operating leases with non-cancelable terms of one year or more	\$ 27,266

Lehigh Gas Entities (Predecessor)**NOTES TO THE COMBINED FINANCIAL STATEMENTS (Continued)****For the Years Ended December 31, 2011, 2010 and 2009****(Amounts in thousands)****11. Financing Obligations and Operating Leases (Continued)**

The total future minimum rent as presented does not include amounts that may be received as tenant reimbursements for certain operating costs that may be received as percentage rent.

Operating Leases of Gasoline Stations as Lessee

The Predecessor Entity leases gasoline stations from third-parties under certain non-cancelable operating leases that expire from time to time through 2028. The leases for certain gasoline stations consist of annual base lease rent payments plus, in some instances, a percentage rent based on sales, as described in the respective leases. At December 31, 2011, the future minimum lease payments under gasoline station operating leases is as follows:

2012	\$ 7,828
2013	7,328
2014	6,846
2015	6,371
2016	6,003
Thereafter	39,807
Total future minimum lease payments under gasoline station operating leases with non-cancelable terms of one year or more	<u>\$ 74,183</u>

Total expenses incurred under the gasoline station operating lease arrangements was approximately \$9,222, \$6,272, and \$4,494 for the years ended December 31, 2011, 2010 and 2009, respectively of which total contingent rental expense, based on gallons sold, incurred was approximately \$1,320, \$1,425, and \$1,450 for the years ended December 31, 2011, 2010 and 2009, respectively.

12. Derivative Financial Instruments—Interest Rate Swap Contracts

The Predecessor Entity utilizes derivative instruments for risk management purposes and does not utilize derivative instruments for trading or speculation purposes. The Predecessor Entity is exposed to interest rate risk primarily through its variable rate borrowings. The Predecessor Entity interest rate risk management strategy is to stabilize its cash flow requirements by maintaining interest rate swaps contracts to convert its variable rate debt to a fixed rate debt. The notional amount of the interest rate swaps does not represent amounts exchanged by the parties. The amount exchanged is determined by reference to the notional amount and the other terms of the individual interest rate swap agreements. The interest rate swaps are carried as freestanding derivatives, which are considered an economic hedge.

At December 31, 2011 and 2010, the Predecessor Entity had interest rate swap contracts outstanding which hedge the Predecessor Entity's exposure to changes in interest rates but that are accounted for using mark to market accounting. These derivative instruments have remaining

Lehigh Gas Entities (Predecessor)**NOTES TO THE COMBINED FINANCIAL STATEMENTS (Continued)****For the Years Ended December 31, 2011, 2010 and 2009****(Amounts in thousands)****12. Derivative Financial Instruments—Interest Rate Swap Contracts (Continued)**

terms between one and twelve months. The total notional amount of these interest rate swap contracts was \$50,000 and \$77,000 at December 31, 2011 and 2010, respectively.

At December 31, 2011 and 2010 the fair value of these interest rate swap agreements of approximately \$498 and \$1,830, respectively, were included in other liabilities in the Combined Balance Sheet.

The Predecessor Entity accounts for changes in the fair value of interest rate swaps as income or expense in the current period as incurred, with such amounts included in the other income line of the accompanying Combined Statement of Operations, including approximately \$(386), \$40, and \$346 for the years ended December 31, 2011, 2010, and 2009, respectively.

The Predecessor Entity is subject to counterparty risk. Counterparty risk is the risk to the Predecessor Entity that the counterparty will not live up to its contractual obligations. The ability of the Predecessor Entity to realize the benefit of the derivative contracts is dependent on the creditworthiness of the counterparty, which the Predecessor Entity expects will perform in accordance with the terms of the contracts.

13. Motor Fuels Taxes Payable and Accrued Expenses and Other Current Liabilities**Motor Fuels Taxes Payable**

The motor fuels taxes collected on-behalf-of state, local and federal authorities excludes such amounts from sales revenue and cost of goods sold. As of December 31, 2011 and 2010, the fuel tax payable represent amounts due to various state taxing authorities.

Accrued Expenses and Other Current Liabilities

Accrued expenses and other current liabilities consisted of the following at December 31 (dollars in thousands):

	<u>2011</u>	<u>2010</u>
Interest expense	\$ 2,117	\$ 1,290
Other items, net	1,488	1,415
Total accrued expenses and other current liabilities	<u>\$ 3,605</u>	<u>\$ 2,705</u>

14. Employer Sponsored Retirement Savings Plan

The Predecessor Entity sponsors a 401(k) defined contribution plan covering all employees. Participants are permitted to make pre-tax compensation deferral contributions up to established federal limits on aggregate participant contributions. The Predecessor Entity matches 100% of

Lehigh Gas Entities (Predecessor)**NOTES TO THE COMBINED FINANCIAL STATEMENTS (Continued)****For the Years Ended December 31, 2011, 2010 and 2009****(Amounts in thousands)****14. Employer Sponsored Retirement Savings Plan (Continued)**

the first 3% of employee contributions and 50% of the next 2% of employee contributions up to a maximum of 4% of employee compensation. Discretionary profit-sharing contributions, if any, are determined annually by the Predecessor Entity's Board of Directors. Participants are 100% vested in the Predecessor Entity's employer matching contributions and discretionary profit-sharing contributions after 6 years of service, and are 0% and 20% vested after one and two years of service, respectively. Beginning January 1, 2012, the Plan moved to a safe harbor match. Included in the selling, general and administrative expenses in the accompanying Combined Statements of Operations are approximately \$201, \$204, and \$295 in employer matching contributions. There were no discretionary profit-sharing contributions made under the 401(k) plan for the years ended December 31, 2011, 2010 and 2009, respectively. It is expected the Predecessor Entity will be the employer of substantially all of the personnel who perform services on-behalf-of the Partnership.

15. Fair Value Measurements

The Predecessor Entity measures and reports certain financial and non-financial assets and liabilities on a fair value basis. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date (exit price). GAAP specifies a three-level hierarchy that is used when measuring and disclosing fair value. The fair value hierarchy gives the highest priority to quoted prices available in active markets (i.e., observable inputs) and the lowest priority to data lacking transparency (i.e., unobservable inputs). An instrument's categorization within the fair value hierarchy is based on the lowest level of significant input to its valuation. The following is a description of the three hierarchy levels.

- | | |
|---------|--|
| Level 1 | Unadjusted quoted prices in active markets that are accessible at the measurement date for identical, unrestricted assets or liabilities. Active markets are considered to be those in which transactions for the assets or liabilities occur in sufficient frequency and volume to provide pricing information on an ongoing basis. |
| Level 2 | Quoted prices in markets that are not active, or inputs which are observable, either directly or indirectly, for substantially the full term of the asset or liability. This category includes quoted prices for similar assets or liabilities in active markets and quoted prices for identical or similar assets or liabilities in inactive markets. |
| Level 3 | Unobservable inputs that are not corroborated by market data. This category is comprised of financial and non-financial assets and liabilities whose fair value is estimated based on internally developed models or methodologies using significant inputs that are generally less readily observable from objective sources. |

Transfers into or out of any hierarchy level are recognized at the end of the reporting period in which the transferred occurred. There were no significant transfers between any levels during the years ended December 31, 2011 or 2010.

Lehigh Gas Entities (Predecessor)

NOTES TO THE COMBINED FINANCIAL STATEMENTS (Continued)

For the Years Ended December 31, 2011, 2010 and 2009

(Amounts in thousands)

15. Fair Value Measurements (Continued)

Following are descriptions of the valuation methodologies used to measure material assets and liabilities at fair value and details of the valuation models, key inputs to those models and significant assumptions utilized.

Derivative instruments—The Predecessor Entity executes derivative contracts, such as interest rate swaps, as part of their overall risk management strategies. The majority of the Predecessor Entity's derivatives outstanding are reported at fair value based upon market quotes that are deemed to be observable inputs in an active market for similar assets and liabilities and are considered Level 2 inputs for purposes of fair value disclosures. The Predecessor Entity has not changed its valuation techniques or inputs during the years ended December 31, 2011 and 2010. At December 31, 2011 and 2010 the fair value of these derivative instruments were approximately \$498 and \$1,830, respectively, which were included in other liabilities in the Combined Balance Sheet.

For assets and liabilities measured on a non-recurring basis during the year, accounting guidance requires quantitative disclosures about the fair value measurements separately for each major category. See Note 4. Acquisitions for acquired assets and liabilities measured on a non-recurring basis for the years ended December 31, 2011 and 2010. There were no other remeasured assets or liabilities at fair value on a non-recurring basis during the years ended December 31, 2011 and 2010.

Financial Instruments

The fair value of the Predecessor Entity's financial instruments consisting of accounts receivable, accounts payable and debt approximated their carrying value as of December 31, 2011 and 2010.

16. Environmental Liabilities

The Predecessor Entity currently owns or leases properties where refined petroleum products are being or have been handled. These properties and the refined petroleum products handled thereon may be subject to federal and state environmental laws and regulations. Under such laws and regulations, the Predecessor Entity could be required to remove or remediate containerized hazardous liquids or associated generated wastes (including wastes disposed of or abandoned by prior owners or operators), to clean up contaminated property arising from the release of liquids or wastes into the environment, including contaminated groundwater, or to implement best management practices to prevent future contamination.

The Predecessor Entity maintains insurance of various types with varying levels of coverage that it considers adequate under the circumstances to cover its operations and properties. The insurance policies are subject to deductibles that the Predecessor Entity considers reasonable and not excessive. In addition, the Predecessor Entity has entered into indemnification and escrow agreements with various sellers in conjunction with several of its acquisitions. Allocation of

Lehigh Gas Entities (Predecessor)**NOTES TO THE COMBINED FINANCIAL STATEMENTS (Continued)****For the Years Ended December 31, 2011, 2010 and 2009****(Amounts in thousands)****16. Environmental Liabilities (Continued)**

environmental liability is an issue negotiated in connection with each of the Predecessor Entity's acquisition transactions. In each case, the Predecessor Entity makes an assessment of potential environmental liability exposure based on available information. Based on that assessment and relevant economic and risk factors, the Predecessor Entity determines whether to, and the extent to which it will, assume liability for existing environmental conditions.

The following table presents a summary roll forward of the Predecessor Entity's environmental liabilities, on an undiscounted basis, at December 31, 2011:

<u>Environmental Liability Related to:</u>	<u>Balance at December 31, 2010</u>	<u>Additions 2011</u>	<u>Payments in 2011</u>	<u>Balance at December 31, 2011</u>
Total Environmental Liabilities	\$ 30,494	\$ 2,280	\$ (6,955)	\$ 25,819
Current portion	\$ 6,959			\$ 6,418
Long-term portion	23,535			19,401
Total environmental liabilities	\$ 30,494			\$ 25,819

The Predecessor Entity's estimates used in these reserves are based on all known facts at the time and its assessment of the ultimate remedial action outcomes. The Predecessor Entity will adjust loss accruals as further information becomes available or circumstances change. Among the many uncertainties that impact the Predecessor Entity's estimates are the necessary regulatory approvals for, and potential modification of, its remediation plans, the amount of data available upon initial assessment of the impact of soil or water contamination, changes in costs associated with environmental remediation services and equipment and the possibility of existing legal claims giving rise to additional claims. Therefore, although the Predecessor Entity believes that these reserves are adequate, no assurances can be made that any costs incurred in excess of these reserves or outside of indemnifications or not otherwise covered by insurance would not have a material adverse effect on the Predecessor Entity's financial condition, results of operations or cash flows. The Predecessor Entity utilizes the services of an environmental remediation firm and has advances of \$3,105 and \$1,259 at December 31, 2011 and 2010, respectively, were included in other current assets in the Combined Balance Sheet.

A significant portion of the environmental reserves above has a corresponding indemnification asset recorded in the accompanying Combined Balance Sheets. These indemnification assets consist primarily of third-party escrowed funds, state funds and insurance

Lehigh Gas Entities (Predecessor)**NOTES TO THE COMBINED FINANCIAL STATEMENTS (Continued)****For the Years Ended December 31, 2011, 2010 and 2009****(Amounts in thousands)****16. Environmental Liabilities (Continued)**

coverage. The breakdown of the indemnification assets is as follows at December 31, 2011 and 2010:

	Balance at December 31, 2011	Balance at December 31, 2010
Third-Party Escrows	\$ 10,041	\$ 10,499
State Funds	5,619	6,930
Insurance Coverage	6,821	7,354
Total indemnification assets	<u>\$ 22,481</u>	<u>\$ 24,783</u>
Current portion	6,418	6,959
Long-term portion	16,063	17,824
Total indemnification assets	<u>\$ 22,481</u>	<u>\$ 24,783</u>

State funds represent probable state reimbursement amounts that would be payable to the Predecessor Entity under state funds. Reimbursement will depend upon the continued maintenance and solvency of the state. Insurance coverage represents amounts deemed probable of reimbursement under insurance policies.

17. Notes Payable

In December 2010, the Predecessor Entity repurchased equity interests of \$2,365 and paid dividends of \$332. Upon repurchasing the equity interests, the Predecessor paid cash of \$1,374 and issued notes payable of \$1,323. The notes were payable in January and April of 2011 and were paid in their entirety.

18. Commitments and Contingencies**Purchase Commitments**

The future minimum volume purchase requirements forthcoming in year 2012 under the Predecessor Entity's existing supply agreements are approximate gallons, with a purchase price at prevailing market rates for wholesale distributions. The Predecessor Entity's purchased approximately 417,801, 415,946, and 325,284 gallons of product under the Predecessor Entity's existing supply agreements in 2011, 2010 and 2009, respectively, which included fulfillment of

Lehigh Gas Entities (Predecessor)**NOTES TO THE COMBINED FINANCIAL STATEMENTS (Continued)****For the Years Ended December 31, 2011, 2010 and 2009****(Amounts in thousands)****18. Commitments and Contingencies (Continued)**

the minimum purchase obligation under these commitments. The following provides total future minimum volume purchase requirements (in gallons) for the following years:

2012	76,950
2013	77,200
2014	67,950
2015	62,200
2016	62,200
Thereafter	725,010
Total	<u>1,071,510</u>

In the event for a given contract year the Predecessor Entity fails to purchase the required minimum volume, the underlying third party's exclusive remedies (depending on the magnitude of the failure) are either termination of the supply agreement and/or a financial penalty per gallon based on the volume shortfall for the given year. The Predecessor Entity did not incur any penalties in 2011, 2010, and 2009.

Grocery Guarantee

In December 2009, the Predecessor Entity entered into an agreement to guarantee amounts owed to a grocery supplier by an affiliated entity. The amounts guaranteed as of December 31, 2011 was \$1,884. No payments have been made under this guarantee.

Legal Actions

In the normal course of business, the Predecessor Entity has and may become involved in legal actions relating to the ownership and operation of their properties and business. No provision has been made in the financials as management concluded that losses from outstanding legal actions are not reasonably possible. In management's opinion, the resolutions of any such pending legal actions are not expected to have a material adverse effect on its combined financial position, results of operations and cash flows. The Predecessor Entity maintains liability insurance on certain aspects of its businesses in amounts deemed adequate by management. However, the Predecessor Entity can provide no assurance that this insurance will be adequate to protect them from all material expenses related to potential future claims or these levels of insurance will be available in the future at economically acceptable prices.

Lehigh Gas Entities (Predecessor)

NOTES TO THE COMBINED FINANCIAL STATEMENTS (Continued)

For the Years Ended December 31, 2011, 2010 and 2009

(Amounts in thousands)

18. Commitments and Contingencies (Continued)

Environmental Liabilities

See Note 16 Environmental Liabilities for a discussion of the Predecessor Entity's environmental liabilities.

19. Related-Party Transactions

The related party transactions with the Predecessor Entity and other affiliated entities under common control not part of the Predecessor Entity ("Affiliates") are as follows:

Advances to Affiliates

The Predecessor Entity serves as a lender and borrower of funds and a clearinghouse for the settlement of receivables and payables for its Affiliates. Amounts due from Affiliates for these types of transactional activities amounted to \$5,854 and \$5,418 at December 31, 2011 and 2010, respectively.

Revenues from Fuel Sales to Affiliates

The Predecessor Entity sells refined petroleum products to its Affiliates at prevailing market prices at the time of delivery. Revenues and cost of revenues from fuel sales to affiliates are disclosed in the accompanying combined statements of operations.

Mandatorily Redeemable Preferred Equity

In December 2008, the Predecessor Entity issued non-voting preferred member interests of \$12,000 to certain related individuals. The holders of the preferred interests receive semi-annual dividend payments at an increasing coupon rate, not to exceed 18.0%. The initial coupon rate of 9.0% increases 3.0% every six months and is capped at 18.0%. In the event of a default, as defined by the preferred interest agreement, the interest rate may increase to 24.0%. As of December 31, 2010 and 2011, the interest rate was 15% and 12%, respectively.

At any time following the initial issuance, the Predecessor Entity retains the right to repurchase the preferred member interests at a price equal to the initial issuance plus any accrued and unpaid dividends. The preferred member interests are to be redeemed by the Predecessor Entity on or before December 22, 2015. At the time of redemption, the Predecessor Entity will pay the preferred members an amount equal to their unreturned capital and any unpaid preferred dividends accruing up to the point of repurchase.

In February 2011, the Predecessor Entity amended the terms under the preferred membership interest agreement. Pursuant to the amendment, the holders of preferred member interest receive semi-annual dividend payments at a rate of 12% with a default rate 18%. In addition, the holder has the option to request payment of all interest and principal due any time

Lehigh Gas Entities (Predecessor)

NOTES TO THE COMBINED FINANCIAL STATEMENTS (Continued)

For the Years Ended December 31, 2011, 2010 and 2009

(Amounts in thousands)

19. Related-Party Transactions (Continued)

after October 1, 2013. Pursuant to an amendment in May 2012, the interest rate will increase to 15% for the period from September 1, 2012 through August 31, 2013.

The Predecessor Entity recorded the issuance of preferred member interests as a component of its long term liabilities.

Dividend payments, including accrued dividends, are recorded as interest expense. For the years ended December 31, 2011, 2010, and 2009, the Predecessor Entity recorded preferred interest expense of \$1,440, \$1,710, and \$1,260, respectively.

Management Fees

The Predecessor Entity charges management fees to its Affiliates and these amounts are included as contra-expense amounts in selling, general and administrative expenses in the accompanying Combined Statements of Income. The amounts recorded for these management fees was approximately \$2,300, \$0 and \$3,600 for the years ended December 31, 2011, 2010 and 2009, respectively. These management fees reflect the allocation of certain overhead expenses of the Predecessor Entity and include costs of centralized corporate functions, such as legal, accounting, information technology, insurance and other corporate services. The allocation methods for these costs include: estimates of the costs and level of support attributable to its Affiliates for legal, accounting; usage and headcount for information technology.

Note Receivable

In May 2009, the Predecessor Entity received a secured promissory note for \$240 from a related party. Pursuant to the terms of the note, the Predecessor Entity is entitled to receive monthly installment payments of principal and interest payments May 2029 and shall bear interest at a fixed rate of 7% per annum. The Predecessor Entity received interest income of \$8, \$7 for the years ended December 31, 2011, 2010 and 2009, respectively. At December 31, 2011 and 2010 the unpaid principal balance of the note of approximately \$204 and \$211, respectively, were included in deferred financing fees and other assets in the Combined Balance Sheet.

Operating Leases of Gasoline Stations as Lessor

The Predecessor Entity leases certain gas stations to its Affiliates under cancelable operating leases. The rental income under these agreements totaled \$7,792, \$7,169 and \$10,324 for the years ended December 31, 2011, 2010 and 2009, respectively.

Operating Leases of Gasoline Stations as Lessee

The Predecessor Entity leases certain gas stations from its Affiliates under cancelable operating leases. Total expenses incurred under these agreements totaled \$553, \$553 and \$192 for the years ended December 31, 2011, 2010 and 2009, respectively.

Lehigh Gas Entities (Predecessor)**NOTES TO THE COMBINED FINANCIAL STATEMENTS (Continued)****For the Years Ended December 31, 2011, 2010 and 2009****(Amounts in thousands)****19. Related-Party Transactions (Continued)****Operating Lease of Office Space**

The Predecessor Entity leases their principal offices from an entity in which is owned and operated by one of the Predecessor Entity's directors. Total rent expense recognized under this lease was \$178 and \$164 for the years ended December 31, 2011 and 2010. The office lease has a 10 year term that commenced on February 1, 2010. The Predecessor Entity has the option to renew the lease for up to 3 additional 5 year periods at the then rate as defined under the terms of the agreement. Future minimum rent is as follows:

2012	\$ 180
2013	180
2014	180
2015	180
2016	180
Thereafter	555
Total future minimum rent with non-cancellable terms of one year or more	<u>\$ 1,455</u>

Total expenses incurred was approximately \$180 and \$150 for the years ended December 31, 2011 and 2010.

20. Subsequent Events**Distributions**

During 2012, the Predecessor Entity has paid cash distributions of approximately \$481 to its equity members.

Lease Agreement

In April 2012, the Predecessor Entity entered into a 15-year unitary net lease and sublease agreement with renewal options of up to an additional 20 years. The Predecessor Entity agreed to lease buildings, improvements, equipment and real property located at 105 gas stations in the states of Massachusetts, New Hampshire and Maine. The Predecessor Entity will pay fixed annual rent of approximately \$5,000 per year and such rent shall increase by 1.5% per year. In addition to this fixed annual rent, the Predecessor Entity will also pay, as additional rent, an amount equal to two cents per gallon of gasoline or other fuel delivered to the locations during the lease term. During the initial 3-year term of the lease, the Predecessor Entity is required to make capital expenditures to the locations of at least \$4,280 plus one cent per each gallon of gasoline sold at these locations during the initial 3-year period. However, the Predecessor Entity is entitled to a rent credit equal to 50% of the capital expenditures up to a maximum of \$2,140.

Lehigh Gas Entities (Predecessor)

NOTES TO THE COMBINED FINANCIAL STATEMENTS (Continued)

For the Years Ended December 31, 2011, 2010 and 2009

(Amounts in thousands)

20. Subsequent Events (Continued)

New Credit Agreement

In connection with the closing of the offering, the Predecessor Entity will enter into a five-year senior secured revolving credit facility in an aggregate principal amount of \$250,000, which limit may be increased to \$325,000 if certain conditions are met, and the Predecessor Entity will use the proceeds of this new facility to repay the remaining borrowings under their existing credit agreement. This new credit agreement will mature in 2017, at which point all amounts outstanding under the credit agreement will become due. This credit agreement is subject to certain contingent events, one of which is the consummation of an initial public offering.

All obligations under this new credit agreement will be secured by substantially all of the Predecessor Entity's assets. Indebtedness under the new credit agreement will bear interest, at the Predecessor Entity's option, at (1) a rate equal to the London Interbank Offered Rate, or "LIBOR" rate, for interest periods of one, two, three or six months, plus a margin of 2.25% to 3.00% per annum, or (2) (a) a base rate equal to the greatest of, (i) the federal funds rate, plus 0.5%, (ii) the LIBOR rate for one month interest periods, plus 1.00% per annum or (iii) the rate of interest established by the lender, from time to time, as its prime rate, plus (b) a margin of 1.25% to 2.00% per annum. In addition, the Predecessor Entity will incur a commitment fee based on the unused portion of the working capital facility at a rate of 0.50% per annum. Furthermore, the Predecessor Entity has the right to a swingline loan under the credit agreement in an amount up to \$5,000. Swingline loans will bear interest at the applicable base rate, plus a margin of 1.25% to 2.00% depending on the Predecessor Entity's consolidated total leverage ratio. Standby letters of credit will be subject to a 0.25% fronting fee and other customary administrative charges. Standby letters of credit will bear interest at a rate of 2.25% to 3.00% per annum, depending on the Predecessor Entity's consolidated total leverage ratio.

The new credit agreement will prohibit the Predecessor Entity from making distributions to unitholders if any potential default or event of default occurs or would result from the distribution. In addition, the new credit agreement will contain various financial and non-financial covenants.

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

Partners
Lehigh Gas Partners LP

We have audited the accompanying consolidated balance sheets of Lehigh Gas Partners LP and its subsidiaries (the "Partnership") (a Delaware Limited Partnership) as of December 31, 2011 and December 2, 2011 (date of inception). This financial statement is the responsibility of the Partnership's management. Our responsibility is to express an opinion on this financial statement based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require we plan and perform the audit to obtain reasonable assurance about whether the financial statement is free of material misstatement. The Partnership is not required to have, nor were we engaged to perform, audits of its internal control over financial reporting. Our audits included consideration of internal controls over financial reporting as a basis for designing audit procedures appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Partnership's internal controls over financial reporting. Accordingly, we express no such opinion. An audits also include examining, on a test basis, evidence supporting the amounts and disclosures in the financial statement, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe our audits provide a reasonable basis for our opinion.

In our opinion, the consolidated balance sheets referred to above present fairly, in all material respects, the financial position of the Partnership as of December 31, 2011 and December 2, 2011 (date of inception) in conformity with accounting principles generally accepted in the United States of America.

/s/ GRANT THORNTON LLP
Philadelphia PA
May 11, 2012

Lehigh Gas Partners LP

CONSOLIDATED BALANCE SHEETS

as of December 31, 2011 and December 2, 2011
(date of inception)

	December 31, 2011	December 2, 2011 (date of inception)
Assets	\$ —	\$ —
Liabilities	\$ —	\$ —
Partners' Capital		
Limited Partners	\$ 1,000	\$ 1,000
General Partner	—	—
Less: Contribution Receivable from Partners	(1,000)	(1,000)
Total Partners' Capital	\$ —	\$ —
Total Liabilities and Partners' Capital	\$ —	\$ —

The accompanying notes are an integral part of this financial statement

NOTES TO CONSOLIDATED BALANCE SHEETS

as of December 31, 2011

1. Nature of Operations

Lehigh Gas Partners, LP (the "Partnership") is a Delaware limited partnership formed in December 2011. Lehigh Gas GP LLP (the "General Partner") is a limited liability partnership formed in December 2011 to as the general partner of the Partnership.

In December 2011, Lehigh Gas Corporation, a Delaware corporation, agreed to contribute \$1,000 to the Partnership in exchange for a 100% limited partner interest. The agreement to contribute has been recorded as contributions receivable and are reflected in the accompanying consolidated balance sheets as reductions to partners' capital.

There have been no other transactions involving the Partnership as of December 31, 2011. The Partnership will ultimately receive the transfer from the Selected Lehigh Gas Entities (the "Predecessor Entity") of certain contributed assets, liabilities, operations and/or equity interests (the "Contributed Assets"). Taken together with other affiliated entities and including the Predecessor, the entities are under common control and are collectively referred to as the Lehigh Gas Group (LGG).

The Partnership, pursuant to an initial public offering, intends to sell common units representing limited partnership interests in the Partnership. The Partnership will issue and sell common units and subordinated units to the shareholders (or their assigns) of the Predecessor Entity in consideration of their transfer of the Contributed Assets to the Partnership.

The Partnership, upon the transfer of the Contributed Assets will be engaged in substantially the same business and revenue generating activities as the Predecessor Entity, principally: (i) distributing motor fuels (using unrelated third-party transportation services providers) - on a wholesale basis to sub-wholesalers, independent dealers, Lessee Dealers, related entities, and others, and (ii) ownership or lease of Locations and, in turn, generating rental-fee income revenue from the lease or subleases of the Locations to third-party operators.

2. Basis of Presentation

This statement of financial position has been prepared in accordance with accounting principles generally accepted in the United States of America. Since the Partnership has had no activity since its inception, separate statements of income, changes in partners' equity and cash flows have not been presented.

3. Subsequent Events

The Partnership has evaluated events and transactions that occurred subsequent to December 31, 2011 through May 11, 2012, the date these financial statements were filed with the Securities and Exchange Commission.

**FIRST AMENDED AND RESTATED
AGREEMENT OF LIMITED PARTNERSHIP
OF
LEHIGH GAS PARTNERS LP**

To be filed by amendment

GLOSSARY OF TERMS

Adjusted operating surplus: For any period, operating surplus (excluding any amounts attributable to the items in the first bullet point under the definition of operating surplus) generated during that period is adjusted to:

- (a) decrease operating surplus by:
 - (1) the amount of any net increase in working capital borrowings with respect to that period; and
 - (2) the amount of any net decrease in cash reserves for operating expenditures with respect to that period not relating to an operating expenditure made with respect to that period; and

- (b) increase operating surplus by:
 - (1) the amount of any net decrease in working capital borrowings with respect to that period; and
 - (2) the amount of any net increase in cash reserves for operating expenditures with respect to that period required by any debt instrument for the repayment of principal, interest or premium; and
 - (3) the amount of any net decrease made in subsequent periods in cash reserves for operating expenditures initially established with respect to such period to the extent such decrease results in a reduction in adjusted operating surplus in subsequent periods.

Capital account: The capital account maintained for a partner under our partnership agreement. The capital account of a partner for a common unit a subordinated unit an incentive distribution right or any other partnership interest will be the amount which that capital account would be if that common unit, subordinated unit, incentive distribution right or other partnership interest were the only interest in us held by a partner.

Capital surplus: All cash distributed by us on any date from any source will be treated as distributed from operating surplus until the sum of all available cash distributed since the closing of the initial public offering equals the operating surplus from the closing of the initial public offering through the end of the quarter immediately preceding that distribution. Any cash distributed by us on in excess of operating surplus will be deemed to be capital surplus.

Closing price: The last sale price on a day, regular way, or in case no sale takes place on that day, the average of the closing bid and asked prices on that day, regular way, in either case, as reported in the principal consolidated transaction reporting system for securities listed or admitted to trading on the principal national securities exchange on which the units of that class are listed or admitted to trading. If the units of that class are not listed or admitted to trading on any national securities exchange, the last quoted price on that day. If no quoted price exists, the average of the high bid and low asked prices on that day in the over-the-counter market, as reported by the NYSE or any other system then in use. If on any day the units of that class are not quoted by any organization of that type, the average of the closing bid and asked prices on that day as furnished by a professional market maker making a market in the units of the class

selected by our general partner. If on that day no market maker is making a market in the units of that class, the fair value of the units on that day as determined by our general partner.

Common unit arrearage: The amount by which the minimum quarterly distribution for a quarter during the subordination period exceeds the distribution of cash from operating surplus actually made for that quarter on a common unit, cumulative for that quarter and all prior quarters during the subordination period.

EBITDA: Earnings before interest, taxes, depreciation and amortization.

GAAP: Generally accepted accounting principles in the United States.

General partner: Lehigh Gas Partners GP LLC, a Delaware limited liability company, and its successors and permitted assigns that are admitted to the Partnership as general partner of the Partnership, in its capacity as general partner of the Partnership (except as the context otherwise requires).

Incentive distribution right: A non-voting limited partner partnership interest issued to the general partner. The partnership interest will confer upon its holder only the rights and obligations specifically provided in the partnership agreement for incentive distribution rights.

Incentive distributions: The distributions of available cash from operating surplus initially made to the general partner.

Interim capital transactions: The following transactions:

- borrowings, refinancings or refundings of indebtedness (other than for working capital borrowings and other than for items purchased on open account or for a deferred purchase price in the ordinary course of business);
- sales of equity and debt securities; and
- sales or other dispositions of any assets of other than sales or other disposition of inventory, accounts receivables and other assets in the ordinary course of business, and sales or other dispositions of assets as part of normal retirements or replacements.

Maintenance Capital Expenditures: Capital expenditures required to maintain our long-term operating capacity.

Maintenance capital expenditures also includes interest (and related fees) on debt incurred and distributions on equity issued (including incremental distributions on incentive distribution rights) to finance all or any portion of the construction or development of an asset that is paid in respect of the period that begins when we enter into a binding obligation to commence construction or developing an asset and ending on the earlier of the date that any such asset commences commercial service and the date that the asset is abandoned or disposed of.

Operating expenditures: All of our cash expenditures, including, but not limited to, management fees paid to LGC, taxes, reimbursement of expenses to our general partner or its affiliates, payments made under interest rate hedge agreements or commodity hedge agreements (provided that (1) with respect to amounts paid in connection with the initial purchase of an interest rate hedge contract or a commodity hedge contract, such amounts will be amortized over the life of the applicable interest rate hedge contract or commodity hedge contract and (2) payments made in connection with the termination of any interest rate hedge contract or commodity hedge contract prior to the expiration of its stipulated settlement or termination date

will be included in operating expenditures in equal quarterly installments over the remaining scheduled life of such interest rate hedge contract or commodity hedge contract), officer compensation, repayment of working capital borrowings, debt service payments and maintenance capital expenditures, provided that operating expenditures will not include:

- repayment of working capital borrowings deducted from operating surplus pursuant to the penultimate bullet point of the definition of operating surplus below when such repayment actually occurs;
- payments (including prepayments and prepayment penalties and the purchase price of indebtedness that is repurchased and cancelled) of principal of and premium on indebtedness, other than working capital borrowings;
- expansion capital expenditures;
- investment capital expenditures;
- payment of transaction expenses relating to interim capital transactions;
- distributions to our partners (including distributions in respect of our incentive distribution rights); or
- repurchases of equity interests except to fund obligations under employee benefit plans.

Operating surplus: Operating surplus consists of:

- \$ million; *plus*
- all of our cash receipts after the closing of this offering, excluding cash from interim capital transactions, which include the following:
 - borrowings that are not working capital borrowings;
 - sales of equity and debt securities;
 - sales or other dispositions of assets outside the ordinary course of business;
 - capital contributions received; and
 - corporate reorganizations or restructurings;

provided that cash receipts from the termination of a commodity hedge or interest rate hedge prior to its specified termination date shall be included in operating surplus in equal quarterly installments over the remaining scheduled life of such commodity hedge or interest rate hedge;

plus
- working capital borrowings made after the end of a period but on or before the date of determination of operating surplus for the period; *plus*
- cash distributions paid in respect of equity issued (including incremental distributions on incentive distribution rights), other than equity offered in this offering, to finance all or a portion of expansion capital expenditures in respect of the period from such financing until the earlier to occur of the date the capital asset commences commercial service and the date that it is abandoned or disposed of; *plus*

- cash distributions paid in respect of equity issued (including incremental distributions on incentive distribution rights) to pay the construction period interest on debt incurred, or to pay construction period distributions on equity issued, to finance the expansion capital expenditures referred to above, in each case, in respect of the period from such financing until the earlier to occur of the date the capital asset is placed in service and the date that it is abandoned or disposed of; *less*
- all of our operating expenditures (as defined above) after the closing of this offering; *less*
- the amount of cash reserves established by our general partner to provide funds for future operating expenditures; *less*
- all working capital borrowings not repaid within twelve months after having been incurred or repaid within such twelve month period with the proceeds of additional working capital borrowings; *less*
- any loss realized on disposition of an investment capital expenditure.

Units: Refers to both common units and subordinated units.

Working capital borrowings: Borrowings that our general partner intends for us to use for working capital purposes or to pay distributions to partners, made pursuant to a credit agreement or similar financing arrangement; *provided*, that, when such debt is incurred, it is the intent of the borrower to repay such borrowings within 12 months from sources other than additional working capital borrowings.



Lehigh Gas Partners LP

Common Units

Representing Limited Partner Interests

PRELIMINARY PROSPECTUS

RAYMOND JAMES

, 2012

PART II
INFORMATION NOT REQUIRED IN THE PROSPECTUS

Item 13. Other Expenses of Issuance and Distribution.

Set forth below are the expenses (other than underwriting discounts and structuring fees) expected to be incurred in connection with the issuance and distribution of the securities registered hereby. With the exception of the SEC registration fee, the FINRA filing fee and the NYSE filing fee, the amounts set forth below are estimates.

SEC registration fee	\$ 16,606
FINRA filing fee	12,500
NYSE listing fee*	
Printing and engraving expenses*	
Fees and expenses of legal counsel*	
Accounting fees and expenses*	
Transfer agent and registrar fees*	
Miscellaneous*	
Total*	<u>\$</u>

* To be provided.

Item 14. Indemnification of Directors and Officers.

Subject to any terms, conditions or restrictions set forth in the partnership agreement, Section 17-108 of the Delaware Revised Uniform Limited Partnership Act empowers a Delaware limited partnership to indemnify and hold harmless any partner or other persons from and against all claims and demands whatsoever. The section of the prospectus entitled "The Partnership Agreement—Indemnification" discloses that we will generally indemnify officers, directors and affiliates of our general partner to the fullest extent permitted by the law against all losses, claims, damages or similar events and is incorporated herein by this reference

We expect to enter into indemnification agreements with our directors which will generally indemnify our directors to the fullest extent permitted by law. As of the consummation of this offering, our general partner will maintain director and officer liability insurance for the benefit of its directors and officers.

Under the omnibus agreement, we will agree to indemnify LGC for all claims, losses and expenses attributable to the post-closing operations of our business and properties, to the extent that such losses are not subject to LGC's indemnification obligations. Please read "Certain Relationships and Related Party Transactions—Agreements with Affiliates—Omnibus Agreement." for a discussion of LGC's indemnification obligations.

Reference is also made to the underwriting agreement to be filed as an exhibit to this registration statement, which provides for the indemnification of us, our general partner, its officers and directors, and any person who controls us or our general partner, including indemnification for liabilities under the Securities Act.

Item 15. Recent Sales of Unregistered Securities.

On December 2, 2011, in connection with the formation of the partnership, Lehigh Gas Partners LP issued (1) to Lehigh Gas GP the non-economic general partner interest in the partnership and (2) to LGC a 100% limited partner interest in the partnership for \$1,000 in an offering exempt from registration under Section 4(2) of the Securities Act of 1933. There have been no other sales of unregistered securities within the past three years.

Item 16. Exhibits.

The following documents are filed as exhibits to this registration statement:

Exhibit Number	Description
1.1**	Form of Underwriting Agreement
3.1*	Certificate of Limited Partnership of Lehigh Gas Partners LP
3.2**	Form of First Amended and Restated Agreement of Limited Partnership of Lehigh Gas Partners LP (included as Appendix A to the prospectus included in this Registration Statement)
5.1**	Opinion of Duane Morris LLP as to the legality of the securities being registered
8.1**	Opinion of Duane Morris LLP relating to tax matters
10.1**	Form of Amended and Restated Credit Agreement
10.2	Form of Merger, Contribution, Conveyance and Assumption Agreement
10.3	Form of Omnibus Agreement
10.4	Form of Registration Rights Agreement
10.5	Form of Lease Agreement
10.6	Form of PMPA Franchise Agreement (Supply Agreement with Lehigh Gas—Ohio, LLC)
10.7**	Director Compensation Summary
10.8**	Form of Long-Term Incentive Plan
10.9**	Form of Long-Term Incentive Plan Grant Agreement
21.1**	List of Subsidiaries of Lehigh Gas Partners LP
23.1	Consent of Grant Thornton LLP
23.2**	Consent of Duane Morris LLP (included in Exhibit 5.1)
23.3**	Consent of Duane Morris LLP (included in Exhibit 8.1)
24.1*	Powers of Attorney

* Previously filed

** To be filed by amendment.

Item 17. Undertakings

The undersigned registrant hereby undertakes to provide to the underwriters at the closing specified in the underwriting agreement certificates in such denominations and registered in such names as required by the underwriters to permit prompt delivery to each purchaser.

Insofar as indemnification for liabilities arising under the Securities Act of 1933 may be permitted to directors, officers and controlling persons of the registrant pursuant to the foregoing provisions, the registrant has been informed that in the opinion of the Securities and Exchange

Commission such indemnification is against public policy as expressed in the Securities Act of 1933 and is therefore, unenforceable. In the event that a claim for indemnification against such liabilities (other than the payment by the registrant of expenses incurred or paid by a director, officer or controlling person of the registrant in the successful defense of any action, suit or proceeding) is asserted by such director, officer or controlling person in connection with the securities being registered, the registrant will, unless in the opinion of its counsel the matter has been settled by controlling precedent, submit to a court of appropriate jurisdiction of the question whether such indemnification by it is against public policy as expressed in the Act and will be governed by the final adjudication of such issue.

The undersigned registrant hereby undertakes that:

(1) For purposes of determining any liability under the Securities Act of 1933, the information omitted from the form of prospectus filed as part of this registration statement in reliance upon Rule 430A and contained in a form of prospectus filed by the registrant pursuant to Rule 424(b)(1) or (4) or 497(h) under the Securities Act of 1933 shall be deemed to be part of this registration statement as of the time it was declared effective.

(2) For the purpose of determining any liability under the Securities Act of 1933, each post-effective amendment that contains a form of prospectus shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.

The registrant undertakes to send to each limited partner at least on an annual basis a detailed statement of any transactions with Lehigh Gas GP or its affiliates, and of fees, commissions, compensation and other benefits paid, or accrued to Lehigh Gas GP or its affiliates for the fiscal year completed, showing the amount paid or accrued to each recipient and the services performed.

The registrant undertakes to provide to the limited partners the financial statements required by Form 10-K for the first full fiscal year of operations of the registrant.

SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, the registrant has duly caused this registration statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Allentown, Commonwealth of Pennsylvania, on July 3, 2012.

LEHIGH GAS PARTNERS LP

By: LEHIGH GAS GP LLC
its General Partner

By: /s/ MARK L. MILLER

Name: Mark L. Miller
Title: *Chief Financial Officer*

Pursuant to the requirements of the Securities Act of 1933, this registration statement has been signed below by the following persons in the capacities indicated on July 3, 2012.

<u>Signature</u>	<u>Title</u>
* _____ Joseph V. Topper, Jr.	Chairman of the Board and Chief Executive Officer (Principal Executive Officer)
MARK L. MILLER _____ Mark L. Miller	Chief Financial Officer (Principal Financial Officer and Principal Accounting Officer)
* _____ Warren S. Kimber, Jr.	Director
* _____ John F. Malloy	Director
* _____ James H. Miller	Director
* _____ John B. Reilly, III	Director
* _____ Maura Topper	Director
* _____ Robert L. Wiss	Director

*By: /s/ MARK L. MILLER

Mark L. Miller
Attorney-in-Fact

EXHIBIT INDEX

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* Previously filed

** To be filed by amendment

FORM OF
MERGER, CONTRIBUTION, CONVEYANCE AND ASSUMPTION
AGREEMENT

By and Among

LEHIGH GAS PARTNERS LP,
LEHIGH GAS GP LLC,
LEHIGH GAS CORPORATION,
LEHIGH KIMBER REALTY, LLC,
ENERGY REALTY OP LP,
EROP — OHIO HOLDINGS, LLC,
KWIK PIK REALTY — OHIO HOLDINGS, LLC,
KWIK PIK — OHIO HOLDINGS, LLC,
KIMBER PETROLEUM CORPORATION,
LEHIGH GAS WHOLESALE SERVICES, INC.,
LEHIGH GAS WHOLESALE LLC,
JOHN B. REILLY, III,

And

JOSEPH V. TOPPER, JR.

Dated as of _____, 2012

MERGER, CONTRIBUTION, CONVEYANCE AND ASSUMPTION
AGREEMENT

This Merger, Contribution, Conveyance and Assumption Agreement, dated as of _____, 2012 (this “*Agreement*”), is by and among Lehigh Gas Partners LP, a Delaware limited partnership (the “*Partnership*”), Lehigh Gas GP LLC, a Delaware limited liability company (the “*General Partner*”), Lehigh Gas Corporation, a Delaware corporation (“*LGC*”), Lehigh Kimber Realty, LLC, a Delaware limited liability company, Energy Realty OP LP, a Delaware limited partnership, EROP — Ohio Holdings, LLC, a Delaware limited liability company, Kwik Pik Realty — Ohio Holdings, LLC, a Delaware limited liability company, Kwik Pik — Ohio Holdings, LLC, a Delaware limited liability company, Kimber Petroleum Corporation, a New Jersey corporation, Lehigh Gas Wholesale Services, Inc., a Delaware corporation (“*LGW*”), Lehigh Gas Wholesale LLC, a Delaware corporation (“*LG LLC*”), John B. Reilly, III and Joseph V. Topper, Jr. The above named entities are sometimes referred to in this Agreement individually as a “*Party*” and collectively as the “*Parties*.” Capitalized terms used herein shall have the meanings assigned to such terms in Article I.

RECITALS

WHEREAS, prior to the date hereof, LGC formed the General Partner and contributed \$1,000 in exchange for all of the membership interest in the General Partner;

WHEREAS, thereafter and prior to the date hereof, the General Partner and LGC formed the Partnership pursuant to the Delaware LP Act for the purpose of engaging in any business activity that lawfully may be conducted by a limited partnership organized pursuant to the Delaware LP Act with the General Partner receiving a non-economic general partnership in the Partnership and LGC having contributed \$1,000 to the Partnership in exchange for all of the limited partnership interests in the Partnership;

WHEREAS, thereafter and prior to the date hereof, the Partnership formed: (a) LG LLC, to which the Partnership contributed \$1,000 in exchange for all of the membership interest of LG LLC, and (b) LGW, to which the Partnership contributed \$1,000 in exchange for all of the outstanding common stock of LGW;

WHEREAS, pursuant hereto and at least one (1) day prior to the date of the Effective Time, LGO will have distributed and assigned the Former LGO Assets/Liabilities to LGO Distributee;

WHEREAS, pursuant hereto and immediately prior to the Effective Time:

1. Topper will, in accordance with the terms and conditions of the Plan of Merger attached hereto as Exhibit A (for each Contributed Entity, such Contributed Entity’s “*Merger Plan*”), cause each Contributed Entity to be merged (each such merger, a “*Contributed Entity Merger*” and, collectively, the “*Contributed Entity Mergers*”) with and into one or more Partnership Merger Subsidiaries, with each Partnership Merger Subsidiary to be the surviving entity and

directly to LGW in a single transfer, in exchange for which the Partnership shall issue to the member(s)/partner(s) of such Contributed Entity such number of Common Units and such number of Subordinated Units, and shall distribute to such member(s)/partner(s) of such Contributed Entity such amount of cash, all as set forth on Exhibit B attached hereto.

2. Each Contributed Entity will have distributed its Spun-Off Assets to _____.

3. Topper will cause LGC to contribute and assign all of the LGC MLP Assets/Liabilities directly to LG LLC in a single transfer and all of the LGC LGW Assets/Liabilities directly to LGW in a single transfer in exchange for which the Partnership shall issue to LGC such number of Common Units and such number of Subordinated Units, and shall distribute to LGC such amount of cash, all as set forth on Exhibit B attached hereto.

4. Topper will cause KPC to contribute and assign all of the KPC MLP Assets/Liabilities directly to LG LLC in a single transfer and all of the KPC LGW Assets/Liabilities directly to LGW in a single transfer in exchange for which the Partnership shall issue to KPC such number of Common Units and such number of Subordinated Units, and shall distribute to KPC such amount of cash, all as set forth on Exhibit B attached hereto.

5. Topper will cause KPO to contribute and assign all of the KPO MLP Assets/Liabilities directly to LG LLC in a single transfer and all of the KPO LGW Assets/Liabilities directly to LGW in a single transfer in exchange for which the Partnership shall issue to KPO such number of Common Units and such number of Subordinated Units, and shall distribute to KPO such amount of cash, all as set forth on Exhibit B attached hereto.

6. LGO Distributee will contribute and assign all of the Former LGO Assets/Liabilities directly to LG LLC in a single transfer in exchange for which the Partnership shall issue to LGO Distributee such number of Common Units and such number of Subordinated Units, and shall distribute to LGO Distributee such amount of cash, all as set forth on Exhibit B attached hereto.

7. Topper will contribute and assign all of the Topper MLP Assets/Liabilities directly to LG LLC in a single transfer and all of the Topper LGW Assets/Liabilities directly to LGW in a single transfer in exchange for which the Partnership shall issue to Topper such number of Common Units and such number of Subordinated Units, and shall distribute to Topper such amount of cash, all as set forth on Exhibit B attached hereto.

WHEREAS, pursuant hereto, each of following will occur at the Effective Time in the order set forth herein:

1. In connection with the Offering, the public, through the Underwriters, will contribute to the Partnership an amount of cash agreed upon by the Underwriters, LGC and the Partnership pursuant to the Underwriting Agreement, less the Underwriters' Spread (such amount of cash less the Underwriters' Spread, the "*Net Offering Proceeds*"), in exchange for the Firm Units.

2. The Partnership will pay Raymond James & Associates, Inc. a structuring fee equal to _____ % of the gross proceeds of the Offering (the "*Structuring Fee*"). The Parties

receiving cash distributions in connection with the exercise of the Over-Allotment Option will pay to Raymond James & Associates, Inc. their pro rata share of the Structuring Fee associated with any exercise of the Over-Allotment Option (the "*Option Structuring Fee*").

3. The Partnership will pay all transaction expenses incurred in connection with the transactions contemplated hereby and by the Registration Statement.

4. The Partnership will enter into the Credit Agreement providing the Partnership with up to a \$ _____ million credit facility (the "*New Credit Facility*").

5. In accordance with, and as contemplated by, this Agreement, the Partnership will use proceeds drawn under the New Credit Facility and/or Net Offering Proceeds (or some combination thereof) to (i) re-finance, and pay off, all amounts outstanding under the Existing Credit Agreement; (ii) pay all transaction expenses, and (iii) fund the distributions to member(s)/partner(s) of one or more of the Contributed Entities, LGC, KPC, KPO, LGO Distributee, as applicable.

6. The Partnership will issue to the General Partner _____ Incentive Distribution Rights.

WHEREAS, the shareholders, members or partners of the Parties have taken all corporate, limited liability company and partnership action, respectively, as the case may be, required to approve the transactions contemplated by this Agreement; and

WHEREAS, LGC and the Partnership may adjust upward or downward the number of Firm Units to be offered to the public through the Underwriters.

NOW, THEREFORE, in consideration of the mutual covenants, representations, warranties and agreements herein contained, the parties hereto agree as follows:

ARTICLE I

DEFINITIONS

The terms set forth below in this Article I shall have the meanings ascribed to them below or in the part of this Agreement referred to below:

"*Agreement*" is defined in the Preamble.

"*Commission*" means the United States Securities and Exchange Commission.

“Common Unit” means a common unit representing a limited partner interest in the Partnership having the rights set forth in the Partnership Agreement.

“Contributed Entity” means each of Energy Realty OP LP, a Delaware limited partnership, Lehigh Kimber Realty, LLC, a Delaware limited liability company, EROP — Ohio Holdings, LLC, a Delaware limited liability company, and Kwik Pik Realty — Ohio Holdings, LLC, a

Delaware limited liability company. “Contributed Entities” means, collectively, each Contributed Entity.

“Contributed Entity Merger” and “Contributed Entity Mergers” are defined in paragraph 1 of the fifth “Whereas” clause hereof.

“Contributed LGW Assets/Liabilities” means, with respect to any Contributed Entity, such Contributed Entity’s underground storage tank(s) and such of the Contributed Entity’s personal property and contractual rights (including, without limitation, under any lease, sub-lease or supply agreement to which such Contributed Entity is a party), together with those of such Contributed Entity’s liabilities and obligations related thereto, associated therewith and/or secured thereby, that are expressly identified and set forth on Exhibit C attached hereto.

“Credit Agreement” means the Credit Agreement, dated as of _____, 2012, by and among _____.

“Credit Facility Proceeds” means amounts drawn by the Partnership under the New Credit Facility.

“Delaware LP Act” means the Delaware Revised Uniform Limited Partnership Act, as same may be amended from time to time.

“Effective Time” means _____ prevailing Eastern Time on the date of the closing of the Offering.

“Existing Credit Agreement” means the Amended and Restated Credit Agreement, dated as of December 30, 2010, by and among LGC, Energy Realty OP LP, Lehigh Kimber Petroleum Corporation, Lehigh Kimber Realty, LLC, EROP — Ohio, LLC, LGO, each of the lenders from time to time party thereto and KeyBank National Association, as has been amended from time to time.

“Firm Units” means the Common Units to be sold to the Underwriters pursuant to the terms of the Underwriting Agreement, but does not include any Option Units.

“Former LGO Assets/Liabilities” means such of LGO’s contractual rights (including, without limitation, under any lease, sub-lease, supply, distribution or other agreement to which LGO is a party) and other assets and property related to, and/or employed by LGO in, LGO’s wholesale motor fuel distribution and supply business, operations and/or activities (including, without limitation, dealer deposits, collateral and intangible assets), together with those of LGO’s liabilities and obligations related thereto, associated therewith and/or secured thereby (including, without limitation, for motor fuel taxes), that are expressly identified and set forth on Exhibit D attached hereto.

“GAAP” means generally accepted accounting principles in the United States, consistently applied.

“General Partner” is defined in the Preamble.

“Governmental Authority” means the United States, any foreign county, state, county, city or other incorporated or unincorporated political subdivision, agency or instrumentality thereof.

“Incentive Distribution Right” means a non-voting limited partner partnership interest that confers upon its holder only the rights and obligations specifically provided in the Partnership Agreement for Incentive Distribution Rights.

“KPC” means Kimber Petroleum Corporation, a New Jersey corporation.

“KPC LGW Assets/Liabilities” means KPC’s underground storage tanks and such of KPC’s personal property and contractual rights (including, without limitation, under any lease, sub-lease or supply agreement to which KPC is a party), together with those of KPC’s liabilities and obligations related thereto, associated therewith and/or secured thereby, that are expressly identified and set forth on Exhibit E-1 attached hereto.

“KPC MLP Assets/Liabilities” means such of KPC’s real property and personal property, together with the contractual rights (including, without limitation, under any lease, sub-lease, supply, distribution or other agreement to which KPC is a party) and other assets and property related to, and/or employed by KPC in, KPC’s wholesale motor fuel distribution and supply business, operations and/or activities (including, without limitation, dealer deposits, collateral and intangible assets), together with those of KPC’s liabilities and obligations related thereto, associated therewith and/or secured thereby (including, without limitation, for motor fuel taxes), that are expressly identified and set forth on Exhibit E-2 attached hereto.

“KPO” means Kwik Pik — Ohio Holdings, LLC, a Delaware limited liability company.

“KPO LGW Assets/Liabilities” means KPO’s underground storage tanks and such of KPO’s personal property and contractual rights (including, without limitation, under any lease, sub-lease or supply agreement to which KPO is a party), together with those of KPO’s liabilities and obligations related thereto, associated therewith and/or secured thereby, that are expressly identified and set forth on Exhibit F-1 attached hereto.

“KPO MLP Assets/Liabilities” means such of KPO’s real property and personal property, together with the contractual rights (including, without limitation, under any lease, sub-lease, supply, distribution or other agreement to which KPO is a party) and other assets and property related to, and/or employed by KPO in, KPO’s wholesale motor fuel distribution and supply business, operations and/or activities (including, without limitation, dealer deposits, collateral and intangible assets), together with those of KPO’s liabilities and obligations related thereto, associated therewith and/or secured thereby (including, without limitation, for motor fuel taxes), that are expressly identified and set forth on Exhibit F-2 attached hereto.

“LGC” is defined in the Preamble.

“LG LLC” is defined in the Preamble.

“LGC LGW Assets/Liabilities” means LGC’s underground storage tanks and such of LGC’s personal property and contractual rights (including, without limitation, under any lease, sub-lease or supply agreement to which LGC is a party), together with those of LGC’s liabilities and

obligations related thereto, associated therewith and/or secured thereby, that are expressly identified and set forth on Exhibit G-1 attached hereto.

“LGC MLP Assets/Liabilities” means such of LGC’s real property and personal property, together with the contractual rights (including, without limitation, under any lease, sub-lease, supply, distribution or other agreement to which LGC is a party) and other assets and property related to, and/or employed by LGC in, LGC’s wholesale motor fuel distribution and supply business, operations and/or activities (including, without limitation, dealer deposits, collateral and intangible assets), together with those of LGC’s liabilities and obligations related thereto, associated therewith and/or secured thereby (including, without limitation, for motor fuel taxes), that are expressly identified and set forth on Exhibit G-2 attached hereto.

“LGO” means Lehigh Gas-Ohio, LLC a Delaware limited liability company.

“LGO Distributee” means, collectively, Topper and Reilly.

“LGW” is defined in the Preamble.

“Merger Plan” is defined in the first paragraph of the fifth “Whereas” clause hereof.

“Net Offering Proceeds” is defined in the first paragraph of the sixth “Whereas” clause thereof.

“New Credit Facility” is defined in the fourth paragraph of the sixth “Whereas” clause hereof.

“Offering” means the Partnership’s initial public offering of Common Units contemplated herein.

“Omnibus Agreement” means the Omnibus Agreement, dated as of _____, 2012, by and among the Partnership, the General Partner, LGC, LGO and Topper.

“Option Closing Date” has the meaning assigned to it in the Partnership Agreement.

“Option Structuring Fee” is defined in the Recitals.

“Option Units” means the Common Units that the Partnership will agree to issue upon an exercise of the Over-Allotment Option.

“Original Partnership Agreement” means that certain Agreement of Limited Partnership of the Partnership, dated as of December 2, 2011.

“Over-Allotment Option” has the meaning set forth in the Partnership Agreement.

“Partnership” is defined in the Preamble.

“Partnership Agreement” means the First Amended and Restated Agreement of Limited Partnership of the Partnership, substantially in the form attached as Appendix A to the Registration Statement.

“Partnership Merger Subsidiary” means any direct or indirect wholly-owned limited liability company, limited partnership or other entity of the Partnership that is a “disregarded entity” for

United States federal income tax purposes and which the Partnership or the General Partner causes to be formed and to be the surviving entity in one or more of the Contributed Entity Mergers. “Partnership Merger Subsidiaries” means, collectively, each and all Partnership Merger Subsidiaries.

“Party” and “Parties” are defined in the Preamble.

“Registration Statement” means the Registration Statement on Form S-1 filed with the Commission (Registration No. 333-181370), as amended.

“Reilly” means John B. Reilly, III.

“Spun-Off Assets” means, with respect to any Contributed Entity, those real and personal properties (including underground storage tanks) and contractual rights (including, without limitation, under any lease, sub-lease, supply, distribution or other agreement to which such Contributed Entity is a party), together with those of such Contributed Entity’s liabilities and obligations related thereto, associated therewith and/or secured thereby (including, without limitation, for motor fuel taxes), that shall not be contributed and/or assigned to, or assumed by, the Partnership, all as are expressly identified and set forth on Exhibit H attached hereto.

“Structuring Fee” is defined in the Recitals.

“Subordinated Unit” means a subordinated unit representing a limited partner interest in the Partnership having the rights set forth in the Partnership Agreement.

“Topper” means Joseph V. Topper, Jr.

“*Topper LGW Assets/Liabilities*” means **Topper’s** underground storage tanks and such of **Topper’s** personal property and contractual rights (including, without limitation, under any lease, sub-lease or supply agreement to which Topper is a party), together with those of **Topper’s** liabilities and obligations related thereto, associated therewith and/or secured thereby, that are expressly identified and set forth on Exhibit I-1 attached hereto.

“*Topper MLP Assets/Liabilities*” means such of Topper’s real property and personal property, together with the contractual rights (including, without limitation, under any lease, sub-lease, supply, distribution or other agreement to which Topper is a party) and other assets and property related to, and/or employed by Topper in, Topper’s wholesale motor fuel distribution and supply business, operations and/or activities (including, without limitation, dealer deposits, collateral and intangible assets), together with those of Topper’s liabilities and obligations related thereto, associated therewith and/or secured thereby (including, without limitation, for motor fuel taxes), that are expressly identified and set forth on Exhibit I-2 attached hereto.

“*Underwriters*” means the underwriters listed in the Underwriting Agreement.

“*Underwriters’ Spread*” means the total amount of the Underwriters’ discount.

“*Underwriting Agreement*” means a firm commitment underwriting agreement to be entered into by and among LGC, the Partnership, the General Partner and the Underwriters.

ARTICLE II

MERGERS, CONTRIBUTIONS, ACKNOWLEDGEMENTS AND DISTRIBUTIONS

The transactions contemplated by Section 2.1 through Section 2.3 shall occur immediately prior to the Effective Time in the order set forth herein.

Section 2.1 Contributed Entity Mergers (and Agreed Tax Treatment and Reporting Thereof).

(A) Each Contributed Entity Merger shall be consummated and, contemporaneously therewith, the Partnership shall issue to the member(s)/partner(s) of each Contributed Entity such number of Common Units and such number of Subordinated Units, and the Partnership shall distribute to such member(s)/partner(s) such amount of cash, all as set forth on Exhibit B attached hereto. Any such cash that the Partnership shall distribute in connection with any Contributed Entity Merger shall be funded with the Net Offering Proceeds, Credit Facility Proceeds or some combination thereof, as shall be set forth on Exhibit B attached hereto. The Parties hereto hereby agree to treat and report the Contributed Entity Mergers for all United States federal, state, local and, as applicable, foreign income tax purposes as direct mergers of the Contributed Entity with and into the Partnership and, further, as an “assets over” form of merger under Treasury Regulations Section 1.708-1(c) with the Contributed Entities being the terminated partnerships in such Contributed Entity Mergers and the Partnership being the “resulting partnership” under such Treasury Regulations. The Parties further agree to treat and report for all United States federal, state and local and, as applicable, foreign income tax purposes the amount of the cash to be distributed in connection with each Contributed Entity Merger (if any) as a reimbursement to such Contributed Entity of capital expenditures incurred by it with respect to property that the Contributed Entity is so deemed to contribute to the Partnership in the Contributed Entity Merger under Treasury Regulations Section 1.707-4(d) or, otherwise, so much of such cash that the Topper tax return preparer is reasonably able to establish is eligible for such treatment. For these purposes, the Parties hereto hereby expressly agree that the Topper tax return preparer may (among other ways) reasonably establish such eligibility by assuming that reimbursements of capital expenditures that were funded with the proceeds of third party debt would be so eligible for such treatment and/or that the “20%-of-fair market value” limitation of Treasury Regulations Section 1.707-4(d) (2)(ii) can apply either on an aggregate or property-by-property basis.

(B) Contemporaneously with the Contributed Entity Mergers, each Contributed Entity shall contribute and assign its Contributed LGW Assets/Liabilities directly to LGW in a single transfer and transaction, with each of the Parties hereto agreeing to treat and report such contribution and assignment: (1) for United States federal, state and local income tax purposes, as the contribution and assignment by the Contributed Entity of the Contributed LGW Assets/Liabilities to the Partnership, consistent with the treatment of the corresponding Contributed Entity Mergers as “assets over” forms of merger under Treasury Regulations Section 1.708 -1(c) with the Contributed Entities being the terminated partnerships and the Partnership being the “resulting partnership” under said Treasury Regulations; and (2) for all other taxes (including, without limitation, state and local sales, use, personal property, real property transfer, real estate transfer, documentary stamp, recording, realty transfer, controlling interest and other

transfer tax), as a single transfer and assignment of the Contributed LGW Assets/Liabilities by the Contributed Entity to LGW. LGW hereby accepts and assumes the Contributed LGW Assets/Liabilities.

Section 2.2 LGC Contributions, KPC Contributions, KPO Contributions and LGO Distributee Contributions (and Agreed Tax Treatment and Reporting thereof).

(A) LGC shall grant, contribute, bargain, convey, assign, transfer, set over and deliver directly and in a single transfer to: (1) LG LLC (and its successors and assigns, for its and their own use forever), all right, title and interest in and to the LGC MLP Assets/Liabilities, and (2) LGW (and its successors and assigns, for its and their own use forever), all right, title and interest in and to the LGC LGW Assets/Liabilities, in exchange for which the Partnership shall issue to LGC such number of Common Units and such number of Subordinated Units, and shall distribute to LGC such amount of cash, all as set forth on Exhibit B attached hereto. Any such cash that the Partnership shall so distribute to LGC shall be funded with the Net Offering Proceeds, Credit Facility Proceeds or some combination thereof, as shall be set forth on Exhibit B attached hereto. The Parties agree to treat and report for all United States federal, state and local and, as applicable, foreign income tax purposes the amount of the cash to be distributed to LGC as a reimbursement to LGC of capital expenditures incurred by it with respect to property that it contributes and assigns to LG LLC and LGW under Treasury Regulations Section 1.707-4(d) or, otherwise, so much of such cash that the Topper tax return preparer is reasonably able to establish is so eligible for such treatment. For these purposes, the Parties hereto hereby expressly agree that the Topper tax return preparer may (among other ways) reasonably establish such eligibility by assuming that reimbursements of capital expenditures that were funded with the proceeds of third party debt would be so eligible for such treatment and/or that the “20%-of-fair market value” limitation of Treasury Regulations Section 1.707-4(d) (2)(ii) can apply either on an aggregate or property-by-property basis). LG LLC hereby accepts and assumes the LGC MLP Assets/Liabilities and LGW hereby accepts and assumes the LGC LGW Assets/Liabilities.

(B) KPC shall grant, contribute, bargain, convey, assign, transfer, set over and deliver directly and in a single transfer to: (1) LG LLC (and its successors and assigns, for its and their own use forever), all right, title and interest in and to the KPC MLP Assets/Liabilities, and (2) LGW (and its successors and assigns, for its and their own use forever), all right, title and interest in and to the KPC LGW Assets/Liabilities, in exchange for which the Partnership shall issue to KPC such number of Common Units and such number of Subordinated Units, and shall distribute to KPC such amount of cash, all as set forth on Exhibit B attached hereto. Any such cash that the Partnership shall so distribute to KPC shall be funded with the Net Offering Proceeds, Credit Facility Proceeds or some combination thereof, as shall be set forth on Exhibit B attached hereto. The Parties agree to treat and report for all United States federal, state and local and, as applicable, foreign income tax purposes the amount of the cash to be distributed to KPC as a reimbursement to KPC of capital expenditures incurred by it with respect to property that it contributes and assigns to the LG LLC and LGW under Treasury Regulations Section 1.707-4(d) or, otherwise, so much of such cash that the Topper tax return preparer is reasonably able to establish is so eligible for such treatment. For these purposes, the Parties hereto hereby expressly agree that the Topper tax return preparer may (among other ways) reasonably establish such eligibility by assuming that reimbursements of capital expenditures that were funded with the proceeds of third party debt would be so eligible for such treatment and/or that the “20%-of-

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fair market value” limitation of Treasury Regulations Section 1.707-4(d) (2)(ii) can apply either on an aggregate or property-by-property basis). LG LLC hereby accepts and assumes the KPC MLP Assets/Liabilities and LGW hereby accepts and assumes the KPC LGW Assets/Liabilities.

(C) KPO shall grant, contribute, bargain, convey, assign, transfer, set over and deliver directly and in a single transfer to: (1) LG LLC (and its successors and assigns, for its and their own use forever), all right, title and interest in and to the KPO MLP Assets/Liabilities, and (2) LGW (and its successors and assigns, for its and their own use forever), all right, title and interest in and to the KPO LGW Assets/Liabilities, in exchange for which the Partnership shall issue to KPO such number of Common Units and such number of Subordinated Units, and shall distribute to KPO such amount of cash, all as set forth on Exhibit B attached hereto. Any such cash that the Partnership shall so distribute to KPO shall be funded with the Net Offering Proceeds, Credit Facility Proceeds or some combination thereof, as shall be set forth on Exhibit B attached hereto. The Parties agree to treat and report for all United States federal, state and local and, as applicable, foreign income tax purposes the amount of the cash to be distributed to KPO as a reimbursement to KPO of capital expenditures incurred by it with respect to property that it contributes and assigns to the LG LLC and LGW under Treasury Regulations Section 1.707-4(d) or, otherwise, so much of such cash that the Topper tax return preparer is reasonably able to establish is so eligible for such treatment. For these purposes, the Parties hereto hereby expressly agree that the Topper tax return preparer may (among other ways) reasonably establish such eligibility by assuming that reimbursements of capital expenditures that were funded with the proceeds of third party debt would be so eligible for such treatment and/or that the “20%-of-fair market value” limitation of Treasury Regulations Section 1.707-4(d) (2)(ii) can apply either on an aggregate or property-by-property basis). LG LLC hereby accepts and assumes the KPO MLP Assets/Liabilities and LGW hereby accepts and assumes the KPO LGW Assets/Liabilities.

(D) LGO Distributee shall grant, contribute, bargain, convey, assign, transfer, set over and deliver directly and in a single transfer to LG LLC (and its successors and assigns, for its and their own use forever), all right, title and interest in and to the Former LGO Assets/Liabilities in exchange for which the Partnership shall issue to LGO Distributee such number of Common Units and such number of Subordinated Units, and shall distribute to LGO Distributee such amount of cash, all as set forth on Exhibit B attached hereto. Any such cash that the Partnership shall so distribute to LGO Distributee shall be funded with the Net Offering Proceeds, Credit Facility Proceeds or some combination thereof, as shall be set forth on Exhibit B attached hereto. The Parties agree to treat and report for all United States federal, state and local and, as applicable, foreign income tax purposes the amount of the cash to be distributed to LGO Distributee as a reimbursement to LGO Distributee of capital expenditures incurred by it with respect to property that it contributes and assigns to the LG LLC under Treasury Regulations Section 1.707-4(d) or, otherwise, so much of such cash that the Topper tax return preparer is reasonably able to establish is so eligible for such treatment. For these purposes, the Parties hereto hereby expressly agree that the Topper tax return preparer may (among other ways) reasonably establish such eligibility by assuming that reimbursements of capital expenditures that were funded with the proceeds of third party debt would be so eligible for such treatment and/or that the “20%-of-fair market value” limitation of Treasury Regulations Section 1.707-4(d) (2)(ii) can apply either on an aggregate or property-by-property basis). LG LLC hereby accepts and assumes the Former LGO Assets/Liabilities.

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Section 2.3 Topper Contributions. Topper shall grant, contribute, bargain, convey, assign, transfer, set over and deliver directly and in a single transfer to: (1) LG LLC (and its successors and assigns, for its and their own use forever), all right, title and interest in and to the Topper MLP Assets/Liabilities, and (2) LGW (and its successors and assigns, for its and their own use forever), all right, title and interest in and to the Topper LGW Assets/Liabilities, in exchange for which the Partnership shall issue to Topper such number of Common Units and such number of Subordinated Units, and shall distribute to Topper such amount of cash, all as set forth on Exhibit B attached hereto. Any such cash that the Partnership shall so distribute to Topper shall be funded with the Net Offering Proceeds, Credit Facility Proceeds or some combination thereof, as shall be set forth on Exhibit B attached hereto. The Parties agree to treat and report for all United States federal, state and local and, as applicable, foreign income tax purposes the amount of the cash to be distributed to Topper as a reimbursement to Topper of capital expenditures incurred by it with respect to property that it contributes and assigns to the LG LLC and LGW under Treasury Regulations Section 1.707-4(d) or, otherwise, so much of such cash that the Topper tax return preparer is reasonably able to establish is so eligible for such treatment. For these purposes, the Parties hereto hereby expressly agree that the Topper tax return preparer may (among other ways) reasonably establish such eligibility by assuming that reimbursements of capital expenditures that were funded with the proceeds of third party debt would be so eligible for such treatment and/or that the “20%-of-fair market value” limitation of Treasury Regulations Section 1.707-4(d) (2)(ii) can apply either on an aggregate or property-by-property basis). LG LLC hereby accepts and assumes the Topper MLP Assets/Liabilities and LGW hereby accepts and assumes the Topper LGW Assets/Liabilities.

The transactions contemplated by Section 2.4 through Section 2.8 shall be completed at the Effective Time in the order set forth herein.

Section 2.4 Execution of the Partnership Agreement. The General Partner, LGC and the other limited partners of the Partnership shall amend and restate the Original Partnership Agreement by executing the Partnership Agreement in substantially the form included in Appendix A to the Registration Statement, with such changes as are necessary to reflect any adjustment to the number of Firm Units and Option Units as the Partnership and LGC may agree with the Underwriters and such other changes as the Partnership, the General Partner and LGC may agree.

Section 2.5 Contribution of Cash by the Public Through the Underwriters. The Parties acknowledge that the Partnership is undertaking the Offering and the public, through the Underwriters will, pursuant to the Underwriting Agreement, agree to make a capital contribution to the Partnership of an amount determined pursuant to the Underwriting Agreement in exchange for the issuance and sale of the Firm Units.

Section 2.6 Payment of Structuring Fee. The Partnership agrees to pay Raymond James & Associates, Inc. the Structuring Fee.

Section 2.7 Payment of Transaction Expenses. The Parties acknowledge the payment by the Partnership of the transaction expenses incurred in connection with the transactions contemplated hereby and by the Registration Statement.

Section 2.8 **Issuance of Incentive Distribution Rights.** The Partnership shall issue to the General Partner Incentive Distribution Rights.

ARTICLE III

DEFERRED ISSUANCE AND DISTRIBUTION

Section 3.1 **Deferred Issuance and Distribution; Payment of the Option Structuring Fee.** If the Over-Allotment Option is exercised in whole or in part, the public, through the Underwriters, shall make an additional capital contribution to the Partnership in cash in an amount determined pursuant to the Underwriting Agreement in exchange for the sale of the Option Units. Upon the earlier to occur of the expiration of the Over-Allotment Option period or the exercise in full of the Over-Allotment Option, the Partnership will issue to one or more of LGC, KPC, KPO, the LGO Distributee, and/or one or more of the members or partners of one or more of the Contributed Entities a number of additional Common Units that is equal to the excess, if any, of (x) the maximum number of Option Units issuable pursuant to the Over-Allotment Option over (y) the aggregate number of Option Units, if any, actually purchased by and issued to the Underwriters pursuant to any exercise(s) of the Over-Allotment Option. The Parties hereto hereby agree to treat and report for United States federal, state, local and, as applicable, foreign income tax purposes any and all such Common Units that may be so issued to LGC, KPC, KPO, the LGO Distributee, and/or one or more of the members or partners of one or more of the Contributed Entities as a non-taxable exchange by such entity or person of property solely for an interest in the Partnership under Section 721(a) of the Code and the Treasury Regulations thereunder. Upon each Option Closing Date, the Partnership shall make a distribution in cash in an aggregate amount equal to the total amount of proceeds received by the Partnership from such exercise of the Over-Allotment Option, net of the Underwriters' Spread, and which cash the Partnership shall distribute to one or more of LGC, KPC, KPO, the LGO Distributee, and/or one or more of the members or partners of one or more of the Contributed Entities and in such amount(s), all as shall be set forth in a writing submitted by Topper (in his capacity as general partner, managing member, officer and/or other fiduciary thereof) to the Partnership. Any such cash that the Partnership shall so distribute shall be funded with the Net Offering Proceeds, Credit Facility Proceeds or some combination thereof, as shall be set forth in such writing. Further, the Parties hereto hereby agree to treat and report for United States federal, state, local and, as applicable, foreign income tax purposes such cash distributions as a reimbursement with respect to property that it (or, as applicable, a Contributed Entity) contributed and assigned to LGW or LG LLC, as applicable, under Treasury Regulations Section 1.707-4(d) or, otherwise, so much of such cash that the Topper tax return preparer is reasonably able to establish is so eligible for such treatment. For these purposes, the Parties hereto hereby expressly agree that the Topper tax return preparer may (among other ways) reasonably establish such eligibility by assuming that reimbursements of capital expenditures that were funded with the proceeds of third party debt would be so eligible for such treatment and/or that the "20%-of-fair market value" limitation of Treasury Regulations Section 1.707-4(d) (2)(ii) can apply either on an aggregate or property-by-property basis). The Parties receiving cash distributions hereby agree to pay to Raymond James & Associates, Inc. their pro rata share of the applicable Option Structuring Fee associated with any exercise of the Over-Allotment Option.

ARTICLE IV

OTHER ASSURANCES

Section 4.1 **Further Assurances.** From time to time after the Effective Time, and without any further consideration, the Parties agree to execute, acknowledge and deliver all such additional deeds, assignments, bills of sale, conveyances, instruments, notices, releases, acquittances and other documents, and to do all such other acts and things, all in accordance with applicable law, as may be necessary or appropriate (a) more fully to assure that the applicable Parties own all of the properties, rights, titles, interests, estates, remedies, powers and privileges granted by this Agreement, or which are intended to be so granted, (b) more fully and effectively to vest in the applicable Parties and their respective successors and assigns beneficial and record title to the interests contributed and assigned by this Agreement or intended to be so and (c) more fully and effectively to carry out the purposes and intent of this Agreement.

ARTICLE V

EFFECTIVE TIME

Notwithstanding anything contained in this Agreement to the contrary, none of the provisions of Article II, Article III or Article IV shall be operative or have any effect until the Underwriting Agreement has been executed by each of the parties thereto, at which time all such provisions shall be effective and operative in accordance this Agreement without further action by any Party.

ARTICLE VI

TITLE MATTERS

Section 6.1 **Disclaimer of Warranties; Subrogation; Waiver of Bulk Sales Laws.**

(A) EXCEPT TO THE EXTENT PROVIDED IN ANY OTHER DOCUMENT EXECUTED OR DELIVERED IN CONNECTION WITH THIS AGREEMENT OR THE OFFERING THE PARTIES ACKNOWLEDGE AND AGREE THAT NONE OF THE PARTIES HAS MADE, DOES NOT MAKE, AND EACH SUCH PARTY SPECIFICALLY NEGATES AND DISCLAIMS, ANY REPRESENTATIONS, WARRANTIES, PROMISES, COVENANTS, AGREEMENTS OR GUARANTIES OF ANY KIND OR CHARACTER WHATSOEVER, WHETHER EXPRESS, IMPLIED OR STATUTORY, ORAL OR WRITTEN, PAST OR PRESENT, REGARDING (A) THE VALUE, NATURE, QUALITY OR CONDITION OF THE ASSETS, INCLUDING THE ENVIRONMENTAL CONDITION OF THE ASSETS GENERALLY, INCLUDING THE PRESENCE OR LACK OF HAZARDOUS SUBSTANCES OR OTHER MATTERS ON THE ASSETS, (B) THE INCOME TO BE DERIVED FROM THE ASSETS, (C) THE SUITABILITY OF THE ASSETS FOR ANY AND ALL ACTIVITIES AND USES THAT MAY BE CONDUCTED THEREON, (D) THE COMPLIANCE OF OR BY THE ASSETS OR THEIR OPERATION WITH ANY LAWS (INCLUDING ANY ZONING, ENVIRONMENTAL PROTECTION, POLLUTION OR LAND USE LAWS, RULES, REGULATIONS, ORDERS OR REQUIREMENTS), OR (E) THE

HABITABILITY, MERCHANTABILITY, MARKETABILITY, PROFITABILITY OR FITNESS FOR A PARTICULAR PURPOSE OF THE ASSETS. EXCEPT TO THE EXTENT PROVIDED IN ANY OTHER DOCUMENT EXECUTED OR DELIVERED IN CONNECTION WITH THIS AGREEMENT OR THE OFFERING, THE PARTIES ACKNOWLEDGE AND AGREE THAT EACH HAS HAD THE OPPORTUNITY TO INSPECT THE ASSETS, AND EACH IS RELYING SOLELY ON ITS OWN INVESTIGATION OF THE ASSETS AND NOT ON ANY INFORMATION PROVIDED OR TO BE PROVIDED BY ANY OF THE PARTIES. NONE OF THE PARTIES IS LIABLE OR BOUND IN ANY MANNER BY ANY VERBAL OR WRITTEN STATEMENTS, REPRESENTATIONS OR INFORMATION PERTAINING TO THE ASSETS FURNISHED BY ANY AGENT, EMPLOYEE, SERVANT OR THIRD PARTY. EACH OF THE PARTIES ACKNOWLEDGES THAT TO THE MAXIMUM EXTENT PERMITTED BY LAW, THE CONTRIBUTION OF THE ASSETS AS PROVIDED FOR HEREIN IS MADE IN AN "AS IS", "WHERE IS" CONDITION WITH ALL FAULTS, AND THE ASSETS ARE CONTRIBUTED AND CONVEYED SUBJECT TO ALL OF THE MATTERS CONTAINED IN THIS SECTION. THIS SECTION SHALL SURVIVE SUCH CONTRIBUTION AND CONVEYANCE OR THE TERMINATION OF THIS AGREEMENT. THE PROVISIONS OF THIS SECTION HAVE BEEN NEGOTIATED BY THE PARTIES AFTER DUE CONSIDERATION AND ARE INTENDED TO BE A COMPLETE EXCLUSION AND NEGATION OF ANY REPRESENTATIONS OR WARRANTIES, WHETHER EXPRESS, IMPLIED OR STATUTORY, WITH RESPECT TO THE ASSETS THAT MAY ARISE PURSUANT TO ANY LAW NOW OR HEREAFTER IN EFFECT, OR OTHERWISE.

(B) Each of the Parties agrees that the disclaimers contained in this Section 6.1 are "conspicuous" disclaimers. Any covenants implied by statute or law by the use of the words "contribute," "distribute," "assign," "transfer," "deliver" or "set over" or any of them or any other words used in this Agreement are hereby expressly disclaimed, waived or negated.

(C) Each of the Parties hereby waives compliance with any applicable bulk sales law or any similar law in any applicable jurisdiction in respect of the transactions contemplated by this Agreement.

(D) The General Partner and the Partnership hereby acknowledge and agree that the express provisions of this Agreement and the Omnibus Agreement contain the sole and exclusive remedies available to them with respect to the transactions contemplated hereunder.

ARTICLE VII

REPRESENTATIONS AND WARRANTIES

Section 7.1 **Representations and Warranties of All Parties.** Each of the Parties to this Agreement hereby represents and warrants severally as to itself as follows:

(A) **Formation and Good Standing.** Such Party is a corporation, limited partnership or limited liability company, legally formed, validly existing and in good standing under the laws of its formation. Such Party is duly qualified to do business and is in good standing as a foreign corporation, limited partnership or limited liability company, as applicable, in each

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jurisdiction where the character of the properties owned or leased by it or the nature of the businesses transacted by it requires it to be so qualified.

(B) **Authority, Execution and Enforceability.** Such Party has full corporate, limited partnership or limited liability company, as applicable, power and authority to enter into this Agreement and the documents to be delivered by such Party hereunder and to perform its obligations hereunder and thereunder. The execution, delivery and performance of this Agreement and the documents to be delivered by such Party hereunder and the consummation of the transactions contemplated hereby and thereby have been duly authorized and approved by such Party. Such Party has duly executed and delivered this Agreement and the documents to be delivered by such Party hereunder, and this Agreement and the documents to be delivered by such Party hereunder constitute such Party's legal, valid and binding obligation, enforceable against it in accordance with its terms (except as enforceability may be limited by applicable bankruptcy, insolvency, reorganization, moratorium or similar laws affecting creditors' rights generally or by the principles governing the availability of equitable remedies).

(C) **No Conflicts.** Neither the execution, delivery nor performance of this Agreement nor the documents to be delivered by such Party hereunder by such Party will:

(i) require the approval or consent of any Governmental Authority;

(ii) conflict with or result in the breach or violation of any term or provision of, or will constitute a default under, or will otherwise impair the good standing, validity or effectiveness of, any provision of its charter, bylaws, certificate of limited partnership, certificate of formation, agreement of limited partnership, limited liability company agreement or other formation and governing documents;

(iii) result in the material breach or violation by it of any material term or provision of, or constitute a default or give rise to any right of termination, cancellation or acceleration under any of the terms, conditions or provisions of any material agreement to which it is bound or by which its property or business is affected, except for such defaults (or rights of termination, cancellation or acceleration) as to which waivers or consents have been obtained; or

(iv) violate in any material respect any federal, state, local or other governmental law ordinance, or any order, writ, injunction, decree, rule or regulation of any Governmental Authority applicable to such Party.

Section 7.2 **Investment Representations and Warranties.**

(A) Each Party that receives Common Units and Subordinated Units hereunder hereby represents and warrants that the following statements are true and correct as of the date hereof: (i) it is an "accredited investor" within the meaning of the federal securities laws; (ii) it is accepting the Common Units and Subordinated Units for its own account and not for the account or benefit of any other person or entity and not with a view to, or for offer or sale in connection with, any distribution thereof; and (iii) it understands that any Common Units and Subordinated Units delivered to it hereunder shall be "restricted securities" within the meaning of federal and state securities laws and that if in the future it decides to sell or otherwise transfer or dispose of

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any of the Common Units and Subordinated Units, it understands and agrees that it may do so only in compliance with applicable federal or state securities laws.

(B) The Partnership hereby represents and warrants that the following statements are true and correct as of the date hereof: (i) the Partnership and, to its knowledge, any person acting on its behalf has complied and will comply with the limitations on manner of offering and sale set forth in the federal securities laws with respect to all offers and sales of the Common Units and the Subordinated Units; and (ii) the Partnership has not made any other offers, issuances, sales or deliveries of any securities of the Partnership to any persons within the six month period prior to the date hereof other than any offers, issuances, sales or deliveries of any securities of the Partnership made pursuant either to an effective registration statement or pursuant to an exemption from registration under federal securities laws.

ARTICLE VIII

MISCELLANEOUS

Section 8.1 **Order of Completion of Transactions.** The transactions contemplated by Section 2.1 through Section 2.3 shall occur immediately prior to the Effective Time in the order set forth herein. The transactions contemplated by Section 2.4 through Section 2.8 shall be completed at the Effective Time in the order set forth herein. Following the completion of the transactions provided for in Article II, the transactions provided for in Article III, if they occur, shall be completed.

Section 8.2 **Headings; References; Interpretation.** All Article and Section headings in this Agreement are for convenience only and shall not be deemed to control or affect the meaning or construction of any of the provisions hereof. The words “hereof,” “herein” and “hereunder” and words of similar import, when used in this Agreement, shall refer to this Agreement as a whole, including, without limitation, all Schedules and Exhibits attached hereto, and not to any particular provision of this Agreement. All references herein to Articles, Sections, Schedules and Exhibits shall, unless the context requires a different construction, be deemed to be references to the Articles and Sections of this Agreement and the Schedules and Exhibits attached hereto, and all such Schedules and Exhibits attached hereto are hereby incorporated herein and made a part hereof for all purposes. All personal pronouns used in this Agreement, whether used in the masculine, feminine or neuter gender, shall include all other genders, and the singular shall include the plural and vice versa. The use herein of the word “including” following any general statement, term or matter shall not be construed to limit such statement, term or matter to the specific items or matters set forth immediately following such word or to similar items or matters, whether or not non-limiting language (such as “without limitation”, “but not limited to”, or words of similar import) is used with reference thereto, but rather shall be deemed to refer to all other items or matters that could reasonably fall within the broadest possible scope of such general statement, term or matter.

Section 8.3 **Successors and Assigns.** This Agreement shall be binding upon and inure to the benefit of the Parties and their respective successors and assigns.

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Section 8.4 **No Third Party Rights.** The provisions of this Agreement are intended to bind the Parties as to each other and are not intended to and do not create rights in any other person or confer upon any other person any benefits, rights or remedies, and no person is or is intended to be a third party beneficiary of any of the provisions of this Agreement.

Section 8.5 **Counterparts.** This Agreement may be executed in any number of counterparts with the same effect as if all Parties had signed the same document. All counterparts shall be construed together and shall constitute one and the same instrument.

Section 8.6 **Applicable Law; Forum, Venue and Jurisdiction.** This Agreement shall be construed in accordance with and governed by the laws of the State of Delaware. Each of the Parties (i) irrevocably agrees that any claims, suits, actions or proceedings arising out of or relating in any way to this Agreement shall be exclusively brought in the Court of Chancery of the State of Delaware, in each case regardless of whether such claims, suits, actions or proceedings sound in contract, tort, fraud or otherwise, are based on common law, statutory, equitable, legal or other grounds, or are derivative or direct claims; (ii) irrevocably submits to the exclusive jurisdiction of the Court of Chancery of the State of Delaware in connection with any such claim, suit, action or proceeding; (iii) agrees not to, and waives any right to, assert in any such claim, suit, action or proceeding that (A) it is not personally subject to the jurisdiction of the Court of Chancery of the State of Delaware or of any other court to which proceedings in the Court of Chancery of the State of Delaware may be appealed, (B) such claim, suit, action or proceeding is brought in an inconvenient forum, or (C) the venue of such claim, suit, action or proceeding is improper; (iv) expressly waives any requirement for the posting of a bond by a party bringing such claim, suit, action or proceeding; and (v) consents to process being served in any such claim, suit, action or proceeding by mailing, certified mail, return receipt requested, a copy thereof to such party at the address in effect for notices hereunder, and agrees that such services shall constitute good and sufficient service of process and notice thereof; *provided*, nothing in clause (v) hereof shall affect or limit any right to serve process in any other manner permitted by law.

Section 8.7 **Severability.** If any of the provisions of this Agreement are held by any court of competent jurisdiction to contravene, or to be invalid under, the laws of any political body having jurisdiction over the subject matter hereof, such contravention or invalidity shall not invalidate the entire Agreement. Instead, this Agreement shall be construed as if it did not contain the particular provision or provisions held to be invalid and an equitable adjustment shall be made and necessary provision added so as to give effect to the intention of the Parties as expressed in this Agreement at the time of execution of this Agreement.

Section 8.8 **Amendment or Modification.** This Agreement may be amended or modified from time to time only by the written agreement of all the Parties. Each such instrument shall be reduced to writing and shall be designated on its face as an amendment to this Agreement.

Section 8.9 **Integration.** Other than the Omnibus Agreement, this Agreement constitutes the entire agreement among the Parties with respect to the subject matter hereof and supersedes all prior contracts or agreements among the Parties with respect to the subject matter hereof and the matters addressed or governed hereby, whether oral or written.

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Section 8.10 **Deed; Bill of Sale; Assignment.** To the extent required and permitted by applicable law, this Agreement shall also constitute a “deed,” “bill of sale” or “assignment” of the assets and interests referenced herein.

Section 8.11 **Costs.** Each transferee/assignee hereunder shall pay all sales, use and similar taxes arising out of the contributions, conveyances and deliveries to be made hereunder, and shall pay all documentary, filing, recording, transfer, deed and conveyance taxes and any fees required in connection

IN WITNESS WHEREOF, the parties to this Agreement have caused it to be duly executed as of the date first above written.

LEHIGH GAS PARTNERS LP, a Delaware limited partnership

By: Lehigh Gas GP LLC, its general partner

By: _____
Name: _____
Title: _____

LEHIGH GAS GP LLC, a Delaware limited liability company

By: _____
Name: _____
Title: _____

LEHIGH GAS CORPORATION, a Delaware corporation

By: _____
Name: _____
Title: _____

LEHIGH KIMBER REALTY, LLC, a Delaware limited liability company

By: _____
Name: _____
Title: _____

ENERGY REALTY OP LP, a Delaware limited partnership

By: _____
Name: _____
Title: _____

EROP — OHIO HOLDINGS, LLC, a Delaware limited liability company

By: _____
Name: _____
Title: _____

KWIK PIK REALTY — OHIO HOLDINGS, LLC, a Delaware limited liability company

By: _____
Name: _____
Title: _____

KWIK PIK — OHIO HOLDINGS, LLC, a Delaware limited liability company

By: _____
Name: _____
Title: _____

KIMBER PETROLEUM CORPORATION, a New Jersey corporation

By: _____
Name: _____
Title: _____

LEHIGH GAS WHOLESALE SERVICES, INC., a Delaware corporation

By: _____
Name: _____
Title: _____

LEHIGH GAS WHOLESALE, LLC, a Delaware corporation

By: _____
Name: _____
Title: _____

John B. Reilly, III

Joseph V. Topper, Jr.

FORM OF
OMNIBUS AGREEMENT

BY AND AMONG

LEHIGH GAS PARTNERS LP,
LEHIGH GAS GP LLC,
LEHIGH GAS CORPORATION,
LEHIGH GAS-OHIO, LLC

AND

JOSEPH V. TOPPER, JR.

OMNIBUS AGREEMENT

This Omnibus Agreement is entered into on, and effective as of, _____, 2012 (the “*Closing Date*”), and is by and among Lehigh Gas Partners LP, a Delaware limited partnership (the “*MLP*” or the “*Partnership*”), Lehigh Gas GP LLC, a Delaware limited liability company and the general partner of the MLP (the “*General Partner*”), Lehigh Gas Corporation, a Delaware corporation (“*LGC*”), and, for purposes of Article X only, Lehigh Gas-Ohio, LLC, a Delaware limited liability company (“*LGO*”), and, for purposes of Section 2.5 and Article X only, Joseph V. Topper, Jr. (“*Topper*”). The above-named entities are sometimes referred to in this Agreement each as a “*Party*” and collectively as the “*Parties*.”

RECITALS:

WHEREAS, on the Closing Date, LGC and certain of its Affiliates will contribute and/or sell certain assets and interests to the MLP (the “*Contribution*”) in exchange for limited partnership interests in the MLP, cash and other consideration agreed to by the Parties; and

WHEREAS, in connection with the Contribution, the Parties desire by their execution of this Agreement to evidence their understanding, as more fully set forth in this Agreement, with respect to (1) specified indemnification obligations of LGC, (2) Services to be provided by LGC hereunder and (3) certain payment, reimbursement, and other obligations of the Parties.

NOW, THEREFORE, in consideration of the premises and the covenants, conditions, and agreements contained herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties hereby agree as follows:

ARTICLE I
DEFINITIONS

1.1 Definitions.

“*Affiliate*” is defined in the MLP Agreement.

“*Agreement*” means this Omnibus Agreement, as it may be amended, modified or supplemented from time to time in accordance with the terms hereof.

“*Audit Right*” is defined in Article IX.

“*Base Management Fee*” is defined in Section 5.1(a).

“*Board*” means the Board of Directors of the General Partner.

“*Business Day*” means any day that is not a Saturday, Sunday or day on which banks are authorized by law to close in the State of New York.

“*Closing Date*” is defined in the Preamble.

“*Common Unit*” is defined in the MLP Agreement.

“*Confidential Information*” means all information, including information relating to the MLP Group, (i) furnished to LGC or its representatives by or on behalf of the General Partner or (ii) prepared by or at the direction of the General Partner (in each case irrespective of the form of communication and whether such information is furnished before, on or after the date hereof), and all analyses, compilations, data, studies, notes, interpretations, memoranda or other documents prepared by LGC or its representatives containing or based in whole or in part on any such furnished information.

“*Conflicts Committee*” is defined in the MLP Agreement.

“*Contribution*” is defined in the Recitals.

“*Contribution Agreement*” means the Merger, Contribution, Conveyance and Assumption Agreement dated as of the Closing Date by and among the MLP, the General Partner, LGC, Lehigh Kimber Realty, LLC, Energy Realty OP LP, EROP — Ohio Holdings, LLC, Kwik Pik Realty — Ohio Holdings, LLC, Kwik Pik, - Ohio Holdings, LLC, Kimber Petroleum Corporation, Lehigh Gas Wholesale Services, Inc., Lehigh Gas Wholesale LLC, John B. Reilly, III and Topper.

“**Control**” means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of a Person, whether through ownership of voting securities, by contract, or otherwise.

“**Environmental Activity**” shall mean any investigation, study, assessment, evaluation, sampling, testing, monitoring, containment, removal, disposal, closure, corrective action, remediation (regardless of whether active or passive), natural attenuation, restoration, bioremediation, response, repair, corrective measure, cleanup or abatement that is required or necessary under any applicable Environmental Law, including institutional or engineering controls or participation in a governmental voluntary cleanup program to conduct voluntary investigatory and remedial actions for the clean-up, removal or remediation of Hazardous Substances that exceed actionable levels established pursuant to Environmental Laws, or participation in a supplemental environmental project in partial or whole mitigation of a fine or penalty.

“**Environmental Closure**” means completion of Environmental Activities in accordance with applicable Environmental Laws such that a release, covenant not to sue, no further action letter, or other written approval by a Governmental Authority with jurisdiction over the remediation process is issued by such Governmental Authority or is established by operation of law.

“**Environmental Laws**” means all federal, regional, state, and local laws, statutes, rules, regulations, orders, judgments, ordinances, codes, injunctions, decrees, Environmental Permits and other legally enforceable requirements and rules of common law relating to (i) pollution or protection of human health or the environment or natural resources, (ii) any Release or threatened Release of, or any exposure of any Person or property to, any Hazardous Substances or (iii) the generation, manufacture, processing, distribution, use, treatment, storage, disposal, transport, arrangement for disposal or transport, or handling of any Hazardous Substances.

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Without limiting the foregoing, Environmental Laws include the federal Comprehensive Environmental Response, Compensation and Liability Act, the Superfund Amendments and Reauthorization Act, the Resource Conservation and Recovery Act, the Clean Air Act, the Clean Water Act, the Safe Drinking Water Act, the Toxic Substances Control Act, the Oil Pollution Act of 1990, the Federal Hazardous Materials Transportation Law, the Occupational Safety and Health Act, the Marine Mammal Protection Act, the Endangered Species Act, the National Environmental Policy Act and other environmental conservation and protection laws, each as amended through the Closing Date.

“**Environmental Permit**” means any permit, approval, identification number, license, registration, certification, consent, exemption, variance or other authorization required under or issued pursuant to any applicable Environmental Law.

“**General Partner**” is defined in the Preamble.

“**Governmental Authority**” means the United States, any foreign country, state, county, city or other incorporated or unincorporated political subdivision, agency or instrumentality thereof.

“**Hazardous Substance**” means (i) any substance that is designated, defined, listed, regulated or classified under any Environmental Law as a hazardous waste, solid waste, hazardous material, pollutant, contaminant or toxic or hazardous substance, or terms of similar meaning, or that is otherwise regulated under any Environmental Law, including any hazardous substance as defined under the Comprehensive Environmental Response, Compensation and Liability Act, as amended, or the Release of which may give rise to Liability under any Environmental Law, (ii) oil as defined in the Oil Pollution Act of 1990, as amended, including oil, gasoline, natural gas, fuel oil, motor oil, waste oil, diesel fuel, jet fuel and other refined petroleum hydrocarbons and petroleum products and fractions or by-products thereof, in each case whether in their virgin, used or waste state, and (iii) radioactive materials, asbestos containing materials or polychlorinated biphenyls.

“**Indemnified Party**” is defined in Section 6.2.

“**Indemnifying Party**” is defined in Section 2.3(a).

“**Initial Term**” means the period from the Closing Date until 12:01 a.m. on the forty-second month anniversary of the Closing Date (or the next Business Day thereafter).

“**LGC**” is defined in the Preamble.

“**LGC Covered Environmental Losses**” means Losses by reason of or arising out of:

(i) with respect to assets of the Partnership or its subsidiaries, any violation or correction of violation of Environmental Law, including the performance of any Environmental Activity; or

(ii) any event, omission, or condition associated with the assets of the Partnership or its subsidiaries (including the exposure to or presence of Hazardous Substances on, under, about

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or Releasing to or from the assets of the Partnership or its subsidiaries or the exposure to or Release of Hazardous Substances arising out of operation of the assets of the Partnership or its subsidiaries at locations not owned by the Partnership or its subsidiaries) including (a) the cost and expense of any Environmental Activities and (b) the cost and expense for any environmental or toxic tort pre-trial, trial or appellate legal or litigation support work;

but only to the extent that such violation described in clause (i), or such events, omissions or conditions described in clause (ii), first occurred on or after the Closing Date.

“**LGC Indemnified Party**” is defined in Section 6.2.

“**LGO**” is defined in the Preamble.

“**Losses**” means any and all losses, damages, obligations, liabilities, claims, demands, causes of action, judgments, settlements, fines, penalties, costs and expenses (including court costs and reasonable attorneys’ and experts’ fees) of any and every kind or character.

“**Management Fee**” is defined in [Section 5.1\(a\)](#).

“**MLP**” is defined in the Preamble.

“**MLP Agreement**” means the First Amended and Restated Agreement of Limited Partnership of the MLP, dated as of the Closing Date, as it may be amended, modified or supplemented from time to time; provided, however, that if any such amendment, modification or supplement in the reasonable discretion of the General Partner (i) would have a material adverse effect on the holders of Common Units, or (ii) materially limit or impair the rights of the MLP or reduce the obligations of LGC, LGO or Topper under this Agreement, then such amendment, modification or supplement shall not be given effect for purposes of this Agreement unless it has been approved by the Conflicts Committee.

“**MLP Assets**” means the assets contributed to the Partnership pursuant to the Contribution Agreement.

“**MLP Change of Control**” means LGC and Topper cease to Control the General Partner or the General Partner is removed as general partner of the MLP.

“**MLP Covered Environmental Losses**” means Losses by reason of or arising out of:

(i) with respect to the MLP Assets, any violation or correction of violation of Environmental Law, including the performance of any Environmental Activity; or

(ii) any event, omission, or condition associated with the MLP Assets (including the exposure to or presence of Hazardous Substances on, under, about or Releasing to or from the MLP Assets or the exposure to or Release of Hazardous Substances arising out of operation of the MLP Assets at non-MLP Asset locations) including (a) the cost and expense of any Environmental Activities and (b) the cost and expense for any environmental or toxic tort pre-trial, trial or appellate legal or litigation support work;

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but only to the extent that such violation described in clause (i), or such events, omissions or conditions described in clause (ii), first occurred before the Closing Date.

“**MLP Group**” means the MLP, the General Partner and the subsidiaries of the MLP.

“**MLP Indemnified Party**” is defined in [Section 2.3](#).

“**MLP Services Indemnified Party**” is defined in [Section 6.1](#).

“**Offering**” means the initial public offering of Common Units as contemplated in the Registration Statement.

“**Partnership**” is defined in the Preamble.

“**Party**” and “**Parties**” are defined in the Preamble.

“**Person**” means an individual or entity (including a corporation, partnership, joint venture, trust, limited liability company, unincorporated organization or any other entity or governmental agency or authority).

“**Properties**” means the properties now owned or hereafter acquired by the MLP Group, including the MLP Assets.

“**Registration Statement**” means the Registration Statement on Form S-1, as amended (No. 333-181370), filed with the Securities and Exchange Commission with respect to the initial public offering of Common Units.

“**Release**” means any depositing, spilling, leaking, pumping, pouring, placing, emitting, discarding, abandoning, emptying, discharging, migrating, injecting, escaping, leaching, dumping or disposing into the environment.

“**Services**” means the services to be provided by or on behalf of LGC to the General Partner for the benefit of the MLP Group pursuant to this Agreement as set forth in [Exhibit A](#).

“**State Programs**” is defined in [Section 2.3\(e\)](#).

“**Tax Authority**” means any Governmental Authority having jurisdiction over the assessment, determination, collection or imposition of any Tax.

“**Tax Return**” means any report, return, election, document, estimated tax filing, declaration or other filing provided to any Tax Authority, including any amendments thereto.

“**Tax**” or “**Taxes**” means (i) all taxes, assessments, charges, duties, levies, imposts or other similar charges imposed by a Tax Authority, including all income, franchise, profits, capital gains, capital stock, transfer, gross receipts, sales, use, transfer, service, occupation, excise, severance, windfall profits, premium, stamp, license, payroll, employment, social security, unemployment, disability, environmental (including taxes under Code section 59A), alternative minimum, add-on, value-added, withholding and other taxes, assessments, charges,

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duties, levies, imposts or other similar charges of any kind whatsoever (whether payable directly or by withholding and whether or not requiring the filing of a Tax Return), and all estimated taxes, deficiency assessments, additions to tax, additional amounts imposed by any Tax Authority, penalties and interest, but excluding any and all taxes based on net income, net worth, capital or profit; (ii) any liability for the payment of any amount of the type described in the immediately preceding clause (i) as a result of being a member of a consolidated, affiliated, unitary, combined, or similar group with any other corporation or entity at any time on or prior to the Closing Date; and (iii) any liability for the payment of any amount of the type described in the preceding clauses (i) or (ii) whether as a result of contractual obligations to any other Person or by operation of law.

“**Term**” means the period commencing with the Closing Date and ending on the date of termination of this Agreement pursuant to Section 8.1.

“**Topper**” is defined in the Preamble.

“**Variable Management Fee**” is defined in Section 5.1(a).

1.2 Construction. Unless the context requires otherwise: (a) any pronoun used in this Agreement shall include the corresponding masculine, feminine or neuter forms, and the singular form of nouns, pronouns and verbs shall include the plural and vice versa; (b) references to Articles and Sections refer to Articles and Sections of this Agreement; (c) the terms “include,” “includes,” “including” and words of like import shall be deemed to be followed by the words “without limitation;” and (d) the terms “hereof,” “herein” and “hereunder” refer to this Agreement as a whole and not to any particular provision of this Agreement. The table of contents and headings contained in this Agreement are for reference purposes only, and shall not affect in any way the meaning or interpretation of this Agreement.

ARTICLE II **INDEMNIFICATION**

2.1 Title, Tax and Environmental Indemnifications. Subject to the provisions of Sections 2.2, 2.3 and 2.4, LGC shall indemnify, defend and hold harmless the MLP Group from and against:

(a) any Losses suffered or incurred by the MLP Group by reason or arising out of the failure (i) of the MLP Group to be the owner of valid and indefeasible title, easement rights, leasehold and/or fee ownership interests in and to the MLP Assets, and such failure deprives the MLP Group from the economic benefits of the MLP Assets or renders the MLP Group liable or unable to use or operate the MLP Assets in substantially the same manner that the MLP Assets were (A) used and operated by LGC and/or its applicable Affiliate immediately prior to the Closing Date as described in the Registration Statement or (B) are intended to be used by the MLP Group from and after the Closing Date as described in the Registration Statement, and (ii) of the owner or operator of the MLP Assets to obtain, prior to the Closing Date, all material consents and permits necessary to conduct the MLP Group’s business;

(b) other than federal, state and local income taxes disclosed in the most recent pro forma balance sheet of the MLP included in the Registration Statement or incurred in

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the ordinary course of business thereafter, any Losses suffered or incurred by the MLP Group by reason of or arising out of any federal, state and local income tax liabilities attributable to the ownership or operation of the MLP Assets prior to the Closing Date; and

(c) any MLP Covered Environmental Losses suffered or incurred by the MLP Group.

2.2 Limitations Regarding Indemnification.

(a) The indemnification obligations set forth in Section 2.1(a) shall survive until the third anniversary of the Closing Date and the indemnification obligations set forth in Section 2.1(b) and (c) shall survive until 60 days after the expiration of any applicable statute of limitations; provided, however, that any such indemnification obligation shall remain in full force and effect thereafter only with respect to any bona fide claim made thereunder prior to any such expiration and then only for such period as may be necessary for the resolution thereof.

(b) Each of the Parties hereto understands and agrees that, in the absence of fraud or willful misconduct, the indemnity provisions set forth in this Article II are the sole and exclusive remedy of the MLP Indemnified Parties (as defined below) with respect to any Losses that have been or may be suffered by an MLP Indemnified Party in connection with the Contribution and/or the matters that are the subject of indemnification under Section 2.1.

2.3 Indemnification Procedures.

(a) Each member of the MLP Group seeking indemnification (each, an “**MLP Indemnified Party**”) pursuant to this Article II agrees that within a reasonable period of time after it shall become aware of facts giving rise to a claim for indemnification pursuant to this Article II, it will provide notice thereof in writing to the Parties from whom indemnification is sought pursuant to this Article II (each, an “**Indemnifying Party**”) specifying the nature of and specific basis for such claim; provided, however, that no MLP Indemnified Party shall submit claims more frequently than once a calendar quarter (or twice in the case of the last calendar quarter prior to the expiration of the applicable indemnity coverage under this Agreement); provided further, that failure to timely provide such notice shall not affect the right of the MLP Indemnified Party’s indemnification hereunder, except to the extent the Indemnifying Party is materially prejudiced by such delay or omission.

(b) The Indemnifying Party shall have the right to control all aspects of the defense of (and any counterclaims with respect to) any claims brought against the MLP Indemnified Party that are covered by the indemnification set forth in this Article II, including, without limitation, the selection of counsel (provided that such counsel shall be reasonably acceptable to the MLP Indemnified Parties), determination of whether to appeal any decision of any court and the settling of any such matter or any issues relating thereto; provided, however, that no such settlement shall be entered into without the consent (which consent shall not be unreasonably withheld, conditioned or delayed) of the MLP Indemnified Parties unless it includes a full release of the MLP Indemnified Parties and their respective Subsidiaries from such matter or issues, as the case may be.

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(c) In the event that any claim brought against the MLP Indemnified Parties that is covered by the indemnification set forth in Article II is based on the presence of Hazardous Substances on, under, about or Releasing to or from property of the MLP Indemnified Parties that requires or necessitates Environmental Activity, the Indemnifying Party shall have the right to control all aspects of the Environmental Activity, including, without limitation, the selection of remediation or cleanup standards (to the extent such selection is permitted under applicable Environmental Law) based on activity and/or use limitations, so long as (i) the selected remediation or cleanup standards, and any activity or use limitations imposed (by deed restriction, environmental covenant or otherwise) in connection with the Environmental Activity would not unreasonably interfere with the current use of the property, (ii) the MLP Indemnified Parties shall have the right, but not the obligation, to fully participate in any Environmental Activities including making comments to documents to be submitted to any Governmental Authority, participating in meetings, and providing advice to LGC regarding procedural, substantive and strategic decisions, which LGC shall consider in good faith, (iii) the Indemnifying Party diligently and promptly pursues the completion of the Environmental Activity so as to attain Environmental Closure, and (iv) the Indemnifying Party complies with the requirements of Section 2.4. Where imposition of an activity or use limitation as part of remediation of a property is permissible pursuant to the terms of this Section 2.3(c), the MLP Group shall cooperate with LGC with respect to the execution and recording of the required restrictive covenant, environmental covenant, or other instrument required in order to effectuate the limitation. The Indemnifying Party's indemnification obligations with respect to the remediation of Hazardous Substances shall cease upon Environmental Closure.

(d) The MLP Indemnified Parties agree to cooperate fully with the Indemnifying Parties with respect to all aspects of the defense of any claims covered by the indemnification set forth in Article II, including, without limitation, the prompt furnishing to the Indemnifying Parties of any correspondence or other notice relating thereto that the MLP Indemnified Parties may receive, permitting the names of the MLP Indemnified Parties to be utilized in connection with such defense, the making available to the Indemnifying Parties of any files, records or other information of the MLP Indemnified Parties that Indemnifying Parties consider relevant to such defense and the making available to Indemnifying Parties of any employees of the MLP Indemnified Parties; provided, however, that in connection therewith Indemnifying Parties agree to use reasonable efforts to minimize the impact thereof on the operations of the MLP Indemnified Parties and further agree to reasonably maintain the confidentiality of all files, records and other information furnished by the MLP Indemnified Parties pursuant to this Section 2.3. In no event shall the obligation of the MLP Indemnified Parties to cooperate with Indemnifying Parties as set forth in the immediately preceding sentence be construed as imposing upon the MLP Indemnified Parties an obligation to hire and pay for counsel in connection with the defense of any claims covered by the indemnification set forth in this Article II; provided, however, that the MLP Indemnified Parties may, at their option, cost and expense, hire and pay for counsel in connection with any such defense. The Indemnifying Parties agree to keep any such counsel hired by the MLP Indemnified Parties reasonably informed as to the status of any such defense, but Indemnifying Parties shall have the right to retain sole control over such defense.

(e) In determining the amount of any Losses for which the MLP Indemnified Parties are entitled to indemnification under this Agreement, the gross amount of the

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indemnification will be reduced by (i) any insurance proceeds realized by the MLP Indemnified Parties, and such correlative insurance benefit shall be net of any incremental insurance premium that becomes due and payable by the MLP Indemnified Parties as a result of such claim and (ii) all amounts recovered by the MLP Indemnified Parties under contractual indemnities from third parties or under state underground storage tank indemnification programs ("**State Programs**"). The MLP Indemnified Parties hereby agree to use commercially reasonable efforts to realize any applicable insurance proceeds or amounts recoverable under such contractual indemnities and State Programs; provided, however, that the costs and expenses (including, without limitation, court costs and reasonable attorneys' fees or State Program fees) of the MLP Indemnified Parties in connection with such efforts shall be promptly reimbursed by the Indemnifying Parties. To the extent that Indemnifying Parties have made any indemnification payment hereunder in respect of a claim for which the MLP Indemnified Parties have asserted a related claim for insurance proceeds or under a contractual indemnity or a State Program, Indemnifying Parties shall be subrogated to the rights of the MLP Indemnified Parties to receive the proceeds of such insurance or contractual indemnity or state programs.

(f) LGC shall cause the Partnership and its subsidiaries to be named as additional insureds under its environmental insurance policies, except for the remediation cost containment policies set forth on Exhibit B hereto (and any replacements thereof).

(g) LGC hereby agrees to use commercially reasonable efforts to (i) realize any applicable insurance proceeds under the remediation cost containment policies set forth on Exhibit B hereto (and any replacements thereof) and (ii) access escrow accounts with respect to which LGC is the beneficiary that are attributable to a Property for which the MLP Indemnified Parties are entitled to indemnification hereunder.

2.4 Access Rights. Upon reasonable advance notice, the MLP Group shall afford to the directors, officers, employees, accountants, counsel, agents, consultants, auditors and other authorized representatives of LGC reasonable access, during normal business hours, to the MLP Assets in order to conduct any Environmental Activity that LGC has agreed to perform or is responsible for performing or to otherwise observe, review or evaluate any matters for which the MLP Group may seek indemnification from LGC pursuant to this Article II; provided that any such access shall be conducted in a manner so as not to interfere unreasonably with the operation of the business of the MLP Group and LGC shall indemnify, defend and hold harmless the MLP Group from and against any Losses of the MLP Group arising from personal injury, property damage, or threatened or actual environmental contamination as a result of the access granted hereby to the directors, officers, employees, accountants, counsel, agents, consultants, auditors and other authorized representatives of LGC.

2.5 Past Acquisitions. LGC and Topper agree to (and to cause their applicable Affiliates to) assign to the MLP all legal rights to pursue claims for indemnification included in any acquisition agreements pursuant to which LGC or such Affiliates (excluding the MLP Group) acquired any of the MLP Assets. If such legal rights are not assignable pursuant to the terms of such acquisition agreements or for any other reason, LGC and Topper agree to (and to cause their applicable Affiliates to) pursue its remedies for any indemnifiable claims on behalf of the MLP.

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ARTICLE III PROVISION OF SERVICES

3.1 Services. During the Term, LGC shall provide (or cause to be provided) the Services to the General Partner for the benefit of the MLP Group. LGC is authorized to enter into and act on the General Partner's behalf, as agent, in connection with any agreement with third parties reasonably related to the provision of the Services. The General Partner may temporarily or permanently exclude any particular service from the scope of Services upon 90 days' written notice to LGC. LGC represents and warrants that the services set forth on Exhibit A are sufficient to operate the MLP Assets consistent with past practice.

3.2 LGC Information. It is contemplated by the Parties that, during the Term, the General Partner will be required to provide certain notices, information and data necessary for LGC to perform the Services and its obligations under this Agreement. LGC shall be permitted to rely on any information or

data provided by the General Partner to LGC in connection with the performance of its duties and provision of Services under this Agreement, except to the extent that LGC has actual knowledge that such information or data is inaccurate or incomplete.

ARTICLE IV STANDARD OF CARE

4.1 **Standard of Performance.** Subject to the liability standard set forth in Article VI, LGC shall (and shall cause its applicable subsidiaries, excluding the MLP Group, to) provide Services (a) using at least the same level of care, quality, timeliness and skill in providing the Services as it employs for itself and its Affiliates and no less than the same degree of care, quality, timeliness, and skill as the applicable Person's past practice in performing like services for itself and its Affiliates in connection with the ownership or operation of the MLP Assets during the one-year period prior to the Closing Date, and (b) in any event, using no less than a reasonable level of care in accordance with industry standards, in compliance with all applicable laws.

4.2 **Procurement of Goods and Services.** To the extent that LGC is permitted to arrange for contracts with third parties for goods and services in connection with the provision of the Services, LGC shall use commercially reasonable efforts (a) to obtain such goods and services at rates competitive with those otherwise generally available in the area in which services or materials are to be furnished, and (b) to obtain from such third parties such customary warranties and guarantees as may be reasonably required with respect to the goods and services so furnished.

4.3 **Protection from Liens.** LGC shall not permit any liens, encumbrances or charges upon or against any of the Properties arising from the provision of Services or materials under this Agreement except as approved, or consented to, by the General Partner.

4.4 **Commingling of Assets.** To the extent LGC shall have charge or possession of any of the General Partner's or the MLP Group's assets in connection with the provision of the Services, LGC shall separately maintain, and not commingle, the assets of the General Partner or the MLP Group with those of LGC or any other Person.

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4.5 **Insurance.** LGC shall obtain and maintain during the Term from insurers who are reliable and acceptable to the General Partner and authorized to do business in the state or states or jurisdictions in which Services are to be performed by LGC, insurance coverages in the types and minimum limits as the Parties determine to be appropriate and as is consistent with standard industry practice and LGC's past practices. LGC agrees upon the General Partner's request from time to time or at any time to provide the General Partner with certificates of insurance evidencing such insurance coverage and, upon request of the General Partner, shall furnish copies of such policies. Except with respect to workers' compensation coverage, the policies shall name the General Partner and the Partnership as additional insureds and shall contain waivers by the insurers of any and all rights of subrogation to pursue any claims or causes of action against the General Partner and the Partnership. The policies shall provide that they will not be cancelled or reduced without giving the General Partner at least 30 days' prior written notice of such cancellation or reduction. The insurance policies and coverages shall be reviewed with the Board at least annually, beginning with the first Board meeting following the Closing Date.

4.6 **Third-Party Intellectual Property.** If LGC uses or licenses intellectual property owned by third parties in the performance of the Services, LGC shall obtain and maintain any such licenses and authorizations necessary to authorize its use of such intellectual property in connection with the Services.

ARTICLE V MANAGEMENT FEE AND LGC REIMBURSEMENT

5.1 **Management Fee.**

(a) The Partnership shall pay LGC a management fee for providing the Services in an amount equal to (1) \$420,000 per month (the "**Base Management Fee**") plus (2) \$0.0025 for each gallon of motor fuel distributed by the Partnership and its subsidiaries per month (the "**Variable Management Fee**") and, together with the Base Management Fee, the "**Management Fee**"). The first Base Management Fee, which shall be pro rated based on the number of days remaining in the month of the Closing Date, shall be due and payable on the Closing Date and each subsequent Base Management Fee shall be due and payable, in advance, on the first Business Day of each month. The Variable Management Fee shall be paid by the Partnership to LGC as soon as practicable upon receipt by the General Partner of an invoice from LGC setting forth the Variable Management Fee owed by the Partnership to LGC, but in no event later than seven (7) Business Days of receipt by the General Partner of such invoice. If requested by the General Partner, LGC's invoice for the Variable Management Fee shall provide reasonably detailed documentation supporting the gallons of motor fuel distributed reflected on such invoice.

(b) At the end of each calendar year (i) the Partnership shall have the right to submit to LGC a proposal to reduce the amount of the Management Fee for such year if the Partnership believes, in good faith, that the Services performed by LGC for the benefit of the Partnership for such year do not justify payment of the amount of Management Fees paid by the Partnership for such year; and (ii) LGC shall have the right to submit to the Partnership a proposal to increase the amount of the Management Fee for such year if LGC believes, in good

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faith, that the Services performed by LGC for the benefit of the Partnership for such year justify an increase in the Management Fee for such year. If either Party submits such a proposal, LGC and the Partnership shall negotiate in good faith to determine if the Management Fee for such year should be reduced or increased, and, if so, the amount of such reduction or increase. If the Parties agree that the Management Fee for that year should be reduced, then LGC shall promptly pay to the Partnership the amount of any reduction for such year and if the Parties agree that the Management Fee for such year should be increased, then the Partnership shall promptly pay to LGC the amount of any increase for such year. In addition, during the course of the year, the Conflicts Committee shall review the Management Fee upon a material change in the structure of the Partnership or its business to ensure that it is fair to the Partnership and to LGC. If the Conflicts Committee determines that, based on a change in the structure of the Partnership or its business, the Management Fee should be modified or otherwise altered, LGC and the Partnership shall negotiate in good faith to determine the appropriate modification or alteration of the Management Fee.

5.2 **LGC Reimbursement.**

(a) Subject to the limitations set forth in paragraph A of Exhibit A, the MLP shall reimburse LGC for all reasonable out of pocket third party fees, costs, taxes and expenses incurred by LGC or the General Partner on the Partnership's or its subsidiaries' behalf in connection with providing the Services required to be provided by LGC hereunder, including, but not limited to:

- (i) legal, accounting and other fees and expenses associated with being a public company;
- (ii) expenses related to the Partnership's financings, mergers, acquisitions or dispositions of assets, and other similar transactions;
- (iii) expenses related to insurance coverage for the Partnership's assets or operations;
- (iv) sales, use, excise, value added or similar taxes with respect to the services provided by LGC to the Partnership;
- (v) costs and expenses of Environmental Activity, including, remediation costs or expenses incurred in connection with environmental liabilities and third party claims, that are based on environmental conditions that first arise at Properties following the date hereof; and
- (vi) cost or expenses incurred in connection with the Partnership's environmental compliance, including, but not limited to, storage tank compliance and registration, as well as compliance monitoring and oversight expenses.

(b) Reimbursement of the out of pocket third party fees, costs, taxes and expenses set forth in Section 5.2(a) shall be paid promptly by the Partnership to LGC upon receipt by the General Partner of an invoice from LGC setting forth amounts due under Section 5.2(a), but in no event later than seven (7) Business Days of receipt by the General Partner of

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such invoice. If requested by the General Partner, LGC's invoice therefor shall provide reasonably detailed documentation supporting such costs and expenses.

5.3 Taxes. The MLP shall be responsible for all applicable Taxes levied on items, goods or services that are sold, purchased or obtained for the provision of Services under this Agreement, including any Taxes in respect of the Services.

5.4 Disputed Reimbursements.

(a) The General Partner may, within 30 days after receipt of an invoice from LGC, take written exception to any fees, costs, taxes and expenses described in Section 5.2(a) on the ground that the same was not a reasonable fee, cost, tax or expense incurred by LGC in connection with the provision of Services. The General Partner shall nevertheless pay LGC in full when due the invoiced amount. Such payment shall not be deemed a waiver of the right of the General Partner to recoup any contested portion of any amount so paid. However, if the amount as to which such written exception is taken, or any part thereof, is ultimately determined not to be a reasonable fee, cost, tax and expense incurred by LGC in connection with the provision of Services, such amount or portion thereof (as the case may be) shall be refunded by LGC to the General Partner together with interest thereon at the lesser of (i) the prime rate per annum established by the administrative agent under the revolving credit agreement of the MLP, as applicable, as in effect on the date of payment by the General Partner in respect of such contested invoice or (ii) the maximum lawful rate during the period from the date of payment by the General Partner to the date of refund by LGC.

(b) If, within 20 days after receipt of any written exception pursuant to Section 5.4(a), the General Partner and LGC have been unable to resolve any dispute, and if (i) such dispute relates to whether amounts were properly charged or Services actually performed and (ii) the aggregate amount in dispute exceeds \$100,000, either of the General Partner or LGC may submit the dispute to an independent third party auditing firm that is mutually agreeable to the MLP Group, on the one hand, and LGC, on the other hand. The Parties shall cooperate with such auditing firm and shall provide such auditing firm access to such books and records as may be reasonably necessary to permit a determination by such auditing firm. The resolution by such auditing firm shall be final and binding on the Parties.

ARTICLE VI
INDEMNIFICATION; LIMITATIONS

6.1 Indemnification by LGC.

(a) LGC hereby agrees to defend, indemnify and hold harmless each member of the MLP Group and their respective members, partners and Affiliates (other than LGC) and each of their respective officers, managers, directors, employees and agents (each, an "**MLP Services Indemnified Party**") from any and all threatened or actual Losses incurred by, imposed upon or rendered against one or more of the MLP Services Indemnified Parties, whether based on contract, or tort, or pursuant to any statute, rule or regulation, and regardless of whether the Losses are foreseeable or unforeseeable, all to the extent that such Losses arise out of the bad faith, fraud or willful misconduct (or, in the case of a criminal matter, acts or omissions taken

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with the knowledge that the conduct was criminal) of LGC in providing Services, but except to the extent arising out of the willful misconduct of any MLP Services Indemnified Party.

(b) In no event shall the aggregate liability of LGC for claims under Section 6.1(a) exceed \$5,000,000. Each of the Parties hereto understands and agrees that, in the absence of fraud or willful misconduct, the indemnity provision set forth in this Section 6.1 is the sole and exclusive remedy of the MLP Services Indemnified Parties with respect to any Losses that have been or may be suffered by an MLP Services Indemnified Party in connection with the matters that are the subject of indemnification under Section 6.1 and/or the Services provided under this Agreement.

6.2 Indemnification by the MLP. The MLP hereby agrees to defend, indemnify and hold harmless LGC and its members, partners and Affiliates (other than the MLP Group) and each of their respective officers, managers, directors, employees and agents (each, a "**LGC Indemnified Party**" and, collectively with the MLP Services Indemnified Parties, each an "**Indemnified Party**") from any and all threatened or actual Losses incurred by, imposed upon or rendered against one or more of the LGC Indemnified Parties, whether based on contract, or tort, or pursuant to any statute, rule or regulation, and regardless of whether the Liabilities are foreseeable or unforeseeable, all to the extent that such Losses (a) arise out of any acts or omissions of the LGC Indemnified Parties in connection with the provision of (or failure to provide) Services or (b) are LGC Covered Environmental Losses, in each case except to the extent that LGC is responsible for

such Losses pursuant to Section 6.1. Where permitted under its insurance policies, the Partnership shall cause LGC to be named as an additional insured under such policies.

6.3 Negligence; Strict Liability. EXCEPT AS EXPRESSLY PROVIDED IN SECTION 6.1 AND SECTION 6.2, THE DEFENSE AND INDEMNITY OBLIGATIONS IN SECTION 6.1 AND SECTION 6.2 SHALL APPLY REGARDLESS OF CAUSE OR OF ANY NEGLIGENT ACTS OR OMISSIONS (INCLUDING SOLE NEGLIGENCE, CONCURRENT NEGLIGENCE OR STRICT LIABILITY), BREACH OF DUTY (STATUTORY OR OTHERWISE), VIOLATION OF LAW OR OTHER FAULT OF ANY INDEMNIFIED PARTY, OR ANY PRE-EXISTING DEFECT; PROVIDED, HOWEVER, THAT THIS PROVISION SHALL NOT APPLY TO THE WILLFUL MISCONDUCT OF ANY INDEMNIFIED PARTY OR IN ANY WAY LIMIT OR ALTER ANY QUALIFICATIONS SET FORTH IN SUCH DEFENSE AND INDEMNITY OBLIGATIONS EXPRESSLY RELATING TO INTENTIONAL MISCONDUCT OR BREACH OF THIS AGREEMENT. BOTH PARTIES AGREE THAT THIS STATEMENT COMPLIES WITH THE REQUIREMENT KNOWN AS THE 'EXPRESS NEGLIGENCE RULE' TO EXPRESSLY STATE IN A CONSPICUOUS MANNER AND TO AFFORD FAIR AND ADEQUATE NOTICE THAT THIS ARTICLE VI HAS PROVISIONS REQUIRING ONE PARTY TO BE RESPONSIBLE FOR THE NEGLIGENCE, STRICT LIABILITY OR OTHER FAULT OF ANOTHER PARTY.

6.4 Exclusion of Damages; Disclaimers.

(a) NO PARTY SHALL BE LIABLE TO ANY OTHER PARTY HERETO (INCLUDING UNDER ARTICLE II HEREOF) FOR EXEMPLARY, PUNITIVE,

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CONSEQUENTIAL, SPECIAL, INDIRECT OR INCIDENTAL DAMAGES, EVEN IF ADVISED OF THE POSSIBILITY OF SUCH DAMAGES AND REGARDLESS OF THE FORM IN WHICH ANY ACTION IS BROUGHT; PROVIDED, HOWEVER, THAT THIS SECTION 6.4(a) SHALL NOT LIMIT A PARTY'S RIGHT TO RECOVERY UNDER SECTION 6.1 OR SECTION 6.2 FOR ANY SUCH DAMAGES TO THE EXTENT SUCH PARTY IS REQUIRED TO PAY SUCH DAMAGES TO A THIRD PARTY IN CONNECTION WITH A MATTER FOR WHICH SUCH PARTY IS OTHERWISE ENTITLED TO INDEMNIFICATION UNDER SECTION 6.1 OR SECTION 6.2.

(b) OTHER THAN AS SET FORTH IN SECTION 4.1, LGC DISCLAIMS ANY AND ALL WARRANTIES, CONDITIONS OR REPRESENTATIONS (EXPRESS OR IMPLIED, ORAL OR WRITTEN) WITH RESPECT TO SERVICES RENDERED OR PRODUCTS PROCURED FOR THE GENERAL PARTNER FOR THE BENEFIT OF THE MLP GROUP, OR ANY PART THEREOF, INCLUDING ANY AND ALL IMPLIED WARRANTIES OF NON-INFRINGEMENT, MERCHANTABILITY OR FITNESS OR SUITABILITY FOR ANY PURPOSE (WHETHER LGC KNOWS, HAS REASON TO KNOW, HAS BEEN ADVISED, OR IS OTHERWISE IN FACT AWARE OF ANY SUCH PURPOSE) WHETHER ALLEGED TO ARISE BY LAW, BY REASON OF CUSTOM OR USAGE IN THE TRADE OR BY COURSE OF DEALING. HOWEVER, IN THE CASE OF OUTSOURCED SERVICES PROVIDED SOLELY FOR THE GENERAL PARTNER, IF THE THIRD-PARTY PROVIDER OF SUCH SERVICES MAKES AN EXPRESS WARRANTY TO THE GENERAL PARTNER, THE GENERAL PARTNER IS ENTITLED TO CAUSE LGC TO RELY ON AND TO ENFORCE SUCH WARRANTY.

6.5 Survival. The provisions of this Article VI shall survive the termination of this Agreement.

ARTICLE VII CONFIDENTIALITY

7.1 Confidential Information.

(a) Non-disclosure. LGC shall maintain the confidentiality of all Confidential Information; provided, however, that LGC may disclose such Confidential Information:

- (i) to its Affiliates to the extent deemed by LGC to be reasonably necessary or desirable to enable it to perform the Services;
- (ii) in any judicial or alternative dispute resolution Proceeding to resolve disputes between LGC and the MLP Group arising hereunder;
- (iii) to the extent disclosure is legally required under applicable laws (including applicable securities and tax laws) or any agreement existing on the date hereof to which LGC is a party or by which it is bound; provided, however, that prior to making any legally required disclosures in any judicial, regulatory or dispute resolution Proceeding, LGC shall, if requested by the General Partner, seek a protective order or other relief to prevent or reduce the scope of such disclosure;

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(iv) to LGC's existing or potential lenders, investors, joint interest owners, purchasers or other parties with whom LGC may enter into contractual relationships, to the extent deemed by LGC to be reasonably necessary or desirable to enable it to perform the Services; provided, however, that LGC shall require such third parties to agree to maintain the confidentiality of the Confidential Information so disclosed;

(v) if authorized by the General Partner; and

(vi) to the extent such Confidential Information becomes publicly available other than through a breach by LGC of its obligation arising under this Section 7.1(a).

LGC acknowledges and agrees that the Confidential Information is being furnished to LGC for the sole and exclusive purpose of enabling it to perform the Services and the Confidential Information may not be used by it for any other purpose.

(b) Business Conduct. Subject to the last sentence of Section 7.1(a), nothing in this Article VII shall prohibit the MLP, LGC or any of their respective Affiliates from conducting business in any location, including in and near the areas where the MLP Assets are located.

(c) Remedies and Enforcement. LGC acknowledges and agrees that a breach by it of its obligations under this Article VII would cause irreparable harm to the General Partner and that monetary damages would not be adequate to compensate the General Partner. Accordingly, LGC agrees that the General Partner shall be entitled to immediate equitable relief, including a temporary or permanent injunction, to prevent any threatened, likely or ongoing violation by LGC, without the necessity of posting bond or other security. The General Partner's right to equitable relief shall be in addition to other rights and remedies available to the General Partner, for monetary damages or otherwise.

7.2 Survival. The provisions of this Article VII shall survive the termination of this Agreement.

ARTICLE VIII TERM AND TERMINATION

8.1 Term. Except as set forth in Section 8.3, this Agreement shall remain in force and effect through the end of the Initial Term, and shall thereafter continue on a year-to-year basis, in each case unless terminated pursuant to Section 8.2.

8.2 Termination.

(a) After the end of the Initial Term, this Agreement may be terminated by either Party prior to the expiration of any applicable annual term thereafter, upon 180 days' written notice to the other Party;

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(b) This Agreement may be terminated at any time by LGC upon the General Partner's or the MLP's material breach of this Agreement, if (i) such breach is not remedied within 60 days (or 15 days in the event of material breach arising out of a failure to make payment hereunder) after the General Partner's receipt of written notice thereof, or such longer period as is reasonably required to cure such breach, provided that the General Partner commences to cure such breach within the applicable period and proceeds with due diligence to cure such breach, and (ii) such breach is continuing at the time notice of termination is delivered to the General Partner;

(c) This Agreement may be terminated at any time by the General Partner upon LGC's material breach of this Agreement, if (i) such breach is not remedied within 60 days after LGC's receipt of the General Partner's written notice thereof, or such longer period as is reasonably required to cure such breach, provided that LGC commences to cure such breach within such 60-day period and proceeds with due diligence to cure such breach, and (ii) such breach is continuing at the time notice of termination is delivered to LGC;

(d) This Agreement may be terminated immediately by any Party upon an MLP Change of Control; or

(e) This Agreement may be terminated by the General Partner at any time upon 365 days' written notice to LGC.

8.3 Survival. The provisions of Article II, Article V (with respect to unpaid amounts due hereunder), Section 5.4, Article VI, Article VII, Article IX, Article X and Article XI shall survive any termination of this Agreement.

ARTICLE IX AUDIT RIGHTS

At any time during the Term and for one year thereafter, the General Partner shall have the right to review and, at the General Partner's expense, to copy, the books and records maintained by LGC relating to the provision of the Services. In addition, to the extent necessary to verify the performance by LGC of its obligations under this Agreement, the General Partner shall have the right, at the General Partner's expense, to audit, examine and make copies of or extracts from the books and records of LGC (the "Audit Right"). The General Partner may exercise the Audit Right through such auditors as the General Partner may determine in its sole discretion. The General Partner shall (a) exercise the Audit Right only upon reasonable written notice to LGC and during normal business hours and (b) use its reasonable efforts to conduct the Audit Right in such a manner as to minimize the inconvenience and disruption to LGC.

ARTICLE X BUSINESS OPPORTUNITIES

10.1 Right of First Refusal. Topper, LGC and LGO hereby agree, and will cause their controlled Affiliates to agree, for so long as Topper, LGC or their controlled Affiliates, individually or as part of a group, control the General Partner, that if Topper, LGC, LGO or any of their controlled Affiliates has the opportunity to acquire assets used, or a controlling interest in any business primarily engaged, in the wholesale motor fuel distribution or retail gas station

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operation businesses, then Topper, LGC, LGO or their controlled Affiliates will offer such acquisition opportunity to the Partnership and give the Partnership a reasonable opportunity to acquire, at a price equal to the purchase price paid or to be paid by Topper, LGC, LGO or their controlled Affiliates plus any related transaction costs and expenses incurred by Topper, LGC, LGO or their controlled Affiliates, such assets or business either before Topper, LGC, LGO or their controlled Affiliates acquire such assets or business or promptly after the consummation of such acquisition by Topper, LGC, LGO or their controlled Affiliates. Any assets or businesses that the Partnership does not acquire pursuant to this right of first refusal may be acquired and operated by Topper, LGC, LGO or their controlled Affiliates.

10.2 Right of First Offer. Topper, LGC and LGO hereby agree, and will cause their controlled Affiliates to agree, for so long as Topper, LGC, LGO or their controlled affiliates, individually or as part of a group, control the General Partner, to notify the Partnership of their desire to sell any of its assets or businesses if Topper Group, LGO or any of their controlled Affiliates decides to attempt to sell (other than to another controlled Affiliate of Topper, LGC or LGO) any assets used, or any interest in any business primarily engaged, in the wholesale motor fuel distribution or retail gas station operation businesses, to a third party. Prior to selling such assets or businesses to a third party, Topper, LGC or LGO will negotiate with the Partnership exclusively and in good faith for a reasonable period of time, not to exceed 30 days, in order to give the Partnership an opportunity to enter into definitive documentation for the purchase and sale of such assets or businesses on terms that are mutually acceptable to Topper, LGC, LGO or their controlled Affiliates and the Partnership. If the Partnership and Topper, LGC, LGO or their controlled Affiliates have not entered into a letter of intent or a definitive purchase and sale agreement with respect to such assets or businesses within such period, Topper, LGC, LGO or their controlled Affiliates will have the right to sell such assets or businesses to a third party following the expiration of such period on any terms that are acceptable to Topper, LGC, LGO or their controlled Affiliates and such third party. This right of first offer will not

apply to the sale of any assets or interests that Topper, LGC, LGO or their Affiliates own at the closing of the Offering that are not contributed to the Partnership in connection with the Offering.

10.3 No Business Opportunities. Subject to Section 10.1 and Section 10.2, none of the Parties nor any of their Affiliates shall have any obligation to offer, or provide any opportunity to pursue, purchase or invest in, any business opportunity to any other Party or their Affiliates.

10.4 No Non-Compete. Subject to the last sentence of Section 7.1(a) and to Section 10.1 and Section 10.2, the Parties and their Affiliates shall be free to engage in any business activity whatsoever without the participation of the other, including any activity that may be in direct competition with the MLP Group or LGC, as the case may be.

ARTICLE XI **MISCELLANEOUS**

11.1 Choice of Law; Jurisdiction. This Agreement shall be construed in accordance with and governed by the laws of the State of Delaware. Each of the Parties (i) irrevocably agrees that any claims, suits, actions or proceedings arising out of or relating in any way to this Agreement shall be exclusively brought in the Court of Chancery of the State of Delaware, in each case regardless of whether such claims, suits, actions or proceedings sound in contract, tort,

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fraud or otherwise, are based on common law, statutory, equitable, legal or other grounds, or are derivative or direct claims; (ii) irrevocably submits to the exclusive jurisdiction of the Court of Chancery of the State of Delaware in connection with any such claim, suit, action or proceeding; (iii) agrees not to, and waives any right to, assert in any such claim, suit, action or proceeding that (A) it is not personally subject to the jurisdiction of the Court of Chancery of the State of Delaware or of any other court to which proceedings in the Court of Chancery of the State of Delaware may be appealed, (B) such claim, suit, action or proceeding is brought in an inconvenient forum, or (C) the venue of such claim, suit, action or proceeding is improper; (iv) expressly waives any requirement for the posting of a bond by a party bringing such claim, suit, action or proceeding; and (v) consents to process being served in any such claim, suit, action or proceeding by mailing, certified mail, return receipt requested, a copy thereof to such party at the address in effect for notices hereunder, and agrees that such services shall constitute good and sufficient service of process and notice thereof; provided, nothing in clause (v) hereof shall affect or limit any right to serve process in any other manner permitted by law.

11.2 Notice. All notices, requests or consents provided for or permitted to be given pursuant to this Agreement must be in writing and must be given by depositing same in the United States mail, addressed to the Person to be notified, postpaid and registered or certified with return receipt requested or by delivering such notice in person or by telecopier or telegram to such Party. Notice given by personal delivery or mail shall be effective upon actual receipt. Notice given by telegram or telecopier shall be effective upon actual receipt if received during the recipient's normal business hours, or at the beginning of the recipient's next Business Day after receipt if not received during the recipient's normal business hours. All notices to be sent to a Party pursuant to this Agreement shall be sent to or made at the address set forth below or at such other address as such Party may stipulate to the other Parties in the manner provided in this Section 11.2.

To LGC:

702 West Hamilton Street, Suite 203
Allentown, PA 18101
Attention: Chief Executive Officer
Telephone: (610) 625-8000
Facsimile:

To the MLP Group:

702 West Hamilton Street, Suite 203
Allentown, PA 18101
Attention: Chief Executive Officer
With Copies to: Chair of the Conflicts Committee of the General Partner
Telephone: (610) 625-8000
Facsimile:

11.3 Entire Agreement. Other than the Contribution Agreement, this Agreement constitutes the entire agreement of the Parties relating to the matters contained herein,

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superseding all prior contracts or agreements, whether oral or written, relating to the matters contained herein.

11.4 Jointly Drafted. This Agreement, and all the provisions of this Agreement, shall be deemed drafted by all of the Parties, and shall not be construed against any Party on the basis of that Party's role in drafting this Agreement.

11.5 Effect of Waiver or Consent. No waiver or consent, express or implied, by any Party of or to any breach or default by any Person in the performance by such Person of its obligations hereunder shall be deemed or construed to be a consent or waiver of or to any other breach or default in the performance by such Person of the same or any other obligations of such Person hereunder. Failure on the part of a Party to complain of any act of any Person or to declare any Person in default, irrespective of how long such failure continues, shall not constitute a waiver by such Party of its rights hereunder until the applicable statute of limitations period has run.

11.6 Amendment or Modification. This Agreement may be amended or modified only from time to time by the written agreement of the Parties; provided, however, that the MLP may not, without the prior approval of the Conflicts Committee, agree to any amendment or modification of this Agreement that, in the reasonable discretion of the General Partner (a) would have a material adverse effect on the holders of Common Units or (b) materially limit or impair the rights of the MLP or reduce the obligations of LGC, LGO or Topper under this Agreement. Each such instrument shall be reduced to writing and shall be designated on its face an "Amendment" to this Agreement.

11.7 Assignment; No Third-Party Beneficiaries. None of the Parties shall have the right to assign its rights or obligations under this Agreement without the prior written consent of all other Parties. Notwithstanding the foregoing, a merger of a Party shall not be deemed to be an assignment or transfer of its rights or a delegation of its obligations under this Agreement. Furthermore, the transfer of all or substantially all of the assets of a Party shall not be deemed an assignment or transfer of its rights or a delegation of its obligations under this Agreement if the assignee assumes all of the obligations under this Agreement. The provisions of this Agreement are enforceable solely by the Parties (including any permitted assignee), and no limited partner or member of the MLP or other Person shall have the right, separate and apart from the Parties hereto, to enforce any provision of this Agreement or to compel any Party to comply with the terms of this Agreement.

11.8 Counterparts. This Agreement may be executed in any number of counterparts with the same effect as if all signatory Parties had signed the same document. All counterparts shall be construed together and shall constitute one and the same instrument.

11.9 Relationship of the Parties. Nothing in this Agreement shall be construed to create a partnership or joint venture or give rise to any fiduciary or similar relationship of any kind.

11.10 Severability. If any provision of this Agreement or the application thereof to any Person or circumstance shall be held invalid or unenforceable to any extent, the remainder of this

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Agreement and the application of such provision to other Persons or circumstances shall not be affected thereby and shall be enforced to the greatest extent permitted by law.

11.11 Further Assurances. In connection with this Agreement and all transactions contemplated by this Agreement, each Party agrees to execute and deliver such additional documents and instruments and to perform such additional acts as may be necessary or appropriate to effectuate, carry out and perform all of the terms, provisions and conditions of this Agreement and all such transactions.

11.12 Withholding or Granting of Consent. Except as expressly provided to the contrary in this Agreement, each Party may, with respect to any consent or approval that it is entitled to grant pursuant to this Agreement, grant or withhold such consent or approval in its sole and uncontrolled discretion, with or without cause, and subject to such conditions as it shall deem appropriate.

11.13 Laws and Regulations. Notwithstanding any provision of this Agreement to the contrary, no Party shall be required to take any act, or fail to take any act, under this Agreement if the effect thereof would be to cause such Party to be in violation of any applicable law, statute, rule or regulation.

11.14 No Recourse Against Officers, Directors, Managers or Employees. For the avoidance of doubt, the provisions of this Agreement shall not give rise to any right of recourse against any officer, director, manager or employee of LGC, the General Partner or any of their respective Affiliates.

[Signatures on the following page]

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IN WITNESS WHEREOF, the Parties have executed this Agreement on, and effective as of, the Closing Date.

LEHIGH GAS PARTNERS LP, a Delaware limited partnership

By: Lehigh Gas GP LLC, its general partner

By: _____
Name: _____
Title: _____

LEHIGH GAS GP LLC, a Delaware limited liability company

By: _____
Name: _____
Title: _____

LEHIGH GAS CORPORATION, a Delaware corporation

By: _____
Name: _____
Title: _____

FOR PURPOSES OF ARTICLE X

LEHIGH GAS-OHIO, LLC, a Delaware limited liability company

By: _____
Name: _____
Title: _____

FOR PURPOSES OF SECTION 2.5 AND ARTICLE X

EXHIBIT A

DESCRIPTION OF SERVICES

SERVICES

A. The following services will be provided by, or on behalf of, LGC consistent with LGC's past practice in providing such services to manage and operate the MLP Assets and will not be outsourced to an independent third party, unless (1) it is an out of pocket expense associated with being a public company, or (2) LGC, believes, in good faith, that such services require a specialized level of expertise that LGC is unable to provide without the assistance of an independent third-party. Expenses incurred for such third-party services shall be reimbursed by the MLP.

Accounting; administrative; billing and invoicing; books and record keeping; budgeting, forecasting, and financial planning and analysis; management (including the management and oversight of the MLP's wholesale motor fuel distribution and real estate business consistent with past practice); operations; payroll; contract administration; maintenance of internal controls; financial reporting, including SEC reporting and compliance; office space; purchasing and materials management; risk management and administration of insurance programs; information technology (includes hardware and software existing or acquired in future which title is retained by LGC); in-house legal; compensation, benefits and human resources administration; cash management; corporate finance, treasury credit and debt administration; employee training; and miscellaneous administration and overhead expenses.

B. The following services will also be provided by, or on behalf of, LGC; provided, however, such services may be outsourced to an independent third party such services. Expenses incurred for such third-party services shall be reimbursed by the MLP.

Internal audit; Sarbanes-Oxley compliance; investor relations; legal; technical accounting consulting, employee health and safety; acquisition and divestiture services including professional, consultants and advisor expenses; tax matters - K-1 preparation, tax return compliance, and tax reporting; interest rate hedging and derivatives administration; marketing; property management; environmental compliance and remediation management oversight (with any Environmental Activity, including, remediation costs or expenses incurred in connection with environmental liabilities and third party claims, that are based on environmental conditions that first arise at Properties following the date hereof and any costs or expenses incurred in connection with environmental compliance, including, but not limited to, storage tank compliance and registration, as well as compliance monitoring and oversight expenses being the responsibility of the MLP); regulatory management; real estate administration; investor relations; government and public relations; and other services as required.

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EXHIBIT B

REMEDIATION COST CONTAINMENT POLICIES

B-1

**FORM OF
REGISTRATION RIGHTS AGREEMENT**

THIS REGISTRATION RIGHTS AGREEMENT (this “Agreement”) is made and entered into as of _____, 2012, by and among Lehigh Gas Partners LP, a Delaware limited partnership (the “Partnership”), Joseph V. Topper, Jr., John B. Reilly, III, Lehigh Gas Corporation, a Delaware corporation, Kimber Petroleum Corporation, a New Jersey corporation, and Kwik Pik — Ohio Holdings, LLC, a Delaware limited liability company.

WHEREAS, this Agreement is made in connection with the transactions contemplated by the Merger, Contribution, Conveyance and Assumption Agreement dated _____, 2012 (the “Contribution Agreement”) by and among the parties hereto; and

WHEREAS, the Partnership has agreed to provide the registration and other rights set forth in this Agreement for the benefit of the Holders (as defined herein) pursuant to the Contribution Agreement.

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

ARTICLE I

DEFINITIONS

Section 1.01 Definitions. Capitalized terms used herein without definition shall have the meanings given to them in the Amended and Restated Agreement of Limited Partnership of the Partnership dated _____, 2012, as amended from time to time (the “Partnership Agreement”). The terms set forth below are used herein as so defined:

“Adverse Effect” has the meaning given to such term in Section 2.02 (d).

“Affiliate” means, with respect to a specified Person, directly or indirectly controlling, controlled by, or under direct or indirect common control with such specified Person. For the purposes of this definition, “control” means the power to direct or cause the direction of the management and policies of such Person, directly or indirectly, whether through the ownership of voting securities, by contract or otherwise.

“Agreement” has the meaning given to such term in the introductory paragraph.

“Automatic Shelf” has the meaning given to such term in Section 2.01.

“Commission” has the meaning given to such term in Section 1.02.

“Contribution Agreement” has the meaning given to such term in the recitals of this Agreement.

“Contributors” means Joseph V. Topper, Jr., John B. Reilly, III, Lehigh Gas Corporation, a Delaware corporation, Kimber Petroleum Corporation, a New Jersey corporation, and Kwik Pik — Ohio Holdings, LLC, a Delaware limited liability company.

“Effectiveness Period” has the meaning given to such term in Section 2.01.

“Exchange Act” means the Securities Exchange Act of 1934, as amended.

“General Partner” means Lehigh Gas GP LLC, a Delaware limited liability company.

“Holder” means the record holder of any Registrable Securities.

“Holder Indemnitees” has the meaning given to such term in Section 2.09(a).

“IPO” means the initial offering of the Common Units to the public as described in that certain registration statement (file no. 333-181370) filed with the Commission on Form S-1.

“Losses” has the meaning given to such term in Section 2.09(a) of this Agreement.

“Managing Underwriter” means, with respect to any Underwritten Offering, the book-running lead manager of such Underwritten Offering.

“Notice” has the meaning given to such term in Section 2.01.

“Partnership” has the meaning given to such term in the introductory paragraph.

“Partnership Agreement” has the meaning given to such term in the introductory paragraph of this Section 1.01.

“Person” means any individual, corporation, partnership, voluntary association, partnership, joint venture, trust, limited liability partnership, unincorporated organization, government or any agency, instrumentality or political subdivision thereof, or any other form of entity.

“Piggyback Notice” has the meaning given to such term in Section 2.03(a).

“Piggyback Registration” has the meaning given to such term in Section 2.03(a).

“Registrable Securities” means the aggregate number of Common Units issued (or issuable) pursuant to the Contribution Agreement, which Registrable Securities are subject to the rights provided herein until such rights terminate pursuant to the provisions hereof.

“Registration Expenses” has the meaning given to such term in Section 2.07(b).

“Registration Statement” has the meaning given to such term in Section 2.01.

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“Requesting Holders” has the meaning given to such term in Section 2.01.

“Securities Act” means the Securities Act of 1933, as amended.

“Selling Expenses” has the meaning given to such term in Section 2.07(b).

“Selling Holder” means a Holder who is selling Registrable Securities pursuant to a Registration Statement.

“Underwritten Offering” means an offering (including an offering pursuant to a Registration Statement) in which Common Units are sold to an underwriter on a firm commitment basis for reoffering to the public or an offering that is a “bought deal” with one or more investment banks.

“WKSI” has the meaning given to such term in Section 2.01.

Section 1.02 Registrable Securities. Any Registrable Security will cease to be a Registrable Security (a) at the time a Registration Statement covering such Registrable Security has been declared effective by the Securities and Exchange Commission (the “Commission”), or otherwise has become effective, and such Registrable Security has been sold or disposed of pursuant to such Registration Statement; (b) at the time such Registrable Security has been disposed of pursuant to Rule 144 (or any similar provision then in effect under the Securities Act) promulgated by the Commission pursuant to the Securities Act; (c) if such Registrable Security is held by the Partnership or one of its Subsidiaries; (d) at the time such Registrable Security has been sold in a private transaction in which the transferor’s rights under this Agreement are not assigned to the transferee of such securities; and (e) if such Registrable Security has been sold in a private transaction in which the transferor’s rights under this Agreement are assigned to the transferee and such transferee is not an Affiliate of the General Partner at such time, at the time that is two years following the transfer of such Registrable Security to such transferee.

ARTICLE II

REGISTRATION RIGHTS

Section 2.01 Demand Registration. At any time after the expiration of any applicable lock-up period agreed to by any Holder with the Managing Underwriter in connection with the IPO (or if such lock-up period is waived by such Managing Underwriter, from and after such earlier date), upon the written request (a “Notice”) by Holders collectively owning at least _____, or _____ percent (_____ %), of the then outstanding Registrable Securities (the “Requesting Holders”), subject to adjustment pursuant to Section 3.04, the Partnership shall file with the Commission, as soon as reasonably practicable, but in no event more than 60 days following the receipt of the Notice, a registration statement under the Securities Act (each, a “Registration Statement”) providing for the resale of the Registrable Securities. Each Registration Statement shall be on (i) Form S-3 providing for an offering to be made on a continuous basis pursuant to Rule 415 under the Securities Act relating to the offer and sale of securities from time to time (a “Shelf Registration Statement”), or (ii) if the Partnership is not then eligible to file on Form S-3,

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Form S-1 or another form pursuant to any other rule or regulation promulgated under the Securities Act, or any successor rule that may be adopted by the Commission. The Partnership shall use its commercially reasonable efforts to cause each Registration Statement to be declared effective by the Commission as soon as reasonably practicable after the initial filing of the Registration Statement. Any Registration Statement shall provide for the resale pursuant to any method or combination of methods legally available and requested by the Holders of any and all Registrable Securities covered by such Registration Statement. The Partnership shall use its commercially reasonable efforts to cause each Registration Statement filed pursuant to this Section 2.01 to be continuously effective, supplemented and amended to the extent necessary to ensure that it is available for the resale of all Registrable Securities by the Holders until all Registrable Securities covered by such Registration Statement have ceased to be Registrable Securities (the “Effectiveness Period”). Each Registration Statement when effective (and the documents incorporated therein by reference) shall comply as to form with all applicable requirements of the Securities Act and shall not contain an untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein not misleading. There shall be no limit on the number of Registration Statements that may be required by the Holders hereunder. If the Partnership is a well-known seasoned issuer (as such term is defined in Rule 405 under the Securities Act) (a “WKSI”), the Partnership shall file any Shelf Registration Statement in the form of an automatic shelf registration statement (as such term is defined in Rule 405 under the Securities Act) (an “Automatic Shelf”) or any successor form thereto. If the Partnership loses its status as a WKSI during the Effectiveness Period of any such Automatic Shelf, the Partnership shall take such actions as are necessary to maintain the effectiveness of such Automatic Shelf for as long as legally permissible and to convert such Automatic Shelf to a non-automatic shelf registration statement such that continuous offers and sales of securities previously registered under the Automatic Shelf may be made.

Section 2.02 Underwritten Offerings.

(a) Request for Underwritten Offering. In the event that one or more Holders collectively elect to dispose of _____ Registrable Securities, subject to adjustment pursuant to Section 3.04, under a Registration Statement pursuant to an Underwritten Offering, the Partnership shall, upon request by such Requesting Holders, retain underwriters in order to permit such Holders to effect such sale through an Underwritten Offering. The obligation of the Partnership to retain underwriters at the Requesting Holders’ request shall include entering into an underwriting agreement in customary form with the Managing Underwriter or underwriters, which shall include, among other provisions, indemnities to the effect and to the extent provided in Section 2.09 and taking all reasonable actions as are requested by the Managing Underwriter or underwriters to expedite or facilitate the disposition of such Registrable Securities. The Partnership shall, upon request of the Holders, cause its management to participate in a roadshow or similar marketing effort on behalf of the Selling Holders.

(b) Limitation on Underwritten Offerings. Notwithstanding Section 2.01, in no event shall the Partnership be required hereunder to participate in more than two Underwritten Offerings in any 12-month period.

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(c) General Procedures. In connection with any Underwritten Offering under this Agreement, the Holders of a majority of the Registrable Securities to be registered in an Underwritten Offering shall select the investment banking firm or firms to manage the Underwritten Offering; provided that such selection shall be subject to the consent of the Partnership, which consent shall not be unreasonably withheld or delayed. In connection with any Underwritten Offering under this Agreement, each Selling Holder and the Partnership shall be obligated to enter into an underwriting agreement that contains such representations, covenants, indemnities and other rights and obligations as are customary in underwriting agreements for firm commitment offerings of securities. No Selling Holder may participate in such Underwritten Offering unless such Selling Holder agrees to sell its Registrable Securities on the basis provided in such underwriting agreement and completes and executes all questionnaires, powers of attorney, indemnities and other documents reasonably required under the terms of such underwriting agreement; provided, however, that the obligation of such Selling Holder to indemnify pursuant to any such underwriting arrangements shall be several, not joint and several, among such Selling Holders, and the liability of each such Selling Holder shall be in proportion thereto, and provided, further, however, that such liability shall be limited to the net amount received by such Selling Holder from the sale of his, her or its Registrable Securities pursuant to such Underwritten Offering. Each Selling Holder may, at its option, require that any or all of the representations and warranties by, and the other agreements on the part of, the Partnership to and for the benefit of such underwriters also be made to and for such Selling Holder's benefit and that any or all of the conditions precedent to the obligations of such underwriters under such underwriting agreement also be conditions precedent to such Selling Holder's obligations. No Selling Holder shall be required to make any representations or warranties to or agreements with the Partnership or the underwriters other than representations, warranties or agreements regarding such Selling Holder and its ownership of the securities being registered on its behalf, its intended method of distribution and any other representation required by law. If any Selling Holder disapproves of the terms of an underwriting, such Selling Holder may elect to withdraw from the Underwritten Offering by notice to the Partnership and the Managing Underwriter; provided, however, that such withdrawal must be made at a time prior to the time of pricing of such Underwritten Offering. No such withdrawal shall affect the Partnership's obligation to pay Registration Expenses.

(d) Priority in Underwritten Offerings. Notwithstanding anything to the contrary contained herein, no Registrable Securities to be sold for the account of any person (including the Partnership) other than the Requesting Holder(s) shall be included in a Underwritten Offering unless the Managing Underwriter or underwriters shall advise the Requesting Holder(s) in writing that the inclusion of such Registrable Securities will not adversely affect the price, timing or distribution of the offering or otherwise adversely affect its success (an "Adverse Effect"). Furthermore, if the Managing Underwriter or underwriters shall advise the Requesting Holder(s) that, even after exclusion of all securities of other persons pursuant to the immediately preceding sentence, the amount of Registrable Securities proposed to be included in such Underwritten Offering by Requesting Holders is sufficiently large to cause an Adverse Effect, the Registrable Securities of the Requesting Holders to be included in such Underwritten Offering shall equal the number of shares which the Requesting Holders are so advised can be sold in such offering without an Adverse Effect and such shares shall be allocated pro rata among the Requesting Holders on the basis of the number of Registrable Securities requested to be included in such registration by each such Requesting Holder.

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Section 2.03 Piggyback Rights.

(a) Participation. If the Partnership proposes to file, whether for its own account or for the account of the Holders or any Holders or any third parties: (i) a shelf registration statement (including a Shelf Registration Statement contemplated by Section 2.01), (ii) a prospectus supplement to an effective Registration Statement (including a Registration Statement contemplated by Section 2.01), or (iii) a registration statement other than a shelf registration statement (other than a registration statement on Forms S-4 or S-8 or any successor forms thereto) (each, a "Piggyback Registration"), then the Partnership shall give prompt written notice (a "Piggyback Notice") (including notice by electronic mail) to each Holder (including its affiliates) holding at least three percent (3%) of the then-outstanding Registrable Securities regarding such proposed registration, and such notice shall offer such Holders the opportunity to include in such Piggyback Registration such number of Registrable Securities as each such Holder may request. Each Piggyback Notice shall specify, at a minimum, the number and type of Registrable Securities proposed to be registered, the proposed date of filing of such Piggyback Registration with the Commission, the proposed means of distribution, the proposed Managing Underwriter or underwriters (if any and if known) and a good faith estimate by the Partnership of the proposed minimum offering price of such Registrable Securities. Each such Holder shall make such request in writing to the Partnership (including by electronic mail) within 5 business days (or one business day in connection with any overnight or bought Underwritten Offering) after the receipt of any such Piggyback Notice, which request shall specify the number of Registrable Securities intended to be disposed of by such Holder and, subject to the terms and conditions of this Agreement, the Partnership shall use its reasonable best efforts to cause all Registrable Securities held by such Holders to be included in such Piggyback Registration; provided that:

(i) if, at any time after giving written notice of its intention to register equity securities and prior to the effective date of the Registration Statement filed in connection with such registration, the Partnership shall determine for any reason not to register such equity securities, the Partnership may, at its election, give written notice of such determination within 5 business days thereof to each Holder of Registrable Securities and, thereupon, shall not be obligated to register any Registrable Securities in connection with such registration (but shall nevertheless pay the Registration Expenses in connection therewith), without prejudice, however, to the rights of the Holders of Registrable Securities that a registration be effected under Section 2.01 or Section 2.02; and

(ii) subject to Section 2.02(d), if in connection with a registration pursuant to this Section 2.03, the Managing Underwriter of such registration (or, in the case of an offering that is not an Underwritten Offering, a nationally recognized investment banking firm) shall advise the Partnership that, in its reasonable opinion, the number of securities requested and otherwise proposed to be included in such registration exceeds the number which can be sold in such offering without an Adverse Effect, then in the case of any registration pursuant to this Section 2.03, the Partnership shall include in such registration the following securities which the Partnership is so advised can be sold in such offering without such Adverse Effect,

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(A) if the Piggyback Registration relates to an offering for the Partnership's own account, then (i) first, the securities the Partnership proposes to sell and (ii) second, the Registrable Securities requested to be included in such registration, pro rata among the

Holders of such Registrable Securities; or

(B) if the Piggyback Registration relates to an offering initiated by Requesting Holders, then (i) first, the Registrable Securities requested to be included therein by the Requesting Holders requesting such registration and the Registrable Securities requested to be included in such registration pursuant to a Piggyback Notice, pro rata among the Holders of such Registrable Securities, and (ii) second, any other securities requested to be included in such registration; or

(C) if the Piggyback Registration relates to an offering by a third party or parties holding registration rights other than the Requesting Holders, then (i) first, the securities requested to be included therein by the third party or parties requesting such registration, and (ii) second, any other securities requested to be included in such registration, including securities held by the Holders, pro rata.

Section 2.04 Delay Rights. If the General Partner or its delegate determines that the Partnership's compliance with its obligations under Section 2.01 or Section 2.02(a) would be materially detrimental to the Partnership and its Partners because such registration would (a) materially interfere with a significant acquisition, reorganization, financing or other similar transaction involving the Partnership, (b) require premature disclosure of material information that the Partnership has a bona fide business purpose for preserving as confidential or (c) render the Partnership unable to comply with applicable securities laws, then the Partnership shall have the right to postpone compliance with its obligations under Section 2.01 or Section 2.02(a), and, if applicable, have the right to suspend sales of Registrable Securities pursuant to an effective Registration Statement; provided, the Board of Directors of the General Partner must provide written notice to the affected Holders promptly after such determination, and provided further, that in no event shall this Section 2.04 be utilized for a period that exceeds an aggregate of 45 days in any 180-day period or 90 days in any 365-day period, in each case, exclusive of days covered by any lock-up agreement executed by a Party in connection with an Underwritten Offering. Upon disclosure of any information or the termination or subsequent inapplicability of a condition described in (a) through (c) above, the Partnership shall provide prompt notice to the affected Holders, shall promptly terminate any suspension of sales it has put into effect and shall take such other actions to permit sales of Registrable Securities as contemplated in this Agreement.

Section 2.05 Sale Procedures. In connection with its obligations under this Article II, the Partnership will, as expeditiously as possible:

(a) prepare and file with the Commission a Registration Statement on an appropriate form under the Securities Act, including any such amendments and supplements to each Registration Statement and the prospectus used in connection therewith as may be

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necessary to keep each Registration Statement effective for the Effectiveness Period and as may be necessary to comply with the provisions of the Securities Act with respect to the disposition of all Registrable Securities covered by such Registration Statement;

(b) if a prospectus supplement will be used in connection with the marketing of an Underwritten Offering and the Managing Underwriter notifies the Partnership in writing that, in the sole judgment of such Managing Underwriter, inclusion of detailed information in such prospectus supplement is of material importance to the success of the Underwritten Offering of such Registrable Securities, the Partnership shall use its reasonable best efforts to include such information in such prospectus supplement;

(c) furnish to each Selling Holder (i) as far in advance as reasonably practicable before filing a Registration Statement or any supplement or amendment thereto, copies of reasonably complete drafts of all such documents proposed to be filed (including exhibits and each document incorporated by reference therein to the extent then required by the rules and regulations of the Commission), and provide each such Selling Holder the opportunity to object to any information that is contained therein and make the corrections reasonably requested by such Selling Holder with respect to such information prior to filing a Registration Statement or supplement or amendment thereto, and (ii) such number of copies of such Registration Statement and the prospectus included therein and any supplements and amendments thereto as such Persons may reasonably request in order to facilitate the public sale or other disposition of the Registrable Securities covered by such Registration Statement;

(d) if applicable, use its reasonable best efforts to register or qualify the Registrable Securities covered by a Registration Statement under the securities or blue sky laws of such jurisdictions as the Selling Holders or, in the case of an Underwritten Offering, the Managing Underwriter, shall reasonably request; provided, however, that the Partnership will not be required to qualify generally to transact business in any jurisdiction where it is not then required to so qualify or to take any action that would subject it to general service of process in any jurisdiction where it is not then so subject;

(e) promptly notify each Selling Holder and each underwriter, at any time when a prospectus is required to be delivered under the Securities Act, of (i) the filing of a Registration Statement or any prospectus or prospectus supplement to be used in connection therewith, or any amendment or supplement thereto, and, with respect to such Registration Statement or any post-effective amendment thereto, when the same has become effective; and (ii) any written comments from the Commission with respect to any filing referred to in clause (i) and any written request by the Commission for amendments or supplements to a Registration Statement or any prospectus or prospectus supplement thereto;

(f) immediately notify each Selling Holder and each underwriter, at any time when a prospectus is required to be delivered under the Securities Act, of (i) the happening of any event as a result of which the prospectus or prospectus supplement contained in a Registration Statement, as then in effect, includes an untrue statement of a material fact or omits to state any material fact required to be stated therein or necessary to make the statements therein not misleading (in the case of the prospectus contained therein, in the light of the circumstances under which a statement is made); (ii) the issuance or threat of issuance

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by the Commission of any stop order suspending the effectiveness of a Registration Statement, or the initiation of any proceedings for that purpose; or (iii) the receipt by the Partnership of any notification with respect to the suspension of the qualification of any Registrable Securities for sale under the applicable securities or blue sky laws of any jurisdiction. Following the provision of such notice, the Partnership agrees to, as promptly as practicable, amend or supplement the prospectus or prospectus supplement or take other appropriate action so that the prospectus or prospectus supplement does not include an untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein not misleading in the light of the circumstances then existing and to take such other reasonable action as is necessary to remove a stop order, suspension, threat thereof or proceedings related thereto;

(g) subject to appropriate confidentiality obligations, furnish to each Selling Holder copies of any and all transmittal letters or other correspondence with the Commission or any other governmental agency or self-regulatory body or other body having jurisdiction (including any domestic or foreign securities exchange) relating to any offering of Registrable Securities;

(h) in the case of an Underwritten Offering, furnish to each Selling Holder and underwriter (i) an opinion of counsel for the Partnership dated the date of the closing under the underwriting agreement and (ii) a “cold comfort” letter, dated the pricing date of such Underwritten Offering (to the extent available) and a letter of like kind dated the date of the closing under the underwriting agreement, in each case, signed by the independent public accountants who have certified the Partnership’s financial statements included or incorporated by reference into the applicable Registration Statement, and each of the opinion and the “cold comfort” letter shall be in customary form and covering substantially the same matters with respect to such Registration Statement (and the prospectus and any prospectus supplement included therein) as have been customarily covered in opinions of issuer’s counsel and in accountants’ letters delivered to the underwriters in Underwritten Offerings of securities by the Partnership and such other matters as such underwriters and Selling Holders may reasonably request;

(i) otherwise use its reasonable best efforts to comply with the Securities Act, the Exchange Act, all applicable rules and regulations of the Commission, and any other applicable securities laws, and make available to its security holders, as soon as reasonably practicable, an earnings statement, which earnings statement shall satisfy the provisions of Section 11(a) of the Securities Act and Rule 158 promulgated thereunder;

(j) make available to the appropriate representatives of the Managing Underwriter and Selling Holders access to such information and Partnership personnel as is reasonable and customary (i) to enable such parties to establish a due diligence defense under the Securities Act, and (ii) for assistance in the selling efforts relating to the Registrable Securities, including, but not limited to, the participation of such members of the Partnership’s management in road show presentations;

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(k) cause all Registrable Securities registered pursuant to this Agreement to be listed on each securities exchange or nationally recognized quotation system on which similar securities issued by the Partnership are then listed;

(l) use its reasonable best efforts to cause the Registrable Securities to be registered with or approved by such other governmental agencies or authorities as may be necessary by virtue of the business and operations of the Partnership to enable the Selling Holders to consummate the disposition of the Registrable Securities;

(m) provide a transfer agent and registrar for all Registrable Securities covered by a Registration Statement not later than the effective date of such Registration Statement;

(n) cooperate with each Holder and each underwriter and their respective counsel in connection with any filings required to be made with the Financial Industry Regulatory Authority;

(o) promptly make available for inspection by any Holder, any underwriter, and any attorney, accountant or other agent or representative retained by any such Selling Holder or underwriter (collectively, the “Inspectors”), all financial and other records, pertinent corporate documents and properties of the Partnership, as shall be reasonably necessary to enable them to exercise their due diligence responsibility, and cause the Partnership’s officers, directors and employees to (i) supply all information requested by any such Inspector in connection with such Registration Statement and (ii) be reasonably available for due diligence discussions and sessions (taking into account the Partnership’s business needs); provided, however, that, the disclosure of such information may be subject to the execution by such Selling Holder or other Inspector of a customary confidentiality agreement in a form which is reasonably satisfactory to the Partnership;

(p) cooperate with the Selling Holders and the Managing Underwriter to facilitate the timely preparation and delivery of certificates (which shall not bear any restrictive legends unless required under applicable law or the Partnership Agreement) representing securities sold under any Registration Statement, and enable such securities to be in such denominations and registered in such names as the Managing Underwriter or such Selling Holders may request and keep available and make available to the Partnership’s transfer agent prior to the effectiveness of such Registration Statement a supply of such certificates; and

(q) enter into customary agreements and take such other actions as are reasonably requested by the Selling Holders or the underwriters, if any, in order to expedite or facilitate the disposition of the Registrable Securities.

Each Selling Holder, upon receipt of notice from the Partnership of the happening of any event of the kind described in subsection (f) of this Section 2.05, shall forthwith discontinue dispositions of the Registrable Securities by means of a prospectus or prospectus supplement until such Selling Holder’s receipt of the copies of the supplemented or amended prospectus or prospectus supplement contemplated by subsection (f) of this Section 2.05 or until it is advised in writing by the Partnership that the use of the prospectus or prospectus supplement may be

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resumed, and has received copies of any additional or supplemental filings incorporated by reference in the prospectus or prospectus supplement.

Section 2.06 Cooperation by Holders. The Partnership shall have no obligation to include in a Registration Statement, or in an Underwritten Offering pursuant to Section 2.02(a), Registrable Securities of a Selling Holder who has failed to timely furnish such information that, in the opinion of counsel to the Partnership, is reasonably required in order for the Registration Statement or prospectus or prospectus supplement, as applicable, to comply with the Securities Act.

Section 2.07 Expenses.

(a) Expenses. The Partnership will pay all Registration Expenses including in the case of an Underwritten Offering, regardless of whether any sale is made in such Underwritten Offering. Each Selling Holder shall pay all Selling Expenses in connection with any sale of its Registrable Securities hereunder. In addition, except as otherwise provided in Section 2.09, the Partnership shall not be responsible for legal fees incurred by Holders from their individually retained counsel in connection with the exercise of such Holders’ rights hereunder.

(b) Certain Definitions. “Registration Expenses” means all expenses incident to the Partnership’s performance under or compliance with this Agreement to effect the registration of Registrable Securities on a Registration Statement pursuant to Section 2.01 or Section 2.03 and/or in connection with an Underwritten Offering pursuant to Section 2.02(a) or Section 2.03, and the disposition of such Registrable Securities whether or not any Registration Statement becomes effective, including, without limitation, all registration, filing, securities exchange listing and securities exchange fees, all registration, filing, qualification and other fees and expenses of complying with securities or blue sky laws, fees of the Financial Industry Regulatory Authority, fees of transfer agents and registrars, all word processing, duplicating and printing expenses, any transfer taxes and the fees and disbursements of counsel and independent public accountants for the Partnership, including the expenses of any opinions, special audits or “cold comfort” letters required by or incident to such performance and compliance. “Selling Expenses” means all underwriting fees, discounts and selling commissions applicable to the sale of Registrable Securities.

Section 2.08 Restrictions on Public Sale by Holders of Registrable Securities. Each Holder who, along with its Affiliates, holds at least 5% of the then outstanding Common Units, subject to adjustment pursuant to Section 3.04, if requested by the Managing Underwriter of an Underwritten Offering, agrees to enter into a customary letter agreement with underwriters providing such Holder will not effect any public sale or distribution of the Registrable Securities during the 90 calendar day period beginning on the date of a prospectus or prospectus supplement filed with the Commission with respect to the pricing of an Underwritten Offering, provided that (i) the duration of the foregoing restrictions shall be no longer than the duration of the shortest restriction generally imposed by the underwriters on the Partnership or the officers, directors or any other unitholder of the Partnership on whom a restriction is imposed, and (ii) the restrictions set forth in this Section 2.08 shall not apply to any Registrable Securities that are included in such Underwritten Offering by such Holder.

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Section 2.09 Indemnification.

(a) By the Partnership. The Partnership agrees to indemnify and hold harmless each Selling Holder, its directors, officers, employees and agents, and each Person, if any, who controls such Selling Holder within the meaning of the Securities Act and the Exchange Act, and its directors, officers, employees or agents (collectively, “Holder Indemnitees”), from and against any and all losses, claims, damages, expenses, amounts paid in settlement or liabilities (including reasonable attorneys’ fees and expenses) (collectively, “Losses”), joint or several, to which such Holder Indemnitees may become subject under the Securities Act, the Exchange Act, any applicable securities law or otherwise, insofar as such Losses (or investigations, actions or proceedings, whether commenced or threatened, in respect thereof) arise out of, relate to or are based upon any untrue statement or alleged untrue statement of any material fact (in the case of any prospectus or prospectus supplement, in the light of the circumstances under which such statement is made) contained in a Registration Statement, any preliminary prospectus or prospectus supplement, free writing prospectus or final prospectus or prospectus supplement contained therein, or any amendment or supplement thereof, or arise out of or are based upon the omission or alleged omission to state therein a material fact required to be stated therein or necessary to make the statements therein (in the case of a prospectus or prospectus supplement, in the light of the circumstances under which they were made) not misleading, and will reimburse each such Holder Indemnitee for any legal or other expenses reasonably incurred by them in connection with investigating or defending any such Loss or actions or proceedings as such expenses are incurred; provided, however, that the Partnership will not be liable in any such case if and to the extent that any such Loss directly results from an untrue statement or alleged untrue statement or omission or alleged omission so made in reliance on and in strict conformity with information furnished by such Selling Holder, its directors, officers, employees and agents or such controlling Person in writing specifically for use in a Registration Statement, or prospectus or prospectus supplement or any amendment or supplement thereto, as applicable. Such indemnity, as well as any contribution required by Section 2.09(d) hereof, shall remain in full force and effect regardless of any investigation made by or on behalf of such Selling Holder or any such directors, officers, employees agents or controlling Person, and shall survive the transfer of such securities by such Selling Holder. The reimbursements required by this Section 2.09(a) will be made by periodic payments during the course of the investigation or defense, as and when bills are received or expenses incurred.

(b) By Each Selling Holder. Each Selling Holder agrees severally and not jointly to indemnify and hold harmless the Partnership, the General Partner, its directors, officers, employees and agents and each Person, if any, who controls the Partnership within the meaning of the Securities Act or of the Exchange Act, and its directors, officers, employees and agents, to the same extent as the foregoing indemnity from the Partnership to the Selling Holders, but only with respect to information regarding such Selling Holder furnished in writing by or on behalf of such Selling Holder expressly for inclusion in a Registration Statement or prospectus or prospectus supplement relating to the Registrable Securities, or any amendment or supplement thereto; provided, however, that the liability of each Selling Holder shall not be greater in amount than the dollar amount of the proceeds (net of any Selling Expenses) received by such Selling Holder from the sale of the Registrable Securities giving rise to such indemnification; provided, further, however, that such Selling Holder shall not be

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liable in any such case to the extent that prior to the filing of any such Registration Statement or prospectus or amendment thereof or supplement thereto, such Selling Holder has furnished in writing to the Partnership information expressly for use in such Registration Statement or prospectus or any amendment thereof or supplement thereto which corrected or made not misleading information previously furnished to the Partnership.

(c) Notice. Promptly after receipt by an indemnified party hereunder of notice of the commencement of any action, such indemnified party shall, if a claim in respect thereof is to be made against the indemnifying party hereunder, notify the indemnifying party in writing thereof, but the omission so to notify the indemnifying party shall not relieve it from any liability that it may have to any indemnified party other than under this Section 2.09. In any action brought against any indemnified party, it shall notify the indemnifying party of the commencement thereof. The indemnifying party shall be entitled to participate in and, to the extent it shall wish, to assume and undertake the defense thereof with counsel reasonably satisfactory to such indemnified party and, after notice from the indemnifying party to such indemnified party of its election so to assume and undertake the defense thereof, the indemnifying party shall not be liable to such indemnified party under this Section 2.09 for any legal expenses subsequently incurred by such indemnified party in connection with the defense thereof other than reasonable costs of investigation and of liaison with counsel so selected; provided, however, that, (i) if the indemnifying party has failed to assume the defense or employ counsel reasonably acceptable to the indemnified party or (ii) if the defendants in any such action include both the indemnified party and the indemnifying party and counsel to the indemnified party shall have concluded that there may be reasonable defenses available to the indemnified party that are different from or additional to those available to the indemnifying party, or if the interests of the indemnified party reasonably may be deemed to conflict with the interests of the indemnifying party, then the indemnified party shall have the right to select a separate counsel and to assume such legal defense and otherwise to participate in the defense of such action, with the reasonable expenses and fees of such separate counsel and other reasonable expenses related to such participation to be reimbursed by the indemnifying party as incurred. Notwithstanding any other provision of this Agreement, no indemnified party shall settle any action brought against it with respect to which it is entitled to indemnification hereunder without the consent of the indemnifying party, unless the settlement thereof imposes no liability or obligation on, and includes a complete and unconditional release from all liability of, the indemnifying party. If the defense of an indemnification claim is assumed by the indemnifying party pursuant to the provisions hereof, such indemnifying

party shall not settle or otherwise compromise the applicable claim unless (x) such settlement or compromise imposes no liability or obligation on, and includes contains a full and unconditional release of, the indemnified party or (y) the indemnified party otherwise consents in writing.

(d) Contribution. If the indemnification provided for in this Section 2.09 is held by a court or government agency of competent jurisdiction to be unavailable to any indemnified party or is insufficient to hold them harmless in respect of any Losses, then each indemnifying party, in lieu of indemnifying such indemnified party, shall contribute to the amount paid or payable by such indemnified party as a result of such Loss in such proportion as is appropriate to reflect the relative fault of the indemnifying party on the one hand and of such indemnified party on the other in connection with the statements or omissions that resulted in such Losses, as well as any other relevant equitable considerations; provided,

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however, that in no event shall the Selling Holder be required to contribute an aggregate amount in excess of the dollar amount of proceeds (net of Selling Expenses) received by such Selling Holder from the sale of Registrable Securities giving rise to such indemnification. The relative fault of the indemnifying party on the one hand and the indemnified party on the other shall be determined by reference to, among other things, whether the untrue or alleged untrue statement of a material fact or the omission or alleged omission to state a material fact has been made by, or relates to, information supplied by such party, and the parties' relative intent, knowledge, access to information and opportunity to correct or prevent such statement or omission. The parties hereto agree that it would not be just and equitable if contributions pursuant to this paragraph were to be determined by pro rata allocation or by any other method of allocation that does not take account of the equitable considerations referred to herein. The amount paid by an indemnified party as a result of the Losses referred to in the first sentence of this paragraph shall be deemed to include any legal and other expenses reasonably incurred by such indemnified party in connection with investigating or defending any Loss that is the subject of this paragraph. No person guilty of fraudulent misrepresentation (within the meaning of Section 11(f) of the Securities Act) shall be entitled to contribution from any Person who is not guilty of fraudulent misrepresentation. Notwithstanding the provisions of this Section 2.09(d), no Selling Holder shall be required to contribute an amount greater than the dollar amount by which the net proceeds received by such Selling Holder with respect to the sale of any Registrable Securities exceeds the amount of damages which such Selling Holder has otherwise been required to pay by reason of any and all untrue or alleged untrue statements of material fact or omissions or alleged omissions of material fact made in any Registration Statement, prospectus or preliminary prospectus or any amendment thereof or supplement thereto related to such sale of Registrable Securities. The Selling Holders' obligations in this Section 2.09(d) to contribute shall be several in proportion to the amount of Registrable Securities registered by them and not joint.

(e) Other Indemnification. The provisions of this Section 2.09 shall be in addition to any other rights to indemnification or contribution that an indemnified party may have pursuant to law, equity, contract or otherwise.

Section 2.10 Rule 144 Reporting. With a view to making available the benefits of certain rules and regulations of the Commission that may permit the sale of the Registrable Securities to the public without registration, the Partnership agrees to:

(f) make and keep public information regarding the Partnership available, as those terms are understood and defined in Rule 144 under the Securities Act (or any similar rule or regulation hereafter adopted by the Commission), at all times from and after the date hereof;

(g) file with the Commission in a timely manner all reports and other documents required of the Partnership under the Securities Act and the Exchange Act and the rules and regulations adopted by the Commission thereunder at all times from and after the date hereof; and

(h) so long as a Holder owns any Registrable Securities, furnish to such Holder forthwith upon request a copy of the most recent annual or quarterly report of the

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Partnership, and such other reports and documents so filed as such Holder may reasonably request in availing itself of any rule or regulation of the Commission allowing such Holder to sell any such securities without registration.

Section 2.11 Transfer or Assignment of Registration Rights. The rights to cause the Partnership to register Registrable Securities granted to a Holder by the Partnership under this Article II may be transferred or assigned by such Holder to one or more transferee(s) or assignee(s) of such Registrable Securities; provided, however, that (a) unless such transferee or assignee is an Affiliate of a party hereto, each such transferee or assignee holds Registrable Securities representing at least _____ of the then outstanding Registrable Securities, subject to adjustment pursuant to Section 3.04, (b) the Partnership is given written notice prior to any said transfer or assignment, stating the name and address of each such transferee or assignee and identifying the Registrable Securities with respect to which such registration rights are being transferred or assigned, and (c) each such transferee or assignee agrees to be bound by this Agreement.

Section 2.12 Preservation of Rights. From and after the date hereof, the Partnership shall not, without the prior written consent of the Holders of a majority of Registrable Securities, (i) enter into any agreement with any current or future holder of any securities of the Partnership that would allow such current or future holder to require the Partnership to include securities in any registration statement filed by the Partnership on a basis other than *pari passu* with, or expressly subordinate to the rights of, the Holders of Registrable Securities hereunder or (ii) take any action, or permit any change to occur, with respect to its securities that is inconsistent with, or violates the rights of, the Holders of Registrable Securities hereunder.

ARTICLE III

MISCELLANEOUS

Section 3.01 Communications. All notices and other communications provided for or permitted hereunder shall be made in writing by facsimile, electronic mail, courier service or personal delivery:

- (a) if to a Holder, to such Holder at the address set forth in the books and records of the Partnership;
- (b) if to a transferee of a Holder, to such transferee at the address provided pursuant to Section 2.11; and
- (c) if to the Partnership:

All such notices and communications shall be deemed to have been received at the time delivered by hand, if personally delivered; when receipt acknowledged, if sent via facsimile or sent via electronic mail; and when actually received, if sent by courier service or any other means.

Section 3.02 Successors and Assigns. This Agreement shall inure to the benefit of and be binding upon the successors and assigns of each of the parties, including subsequent Holders of Registrable Securities to the extent permitted herein.

Section 3.03 Assignment of Rights. All or any portion of the rights and obligations of the Holders under this Agreement may be transferred or assigned by the Holders in accordance with Section 2.11 hereof.

Section 3.04 Recapitalization, Exchanges, Etc. Affecting the Registrable Securities. The provisions of this Agreement shall apply to the full extent set forth herein with respect to any and all securities of the Partnership or any successor or assign of the Partnership (whether by merger, consolidation, sale of assets or otherwise) that may be issued in respect of, in exchange for or in substitution of, the Registrable Securities, and shall be appropriately adjusted for combinations, splits, recapitalizations, pro rata distributions and the like occurring after the date of this Agreement.

Section 3.05 Specific Performance. Damages in the event of breach of this Agreement by a party hereto may be difficult, if not impossible, to ascertain, and it is therefore agreed that each party, in addition to and without limiting any other remedy or right it may have, will have the right to an injunction or other equitable relief in any court of competent jurisdiction, enjoining any such breach, and enforcing specifically the terms and provisions hereof, and each of the parties hereto hereby waives any and all defenses it may have on the ground of lack of jurisdiction or competence of the court to grant such an injunction or other equitable relief. The existence of this right will not preclude any such party from pursuing any other rights and remedies at law or in equity that such party may have.

Section 3.06 Counterparts. This Agreement may be executed in any number of counterparts and by different parties hereto in separate counterparts, each of which counterparts, when so executed and delivered, shall be deemed to be an original and all of which counterparts, taken together, shall constitute but one and the same Agreement.

Section 3.07 Headings. The headings in this Agreement are for convenience of reference only and shall not limit or otherwise affect the meaning hereof.

Section 3.08 Governing Law. The laws of the State of New York shall govern this Agreement.

Section 3.09 Severability of Provisions. Any provision of this Agreement that is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof or affecting or impairing the validity or enforceability of such provision in any other jurisdiction.

Section 3.10 Scope of Agreement. The rights granted pursuant to this Agreement are intended to supplement and not to reduce or replace any rights any Holders may have under the Partnership Agreement with respect to the Registrable Securities. This Agreement is intended by the parties as a final expression of their agreement and intended to be a complete and exclusive statement of the agreement and understanding of the parties hereto in respect of the subject matter contained herein. Except as provided in the Partnership Agreement, there are no restrictions, promises, warranties or undertakings, other than those set forth or referred to herein with respect to the rights granted by the Partnership set forth herein. Except as provided in the Partnership Agreement, this Agreement supersedes all prior agreements and understandings between the parties with respect to such subject matter.

Section 3.11 Amendment. This Agreement may be amended only by means of a written amendment signed by the Partnership and the Holders of a majority of the then-outstanding Registrable Securities; provided, however, that no such amendment shall materially and adversely affect the rights of any Holder hereunder without the consent of such Holder.

Section 3.12 No Presumption. If any claim is made by a party relating to any conflict, omission, or ambiguity in this Agreement, no presumption or burden of proof or persuasion shall be implied by virtue of the fact that this Agreement was prepared by or at the request of a particular party or its counsel.

Section 3.13 Aggregation of Registrable Securities. All Registrable Securities held or acquired by Persons who are Affiliates of one another shall be aggregated together for the purpose of determining the availability of any rights under this Agreement.

Section 3.14 Obligations Limited to Parties to Agreement; Holders as Beneficiaries. Each of the parties hereto covenants, agrees and acknowledges that no Person other than the Partnership and the Holders (and their permitted transferees and assignees) shall have any obligation hereunder and that, notwithstanding that one or more of the Holders may be a corporation, partnership or limited liability company, no recourse under this Agreement or under any documents or instruments delivered in connection herewith or therewith shall be had against any former, current or future director, officer, employee, agent, general or limited partner, manager, member, stockholder or Affiliate of any of the Holders or any former, current or future director, officer, employee, agent, general or limited partner, manager, member, stockholder or Affiliate of any of the foregoing, whether by the enforcement of any assessment or by any legal or equitable proceeding, or by virtue of any applicable law, it being expressly agreed and acknowledged that no personal liability whatsoever shall attach to, be imposed on or otherwise incurred by any former, current or future director, officer, employee, agent, general or limited partner, manager, member, stockholder or Affiliate of any of the Holders or any former, current or future director, officer, employee, agent, general or limited partner, manager, member, stockholder or Affiliate of any of the foregoing, as such, for any obligations of the Holders under this Agreement or any documents or instruments delivered in connection herewith or therewith or for any claim based on, in respect of or by reason of such obligation or its creation, except in each case for any transferee or assignee of a Holder hereunder.

may be amended, supplemented and otherwise modified from time to time, unless otherwise specified. The word “including” shall mean “including but not limited to.” Whenever any determination, consent or approval is to be made or given by the Holders under this Agreement, such action shall be in the Holders’ sole discretion unless otherwise specified.

[Signature page follows]

IN WITNESS WHEREOF, the parties hereto execute this Agreement, effective as of the date first above written.

LEHIGH GAS PARTNERS LP

By: Lehigh Gas GP LLC, its general partner

By: _____
Name:
Title:

LEHIGH GAS CORPORATION

By: _____
Name:
Title:

KIMBER PETROLEUM CORPORATION

By: _____
Name:
Title:

KWIK PIK — OHIO HOLDINGS, LLC

By: _____
Name:
Title:

Joseph V. Topper, Jr.

*Signature Page
Registration Rights Agreement*

John B. Reilly, III

*Signature Page
Registration Rights Agreement*

FORM OF
LEASE AGREEMENT
(Non-Bifurcated)

THIS LEASE AGREEMENT (this “Lease”), is made as of the _____ day of _____, 2012, with an effective date of _____, 2012 (the “Effective Date”), by and between _____, LLC, a Delaware limited liability company, having its principal office at 702 Hamilton Street, Suite 203, Allentown, PA 18101 (“Landlord”) and **Lehigh Gas — Ohio, LLC**, a Delaware limited liability company, having its principal office at 702 Hamilton Street, Suite 203, Allentown, PA 18101 (“Tenant”).

BACKGROUND

- A. Tenant and Lehigh Gas Wholesale LLC have entered into that certain PMPA Franchise Agreement dated _____, 2012 (as amended from time to time, the “Supply Agreement”).
- B. Tenant and certain Affiliates (as defined below) of Landlord have entered into certain lease agreements each dated _____, 2012 and identified on the attached Exhibit A (collectively, the “Related Leases”).
- C. Landlord and Tenant now desire to enter into this Lease for the Leased Premises (as defined below).

NOW THEREFORE, in consideration of the rents and provisions herein stipulated to be paid and performed, Landlord and Tenant, intending to be legally bound, hereby covenant and agree as of the Effective Date as follows:

1. **Demise of Premises.** Landlord hereby demises and lets to Tenant and Tenant hereby takes and leases from Landlord for the term and upon the provisions hereinafter specified, the following described property (the “Leased Premises”): (i) the lot or parcel of land owned in fee by Landlord or leased by Landlord and described on the attached Schedule 1 (the “Location”), together with the easements, rights and appurtenances thereunto belonging or appertaining (collectively, the “Land”); (ii) the buildings, structures and other improvements on the Land (collectively, the “Improvements”); and (iii) the underground storage tank(s) and any appurtenances connected thereto including but not limited to lines and dispensing equipment (but excluding nozzles and hoses) located at the Location and all machinery and equipment which is attached to the Improvements in such a manner as to become fixtures under applicable law, together with all additions and accessions thereto, substitutions therefor and replacements thereof permitted by this Lease (collectively, the “Equipment”), excepting therefrom only the Trade Fixtures (as defined below).

2. **Certain Definitions.**

- (a) “Additional Rent” shall mean all amounts, costs, expenses, liabilities and obligations (including but not limited to Tenant’s obligation to pay any Net Awards hereunder) which Tenant is required to pay pursuant to the terms of this Lease other than Basic Rent.
- (b) “Adjoining Property” shall mean all sidewalks and curbs adjoining the Leased Premises.
- (c) “Affiliate” shall mean, as to any specified person or entity, any person or entity, directly or indirectly controlling, controlled by or in common control with such specified person or entity.
- (d) “Alteration” or “Alterations” shall mean any or all changes, additions (whether or not adjacent to or abutting any then existing buildings), expansions (whether or not adjacent to or abutting any then existing buildings), improvements, reconstructions, removals or replacements of any of the Improvements or Equipment, both interior or exterior, and ordinary and extraordinary.
- (e) “Assumed Contracts” shall mean those agreements and contracts set forth on the attached Schedule 2(e).
- (f) “Basic Rent” shall mean Basic Rent as defined in Paragraph 6(a).
- (g) “Basic Rent Payment Dates” shall mean the Basic Rent Payment Dates as defined in Paragraph 6(a).
- (h) “Commencement Date” shall mean the Effective Date.
- (i) “Condemnation” shall mean a Taking and/or a Requisition.
- (j) “Default Rate” shall mean the Default Rate as defined in Paragraph 20(b)(iv).
- (k) “Equipment” shall mean the Equipment as defined in Paragraph 1.
- (l) “Event of Default” shall mean an Event of Default as defined in Paragraph 20(a).
- (m) “Guaranties” shall mean the Guaranties as defined in Paragraph 3(d).
- (n) “Impositions” shall mean the Impositions as defined in Paragraph 8(a).
- (o) “Improvements” shall mean the Improvements as defined in Paragraph 1.
- (p) “Insurance Requirement” or “Insurance Requirements” shall mean, as the case may be, any one or more of the terms of each insurance policy required to be carried by Tenant under this Lease and the requirements of the issuer of such policy.

- (q) "Land" shall mean the Land as defined in Paragraph 1.
- (r) "Landlord Equipment" shall mean the Landlord Equipment as defined in Paragraph 11(a)(iii).
- (s) "Landlord Termination Date" shall mean the Landlord Termination Date as defined in Paragraph 23(a).
- (t) "Late Charge" shall mean the Late Charge as defined in Paragraph 6(c).
- (u) "Law" shall mean any constitution, statute or rule of law.

(v) "Lease Year" shall mean the twelve (12) calendar month period beginning on the Lease Year Commencement Date and on each anniversary thereof throughout the Term, except that the first Lease Year shall also include the period, if any, from the Commencement Date to the Lease Year Commencement Date.

(w) "Lease Year Commencement Date" shall mean the Commencement Date, if such date shall be on the first day of a calendar month, or, if the Commencement Date does not fall on the first day of a calendar month, then, "Lease Year Commencement Date" shall mean the first day of the first calendar month following that month in which the Commencement Date falls.

(x) "Leased Premises" shall mean the Leased Premises as defined in Paragraph 1.

(y) "Legal Requirement" or "Legal Requirements" shall mean, as the case may be, any one or more of all present and future Laws, codes, ordinances, orders, judgments, decrees, injunctions, rules, regulations and requirements, even if unforeseen or extraordinary, of every duly constituted governmental authority or agency (but excluding those which by their terms are not applicable to and do not impose any obligation on Tenant, Landlord or the Leased Premises) and all covenants, restrictions and conditions now of record, or of record in the future if created or filed by or with the consent of Tenant, which may be applicable to Tenant, Landlord (with respect to the Leased Premises) or to all or any part of or interest in Leased Premises, or to the use, manner of use, occupancy, possession, operation, maintenance, alteration, repair or reconstruction of the Leased Premises, even if compliance therewith (i) necessitates structural changes or improvements (including changes required to comply with the "Americans with Disabilities Act") or results in interference with the use or enjoyment of the Leased Premises or (ii) requires Tenant to carry insurance other than as required by the provisions of this Lease.

(z) "Lender" shall mean an entity or entities identified as such in writing to Tenant which makes a Loan to Landlord and/or any Parent Entity, secured by a Mortgage and evidenced by a Note, or any entity or entities which is/are the holder(s) of the Mortgage and Note as a result of an assignment thereof.

(aa) "Location" shall mean the Location as defined in Paragraph 1.

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(bb) "Loan" shall mean a loan made by a Lender to Landlord and/or any Parent Entity, secured by a Mortgage and evidenced by a Note.

(cc) "Loan Document" shall mean any Notes, Mortgages or other loan documents evidencing or securing a Loan.

(dd) "Mortgage" shall mean any mortgage, deed of trust or similar security instrument currently existing or hereafter executed covering the Leased Premises, or any part thereof, from Landlord and/or any Parent Entity to Lender.

(ee) "Net Award" shall mean the entire award payable to Landlord by reason of a Condemnation, less any reasonable expenses incurred by Landlord in collecting such award.

(ff) "Net Proceeds" shall mean the entire proceeds of any insurance required under clauses (i) or (iv) of Paragraph 14(a), less any actual and reasonable expenses incurred by Landlord in collecting such proceeds.

(gg) "Nonpayment Notice" shall mean Nonpayment Notice as defined in Paragraph 20(a).

(hh) "Note" or "Notes" shall mean a promissory note or notes hereafter executed by Landlord and/or any Parent Entity in favor of Lender, which Note or Notes will be secured by a Mortgage and an assignment of leases and rents.

(ii) "Parent Entity(ies)" shall mean those entities identified on the attached Schedule 2(ii).

(jj) "Permitted Encumbrances" shall mean those covenants, restrictions, reservations, liens, conditions, encroachments, easements and other matters of title that affect the Leased Premises as of the Commencement Date which are disclosed to Tenant by Landlord prior to the Commencement Date.

(kk) "Prime Lease" shall mean the lease agreement that is superior to this lease and identified on the attached Schedule 2(kk).

(ll) "Renewal Term" shall mean the Renewal Term as defined in Paragraph 5(b).

(mm) "Renewal Term Cancellation Notice" shall mean Renewal Term Cancellation Notice as defined in Paragraph 5(b).

(nn) "Requisition" shall mean any temporary condemnation or confiscation of the use or occupancy of the Leased Premises by any governmental authority, civil or military, whether pursuant to an agreement with such governmental authority in settlement of or under threat of any such requisition or confiscation, or otherwise.

(oo) "Restoration" shall mean Restoration as defined in Paragraph 13(d).

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(pp) "State" shall mean the State or Commonwealth in which the Leased Premises is situated.

(qq) "Supply Agreement" shall mean the Supply Agreement as defined in the Background section above.

(rr) "Taking" shall mean any permanent taking of the Leased Premises in or by condemnation or other eminent domain proceedings pursuant to any law, general or special, or by reason of any agreement with any condemnor in settlement of or under threat of any such condemnation or other eminent domain proceedings or by any other means, or any de facto condemnation.

(ss) "Term" shall mean the Term as defined in Paragraph 5.

(tt) "Trade Fixtures" shall mean all fixtures, equipment and other items of personal property (whether or not attached to the Improvements) which are owned by Tenant or any subtenant, sub-franchisee or other third-party and used in the operation of the business conducted on the Leased Premises.

3. Title and Condition.

(a) The Leased Premises are demised and let subject to (i) the Prime Lease, (ii) the Permitted Encumbrances, (iii) all Legal Requirements and Insurance Requirements, including any existing violation thereof, and (iv) the condition of the Leased Premises as of the Commencement Date; without representation or warranty by Landlord; it being understood and agreed, however, that the recital of the Permitted Encumbrances herein shall not be construed as a revival of any thereof which for any reason may have expired.

(b) LANDLORD HAS NOT MADE AND WILL NOT MAKE ANY INSPECTION OF THE LEASED PREMISES, AND LANDLORD LEASES AND WILL LEASE, AND TENANT TAKES AND WILL TAKE, THE LEASED PREMISES "AS IS", AND TENANT ACKNOWLEDGES THAT LANDLORD (WHETHER ACTING AS LANDLORD HEREUNDER OR IN ANY OTHER CAPACITY) HAS NOT MADE AND WILL NOT MAKE, NOR SHALL LANDLORD BE DEEMED TO HAVE MADE, ANY WARRANTY OR REPRESENTATION, EXPRESS OR IMPLIED, WITH RESPECT TO THE LEASED PREMISES, INCLUDING ANY WARRANTY OR REPRESENTATION AS TO ITS FITNESS FOR USE OR PURPOSE, DESIGN OR CONDITION FOR ANY PARTICULAR USE OR PURPOSE, AS TO THE QUALITY OF THE MATERIALS OR WORKMANSHIP THEREIN, LATENT OR PATENT, AS TO LANDLORD'S TITLE THERETO, OR AS TO VALUE, COMPLIANCE WITH SPECIFICATIONS, LOCATION, USE, CONDITION, MERCHANTABILITY, QUALITY, DESCRIPTION, DURABILITY OR OPERATION, IT BEING AGREED THAT ALL RISKS INCIDENT THERETO ARE TO BE BORNE BY TENANT. Tenant acknowledges that the Leased Premises are of its selection and to its specifications, and that the Leased Premises have been inspected by Tenant and are satisfactory to it. In the event of any defect or deficiency in the Leased Premises of any nature, whether patent or latent, Landlord shall not have any responsibility or liability with respect thereto or for any incidental or consequential damages (including strict liability in tort). The provisions of this

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Paragraph 3(b) have been negotiated, and the foregoing provisions are intended to be a complete exclusion and negation of any warranties by Landlord, express or implied, with respect to the Leased Premises, arising pursuant to any Law now or hereafter in effect or otherwise.

(c) Tenant acknowledges and agrees that Tenant has examined the title to the Leased Premises prior to the execution and delivery of this Lease and has found such title to be satisfactory for the purposes contemplated by this Lease.

(d) Landlord hereby assigns, without recourse or warranty whatsoever, to Tenant, all warranties, guaranties and indemnities, express or implied, and similar rights which Landlord may have against any manufacturer, seller, engineer, contractor or builder in respect of the Leased Premises, including, but not limited to, any rights and remedies existing under contract or pursuant to the Uniform Commercial Code (collectively, the "Guaranties"). Such assignment shall remain in effect until the expiration or termination of this Lease. Landlord shall also retain the right to enforce any Guaranties assigned in the name of Tenant upon the occurrence of an Event of Default. Landlord hereby agrees to execute and deliver at Tenant's expense such further documents, including powers of attorney, as Tenant may reasonably request in order that Tenant may have the full benefit of the assignment effected or intended to be effected by this Paragraph 3(d). Upon the expiration or termination of this Lease, the Guaranties shall automatically revert to Landlord. The foregoing provision of reversion shall be self-operative and no further instrument of reassignment shall be required. In confirmation of such reassignment Tenant shall, if requested by Landlord, execute and deliver promptly any certificate or other instrument which Landlord may reasonably request.

(e) Landlord agrees to enter into, at Tenant's expense, such easements, covenants, waivers, approvals or restrictions for utilities, parking or other matters as desirable for operation of the Leased Premises (collectively, "Easements") as reasonably requested by Tenant, subject to Landlord's approval of the form and substance thereof, not to be unreasonably withheld, conditioned or delayed; provided, however, that no such Easement shall result in any material diminution in the value or utility of the Leased Premises for use as a retail site for the sale of fuel to motor vehicles and uses incidental thereto, including without limitation services related to the operation of motor vehicles and the retail sale of food, beverages and other items, such as typically found in convenience stores appurtenant to other retail fuel stations in the area and further provided that no such Easement shall render the use of the Leased Premises dependent upon any other property or condition the use of the Leased Premises upon the use of any other property, each of which Tenant shall certify to Landlord in a writing delivered with Tenant's request with respect to such Easement. Tenant's request shall also include Tenant's written undertaking acknowledging that Tenant shall remain liable hereunder as principal and not merely as a surety or guarantor notwithstanding the establishment of any Easement.

(f) Tenant agrees that Tenant is obligated to and shall perform all obligations of the owner of the Leased Premises (or, if applicable, the obligations of Landlord as tenant under the Prime lease) under, and pay all costs, fees, fines, penalties, expenses, taxes and Impositions which the owner of the Leased Premises (or, if applicable, the tenant under the Prime Lease) may be required to pay in accordance with, any reciprocal easement agreement or any other agreement or document of record now (if any), or of record in the future if created or filed by or with the written consent of Tenant, affecting the Leased Premises (herein referred to

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collectively as the "REA"), and that Tenant shall comply with all of the terms and conditions of the REA during the Term of this Lease. Tenant further covenants and agrees to indemnify, defend and hold harmless Landlord against any claim, loss or damage suffered by Landlord by reason of Tenant's failure to perform any

obligations or pay any expenses as required under any REA or comply with the terms and conditions of any REA as herein above provided during the Term of this Lease.

(g) Tenant shall be responsible for securing and paying for all utilities which are consumed within the Leased Premises. Tenant shall pay for the consumption of all such utilities directly to the applicable utility company when due, and non-payment or late payment of such bills shall be considered an event of default under this Lease. Landlord shall at all times have the exclusive right to select the provider or providers of utility services to the Leased Premises, provided that in no event shall the Landlord be responsible or liable to the Tenant for the failure of any such provider or providers of utility services to provide utilities to the Tenant or the Leased Premises.

4. Use of Leased Premises; Quiet Enjoyment.

(a) Tenant may (subject to Paragraph 4(b)) use the Leased Premises only for the retail sale of fuel to motor vehicles and uses related or incidental thereto, including, without limitation, (i) services related to the operation of motor vehicles; (ii) the retail sale of food, beverages and other convenience store items including tobacco, liquor and other consumer goods; (iii) restaurant or food service preparation (either directly or through agreements with third parties); (iv) ATM machines, check cashing, money orders and other financial services; (v) billboards; (vi) car wash facilities; and (vii) such other related or incidental uses as are or may be at any time during the Term, in the reasonable judgment of the Tenant, compatible with the retail sale of fuel to motor vehicles. In no event shall the Leased Premises be used for any purpose which shall violate any of the provisions of any Permitted Encumbrance, any Legal Requirement, any Insurance Requirement or any covenants, restrictions or agreements hereafter created by or consented to in writing by Tenant applicable to the Leased Premises. Tenant agrees that with respect to the Permitted Encumbrances and any covenants, restrictions or agreements hereafter created by or consented to in writing by Tenant, Tenant shall observe, perform and comply with and carry out the provisions required therein to be observed and performed by Landlord. It is expressly understood that Tenant may sublease the Leased Premises to subtenants pursuant to subleases, sub-franchise agreements or other agreements entered into by Tenant, as sublandlord, from time to time, in accordance with Paragraphs 17 and 18 hereof.

(b) Tenant shall not permit any unlawful occupation, business or trade to be conducted on the Leased Premises or any use to be made thereof contrary to applicable Legal Requirements or Insurance Requirements. Tenant shall not use, occupy or permit the Leased Premises to be used or occupied, nor do or permit anything to be done in or on the Leased Premises, in a manner which would (i) make void or voidable any insurance which Tenant is required hereunder to maintain in force with respect to the Leased Premises, (ii) affect the ability of Tenant to obtain any insurance which Tenant is required to furnish hereunder, or (iii) knowingly cause any injury or damage to any of the Improvements unless pursuant to Alterations permitted under Paragraph 12 hereof.

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(c) Subject to all of the provisions of this Lease, so long as no Event of Default exists hereunder, Landlord covenants that neither Landlord nor any person or entity claiming by, through or under Landlord shall disturb the peaceful and quiet occupation and enjoyment of the Leased Premises by Tenant or its permitted subtenants or assignees.

5. Term.

(a) Subject to the provisions hereof, Tenant shall have and hold the Leased Premises for an initial term commencing on the Commencement Date and ending at 11:59 p.m. on the date immediately prior to the fifteenth (15th) anniversary of the Lease Year Commencement Date (the "Expiration Date") (such initial term, together with any Renewal Term, as hereinafter defined, which comes into effect as hereinafter provided, is herein called the "Term").

(b) Provided this Lease shall not have been terminated pursuant to the provisions of Paragraphs 13(b), 20 or 23 hereof, this Lease and the Term shall be automatically extended for that number of renewal terms set forth on the attached Schedule 5(b), each for that period set forth on Schedule 5(b) (each a "Renewal Term"), upon condition that Tenant may cancel any Renewal Term by giving notice ("Renewal Term Cancellation Notice") to Landlord in writing at least six (6) months prior to the expiration of the then current Term. Upon the giving of a Renewal Term Cancellation Notice, this Lease and the Term shall terminate and come to an end as of 11:59 p.m. on the last day of the then current Term. Any Renewal Term shall be subject to all of the provisions of this Lease, and all such provisions shall continue in full force and effect. If Tenant shall timely give a Renewal Term Cancellation Notice, then all options with regard to subsequent Renewal Terms shall expire and be null and void. Notwithstanding anything to the contrary in this Paragraph 5 or Schedule 5(b), the Term shall not exceed a total of twenty-nine (29) years and eleven (11) months.

(c) Landlord and Tenant agree that any failure to have the Leased Premises available to Tenant for its occupancy on the Commencement Date shall in no way affect the validity of this Lease or the obligations of Tenant hereunder nor shall the same be construed in any wise to extend the Term or impose any liability on Landlord.

(d) Notwithstanding anything to the contrary contained in this Paragraph 5, if applicable, the Leased Premises shall be subject to this Lease only for such portions of the Term as Landlord remains a tenant under the Prime Lease.

6. Rent.

(a) Tenant shall pay to Landlord (or to Lender, if directed by Landlord), as minimum annual rent for the Leased Premises during the Term, basic rent ("Basic Rent"), payable in advance commencing on the first day of the first month following the month in which the Commencement Date occurs (unless the Commencement Date is the first day of a month, in which case commencing on the Commencement Date) and continuing on the first day of each calendar month thereafter during the Term (the said days being called the "Basic Rent Payment Dates"), and shall pay the same at Landlord's address set forth below, or at such other place as Landlord from time to time may designate to Tenant in writing, in funds which at the time of

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such payment shall be legal tender for the payment of public or private debts in the United States of America and, if required by Landlord, by wire transfer in immediately available federal funds to such account in such bank as Landlord shall designate, from time to time. The Basic Rent due and payable during the first Lease Year shall be the Basic Rent set forth on the attached Schedule 6(a). Thereafter, Basic Rent for each subsequent Lease Year shall be an amount equal to One Hundred and One and One-Half Percent (101.5%) of the Basic Rent due and payable during the immediately preceding Lease Year. Upon request by Landlord, Tenant shall establish arrangements whereby payments of the Basic Rent and Additional Rent are transferred by Automated Clearing House Debit from an account established by Tenant at a United States bank or other financial institution to such account as Landlord may designate. If the Commencement Date shall occur on a date other than the first day of a calendar month, then, Basic Rent for the period from and including the Commencement Date through and including the last day

of the month in which the Commencement Date occurs shall be paid, in advance, on the date hereof, in an amount prorated by (i) dividing the monthly installment of Basic Rent due for the month in which the Commencement Date occurs by the number of days in such month, and (ii) multiplying such sum by the numbers of days remaining in such month from and after the Commencement Date.

(b) Tenant shall pay and discharge before the imposition of any fine, lien, interest or penalty may be added thereto for late payment thereof, the following: all other amounts and obligations (excluding Basic Rent) which Tenant assumes or agrees to pay or discharge pursuant to this Lease, together with every fine, penalty, interest and cost which may be added by the party to whom such payment is due for nonpayment or late payment thereof. In the event of any failure by Tenant to pay or discharge any of the foregoing, Landlord shall have the same rights, powers and remedies provided herein, by Law or otherwise as are available to Landlord in the event of nonpayment of Basic Rent.

(c) If any installment of Basic Rent is not paid within five (5) days after the applicable Basic Rent Payment Date, Tenant shall pay to Landlord, on demand, as Additional Rent, a late charge equal to three percent (3%) (the "Late Charge") of such overdue installment of Basic Rent. Lender or its successors, assigns or purchasers shall have no obligation to provide Tenant with written notice of any payment default under this Lease.

(d) Landlord and Tenant agree that this Lease is a true lease and does not represent a financing arrangement. Each party shall reflect the transactions represented by this Lease in all applicable books, records and reports (including, without limitation, income tax filings) in a manner consistent with "true lease" treatment rather than "financing" treatment.

7. Net Lease; Non-Terminability.

(a) This is a net lease and the obligations of Tenant hereunder shall be separate and independent covenants and agreements, and Basic Rent, Additional Rent and all other sums payable hereunder by Tenant shall continue to be payable in all events, except as otherwise expressly set forth in this Lease, without notice, demand, setoff, counterclaim, recoupment, abatement, suspension, deferment, diminution, deduction, reduction or defense.

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(b) Except as otherwise expressly provided in this Lease, this Lease is the absolute and unconditional obligation of Tenant and shall not terminate and Tenant shall not have any right to terminate this Lease during the Term. Except as otherwise expressly provided in this Lease, Tenant shall not be entitled to any setoff, counterclaim, recoupment, abatement, suspension, deferment, diminution, deduction, reduction or defense of or to Basic Rent, Additional Rent or any other sums payable under this Lease; and except as otherwise expressly provided in this Lease, the obligations of Tenant under this Lease shall not be affected by any interference with Tenant's use of the Leased Premises for any reason, including but not limited to the following: (i) any damage to or destruction of the Leased Premises by any cause whatsoever, (ii) any Condemnation, (iii) the prohibition, limitation or restriction of Tenant's use of the Leased Premises, (iv) any eviction by paramount title or otherwise, (v) Tenant's acquisition of ownership of the Leased Premises other than pursuant to an express provision of this Lease, (vi) any default on the part of Landlord under this Lease or under any other agreement, (vii) any latent or other defect in, or any theft or loss of the Leased Premises, (viii) the breach of any warranty of any seller or manufacturer of the Equipment, (ix) any violation of Paragraph 4(c) by Landlord, or (x) any other cause, whether similar or dissimilar to the foregoing, any present or future Law to the contrary notwithstanding. It is the intention of the parties hereto that the obligations of Tenant under this Lease shall be separate and independent covenants and agreements, and that Basic Rent, Additional Rent and all other sums payable by Tenant hereunder shall continue to be payable in all events (or, in lieu thereof, Tenant shall pay amounts equal thereto), and that the obligations of Tenant under this Lease shall continue unaffected, unless this Lease shall have been terminated pursuant to an express provision of this Lease. All costs and expenses (other than depreciation, interest on and amortization of debt incurred by Landlord, and costs incurred by Landlord in financing, refinancing or transferring title to the Leased Premises and payment of Landlord's income taxes with respect to rents received) and other obligations of every kind and nature whatsoever relating to the Leased Premises and the appurtenances thereto and the use and occupancy thereof which may arise or become due and payable with respect to the period which ends on the expiration or earlier termination of the Term in accordance with the provisions hereof (whether or not the same shall become payable during the Term or thereafter) shall, except as expressly provided herein, be paid and performed by Tenant. Notwithstanding anything to the contrary contained in this Paragraph 7, Tenant's obligations under this Lease, including payment of Basic Rent, Additional Rent and any other sums payable under this Lease, but excluding those obligations which expressly survive expiration or earlier termination of this Lease, shall terminate upon termination of the Prime Lease, if applicable.

(c) Tenant agrees that it shall remain obligated under this Lease in accordance with its provisions and that, except as otherwise expressly provided herein, it shall not take any action to terminate, rescind or avoid this Lease, notwithstanding (i) the bankruptcy, insolvency, reorganization, composition, readjustment, liquidation, dissolution, winding-up or other proceeding affecting Landlord, (ii) the exercise of any remedy, including foreclosure, under the Mortgage, or (iii) any action with respect to this Lease (including the disaffirmance hereof) which may be taken by Landlord under the Federal Bankruptcy Code or by any trustee, receiver or liquidator of Landlord or by any court under the Federal Bankruptcy Code or otherwise.

(d) This Lease is the absolute and unconditional obligation of Tenant. Tenant waives all rights which are not expressly stated in this Lease but which may now or hereafter

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otherwise be conferred by Law (i) to quit, terminate or surrender this Lease or the Leased Premises, (ii) to any setoff, counterclaim, recoupment, abatement, suspension, deferment, diminution, deduction, reduction or defense of or to Basic Rent, Additional Rent or any other sums payable under this Lease, except as otherwise expressly provided in this Lease, and (iii) for any statutory lien or offset right against Landlord or its property.

8. Payment of Impositions; Compliance with Legal Requirements and Insurance Requirements.

(a) i) Subject to the provisions of Paragraph 8(a)(ii) hereof and Paragraph 19 hereof relating to contests, Tenant shall, before interest or penalties are due thereon, pay and discharge (all of the following being herein collectively called the "Impositions"): all taxes of every kind and nature (including real, ad valorem, personal property, gross income, franchise, withholding, profits and gross receipts taxes) on or with respect to the Leased Premises; all charges and/or taxes for any easement or agreement maintained for the benefit of the Leased Premises; all general and special assessments, levies, permits, inspection and license fees on or with respect to the Leased Premises; all water and sewer rents and other utility charges on or with respect to the Leased Premises; all ground rents on or with respect to the Leased Premises; and all other public charges and/or taxes whether of a like or different nature, even if unforeseen or extraordinary, imposed or assessed upon or with respect to the Leased Premises, prior to or during the Term, against Landlord, Tenant or the Leased Premises as a result of or arising in respect of the occupancy, leasing, use, maintenance, operation, management, repair or possession thereof, or any activity conducted on the Leased Premises, or the Basic Rent or Additional Rent, including without limitation, any gross income tax, sales tax, occupancy tax or excise tax levied by any

governmental body on or with respect to such Basic Rent or Additional Rent. If received by Landlord, Landlord shall promptly deliver to Tenant any bill or invoice with respect to any Imposition.

(i) Nothing herein shall obligate Tenant to pay, and the term "Impositions" shall exclude, federal, state or local (A) transfer taxes as the result of a conveyance by (or suffered by) Landlord, (B) franchise, capital stock or similar taxes if any, of Landlord, (C) income, excess profits or other taxes, if any, of Landlord, determined on the basis of or measured by its net income, (D) any estate, inheritance, succession, gift, capital levy or similar taxes, unless the taxes referred to in clauses (B) and (C) above are in lieu of or a substitute for any other tax or assessment upon or with respect to the Leased Premises which, if such other tax or assessment were in effect at the commencement of the Term, would be payable by Tenant, or (E) an Imposition that the Landlord is not obligated to pay as tenant under the Prime Lease, if applicable. In the event that any assessment may be paid in installments, Tenant shall have the option to pay such assessment in installments; and in such event, Tenant shall be liable only for those installments which become due and payable during the Term. Tenant shall prepare and file all tax reports required by governmental authorities which relate to the Impositions. Tenant shall deliver to Landlord, within twenty (20) days after Landlord's written request therefor, copies of all settlements and notices pertaining to the Impositions which may be issued by any governmental authority and receipts for payments of all Impositions made during each calendar year of the Term.

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(b) Subject to the provisions of Paragraph 19 hereof, Tenant shall promptly comply with, and conform to, in all material respects, all of the Legal Requirements and Insurance Requirements.

9. Liens and Title.

(a) Subject to the provisions of Paragraph 19 hereof, Tenant shall not, directly or indirectly, create or permit to be created, and shall promptly discharge, any lien on the Leased Premises, on the Basic Rent, Additional Rent or on any other sums payable by Tenant under this Lease, other than the Mortgage, the Permitted Encumbrances and any mortgage, lien, encumbrance or other charge created by or resulting from any act or omission by Landlord or those claiming by, through or under Landlord (except Tenant). Notice is hereby given that Landlord shall not be liable for any labor, services or materials furnished or to be furnished to Tenant, or to anyone holding the Leased Premises through or under Tenant, and that no mechanic's or other liens for any such labor, services or materials shall attach to or affect the interest of Landlord in and to the Leased Premises.

(b) Nothing in this Lease and no action or inaction by Landlord shall be deemed or construed to mean that Landlord has granted to Tenant any right, power or permission to do any act or to make any agreement which may create, give rise to, or be the foundation for, any right, title, interest or lien in or upon the estate of Landlord in the Leased Premises.

10. Indemnification.

(a) Tenant agrees to defend, pay, protect, indemnify, save and hold harmless Landlord and any Parent Entity and their respective successors, assigns, officers, directors, shareholders, partners, beneficial owners, trustees, members, managers and employees, from and against any and all liabilities, losses, damages, penalties, costs, expenses (including reasonable attorneys' fees and expenses), causes of action, suits, claims, demands or judgments of any nature whatsoever, howsoever caused, arising during the Term (or during any period when Tenant is in possession of the Leased Premises from which the matter in question arises) from the Leased Premises or the use, non-use, occupancy, condition, design, construction, maintenance, repair or rebuilding of the Leased Premises, and any injury to or death of any person or persons or any loss of or damage to any property, real or personal, in any manner arising during the Term (or during any period when Tenant is in possession of the Leased Premises from which the matter in question arises) therefrom connected therewith or occurring thereon, whether or not such indemnified party has or should have knowledge or notice of the defect or conditions, if any, causing or contributing to said injury, death, loss, damage or other claim; except to the extent that any such liability, loss, damage, penalty, cost, expense, cause of action, suit, claim, demand or judgment is (i) the result of the negligence of such indemnified party or the intentional wrongful act of such indemnified party; or (ii) subject to and covered by the Tenant's obligations under Paragraph 29(b) below. The amount of any loss for which indemnification is provided under this Paragraph 10 shall be net of any federal or state income tax benefits to the indemnified party as a result of such loss. In case any action or proceeding is brought against any indemnified party by reason of any such claim against which Tenant has agreed to defend, pay, protect, indemnify, save and hold harmless pursuant to the preceding sentences, Tenant covenants upon written notice of any such claim, action or proceeding from

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such indemnified party to resist or defend such indemnified party in such claim, action or proceeding, with the expenses of such defense paid by Tenant, and such indemnified party will cooperate and assist in the defense of such action or proceeding if reasonably requested so to do by Tenant. The Tenant, upon receipt of such notice, shall have the right, but not the obligation, to assume the defense of any action, proceeding or suit or, with respect to a claim, to determine whether payment should be made or if the claim should be contested, including the engagement of counsel and the payment of all costs of litigation; provided, that the failure of the indemnified party to give such notice to the Tenant shall not relieve the Tenant from any of its obligations to provide indemnification under this Paragraph 10, unless such failure materially prejudices the contest of such claim or the defense of such action, proceeding or suit by the Tenant. To the extent that the Tenant in fact indemnifies an indemnified party under the indemnity provisions of this Lease, the Tenant shall be subrogated to an indemnified party's rights in the affected transaction and shall have a right to determine the settlement of claims therein. In no event shall Tenant be liable for any settlement of any action, proceeding or claim unless Tenant has given its prior written consent thereto.

(b) The foregoing to the contrary, notwithstanding, an indemnified party shall have the right to engage its own counsel and to determine its own defense of any claim, action, suit or proceeding requiring indemnification under this Paragraph 10, by delivering to the Tenant a written notice waiving and forfeiting the benefits of the indemnification provided by this Paragraph 10 in connection with any such claim, action, proceeding or suit. Whether or not an indemnified party exercises its rights pursuant to the foregoing sentence to waive indemnification and assume its own defense, the Tenant shall have the right to engage separate counsel and to participate in such defense with the fees and expenses of such counsel to be borne by the Tenant. No provision of this Paragraph 10 shall preclude the Tenant from controlling its own defense in any matter.

(c) The obligations of Tenant under this Paragraph 10 shall, as to any matter arising from any act, omission or circumstance existing on or prior to the date of expiration or earlier termination of this Lease, survive any expiration or earlier termination of this Lease.

11. Maintenance and Repair.

(a) (i) Except for any Alterations that Tenant is permitted to make pursuant to this Lease, Tenant shall at all times, including any Requisition period, put, keep and maintain the Leased Premises (including, without limitation, the roof, landscaping, walls, footings, foundations, structural components and other Improvements on the Leased Premises) and, subject to Paragraph 11(a)(iii) below, the Equipment in the same condition and order of repair as exists as of the Commencement Date of this Lease, except for ordinary wear and tear, and shall promptly make all repairs and replacements of every kind and nature, whether foreseen or unforeseen, which may be required to be made upon or in connection with the Leased Premises in order to keep and maintain the Leased Premises in the order and condition required by this Paragraph 11(a). Tenant shall do or cause others to do all shoring of the Leased Premises or of foundations and walls of the Improvements and every other act necessary or appropriate for preservation and safety thereof, by reason of or in connection with any excavation or other building operation upon the Leased Premises, whether or not Landlord shall, by reason of any Legal Requirements or Insurance Requirements, be required to take such action or be liable for

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failure to do so. Except as specifically set forth in this Lease, Landlord shall not be required to make any repair, whether foreseen or unforeseen, or to maintain the Leased Premises or Adjoining Property in any way, and Tenant hereby expressly waives the right to make repairs at the expense of the Landlord, which right may be provided for in any Law now or hereafter in effect. Tenant shall, in all events, make all repairs for which it is responsible hereunder promptly, and all repairs shall be in a good, proper and workmanlike manner.

(ii) With respect to the Equipment, Tenant, at Tenant's sole expense, shall: (1) make no additions or alterations without Landlord's prior written consent; (2) not do or permit to be done anything prejudicial to Landlord's title to the Equipment; and (3) not remove any such Equipment or deliver any such Equipment to anyone but Landlord or Landlord's designee.

(iii) Notwithstanding the provisions of Paragraph 11(a)(i) above, the Landlord shall maintain, repair and replace the underground storage tank(s) and any appurtenances connected thereto including but not limited to lines and dispensing equipment (but excluding nozzles and hoses) located at the Location (the "Landlord Equipment") as determined by Landlord and as necessary to keep such Landlord Equipment in good operating condition, if the need for any repair or replacement is due to ordinary wear and tear or damage by the elements. Landlord's obligation to repair or replace the Landlord Equipment shall not arise unless and until Landlord determines in its sole discretion (which determination shall be made within a reasonable period of time) that the repair or replacement is necessary and due solely to ordinary wear and tear or damage by the elements. Notwithstanding Landlord's obligations under this Paragraph 11(a)(iii), Landlord may, in its sole discretion, elect: (1) not to repair or replace any underground storage tank(s) and/or lines included in the Landlord Equipment; and (2) to remove or abandon in-place any such underground storage tanks and/or lines in accordance with Legal Requirements with no further use by Tenant, *provided that* the removal or abandonment of any such underground storage tank(s) and/or lines does not reduce Tenant's ability to market petroleum products by more than one grade.

(b) In the event that any Improvement shall violate any Legal Requirements or Insurance Requirements and as a result of such violation enforcement action is threatened or commenced against Landlord, Tenant or with respect to the Leased Premises, then Tenant, shall either (i) obtain valid and effective waivers or settlements of all claims, liabilities and damages resulting from each such violation, whether the same shall affect Landlord, Tenant or both, or (ii) take such action as shall be necessary to remove such violation, including, if necessary, any Alteration. Any such repair or Alteration shall be made in conformity with the provisions of Paragraph 12.

(c) If Tenant shall be in default under any of the provisions of this Paragraph 11 or Paragraph 29 hereof, Landlord may, after providing Tenant with written notice of any such default and Tenant's failure to commence to cure any such default within thirty (30) days of the receipt of such notice, but without notice in the event of an emergency, do whatever is reasonable to cure such default as may be appropriate under the circumstances for the account of and at the expense of Tenant. In the event of an emergency, Landlord shall notify Tenant of the situation by phone or other available communication. All reasonable sums so paid by Landlord and all reasonable costs and expenses (including, without limitation, attorneys' fees and

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expenses) so incurred, together with interest thereon at the Default Rate from the date of payment of the expense by Landlord, shall constitute Additional Rent payable by Tenant under this Lease and shall be paid by Tenant to Landlord on demand.

(d) Notwithstanding anything to the contrary contained in this Paragraph 11, Tenant's obligations pursuant to this Paragraph 11 shall consist of, and not exceed, Landlord's obligations as tenant pursuant to the Prime Lease, if applicable.

12. Alterations.

(a) Tenant shall not make any Alterations which would (after the completion thereof) impair the structural integrity of the Leased Premises or violate the terms of the Prime Lease, if any, without Landlord's written consent, which consent Landlord agrees not to unreasonably withhold, condition or delay. Tenant may make any other Alterations without the prior written consent of the Landlord provided such Alterations comply with all of the provisions of Paragraph 12(b).

(b) In the event that Landlord gives its prior written consent to any Alterations, or if such consent is not required, Tenant agrees that in connection with any Alteration: (i) the fair market value of the Leased Premises shall not be lessened in any material respect after the completion of any such Alteration, or its structural integrity impaired; (ii) all such Alterations shall be performed in a good and workmanlike manner, and shall be expeditiously completed in compliance with all Legal Requirements; (iii) all work done in connection with any such Alteration shall comply with all Insurance Requirements; (iv) Tenant shall promptly pay all costs and expenses of any such Alteration, and shall (subject to the provisions of Paragraph 19 hereof) discharge all liens filed against the Leased Premises arising out of the same; (v) Tenant shall procure and pay for all permits and licenses required in connection with any such Alteration; and (vi) all such Alterations shall be the property of Landlord and shall be subject to this Lease.

13. Condemnation.

(a) Tenant, promptly after obtaining knowledge of the institution of any proceeding for Condemnation, shall notify Landlord thereof and Landlord shall be entitled to participate in any Condemnation proceeding. Landlord, promptly after obtaining knowledge of the institution of any proceeding for Condemnation, shall notify Tenant thereof and Tenant shall have the right to participate in such proceedings.

(b) If (i) the entire Leased Premises or (ii) at least ten percent (10%) of the Land or the Improvements on such Land or any means of ingress, egress or access to the Leased Premises, the loss of which even after Restoration would, in Tenant's reasonable business judgment, be substantially and materially adverse to the business operations of Tenant at the Leased Premises, shall be the subject of a Taking by a duly constituted authority or agency having jurisdiction, then Tenant shall, not later than ninety (90) days after a Taking has occurred, serve notice ("Tenant's Termination Notice") upon Landlord of Tenant's intention to terminate this Lease on any Basic Rent Payment Date specified in such Tenant's Termination Notice, which date (the "Termination Date") shall be no sooner than the first Basic Rent Payment Date

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occurring at least thirty (30) days after the date of such Tenant's Termination Notice. From and after the Termination Date, (i) except for Tenant's obligations under Paragraph 13(c) and those which expressly survive the expiration or earlier termination of this Lease, Tenant shall have no further obligations or liabilities with respect to the Leased Premises, and (ii) this Lease shall be deemed to be terminated and the Term shall be deemed to have expired for all purposes.

(c) In the event of a Condemnation of all or any part of the Leased Premises which results in a termination of this Lease, Tenant hereby irrevocably assigns to Landlord, any award or payment in respect of any Condemnation of the Leased Premises, except that (except as hereinafter provided) nothing in this Lease shall be deemed to assign to Landlord any award or payment on account of the Trade Fixtures, moving expenses and out-of-pocket expenses incidental to the move, if available, to the extent Tenant shall have a right to make a separate claim therefor against the condemnor, it being agreed, however, that Tenant shall in no event be entitled to any payment that reduces the award to which Landlord is or would be entitled for the Condemnation of the Leased Premises. Tenant shall not be entitled to any award or payment on account of Tenant's leasehold interest under this Lease or of the Leased Premises, as the case may be, to the extent that any such award or payment reduces the award to which Landlord is or would be entitled for the condemnation of the Leased Premises.

(d) In the event of a Condemnation of any part of the Leased Premises which does not result in a termination of this Lease, the Net Award of such Condemnation as to the Leased Premises shall be held by Landlord to fund the Restoration of the Leased Premises; and promptly after such Condemnation, Tenant shall commence and diligently continue to restore the Leased Premises as nearly as possible to its value, condition and character immediately prior to such Condemnation, in accordance with the provisions of this Lease, including but not limited to the provisions of Paragraphs 11(a), 12 and 15 (such restoration following a Condemnation and restoration following a casualty is, as the context shall require, herein called a "Restoration").

(i) Upon the payment to Landlord of the Net Award of a Taking which falls within the provisions of this Paragraph 13(d), Landlord shall, to the extent received, make that portion of the Net Award equal to the cost of Restoration (the "Restoration Award") available to Tenant for Restoration, in accordance with the provisions of Paragraph 15, and promptly after completion of the Restoration (or if no Restoration is required), the balance of the Net Award shall be paid to Landlord and all Basic Rent, Additional Rent and other sums payable hereunder shall continue unabated and unreduced.

(ii) In the event of a Requisition of the Leased Premises, Landlord shall apply the Net Award of such Requisition, to the extent available, to the installments of Basic Rent, Additional Rent or other sums payable by Tenant hereunder thereafter payable and Tenant shall pay any balance remaining thereafter. Upon the expiration of the Term, any portion of such Net Award which shall not have been previously credited to Tenant on account of the Basic Rent and Additional Rent shall be retained by Landlord.

(e) Notwithstanding anything to the contrary in this Paragraph 13, Tenant's rights pursuant to this Paragraph 13 to exclude the Lease Premises from this Lease or receive any compensation shall be no greater than Landlord's rights as tenant under the Prime Lease, if any, to terminate such Prime Lease or receive compensation.

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14. Insurance.

(a) Tenant shall maintain at its sole cost and expense the following insurance on the Leased Premises:

(i) Insurance against loss or damage to the Improvements and Equipment under a fire and broad form of all risk extended coverage insurance policy (which shall include flood insurance if the Leased Premises is located within a flood hazard area and which shall include earthquake insurance if the Leased Premises is located in an area where earthquake insurance is customarily maintained for similar commercial properties). Such insurance shall not include terrorism coverage and shall be in amounts sufficient to prevent Landlord or Tenant from becoming a co-insurer under the applicable policies, and in any event in amounts not less than the actual replacement cost of the Improvements and Equipment (excluding footings and foundations and other parts of the Improvements which are not insurable) as determined from time to time at Landlord's request but not more frequently than once in any 36-month period, by agreement of Landlord and Tenant, or if not so agreed, at Tenant's expense, by the insurer or insurers or by an appraiser approved by Landlord.

(ii) Contractual and comprehensive general liability insurance against claims for bodily injury, death or property damage occurring on, in or about the Leased Premises, which insurance shall be written on a so-called "Occurrence Basis," and shall provide minimum protection with a combined single limit in an amount not less than the greater of (x) Five Million Dollars (\$5,000,000) (or in such increased limits from time to time to reflect declines in the purchasing power of the dollar as Landlord may reasonably request) or (y) the aggregate amount of such insurance carried by Tenant, for bodily injury, death and property damage in any one occurrence. The foregoing limits may be met by Tenant through a combination of general liability insurance and umbrella insurance policies.

(iii) Worker's compensation insurance covering all persons employed by Tenant on the Leased Premises in connection with any work done on or about the Leased Premises for which claims for death or bodily injury could be asserted against Landlord, Tenant or the Leased Premises.

(iv) Insurance against loss or damage from explosion of any steam or pressure boilers or similar apparatus located in or about the Improvements in an amount not less than the actual replacement cost of the Improvements and Equipment (excluding footings and foundations and other parts of the Improvements which are not insurable).

(v) Insurance required by a Lender pursuant to the terms of any Loan Document.

(b) The insurance required by Paragraph 14(a) shall be written by companies having a claims paying ability rating by Standard & Poors of not less than A, and all such companies shall be authorized to do business in the State, or otherwise agreed to by Landlord or required pursuant to any Loan

Document. The insurance policies (i) shall be in amounts sufficient at all times to satisfy any coinsurance requirements thereof, (ii) in case of the insurance referred to in Paragraphs 14(a)(i), (ii), (iv) and (v), shall name Landlord, any Parent Entity, and

any Lender as additional insured parties or loss payees, as their respective interests may appear. If said insurance or any part thereof shall expire, be withdrawn, become void by breach of any condition thereof by Tenant or become void or unsafe by reason of the failure or impairment of the capital of any insurer, Tenant shall immediately after receiving notice of same obtain new or additional insurance reasonably satisfactory to Landlord.

(c) Each insurance policy referred to in clauses (i) and (iv) of Paragraph 14(a), shall contain standard non-contributory mortgagee clauses in favor of any Lender which holds a Mortgage on the Leased Premises. Each policy shall provide that it may not be canceled or materially modified except after thirty (30) days prior written notice to Landlord and any Lender. Each policy shall also provide that any losses otherwise payable thereunder shall be payable notwithstanding (i) any act or omission of Landlord or Tenant which might, absent such provision, result in a forfeiture of all or a part of such insurance payment, or (ii) the occupation or use of the Leased Premises for purposes more hazardous than permitted by the provisions of such policy.

(d) Tenant shall pay as they become due all premiums for the insurance required by this Paragraph 14, shall renew or replace each policy, and shall deliver to Landlord a certificate or other evidence (reasonably satisfactory to Landlord and any Lender) of the existing policy and such renewal or replacement policy at least thirty (30) days prior to the Policy Expiration Date (as hereinafter defined) of each policy. Each such policy shall provide that it shall not expire until the Landlord and Lender shall receive a notice from the insurer to the effect that a policy will expire on a date (the "Policy Expiration Date") which shall be thirty (30) days following the date of the receipt by Landlord and Lender of such notice. In the event of Tenant's failure to comply with any of the foregoing requirements of this Paragraph 14 within ten (10) business days after the giving of written notice by Landlord to Tenant, Landlord shall be entitled to procure such insurance. Any sums expended by Landlord in procuring such insurance shall be Additional Rent and shall be repaid by Tenant immediately upon written demand therefor by Landlord.

(e) Anything in this Paragraph 14 to the contrary notwithstanding, any insurance which Tenant is required to obtain pursuant to Paragraph 14(a) may be carried under a "blanket" policy or policies covering other properties or liabilities of Tenant, provided that such "blanket" policy or policies otherwise comply with the provisions of this Paragraph 14. In the event any such insurance is carried under a blanket policy, Tenant shall deliver to Landlord evidence of the issuance and effectiveness of the policy, the amount and character of the coverage with respect to the Leased Premises and the presence in the policy of provisions of the character required in the above sections of this Paragraph 14.

(f) In the event of any casualty, Tenant shall give Landlord notice thereof, within ten (10) business days of Tenant's becoming aware of such casualty. Subject to the rights of a Lender and the obligations of the Landlord and/or Tenant under the terms of any Loan Documents, Tenant shall adjust, collect and compromise any and all claims, with the consent of Landlord, not to be unreasonably withheld, conditioned or delayed, and Landlord shall have the right to join with Tenant therein. All proceeds of any insurance required under clauses (i) and (iv) of Paragraph 14(a) shall be paid to a trustee which shall be a federally insured bank or other financial institution, selected by Landlord and Tenant (the "Trustee"). If the Leased Premises

shall be covered by a Mortgage, Lender, if it so desires, shall be the Trustee. Each insurer is hereby authorized and directed to make payment under said policies directly to such Trustee instead of to Landlord and Tenant jointly; and Tenant and Landlord each hereby appoints such Trustee as its attorney-in-fact to endorse any draft therefor for the purposes set forth in this Lease after approval by Tenant of such Trustee, if Trustee is other than Lender. In the event of any casualty (whether or not insured against) resulting in damage to the Leased Premises or any part thereof, Basic Rent and Additional Rent shall not abate. The Net Proceeds of such insurance payment shall be retained by the Trustee and, promptly after such casualty, Tenant, as required in Paragraphs 11(a) and 12, shall commence and diligently continue to perform the Restoration to the Leased Premises. Upon payment to the Trustee of such Net Proceeds, the Trustee shall, to the extent available, make the Net Proceeds available to Tenant for Restoration, in accordance with the provisions of Paragraph 15. Tenant shall, whether or not the Net Proceeds are sufficient for the purpose, promptly repair or replace the Improvements and Equipment in accordance with the provisions of Paragraph 11(a) and the Net Proceeds of such loss shall thereupon be payable to Tenant, subject to the provisions of Paragraph 15 hereof.

(g) Notwithstanding anything to the contrary in this Paragraph 14, Tenant's rights pursuant to this Paragraph 14 in the event of a casualty shall be no greater than Landlord's rights as tenant under the Prime Lease, if any.

15. **Restoration.** Net Proceeds and Restoration Award (the aggregate of which being herein defined as the "Restoration Fund") shall be disbursed by the Trustee in accordance with the following conditions or as otherwise required by any Loan Document:

(a) If the cost of Restoration will exceed \$500,000.00, prior to commencement of the Restoration, if required by the Landlord, the architects, general contractor(s), and plans and specifications for the Restoration shall be approved by Landlord, which approval shall not be unreasonably withheld, conditioned or delayed; and which approval shall be granted to the extent that the plans and specifications depict a Restoration which is substantially similar to the Improvements and Equipment which existed prior to the occurrence of the casualty or Taking, whichever is applicable, and which approval will be conclusively deemed granted if Landlord fails, within fifteen (15) days following Landlord's receipt of Tenant's request (accompanied by copies of the plans and specifications for such Restoration) to grant or to reasonably withhold (with reasons stated) such approval. The foregoing Five Hundred Thousand Dollar (\$500,000.00) threshold amount shall be increased one and one-half percent (1.5%) for each Lease Year during the Term.

(b) At the time of any disbursement, no Event of Default shall exist and no mechanics' or materialmen's liens shall have been filed and remain undischarged or unbonded.

(c) Disbursements shall be made from time to time in an amount not exceeding the hard and soft cost of the work and costs incurred since the last disbursement upon receipt of (1) satisfactory evidence of the estimated cost of completion and of performance of the work to date in a good and workmanlike manner in accordance with the contracts, plans and specifications, (2) partial releases of liens and/or partial waiver of lien as local law and custom may dictate, and (3) other reasonable evidence of cost and payment so that Landlord can verify

that the amounts disbursed from time to time are represented by work that is completed in place or delivered to the site and free and clear of mechanics' lien claims.

(d) Each request for disbursement shall be accompanied by a certificate of Tenant describing the work, materials or other costs or expenses, for which payment is requested, stating the cost incurred in connection therewith and stating that Tenant has not previously received payment for such work or expense and the certificate to be delivered by Tenant upon completion of the work shall, in addition, state that the work has been substantially completed and complies with the applicable requirements of this Lease.

(e) The Trustee may retain ten percent (10%) of the Restoration Fund until the Restoration is at least fifty percent (50%) complete, and thereafter five percent (5%) until the Restoration is substantially complete.

(f) The Restoration Fund shall be kept in a separate interest-bearing federally insured account by the Trustee or by Lender.

(g) At all times the undisbursed balance of the Restoration Fund held by Trustee plus any funds contributed thereto by Tenant, shall be not less than the cost of completing the Restoration, free and clear of all liens.

(h) In addition, prior to commencement of Restoration and at any time during Restoration, if the estimated cost of Restoration, as reasonably determined by Landlord, exceeds the amount of the Net Proceeds and the Restoration Award available for such Restoration, the amount of such excess shall be paid by Tenant to the Trustee to be added to the Restoration Fund. Any sum in the Restoration Fund which remains in the Restoration Fund upon the completion of Restoration shall be paid to Landlord, excepting excess funds paid by Tenant to Trustee in accordance with the preceding sentence, which funds shall be returned to Tenant. For purposes of determining the source of funds with respect to the disposition of funds remaining after the completion of Restoration, the Net Proceeds or the Restoration Award shall be deemed to be disbursed prior to any amount added by Tenant.

16. Subordination to Financing.

(a) This Lease shall be subject and subordinate at all times to the lien, operation, and effect of any Mortgage now or hereafter placed upon the Leased Premises unless the Lender elects to have Tenant's interest hereunder superior to the interest of the mortgagee or holder of such deed of trust. This subordination provision shall be self-operative and no further instrument of subordination shall be required. Tenant agrees to execute any documents necessary, subsequent to the execution of this Lease, which are required to effect such subordination.

(b) If Landlord assigns this Lease or the rents hereunder to a Lender as security for a debt, Tenant shall, after notice of such assignment and upon demand by Landlord or the Lender, pay all sums thereafter becoming due Landlord hereunder to such Lender until further notice from such Lender. Upon receipt of such notice, Tenant shall have all policies of insurance required hereunder endorsed so as to protect the Lender's interest as it may appear and shall deliver such policies, or certificates thereof, to the assignee.

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(c) Tenant agrees that a copy of any notice of default from Tenant to Landlord shall also be sent to any Lender, and Tenant shall allow such Lender a reasonable time, not to exceed ninety (90) days from the receipt of such notice, to cure, or cause to be cured, any such default.

(d) Notwithstanding anything herein to the contrary, Landlord shall obtain a Non-Disturbance Agreement from any current or future Lender. Lender shall agree that, so long as Tenant is not in default under this Lease or there is no Event of Default continuing under any Loan Document beyond any applicable cure period, Lender shall not terminate or seek to terminate this Lease, in a foreclosure action or otherwise at any time that Landlord, under the terms of this Lease, is not permitted to terminate this Lease.

(e) Neither Tenant nor any successor, assignee, sublessee, sub-franchisee or transferee of Tenant may execute or deliver to any creditor a leasehold mortgage encumbering Tenant's interest in the leasehold estate in and to the Leased Premises or this Lease or such sublessee's or sub-franchisee's interest under any sublease or franchise agreement without Landlord's and Lender's prior written consent.

17. Assignment, Subleasing.

(a) Assignment by Tenant.

(i) Except as set forth in Paragraph 18(a) below and subject to the terms of the Prime Lease, if any, Tenant may not assign its interest in this Lease, in whole or in part, or sublet the Leased Premises, in whole or in part, without the prior written consent of Landlord, which consent shall not be unreasonably withheld, conditioned or delayed.

(ii) Upon the occurrence and during the continuance of an Event of Default under this Lease, Landlord shall have the right to collect and enjoy all rents and other sums of money payable under any permitted sublease of the Leased Premises, and Tenant hereby irrevocably and unconditionally assigns such rents and money to Landlord, which assignment may be exercised upon and after (but not before) the occurrence and during the continuance of an Event of Default.

(iii) Notwithstanding any provision of this Paragraph 17(a) or Paragraph 18 below to the contrary, under no circumstances shall Tenant assign or sublease its interest in his Lease, in whole or in part, to any

(b) Assignment by Landlord. Landlord may assign its interest in this Lease, in whole or in part, without the prior written consent of Tenant.

18. Sub-Franchises.

(a) Notwithstanding the provisions of Paragraph 17(a) above but subject to Landlord's rights under Paragraph 23(b) below, Tenant may, without obtaining Landlord's consent, enter into subleases, sub-franchise agreements or other agreements with reputable, qualified operators (as determined by Tenant in its reasonable business judgment) for the Leased Premises provided that Tenant shall endeavor to provide Landlord and Lender with thirty (30)

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days prior written notice (but in no event less than ten (10) business days prior written notice) of any such subleases, sub-franchise agreements or other agreements. Such subleases, sub-franchise agreements or other agreements may include operators of the Leased Premises for the retail sale of fuel to motor vehicles and/or operators for related or incidental uses at the Leased Premises such as restaurant or food services (for example Dunkin' Donuts, Subway, etc.). Tenant hereby covenants and agrees to observe, perform and use commercially reasonable efforts to enforce the obligations under any and all subleases, sub-franchise agreements and other agreements affecting any portion of the Leased Premises.

(b) Notwithstanding anything to the contrary set forth in this Lease, to the extent that subtenants or sub-franchisees are in possession of the Leased Premises, Tenant shall be deemed to have satisfied Tenant's obligations under Paragraphs 4(a), 4(b), 8(b), 9(a), 11(a), 11(b), 11(c), 12(a), 12(b), 14 and 29 of this Lease provided that Tenant enforces the terms of this Lease, any sublease or any sub-franchise agreement so as to cause such subtenants and sub-franchisees to comply with the terms and conditions of this Lease including, without limitation, Tenant's obligations under Paragraphs 4(a), 4(b), 8(b), 9(a), 11(a), 11(b), 11(c), 12(a), 12(b), 14 and 29 of this Lease.

19. Permitted Contests.

(a) Tenant shall have the right to contest, in good faith and at its expense, the existence, the amount or the validity thereof, the amount of the damages caused thereby, or the extent of its or Landlord's liability therefor, by appropriate proceedings which shall operate during the pendency thereof to prevent (A) the collection of, or other realization upon, the Imposition or lien so contested, (B) the sale, forfeiture or loss of the Leased Premises, any Basic Rent or any Additional Rent to satisfy the same or to pay any damages caused by the violation of any such Legal Requirement or by any such violation, (C) any interference with the use or occupancy of the Leased Premises, (D) any interference with the payment of any Basic Rent or any Additional Rent, and (E) the cancellation of any fire or other insurance policy. Nothing herein shall discharge or excuse Tenant from payment or performance of its obligations under this Lease, any Loan Documents or Applicable Law.

(b) In no event shall Tenant pursue any contest with respect to any Imposition, Legal Requirement, lien, or violation, referred to above in such manner that exposes Landlord or Lender to (i) criminal liability, penalty or sanction, (ii) any civil liability, penalty or sanction for which Tenant has not made provisions reasonably acceptable to Landlord and Lender, or (iii) defeasance of its interest in the Leased Premises.

(c) Tenant agrees that each such contest shall be promptly and diligently prosecuted to a final conclusion, except that Tenant shall have the right to attempt to settle or compromise such contest through negotiations. Tenant shall pay and save Landlord and Lender harmless against any and all losses, judgments, decrees and costs (including all reasonable attorneys' fees and expenses) in connection with any such contest and shall, promptly after the final determination of such contest, fully pay and discharge the amounts which shall be levied, assessed, charged or imposed or be determined to be payable therein or in connection therewith, together with all penalties, fines, interest, costs and expenses thereof or in connection therewith, and perform all acts the performance of which shall be ordered or decreed as a result thereof.

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20. Conditional Limitations; Default Provisions.

(a) The occurrence of any one or more of the following events (any such event being specified herein as a "failure" or "default") shall constitute an Event of Default under this Lease: (i) a failure by Tenant to make (regardless of the pendency of any bankruptcy, reorganization, receivership, insolvency or other proceedings, in law, in equity or before any administrative tribunal which had or might have the effect of preventing Tenant from complying with the provisions of this Lease): (x) any payment of Basic Rent which continues unremedied for a period of ten (10) business days after written notice ("Nonpayment Notice") thereof given to Tenant by Landlord, or (y) any payment of Additional Rent or other sum herein required to be paid by Tenant which continues unremedied for a period of thirty (30) days after a Nonpayment Notice is given to Tenant by Landlord; (ii) subject to Paragraph 18(b) above, failure by Tenant to perform and observe, or a violation or breach of, any other provision in this Lease and such default shall continue for a period of thirty (30) days after written notice thereof is given by Landlord to Tenant or if such default is of such a nature that it cannot reasonably be cured within such period of thirty (30) days, such period shall be extended for such longer time as is reasonably necessary not to exceed one hundred eighty (180) days in the aggregate, provided that Tenant has commenced to cure such default within said period of thirty (30) days and is actively, diligently and in good faith proceeding with continuity to remedy such default; (iii) Tenant shall (A) voluntarily be adjudicated a bankrupt or insolvent, (B) voluntarily consent to the appointment of a receiver or trustee for itself or for the Leased Premises, (C) voluntarily file a petition seeking relief under the bankruptcy or other similar laws of the United States, any state or any jurisdiction, or (D) voluntarily file a general assignment for the benefit of creditors; (iv) a court shall enter an order, judgment or decree appointing, with the voluntary consent of Tenant, a receiver or trustee for Tenant or for the Leased Premises or approving a petition filed against Tenant which seeks relief under the bankruptcy or other similar laws of the United States or any State, and such order, judgment or decree shall remain in force, undischarged or unstayed, ninety (90) business days after it is entered; (v) Tenant shall in any insolvency proceedings be liquidated or dissolved or shall voluntarily commence proceedings towards its liquidation or dissolution; or (vi) the estate or interest of Tenant in the Leased Premises shall be levied upon or attached in any proceeding and such estate or interest is about to be sold or transferred or such process shall not be vacated or discharged within ninety (90) business days after such levy or attachment. The foregoing notwithstanding, Lender and its successors, assigns and purchasers shall have no obligation to give Tenant any Nonpayment Notice with respect to any payment default under the terms of this Lease. If Lender or its successor, assigns or purchasers have succeeded to the interests of Landlord under this Lease, Tenant shall be in default (i) in the payment of Basic Rent if such payment of Basic Rent remains unpaid for a period of ten (10) days after the applicable Basic Rent Payment Date and (ii) with respect to the payment of Additional Rent is not paid within thirty (30) days after the date which such Additional Rent is due and payable.

(b) If any Event of Default shall have occurred, Landlord shall have the right at its option, then or at any time thereafter, during the continuance of such Event of Default, to do any one or more of the following without demand upon or (except as provided in this Paragraph 20(b)) notice to Tenant:

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(i) Landlord may terminate this Lease effective on a date specified in a notice to Tenant. Upon the date therein specified, the Term and the estate hereby granted and all rights of Tenant hereunder shall expire and terminate as if such date were the date herein above fixed for the expiration of the Term, but Tenant shall remain liable for all its obligations hereunder through the date herein above fixed for the expiration of the Term, including its liability for Basic Rent and Additional Rent as hereinafter provided.

(ii) Landlord may, whether or not the Term of this Lease shall have been terminated pursuant to clause (i) above, give Tenant notice (following the occurrence of an Event of Default) to surrender the Leased Premises to Landlord on a date specified in such notice, at which time Tenant

shall surrender and deliver possession of the Leased Premises to Landlord. Upon or at any time after taking possession of the Leased Premises, Landlord may remove any persons or property therefrom. Landlord shall be under no liability for or by reason of any such entry, repossession or removal. No such entry or repossession shall be construed as an election by Landlord to terminate this Lease unless Landlord gives a written notice of such intention to Tenant pursuant to clause (i) above.

(iii) After repossession of the Leased Premises pursuant to clause (ii) above, whether or not this Lease shall have been terminated pursuant to clause (i) above, Landlord shall use commercially reasonable efforts to relet the Leased Premises or any part thereof to such tenant or tenants for such term or terms (which may be greater or less than the period which would otherwise have constituted the balance of the Term) for such rent, on such conditions (which may include concessions or free rent) and for such uses as Landlord, in its reasonable discretion, may determine; and Landlord shall collect and receive any rents payable by reason of such reletting. The rents received on such reletting shall be applied (A) first to the reasonable and actual expenses of such reletting and collection, including without limitation necessary renovation and alterations of the Leased Premises, reasonable and actual attorneys' fees and any reasonable and actual real estate commissions paid, and (B) thereafter toward payment of all sums due or to become due Landlord hereunder. If a sufficient amount to pay such expenses and sums shall not be realized or secured, then Tenant shall pay Landlord any such deficiency monthly, and Landlord may bring an action therefor as such monthly deficiency shall arise. Landlord shall not, in any event, be required to pay Tenant any sums received by Landlord on a reletting of the Leased Premises in excess of the rent provided in this Lease, but such excess shall reduce any accrued present or future obligations of Tenant hereunder. Landlord's re-entry and reletting of the Leased Premises without termination of this Lease shall not preclude Landlord from subsequently terminating this Lease as set forth above. Landlord may make such Alterations as Landlord in its reasonable discretion may deem advisable. Tenant agrees to pay Landlord, as Additional Rent, immediately upon demand, all reasonable expenses incurred by Landlord in obtaining possession, in performing Alterations and in reletting the Leased Premises, including reasonable fees and commissions of attorneys, architects, agents and brokers.

(iv) If Tenant shall fail to make payment of any installment of Basic Rent or any Additional Rent on or before the date when each such payment is due and such failure continues unremedied for a period of ten (10) business days (in the case of Basic Rent) or thirty (30) business days (in the case of Additional Rent) after a Nonpayment Notice is given to Tenant by Landlord or Lender or Lender's designee, Tenant shall pay to Landlord, a sum equal

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to two (2%) percent per annum above the then current Prime Rate, as hereinafter defined, of the amount unpaid (the "Default Rate") computed from the date such payment of Basic Rent or Additional Rent was due to and including the date of payment. The term "Prime Rate" shall mean the prime rate of interest published in the Wall Street Journal or its successor, from time to time.

(v) Landlord may exercise any other right or remedy now or hereafter existing by law or in equity.

(c) At any time after such expiration or sooner termination of this Lease pursuant to this Paragraph 20 or pursuant to Law or if Landlord shall have reentered the Leased Premises, as the case may be, whether or not Landlord shall have recovered any amounts under Paragraph 20(b)(iii), Landlord shall be entitled to recover from Tenant and Tenant shall pay to Landlord, on demand, as the entire damages for Tenant's default, the amount by which the Basic Rent, and all Additional Rent reserved hereunder for the unexpired portion of the Term demised herein as if this Lease had not expired or been terminated exceeds the then fair and reasonable rental value of the Leased Premises for the same period, discounted to present worth at the annual rate of eight percent (8%), minus any such monthly deficiencies previously recovered from Tenant under Paragraph 20(b)(iii) if applicable to such period.

(d) If any Law governing a proceeding in which the damages provided for in Paragraph 20(c) are to be proved shall validly limit the amount thereof to an amount less than the amount above agreed upon, Landlord shall be entitled to the maximum amount allowable under such Law.

21. Cross Defaults. An Event of Default beyond any applicable notice or grace period under any Related Leases or the Supply Agreement shall, at the option of Landlord, be an Event of Default under this Lease.

22. Additional Rights of Landlord and Tenant.

(a) No right or remedy conferred upon or reserved to Landlord in this Lease is intended to be exclusive of any other right or remedy; and each and every right and remedy shall be cumulative and in addition to any other right or remedy contained in this Lease or available at law or in equity. No delay or failure by Landlord, any Parent Entity or Tenant to enforce its rights under this Lease shall be construed as a waiver, modification or relinquishment thereof. In addition to the other remedies provided in this Lease, Landlord, any Parent Entity and Tenant shall be entitled, to the extent permitted by applicable law, to injunctive relief in case of the violation or attempted or threatened violation of any of the provisions of this Lease, or to specific performance of any of the provisions of this Lease. The specified Events of Default are not intended to be exclusive and Landlord and/or any Parent Entity may invoke any additional remedies and/or rights which it may have at law or in equity, including, without limitation, the right to bring a "chronic non-payment" action.

(b) Tenant hereby waives and surrenders for itself and all those claiming under it, including creditors of all kinds, any right and privilege which it or any of them may have under any present or future Law to redeem the Leased Premises or to have a continuance of

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this Lease after termination of this Lease or of Tenant's right of occupancy or possession pursuant to any court order or any provision hereof.

(c) Each party agrees to pay to the other party any and all reasonable costs and expenses incurred by the other party in connection with any litigation or other action instituted by any party to enforce the obligations of any party under this Lease, to the extent that the party demanding such payment has prevailed in any such litigation or other action. Any amount payable by Tenant pursuant to this Paragraph 22(c) shall be due and payable by Tenant to Landlord as Additional Rent. As used in this Paragraph, "costs and expenses" shall include, without limitation, reasonable attorneys' fees at trial, on appeal and on any petition for review, and in any proceeding in bankruptcy, in addition to all other sums provided by Law.

(d) No beneficiary, limited partner, shareholder, director, officer, member, manager, employer, employee or incorporator of Tenant is personally liable for Tenant's obligations hereunder, and Landlord and/or any Parent Entity shall look only to the assets of Tenant, and not to any assets of any beneficiary, limited partner, shareholder, director, officer, member, manager, employer, employee or incorporator of Tenant. Notwithstanding any provision in this Lease to the contrary, except to the extent of its interest in the Leased Premises, no beneficiary, limited partner, shareholder, director, officer, member, manager, employer, employee or incorporator of Tenant, shall have any personal liability for any claim arising under or otherwise in connection with this Lease; provided, however, that nothing contained in this Paragraph shall be construed as impairing in any manner (i) the validity of the obligations imposed on Tenant under this

Lease, (ii) the rights of Landlord and/or any Parent Entity to seek recourse to the Leased Premises or any part thereof, or (iii) the rights of Landlord and/or any Parent Entity (1) to bring suit in equity for specific performance of the obligations of Tenant hereunder or (2) to name Tenant or any transferee of any interest in the Leased Premises as a party defendant in an action or suit or in the exercise of any other remedy under this Lease.

(e) No beneficiary, limited partner, shareholder, director, officer, member, manager, employer, employee or incorporator of Landlord or any Parent Entity is personally liable for Landlord's or any Parent Entity's obligations hereunder, and Tenant shall look only to Landlord's and/or any Parent Entity's interest in the Leased Premises and any other security specified herein, and not to any other assets of any beneficiary, limited partner, shareholder, director, officer, member, manager, employer, employee or incorporator of Landlord or any Parent Entity. Notwithstanding any provision in this Lease to the contrary, except to the extent of its interest in the Leased Premises, no beneficiary, limited partner, shareholder, director, officer, member, manager, employer, employee or incorporator of Landlord or any Parent Entity, shall have any personal liability for any claim arising under or otherwise in connection with this Lease; provided, however, that nothing contained in this Paragraph shall be construed as impairing in any manner (i) the validity of the obligations imposed on Landlord or any Parent Entity under this Lease, (ii) the rights of Tenant to seek recourse to the Leased Premises or any part thereof, or (iii) the rights of Tenant (1) to bring suit in equity for specific performance of the obligations of Landlord or any Parent Entity hereunder or (2) to name Landlord or any Parent Entity or any transferee of any interest in the Leased Premises as a party defendant in an action or suit or in the exercise of any other remedy under this Lease.

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(f) If Tenant, any Parent Entity or Landlord, as the result of any (i) strikes, lockouts, or labor disputes, (ii) inability to obtain labor or materials, or reasonable substitutes thereof, (iii) acts of God, governmental action, civil commotion, fire or other casualty, or (iv) any other cause beyond the reasonable control of the party in question, excluding inability to obtain financing or receive the proceeds thereof or other financial inability, fails punctually to perform any construction, repair, maintenance or other non-monetary obligation on its part to be performed under this Lease, then such failure shall not constitute a default under this Lease and the period provided for performance of such obligation shall be extended for such period as is equal to the period of the delay occasioned by the applicable event described above. For avoidance of doubt, this Paragraph does not apply to the payment of money.

23. Right of Termination and Tenant's Right of First Refusal.

(a) Right of Termination. Subject to the Landlord's requirements and obligations pursuant to Paragraphs 23(b) and 23(c) below, Landlord may elect to recapture the leased Premises and terminate this Lease by providing Tenant with written notice indicating Landlord's election to terminate this Lease and the date on which such termination shall occur, which date shall not be less than one hundred eighty (180) days after the date of such notice (the "Landlord Termination Date"). Basic Rent shall be due through the day before the Landlord Termination Date. In the event the Landlord Termination Date shall fall on a day other than a Basic Rent Payment Date, Tenant's Basic Rent for the month during which the Landlord Termination Date falls shall be an amount prorated by (i) dividing the monthly installment of Basic Rent due and payable by Tenant on first day of the month in which the Landlord Termination Date occurs by the number of days in such month, and (ii) multiplying such sum by the number of days in such month prior to the Landlord Termination Date. From and after the Landlord Termination Date, (i) Tenant shall have no further obligations or liabilities with respect to the Leased Premises except those which expressly survive the expiration or earlier termination of this Lease, and (iv) this Lease shall be deemed to be terminated and the Term shall be deemed to have expired for all purposes.

(b) Notwithstanding the provisions of Paragraph 23(a) above, the Landlord shall not be permitted to terminate this Lease if such termination would result in the breach or violation of any Law (on the part of the Tenant or otherwise) including, but not limited to, the Petroleum Marketing Practices Act, 15 U.S.C. Sections 2801-2806.

(c) Landlord's Payment and Assumption of Obligations. In the event that this Lease is terminated pursuant to Paragraph 23(a) above, then, upon the Landlord Termination Date, (i) the Landlord shall pay to the Tenant a termination fee equal to all Unamortized Capital Expenses (as defined below) incurred by Tenant in connection with the Leased Premises; and (ii) the Landlord and its transferees, successors and assigns shall be deemed to have assumed and become responsible for, and to have agreed to perform, discharge, fulfill and observe, all of Tenant's obligations set forth in the Assumed Contracts. For purposes of this Paragraph 23(c), "Unamortized Capital Expenses" shall mean the unamortized portion of those capital expenses (i) incurred by Tenant in connection with the Leased Premises; (ii) amortized over a maximum of forty-eight (48) months; and (iii) approved in advance by Landlord in the event that such capital expenses exceed, in the aggregate, \$50,000.00.

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24. Notices. All notices, demands, requests, consents, approvals, offers, statements and other instruments or communications required or permitted to be given pursuant to the provisions of this Lease (collectively "Notice" or "Notices") shall be in writing and shall be deemed to have been given for all purposes (i) three (3) days after having been sent by United States mail, by registered or certified mail, return receipt requested, postage prepaid, addressed to the other party at its address as stated below, or (ii) one (1) day after having been sent by Federal Express, United Parcel or other nationally recognized air courier service.

To the Addresses stated below:

If to Landlord:

[]
702 Hamilton Street, Suite 203
Allentown, PA 18101
Attn: David Hrinak

If to Tenant:

Lehigh Gas - Ohio, LLC
702 Hamilton Street, Suite 203
Allentown, PA 18101
Attn: Joseph V. Topper, Jr.

If any Lender shall have advised Tenant by Notice in the manner aforesaid that it is the holder of a Mortgage and states in said Notice its address for the receipt of Notices, then simultaneously with the giving of any Notice by Tenant to Landlord, Tenant shall send a copy of such Notice to Lender in the manner aforesaid. Tenant shall also provide Notices to the landlord under any Prime Lease if such landlord requires such Notices, and in the manner required by such

landlord. For the purposes of this Paragraph 24, any party may substitute its address by giving fifteen (15) days' notice to the other party in the manner provided above. Any Notice may be given on behalf of any party by its counsel.

25. Estoppel Certificates. Any party shall at any time and from time to time, upon not less than twenty (20) days' prior written request by another party or the Lender, execute, acknowledge and deliver to the other parties a statement in writing, certifying (i) that this Lease is unmodified and in full effect (or, if there have been modifications, that this Lease is in full effect as modified, setting forth such modifications), (ii) the dates to which Basic Rent, payable hereunder has been paid, (iii) that to the knowledge of the signer of such certificate no default by either Landlord or Tenant exists hereunder or specifying each such default of which the signer may have knowledge, (iv) the remaining Term hereof, (v) (as to Tenant's certificate only) that to the knowledge of the signer of such certificate, there are no proceedings pending or threatened against such party before or by any court or administrative agency which if adversely decided would materially and adversely affect the financial condition and operations of such party or if any such proceedings are pending or threatened to said signer's knowledge, specifying and describing the same, and (vi) such other matters as may reasonably be requested by the party requesting the certificate. It is intended that any such statements may be relied upon by Lender,

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and any statement by a party may be relied upon by the recipient of such statements by Tenant or their assignees or by any prospective purchaser, assignee or subtenant of the Leased Premises.

26. Surrender and Holding Over.

(a) Upon the expiration or earlier termination of this Lease, Tenant shall peaceably leave and surrender the Leased Premises (except as to any portion thereof with respect to which this Lease has previously terminated) to Landlord. Tenant shall remove from the Leased Premises on or prior to such expiration or earlier termination, the Trade Fixtures and personal property which is owned by Tenant or third parties other than Landlord, and Tenant at its expense shall, on or prior to such expiration or earlier termination, repair any damage caused by such removal. Trade Fixtures and personal property not so removed at the end of the Term or within thirty (30) days after the earlier termination of the Term for any reason whatsoever shall become the property of Landlord, and Landlord may thereafter cause such property to be removed from the Leased Premises. The reasonable cost of removing and disposing of such property and repairing any damage to the Leased Premises caused by such removal shall be borne by Tenant. Landlord shall not in any manner or to any extent be obligated to reimburse Tenant for any property which becomes the property of Landlord as a result of such expiration or earlier termination.

(b) Any holding over by Tenant of the Leased Premises after the expiration or earlier termination of the Term of this Lease or any extensions thereof, with the consent of Landlord, shall operate and be construed as tenancy at sufferance only, terminable by Landlord as permitted by law. Basic Rent during such holdover shall be one hundred twenty-five percent (125%) of the Basic Rent owed during the immediately preceding Lease Year (or such greater amount payable pursuant to any Prime Lease for any holding over at the Leased Premises), and upon the same terms and conditions as contained in this Lease. Notwithstanding the foregoing, any holding over without Landlord's consent shall entitle Landlord, in addition to collecting Basic Rent at a rate of one hundred twenty-five percent (125%) thereof (or such greater amount payable pursuant to any Prime Lease for any holding over at the Leased Premises), to exercise all rights and remedies provided by law or in equity, including the remedies of Paragraph 20(b), or under any applicable Prime Lease.

27. No Merger of Title. There shall be no merger of this Lease nor of the leasehold estate created by this Lease with the fee estate in or ownership of the Leased Premises by reason of the fact that the same person, corporation, firm or other entity may acquire or hold or own, directly or indirectly, (a) this Lease or the leasehold estate created by this Lease or any interest in this Lease or in such leasehold estate and (b) the fee estate or ownership of the Leased Premises or any other leasehold interest therein or any interest in such fee estate or ownership or leasehold estate. No such merger shall occur unless and until all persons, corporations, firms and other entities having any interest in (i) this Lease or the leasehold estate created by this Lease and (ii) the fee estate in or ownership of the Leased Premises or other leasehold interest thereunder or any part thereof sought to be merged shall join in a written instrument effecting such merger and shall duly record the same.

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28. Definition of Landlord.

(a) Anything contained herein to the contrary notwithstanding, any claim based on or in respect of any liability of Landlord under this Lease shall be enforced only against the Landlord's interest in the Leased Premises and shall not be enforced against the Landlord individually or personally or against any officer, director, member, shareholder or partner of Landlord.

(b) The term "Landlord" as used in this Lease so far as covenants or obligations on the part of Landlord are concerned, shall be limited to mean and include only the owner or owners of the Leased Premises or holder of the Mortgage in possession at the time in question of the Leased Premises (and, to the extent that Landlord is comprised of more than one owner, the obligation and liabilities of the Landlord under this Lease shall be several) and in the event of any transfer or transfers of the title of the Leased Premises, the Landlord herein named (and in case of any subsequent transfers or conveyances, the then grantor) shall be automatically freed and relieved from and after the date of such transfer and conveyance of all personal liability as respects the performance of any covenants or obligations on the part of Landlord contained in this Lease thereafter to be performed.

(c) For purposes of this Lease, _____ shall be deemed the agent of the Landlord and wherever the consent of the Landlord, or notice to or from the Landlord, as the case may be, is required under this Lease, the consent of _____, or notice to or from _____, as the case may be, shall satisfy such requirement.

29. Hazardous Substances.

(a) Subject to the requirements of Paragraph 29(b) below, Tenant agrees that it will not on, about, or under the Leased Premises, generate, store, release, treat or dispose of any Hazardous Materials; but the foregoing shall not prevent the use, generation or storage of any Hazardous Materials, consistent with the permitted use identified in Paragraph 4(a), in accordance with applicable Environmental Laws. Tenant represents and warrants that it will at all times during the Term comply in all material respects with all applicable federal, state or local Laws, rules or regulations governing Hazardous Materials, including, without limitation, applicable federal and state statutes governing underground storage tanks including but not limited to the Pennsylvania Storage Tank and Spill Prevention Act, 35 P.S. § 6021.101 et seq., the New Jersey Underground Storage of Hazardous Substances Act, N.J. Stat. Ann. § 58:10A-21, et seq. and the New York Control of Bulk Storage of Petroleum Act, N.Y.E.C.L. § 17-1001 et seq., and all regulations promulgated pursuant thereto ("Tank Acts"). "Hazardous Materials" as used herein shall mean all petroleum crude oil or any fraction thereof, waste oil, lubricating oil, gasoline, diesel fuel, petroleum, hydrocarbons,

polychlorinated biphenyls (PCBs), asbestos, asbestos-containing materials and/or products, urea formaldehyde, or any substances which are classified as “hazardous” or “toxic” under the Comprehensive Environmental Response, Compensation and Liability Act, as amended 42 U.S.C. § 9601, et. seq.; hazardous waste as defined under the Solid Waste Disposal Act, as amended 42 U.S.C. § 6901 et seq.; air pollutants regulated under the Clean Air Act, as amended, 42 U.S.C. § 7401, et seq.; pollutants as defined under the Clean Water Act, as amended, 33 U.S.C. § 1251, et seq., any pesticide as defined by Federal Insecticide, Fungicide, and Rodenticide Act, as amended, 7 U.S.C. § 136, et seq., any hazardous chemical substance or mixture or imminently hazardous substance or mixture regulated by the Toxic Substances Control Act, as amended, 15 U.S.C. § 2601, et Seq., any

substance listed in the United States Department of Transportation Table at 45 CFR 172.101; any chemicals included in regulations promulgated under the above listed statutes; any explosives, radioactive material, and any chemical or other substance regulated by federal, state or local statutes similar to the federal statutes listed above and regulations promulgated under such federal, state or local statutes. “Environmental Law” as used herein shall mean any law now or hereafter in effect in any way related to the protection of human health, the environment or natural resources, including the Comprehensive Environmental Response, Compensation and Liability Act (42 U.S.C. §9601 et seq.), the Resource Conservation and Recovery Act (42 U.S.C. §6901 et seq.), the Clean Water Act (33 U.S.C. § 1251 et seq.), the Clean Air Act (42 U.S.C. §7401 et seq.), and their state counterparts and regulations promulgated pursuant thereto, as each has been or may be amended.

(b) In the event of a release of Hazardous Materials on, about, or under the Leased Premises to the extent caused by Tenant’s acts or omissions, and to the extent required by applicable Environmental Laws, Tenant shall remove and/or remediate any Hazardous Materials released in, on or under the Leased Premises during the Term. In addition to, and without limiting Paragraph 10 of this Lease, Tenant shall and hereby does agree to defend, indemnify and hold Landlord, any Parent Entity and Lender and their respective officers, directors, shareholders, partners, beneficial owners, trustees, members, managers and employees, harmless from and against any and all causes of actions, suits, demands or judgments of any nature whatsoever, losses, damages, penalties, expenses, fees, claims, costs (including response and remedial costs), and liabilities, including, but not limited to, reasonable attorneys’, consultants’ and experts’ fees and costs of litigation, arising out of or in any manner connected with (i) any violation during the Term of any applicable Environmental Law with respect to the Leased Premises, caused by Tenant’s acts or omissions, Tenant’s occupancy of the Leased Premises, or Tenant’s use of Equipment, including Landlord Equipment, on the Leased Premises during the Term; (ii) the release or threatened release of or failure to remove or remediate, as required by this Paragraph 29, Hazardous Materials which first occur during the Term at the Leased Premises or any portion or portions thereof, including the exacerbation of any past release which first occurred prior to the Term; and (iii) Tenant’s use, sale or storage during the Term of Hazardous Materials at the Leased Premises, including, but not limited to, in underground storage tanks, except to the extent that any such causes of actions, suits, demands, judgments, losses, damages, penalties, expenses, fees, claims, costs and liabilities arise from or in connection with Landlord Equipment, and to the extent not caused by the acts or omissions of Tenant.

(c) Tenant shall (i) provide Landlord with a copy of all permits or other approvals obtained with respect to Environmental Laws and (ii) promptly notify Landlord and Lender of the release or threatened release of any Hazardous Substances at, in, on, under or from the Leased Premises or the receipt by Tenant of any citations or notices of the investigation into, violation or possible violation of any Environmental Laws in connection with the Leased Premises.

(d) Tenant shall permit such persons as Landlord may designate (“Site Reviewers”) to visit the Leased Premises and perform environmental site investigations and assessments (“Site Assessments”) on the Leased Premises for determining whether any of the provisions of this Paragraph have been violated by Tenant. The reasonable out-of-pocket cost incurred by Landlord in connection with performing all Site Assessments shall be paid by Tenant

if Tenant is found to have violated its obligations under this Paragraph 29. Tenant shall also pay all other costs associated with remediating any Contamination for which Tenant is responsible hereunder.

30. Entry by Landlord. Landlord and its authorized representatives shall have the right upon reasonable prior notice (which shall be not less than two (2) business days except in the case of emergency) to enter the Leased Premises at all reasonable business hours (and at all other times in the event of an emergency): (a) for the purpose of inspecting the same or for the purpose of doing any work under Paragraph 11(c) above, and may take all such action thereon as may be necessary or appropriate for any such purpose (but nothing contained in this Lease or otherwise shall create or imply any duty upon the part of Landlord to make any such inspection or do any such work), and (b) for the purpose of showing the Leased Premises to prospective purchasers and mortgagees and, at any time during reasonable business hours within six (6) months prior to the expiration of the Term of this Lease for the purpose of showing the same to prospective tenants. No such entry shall constitute an eviction of Tenant but any such entry shall be done by Landlord in such reasonable manner as to minimize any disruption of Tenant’s business operation. Notwithstanding the foregoing or the provisions of Paragraph 11(c) above, the Landlord shall not be permitted to conduct any invasive testing of the Leased Premises without the prior written consent of the Tenant, which shall not be unreasonably delayed, conditioned or withheld.

31. No Usury. The intention of the parties being to conform strictly to the applicable usury laws, whenever any provision herein provides for payment by Tenant to Landlord of interest at a rate in excess of the legal rate permitted to be charged, such rate herein provided to be paid shall be deemed reduced to such legal rate.

32. Separability. Each and every covenant and agreement contained in this Lease is, and shall be construed to be, a separate and independent covenant and agreement, and the breach of any such covenant or agreement by any party shall not discharge or relieve the other party from its obligation to perform the same. If any term or provision of this Lease or the application thereof to any provision of this Lease or the application thereof to any person or circumstances shall to any extent be invalid and unenforceable, the remainder of this Lease, or the application of such term or provision to person or circumstances other than those as to which it is invalid or unenforceable, shall not be affected thereby, and each term and provision of this Lease shall be valid and shall be enforced to the extent permitted by law.

33. Special Provisions Relating to Subleased Locations. The terms and conditions of this Paragraph 33 shall only apply in the event that the Leased Premises is subject to a Prime Lease. In the event of any conflict between the terms and conditions of this Paragraph 33 and any other provisions of this Lease, the terms and conditions of this Paragraph 33 shall control.

(a) The terms and conditions of this Lease and the parties’ respective obligations, rights and remedies pursuant to this Lease shall be subordinate and subject to the terms and conditions of the Prime Lease.

(b) Notwithstanding anything to the contrary in this Lease, Tenant shall be required to satisfy, or cause to be satisfied, all obligations of Landlord, as tenant, pursuant to the

Prime Lease, and not do, omit to do or permit any act or omission which would constitute a violation, breach or default under the Prime Lease.

(c) All provisions of this Lease imposing upon Tenant a duty to indemnify, defend or hold Landlord or any other party harmless, shall be deemed to impose upon Tenant the same duty to indemnify, defend or hold harmless any party to which Landlord, as tenant under the Prime Lease, owes such a duty. Additionally, all indemnity obligations and similar obligations of Landlord, as tenant under the Prime Lease, shall be satisfied by Tenant.

(d) Tenant's rights with respect to casualty and restoration for the Leased Premises shall be identical to those of the Landlord in its capacity as tenant under the Prime Lease.

(e) Tenant acknowledges that (i) this Lease and the Leased Premises are subject to the Prime Lease; (ii) the Prime Lease might terminate due to condemnation, casualty or other cause or expire and not be renewed; and (iii) the Prime Lease may be terminated at any time as a result of a default by Landlord pursuant to the Prime Lease or for any reason; and (iv) in the event of an expiration or termination of the Prime Lease, the Term of this Lease shall automatically expire and terminate.

(f) Landlord is under no obligation to seek an extension or renewal of the Prime Lease or to exercise any options including any option to renew. Landlord has no obligation to purchase the Leased Premises in the event of termination or expiration of the Prime Lease and, therefore, does not and cannot convey any such right or option to Tenant

(g) Tenant acknowledges that it has been advised of the term of the Prime Lease, and that the Prime Lease could be terminated during the Term or any extension thereof.

34. Tax Related Provisions.

(a) Notwithstanding anything to the contrary set forth in this Lease, Tenant shall not

35. Miscellaneous.

(a) The paragraph headings in this Lease are used only for convenience in finding the subject matters and are not part of this Lease or to be used in determining the intent of the parties or otherwise interpreting this Lease.

(b) As used in this Lease the singular shall include the plural as the context requires and the following words and phrases shall have the following meanings: (i) "including" shall mean "including but not limited to"; (ii) "provisions" shall mean "provisions, terms, agreements, covenants and/or conditions"; (iii) "lien" shall mean "lien, charge, encumbrance, title retention agreement, pledge, security interest, mortgage and/or deed of trust"; and (iv) "obligation" shall mean "obligation, duty, agreement, liability, covenant or condition".

(c) Any act which any party is permitted to perform under this Lease may be performed at any time and from time to time by such party or any person or entity designated by

such party. Any act which Tenant is required to perform under this Lease shall be performed at Tenant's sole cost and expense.

(d) This Lease may be modified, amended, discharged or waived only by an agreement in writing signed by the party against whom enforcement of any such modification, amendment, discharge or waiver is sought.

(e) The covenants of this Lease shall run with the Land and bind Tenant, the successors and assigns of Tenant and all present and subsequent subtenants of and holders of encumbrances upon the Leased Premises, and, subject to Paragraph 28 above, shall inure to the benefit of and bind Landlord, its successors and assigns.

(f) This Lease will be simultaneously executed in several counterparts, each of which when so executed and delivered shall constitute an original, fully enforceable counterpart for all purposes.

(g) This Lease shall be governed by and construed according to the internal laws of the State or Commonwealth where the Leased Premises is located without regard to its conflict of law provisions.

(h) Wherever the consent or approval of Landlord is required hereunder, Landlord agrees that it will not unreasonably withhold or delay such consent or approval.

(i) Tenant may, from time to time, finance and grant security interests in Tenant's personal property and Trade Fixtures located at the Leased Premises and, in connection therewith, upon request of Tenant, Landlord shall execute and deliver to any Tenant's lender(s) a Landlord's Waiver in such form as shall be reasonably acceptable to Landlord.

SIGNATURES ON FOLLOWING PAGE

TENANT:

LEHIGH GAS- OHIO, LLC,
a Delaware limited liability company

By: LEHIGH GAS — OHIO HOLDINGS, LLC,
a Delaware limited liability company, its Manager

By: _____
Joseph V. Topper, Jr., General Manager

LANDLORD:

LLC

By: _____
David Hrinak,

Exhibits and Schedules:

Exhibit A	Related Leases
Schedule 1	Location
Schedule 2(e)	Assumed Contracts
Schedule 2(ii)	Parent Entity(ies)
Schedule 2(kk)	Prime Lease
Schedule 5(b)	Renewal Terms
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Schedule 2(kk)

Prime Lease

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Schedule 5(b)

Renewal Terms

First Renewal Term:

Five (5) years.

Second Renewal Term:

Five (5) years.

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Schedule 6(a)

Basic Rent

FORM OF
PMPA FRANCHISE AGREEMENT

BETWEEN

Lehigh Gas Wholesale LLC
as the “Distributor”, with an address of:
702 West Hamilton Street, Suite 203, Allentown, PA 18101

AND

Lehigh Gas — Ohio, LLC
as the “Franchise Dealer”, with an address of:
702 West Hamilton Street, Suite 203, Allentown, PA 18101

EFFECTIVE DATE: , 2012

END DATE: , 2027

“Marketing Premises”:
The Premises identified on the attached **Exhibit A** — LGO Site List

“Branded Supplier”:
The Branded Suppliers identified on the attached **Exhibit A** — LGO Site List

PMPA FRANCHISE AGREEMENT

This PMPA Franchise Agreement (“Agreement”) between the Distributor and Franchise Dealer, takes effect on the Effective Date (Distributor and Franchise Dealer are hereinafter collectively referred to as the “Parties”). Capitalized Terms are as identified on the cover page of this Agreement or as otherwise defined herein.

ARTICLE I
GRANT

- 1.1 **PMPA Franchise Relationship.** By this Agreement, the Parties establish a “Franchise” and a “Franchise Relationship” as defined by the Petroleum Marketing Practices Act, 15 U.S.C. Sections 2801-2806 (the “PMPA”). Subject to the terms and conditions of this Agreement:
- (a) Distributor grants Franchise Dealer the right to use those Proprietary Marks specified by Distributor from time to time for use in connection with the sale of the Products (as defined in Section 2.1) at the Marketing Premises;
 - (b) Franchise Dealer shall exclusively purchase the Products from Distributor for retail sale at the Marketing Premises; and
 - (c) Distributor grants Franchise Dealer the right to sell Products at the Marketing Premises a retail motor-fuels business (the “Motor Fuels Business”).
- 1.2 **Related Businesses.** Subject to the terms and conditions of this Agreement,
- (a) Distributor grants Franchise Dealer the right to operate at the Motor Fuels Business at Marketing Premises as well as the additional related business(es) identified in Section 1.2(c) (the “Related Businesses”*), if any, and to use in connection with the Related Businesses the Proprietary Marks specified by Distributor from time to time for use in connection with the Related Businesses. Franchise Dealer may operate a Related Business only if Franchise Dealer complies with Distributor’s requirements for that Related Business including those requirements contained in Article IV and in the attachments referred to in Section 1.3. If Franchise Dealer fails to comply with the requirements for a Related Business, without limiting Distributor’s other rights or remedies under applicable Law or under this Agreement or a related or supplemental agreement including termination or non-renewal of this Agreement and the Franchise Relationship, Distributor may require Franchise Dealer to stop operating the Related Business at the Marketing Premises.
 - (b) During the Term, Franchise Dealer shall operate the Related Businesses at the Marketing Premises and shall not operate any other businesses or activities at the Marketing Premises or change, delete or add a Related Business unless agreed in writing by the Parties. Nothing contained in this Section 1.2 may be construed as limiting or preventing Distributor from changing, deleting or adding:
 - (i) a Related Business if this Franchise Agreement is terminated or non-renewed or upon the termination or non-renewal of any supplemental or related agreement,
 - (ii) any Proprietary Marks used in connection with a Related Business, or
 - (iii) a Related Business as permitted under an agreement relating to that business.
 - (c) The Related Businesses permitted under this Agreement consist only of those business identified on **Exhibit A** attached to this Agreement.
- 1.3 **Related Business Attachments.** In operating Related Businesses, Franchise Dealer shall comply with Distributor’s requirements for that Related Business which when provided to Franchise Dealer and acknowledged by Franchise Dealer, in writing, shall be deemed incorporated into this Agreement.

1.4 No Exclusive Marketing Rights. This Agreement and the Franchise Relationship created by this Agreement do not give Franchise Dealer an exclusive right in any market or geographic area to sell the Products or conduct any of the Related Businesses. At Distributor's sole discretion, it and its Affiliates may compete with Franchise Dealer by any means, including but not limited to by:

- (a) supplying or continuing to supply at locations of its choice Products and other motor fuels to others; or
- (b) directly selling motor fuels or operating retail service stations, convenience stores, automotive repair and other services, and other related businesses, at locations of its choice.

1.5 Term. The term of this Agreement shall begin on Effective Date identified on the cover page to this Agreement, and end on End Date identified on the cover page to this Agreement, unless terminated earlier under the provisions of this Agreement (the "Term"). By writing furnished to Franchise Dealer, Distributor may grant temporary extensions of the Term for periods not exceeding 180 days for each extension. An extension is not to be construed as a renewal of this Agreement or of the Franchise Relationship.

1.6 No Franchise Dealer Right to Purchase. No provision of this Agreement, including any provision of this Article I, shall be construed as granting Dealer a right to purchase any of the Marketing Premises.

1.7 Lease/Sublease for Marketing Premises. The Franchise Dealer, as tenant, and certain affiliates of Distributor, as landlord, are parties to certain Lease/Sublease Agreements for the Marketing Premises (each a "Lease/Sublease" and collectively, the "Leases/Subleases"). Franchise Dealer agrees that in the event that the Lease/Sublease for a particular Marketing Premises is terminated pursuant to the terms of such Lease/Sublease, then the Franchise Dealer and Distributor shall execute an amendment to this Agreement which shall delete the applicable Marketing Premises from **Exhibit A** and, except for those provisions of this Agreement that expressly survive the expiration or termination of this Agreement, such Marketing Premise shall thereafter be deemed severed from this Agreement.

ARTICLE II

PURCHASE AND DELIVERY OF PRODUCTS

2.1 Purchase Obligation.

- (a) Franchise Dealer shall use good-faith and best efforts to maximize the sale at the Marketing Premises of the Products. "Products" means motor fuel which is:
 - (i) sold by Distributor to Franchise Dealer; and
 - (ii) specified in the schedule entitled "Purchase Schedule" attached hereto as **Exhibit B** and incorporated into this Agreement (the "Purchase Schedule").
- (b) Franchise Dealer agrees to buy and receive directly from Distributor all Products sold by Franchise Dealer from the Marketing Premises.

2.2 Prices. The price per gallon to be paid by Franchise Dealer shall be the Distributor's price pursuant to the pricing methodology specified in the Purchase Schedule attached hereto as **Exhibit B**. All prices charged by Seller are subject to the provisions of applicable law.

2.3 Terms of Payment. Franchise Dealer shall pay all amounts due Distributor under this Agreement in U.S. currency in the manner specified by Distributor; and pay for Products and services prior to delivery and provision of Products and services.

The method of payment specified by Distributor may include Distributor's electronic settlement program, automated direct debit system, certified check, bank or other financial-institution check or any other method as Distributor may designate from time to time. Distributor may charge, and Franchise Dealer shall pay, fees as Distributor may from time to time specify and as are permitted by Law, for any late payments, for any checks or bank or other financial-institution debits that are not honored by Franchise Dealer's bank or other financial institution or are otherwise returned or reversed by Franchise Dealer's bank or financial institution. If, as a result of any dishonored checks or debits, Distributor may also charge, and Franchise Dealer shall pay, fees as Distributor may from time to time specify and as are permitted by Law, which fees are determined by Distributor to recoup its costs and expenses in administering Franchise Dealer's payments under this Agreement. Cash discounts, if any, do not apply to taxes, freight charges or container charges, if any. Distributor may withhold, setoff or recoup any amount due and owing Franchise Dealer or held by Distributor on behalf of Franchise Dealer under this Agreement, any related or supplemental agreement or any other agreement between the Parties from or against any amount owed by Franchise Dealer to Distributor and/or any of its related or affiliated entities. In the event there are additional business transactions between Franchise Dealer and Distributor and/or any of Franchise Dealer's related or affiliated entities or individuals, including without limitation those relating to credit sales of products other than those identified herein or promissory notes, then such payments that are not clearly designated shall be applied by Distributor in the following order of priority: (i) trade accounts, (ii) promissory notes, (iii) other amounts due under any other agreement or transactions.

If at any time the financial responsibility of Franchise Dealer shall be deemed impaired or unsatisfactory to Distributor, or should Franchise Dealer be in arrears in Franchise Dealer's account(s) with Distributor, Distributor may require, as a condition of making further deliveries under this Agreement, payment by Franchise Dealer of all past due accounts and cash payment for all future deliveries.

2.4 Credit. In its sole discretion, Distributor may extend credit to Franchise Dealer on terms and conditions as specified

by Distributor, and Distributor may modify the terms and conditions of credit, or revoke credit, at any time or from time to time. If any agreement to provide credit is extended by Distributor to Franchise Dealer, such agreement shall be reflected in the Credit Provisions attached to this Agreement as **Exhibit C**.

2.5 Deliveries. Distributor will deliver Products to the Marketing Premises on terms and conditions as specified by Distributor in its sole discretion from time to time. Franchise Dealer shall take all actions necessary to facilitate the receipt of deliveries, including prompt removal of snow and ice from all fill cap areas. Distributor may, but is not obligated to, make single deliveries of Product of less than its standard full load delivery quantity as specified by

Distributor from time to time. In that event, Distributor may in its sole discretion, charge Franchise Dealer delivery charges for its standard full load delivery quantity. Franchise Dealer shall participate in and comply with Distributor's Product delivery programs and policies in effect from time to time. If Franchise Dealer fails to comply with or participate in Distributor's delivery program or policy, without limiting any other remedies available to Distributor, Franchise Dealer shall pay to Distributor a reasonable charge imposed in accordance with Distributor's delivery policy or program to recover administrative or delivery costs resulting from Franchise Dealer's noncompliance with the program or policy. Franchise Dealer shall accept delivery of Product whether or not Franchise Dealer or anyone else representing Franchise Dealer is on the Marketing Premises to receive the delivery. Franchise Dealer shall pay for all Product delivered. Passage of title and risk of loss shall be at the point of delivery.

- 2.6 Other Terms and Conditions of Sale. Franchise Dealer shall use the dispensing and storage facilities that are owned or provided by Distributor or its affiliates, bearing the Branded Supplier name or Proprietary Marks for the storage or sale of the Products. Franchise Dealer shall purchase and resell the Products, and use the Proprietary Marks, brand names and packaging as determined by Distributor and Branded Supplier. Distributor may, at any time, add new products or change the grade, specifications, characteristics or delivery package, brand name or other distinctive designation of any Product sold by Distributor under this Agreement, and the Products so added or changed are subject to this Agreement. Distributor may discontinue the sale of any Product without affecting other rights or obligations of Distributor and Franchise Dealer under this Agreement. As between Distributor and Franchise Dealer, and subject to all applicable law, only Distributor has the right to determine what Products will be offered at the Marketing Premises.
- 2.7 Distributor Product Certification. Distributor certifies that to the best of its ability and to the extent in its control, at the time of delivery, the Products delivered by it will comply with all fuel requirements under applicable Laws in effect at the time of delivery in the area of the Marketing Premises.
- 2.8 Franchise Dealer Product Control; Safeguards. Franchise Dealer shall exercise the highest degree of care and diligence in handling, storing, selling and using Products delivered to the Marketing Premises. Franchise Dealer shall not cause or allow any contamination, mixing or adulteration of any Products. Franchise Dealer shall not sell, or offer for sale, from the Marketing Premises, Products which are contaminated or adulterated or fail to meet the Distributor's requirements. Distributor may refuse to make Product deliveries into any tank until, in Distributor's judgment, such quality problems or any problems associated with the storage tank(s) and appurtenances thereto are corrected. Franchise Dealer also shall:
- (a) protect Product from adulteration, mixing or contamination by water or other substances;
 - (b) comply with the provisions in the Leases/Subleases and all applicable environmental laws, regulations, rules, and standards;
 - (c) inspect all storage tanks daily for water accumulation; where automated water readings are used, a manual stick reading shall be performed and recorded at least monthly to confirm the accuracy of the automated reading;
 - (d) comply with any procedures developed by Branded Supplier and/or Distributor from time to time to safeguard the integrity of all Products sold from the Marketing Premises;
 - (e) immediately notify Distributor by telephone and confirmed in writing:
 - (i) of any suspicion that Product is contaminated, mixed or adulterated,
 - (ii) if water exceeds 1 inch depth in any tank,
 - (iii) of any governmental testing or sampling or testing or sampling by any other person, of Products at the Marketing Premises, or
 - (iv) of any suspicion that any Product has been released to the environment from any tank, line or other source at the Marketing Premises;
 - (f) if requested, provide Distributor with the results of any test of Product conducted by or for the Franchise

Dealer and permit Distributor to conduct tests as Distributor may determine;

- (g) upon any suspicion of adulteration, mixing, contamination of any Product, take such action as Distributor may direct;
 - (h) where blending dispensers are utilized, use blending ratios as directed by Distributor; and
 - (i) immediately stop sales of any product whose storage tank contains 1 inch of water or more.
- 2.9 Effect of Quality Violations; Samples. Franchise Dealer acknowledges that the sale of quality products the customer can trust is one of Franchise Dealer's fundamental commitments and obligations under this Agreement. Franchise Dealer's failure to comply with the obligations under Section 2.8 constitutes a failure by Franchise Dealer to comply with a reasonable and materially significant provision of this Agreement and the Franchise Relationship. Franchise Dealer shall permit Distributor and/or Branded Supplier, its employees, agents and contractors to enter the Marketing Premises at all reasonable times to obtain Product samples and review of all Franchise Dealer's documents and records relating to compliance with Section 2.8.
- 2.10 Product Quality or Quantity Claims. Distributor is not liable to Franchise Dealer for any defect in quality (including failure to meet the requirements under Section 2.7), or shortage in quantity, of any Products delivered, unless:
- (a) Franchise Dealer gives Distributor notice of the claim of quality defect or shortage in quantity or disputes or disagreements regarding the prices charged for the price of product within 96 hour after delivery; and
 - (b) Franchise Dealer provides Distributor and all federal or state regulatory agencies, including their designated sub-contractors, with reasonable opportunity to inspect the Products and take test samples.

ARTICLE III CONFIDENTIALITY

- 3.1 Confidentiality. Franchise Dealer acknowledges that Distributor and/or Branded Supplier may be disclosing and transmitting to it certain confidential and proprietary information of Seller and/or Branded Supplier, including without limitation guidelines, manuals, methods, policies, procedures, programs,

software, firmware, specifications, standards (both operational and visual), strategies, and other related information (“Confidential Information”) in connection with Franchise Dealer’s operation of the Marketing Premises. Except where otherwise required by law, Franchise Dealer shall: (i) treat and maintain Confidential Information as confidential;(ii) use Confidential Information only for the operation of the Marketing Premises under this Agreement; and (iii) restrict disclosure of Confidential Information only to Franchise Dealer and its officers, directors employees, contractors or agents who are directly connected with the performance of work and require knowledge of the Confidential Information. Franchise Dealer may not use, or cause or permit to be used by, or disclose to, or cause or permit to be disclosed to, third parties any Confidential Information for purposes other than operating the Marketing Premises under this Contract. This Agreement, including all Exhibits hereto, and all terms contained herein, are also considered Confidential Information.

- 3.2 Failure to Comply/Survival. Franchise Dealer acknowledges that any failure to comply with the requirements of this Article III. will cause Distributor and/or Branded Supplier irreparable injury. The provisions of this Article III. shall survive the expiration or earlier termination of this Agreement and apply to all Confidential Information disclosed or transmitted to Franchise Dealer during the Franchise Relationship, whether prior to, during or after the expiration, termination, or nonrenewal of this Agreement, and justify termination of this Agreement in the sole discretion of Distributor.

ARTICLE IV **PROPRIETARY MARKS**

- 4.1 Use of Proprietary Marks. In using the Proprietary Marks, Franchise Dealer shall:

- (a) Subject to the approval of Distributor and, where applicable, Branded Supplier, Distributor grants to Franchise Dealer the non-exclusive right to use the Proprietary Marks at the Marketing Premises in connection with the advertising, marketing, and resale of the petroleum products purchased from Distributor under this Agreement. Franchise Dealer agrees that petroleum products of others will not be sold by Franchise Dealer under the Proprietary Marks. Franchise Dealer understands and agrees that Branded Supplier retains the right, subject to requirements of law, to withdraw the right to use such Proprietary Marks from Franchise Dealer at any time. Franchise Dealer understands, acknowledges, and agrees that Branded Supplier may promulgate from time to time standards, policies, guidelines, procedures, programs, requirements, specifications, strategies, and instructions (“Guidelines”) regarding image, appearance, station operations, promotions, advertising, the size and location of signs, the wearing of uniforms, and other matters related to the sale of motor fuels under the Proprietary Marks. Franchise Dealer agrees that such Guidelines may be promulgated by any means,

including without limitation Distributor’s and/or Branded Supplier marketing website, email or other electronic means. Irrespective of the means by which such Guidelines are promulgated, Franchise Dealer shall comply fully with the Guidelines as they exist from time to time and cause its employees to do the same. Failure on the part of Franchise Dealer or Franchise Dealer’s employees to comply fully with the requirements set forth in any such Guidelines shall be grounds for termination of this Agreement.

- (b) It is further expressly understood and agreed that Distributor shall have the right to substitute the trademarks, service marks, trade names, brand names, trade dress, logos, color patterns, color schemes, design schemes, insignia, image standards and/or other brand identifications. In the event of such substitution, all references to the Branded Products in this Agreement shall be deemed to refer to the substituted Branded Supplier and all references to the Proprietary Marks herein shall be deemed to refer to the trademarks, service marks, trade names, brand names, trade dress, logos, color patterns, color schemes, design schemes, insignia, image standards and/or other brand identifications of said substituted Branded Supplier.
- (c) Upon termination, nonrenewal, or expiration of this Agreement or prior thereto upon demand by Distributor, Franchise Dealer shall discontinue the posting, mounting, display or other use of said Proprietary Marks except only to the extent they appear as labels or identification of products manufactured or sold by Distributor and are still in the containers or packages designed or furnished by Distributor. In the event that Franchise Dealer fails to do so to the satisfaction of Distributor, subject to applicable law, Distributor (i) shall have the right to enter the Marketing Premises and cause any and all signage, placards, and other displays bearing the Proprietary Marks to be removed from the Marketing Premises; and (ii) shall have the right to use any means necessary to remove, cover or obliterate the Proprietary Marks, including entry to the Marketing Premises, to do so. In the event the Distributor takes any such action hereunder, Franchise Dealer shall bear all costs and expenses thereof, including without limitation the costs of removing, obliterating, or covering the Proprietary Marks, attorney fees, and other legal costs and expenses. Franchise Dealer shall provide, upon Distributor’s request, a list of all signage bearing the Proprietary Marks at the Marketing Premises. Under no circumstances will Franchise Dealer display signage bearing the Proprietary Marks at the Marketing Premises without the prior written approval of Distributor.
- (d) Franchise Dealer acknowledges and understands that it is not Branded Supplier’s licensee of the Proprietary Marks. Franchise Dealer shall not shall not mix, commingle, blend, adulterate, or otherwise change the composition of any of the product(s) purchased hereunder and resold by Franchise Dealer under said Proprietary Marks with other products or substances in any manner.
- (e) Franchise Dealer hereby gives Distributor and Branded Supplier the right to enter the Marketing Premises and to examine at any time, and from time to time, the contents of Franchise Dealer’s tanks or containers in which said product(s) purchased hereunder are stored and to take samples therefrom and, if in the opinion of Distributor or Branded Supplier, any samples thus taken are not said Product(s) and in the condition in which delivered by Distributor to Franchise Dealer, then Distributor may at its option cancel and terminate this Agreement.
- (f) If there shall be posted, mounted, or otherwise displayed on or in connection with the Marketing Premises any Proprietary Marks or any other sign, poster, placard, plate, device or form of advertising matter whether or not received from Distributor, consisting in whole or in part of the name of Branded Supplier or Distributor owned or used by Branded Supplier or Distributor in its business, Franchise Dealer agrees at all times to display same in compliance with the standards, guidelines and instructions of Branded Supplier and Distributor and to discontinue the posting, mounting or display of same immediately upon Franchise Dealer’s ceasing to sell motor fuels (or other products of Branded Supplier) under the Proprietary Marks or, in any event, upon demand by Distributor or Branded Supplier. Franchise Dealer shall take no action, or otherwise do anything or fail to do anything that will diminish, reduce, injure, dilute, or otherwise damage the value of the Proprietary Marks or other trademarks or identifications of Branded Supplier.
- (g) While using the Proprietary Marks, Franchise Dealer shall: (i) operate the Marketing Premises responsibly, with due care, prudence, good judgment, and skill; (ii) not engage in dishonest, fraudulent, or scare-selling practices; (iii) promote diligently the sale of motor fuel from the Marketing Premises; (iv) perform all services in a good, workmanlike manner; (v) keep the Marketing Premises, the driveways, parking spaces, and sidewalks neat, clean and in good repair; (vi) keep the yards, lawns, shrubs and other plantings neat and clean and free from weeds, debris,

snow, ice, and rubbish; (vii) comply with all laws, ordinances, rules and regulations of any constituted public authority governing the use and occupancy of the Marketing Premises and the conduct of Franchise Dealer's business at the Marketing Premises; (viii) ensure that no material in any form of a pornographic or sexually explicit nature are displayed, used, stored, offered, rented or sold at the Marketing Premises; and (ix) prohibit the consumption of alcoholic beverages and the sale and use of illegal drugs or drug paraphernalia at the Marketing Premises.

- (h) Franchise Dealer understands that Branded Supplier may require retail service station dealers operating under the Proprietary Marks and their employees to attend and complete Branded Supplier conducted or sponsored

training programs from time to time. Franchise Dealer shall attend and complete such training, or where Franchise Dealer is not an individual, cause its employees to attend and complete such training as may be required by Branded Supplier. Distributor shall be under no obligation to bear any costs or expenses associated with the attendance of Franchise Dealer or Franchise Dealer's employees at such training.

- (i) Franchise Dealer shall participate in Branded Supplier's image evaluation program, "mystery" or shop audit program, or any other similar program, conducted or sponsored by Branded Supplier. Franchise Dealer shall promptly take corrective action as required by Branded Supplier to bring the Marketing Premises into compliance with the Image and Operations Guidelines. Franchise Dealer understands and agrees that Franchise Dealer's failure to comply with any such program shall be a material breach of this Agreement.
- (j) Franchise Dealer understands and acknowledges that Distributor may install, or has installed, certain signage at the Marketing Premises for the purpose of displaying the Proprietary Marks. Unless the parties hereto have agreed otherwise, Franchise Dealer agrees that said signage shall remain the property of Distributor and that said signage may not be removed, transferred, sold, or otherwise disposed of without the prior written consent of Distributor.
- (k) While using the Proprietary Marks at the Marketing Premises, Franchise Dealer shall conduct only such businesses or activities at the Marketing Premises that are approved in writing by Distributor. Except as otherwise permitted, Franchise Dealer shall not use the Proprietary Marks or Branded Supplier's name as part of Franchise Dealer's corporate name or other name.
- (l) At no time may Franchise Dealer use any trademarks, trade dress, logo types, or names confusingly similar to the Proprietary Marks.
- (m) Image and Trademark Standards; Promotion Programs. Franchise Dealer shall use and display sales, marketing and promotional materials provided by Distributor and/or Branded Supplier from time to time, in the manner and for the time periods designated by Distributor and/or Branded Supplier. Franchise Dealer shall ensure that all stationery, signage and other printed materials used in connection with the Businesses bear the Proprietary Marks in the form, colors, location and manner prescribed by Distributor and/or Branded Supplier. Subject to applicable Laws, Franchise Dealer shall participate fully in all Branded Supplier national promotional programs including point-of-purchase programs.

ARTICLE V OPERATIONS

- 5.1 Operation of Marketing Premises. Franchise Dealer shall operate the Businesses in strict conformity with the methods, procedures, standards and specifications as Branded Supplier or Distributor may prescribe from time to time in writing. Without limiting the general requirements of the immediately preceding sentence, the specific requirements of this Article V. also apply.
- 5.2 Operating Hours. Subject to applicable Laws, Franchise Dealer shall prominently and clearly post the operating hours at each Marketing Premises. During the Term, operating hours may be modified only by written agreement of the Parties. Upon any renewal of this Agreement, operating hours will be determined in accordance with Distributor's hours of operation policy in effect at that time.
- 5.3 Use of Marketing Premises. Franchise Dealer shall:
- (a) use the Marketing Premises solely for the operation of the Motor-Fuels Business and any Related Businesses;
- (b) keep the Motor-Fuels Business open and in normal operation for the periods specified in Section 5.2;
- (c) refrain from using, or permitting the use of, the Marketing Premises for any other purpose or activity at any time; and
- (d) not allow the use of the Marketing Premises in connection with any purpose prohibited by Law, covenant, condition or restriction, including but not limited to, those identified in this Agreement and the Exhibits attached hereto.
- 5.4 Maintenance Obligations. Subject to the provisions of the Leases/Subleases, Franchise Dealer shall undertake, at its expense, all maintenance and make all repairs, replacements, alterations and additions as may be required to maintain the Marketing Premises in good repair and condition including periodic cleaning, landscaping, repainting and repairs, replacing obsolete signs, equipment and fixtures, and complying with any other standards promulgated by Distributor or Branded Supplier from time to time.
-
- 5.5 Compliance with Laws; Covenants and Restrictions. Franchise Dealer shall operate and maintain the Marketing Premises and the Businesses in compliance with all applicable laws including those concerning the environment, hazardous substances or waste, toxic substances, right to know and occupational safety and health. Franchise Dealer shall comply with all applicable covenants, conditions or restrictions applicable to the operation and maintenance of the Marketing Premises and the Related Businesses. Franchise Dealer shall also comply with the Americans with Disability Act and relevant or related state and local statutes.
- 5.6 Safety Procedures. Without limiting Franchise Dealer's status and obligations as an independent businessperson, Franchise Dealer shall implement and maintain procedures for safe operation of the Marketing Premises and the Businesses including safe cash handling and employee training. Distributor and Franchise Dealer expressly acknowledge that Franchise Dealer has sole responsibility for the security of all persons at the Marketing Premises including Franchise Dealer's customers, contractors and employees at the Marketing Premises. Nothing contained in this Agreement is to be construed as:

- (a) an assumption by Distributor of any duty owed by Franchise Dealer to any person including any customer, contractor or employee of Franchise Dealer; or
 - (b) giving Distributor the right to control Franchise Dealer's provision of security measures employed by Franchise Dealer at the Marketing Premises.
- 5.7 **Staffing.** Franchise Dealer shall hire and maintain a competent, conscientious and trained staff and shall take all steps necessary to ensure that Franchise Dealer's employees preserve good customer relations and comply with requirements for dress and appearance as Distributor and/or Branded Supplier may prescribe from time to time in writing.

5.8 **Retail Credit and Debit Program.** For so long as Distributor offers to Franchise Dealer the opportunity to participate in Branded Supplier's or Distributor's Retail Credit or Debit Program ("Program"), Franchise Dealer shall comply with the Program, as it may be amended by Branded Supplier or Distributor from time to time.

- (a) Franchise Dealer agrees to read and become familiar with all applicable credit card instruction manuals and to maintain them at the Marketing Premises for reference by the Franchise Dealer and its employees, contractors and agents. If Franchise Dealer fails to comply with the instructions, and any related agreements, or other documents setting out Franchise Dealer's obligations relating to any retail credit and debit program, including the requirement that Franchise Dealer take reasonable precautions to prevent sales to unauthorized persons, Distributor may, in addition to any other remedy that may be available to it including termination or non-renewal of this Agreement and the Franchise Relationship, take any one or more of the following actions as it deems necessary or appropriate in its sole discretion:
 - (i) charge back to Franchise Dealer's account the amount of any credit or debit transaction and any losses incurred by Distributor;
 - (ii) on notice to Franchise Dealer, impose special terms and procedures on Franchise Dealer's participation in any such Program; or
 - (iii) on notice to Franchise Dealer, exclude Franchise Dealer from participation in the Program.
- (b) Franchise Dealer is in default of this Agreement if:
 - (i) Franchise Dealer fails to comply with the instructions, and any related agreements, or other documents setting out Franchise Dealer's obligations relating to any such Program; or
 - (ii) Franchise Dealer fails to pay promptly any charge to Franchise Dealer's account resulting from non-compliance.

Franchise Dealer shall, upon Distributor's request, immediately return to Distributor any manual credit card imprinter and electronic credit card point of sale terminal leased to Franchise Dealer by Distributor.

5.9 **Technological and Communication Updates.** Franchise Dealer acknowledges that the use of current technology and communications systems in the operation of the Businesses is of critical importance in meeting customer needs and preferences and adjusting to competitive conditions. Franchise Dealer further acknowledges that technology and communications systems are expected to change over time requiring periodic addition, replacement or updating of equipment or systems used in the Businesses. Accordingly, Franchise Dealer shall:

- (a) as required by Branded Supplier and/or Distributor in Franchise Dealer's marketing area, install and maintain in good operating condition, at Franchise Dealer's expense:

- (i) a facsimile machine for sending and receiving written communications;
- (ii) equipment that allows access to the Internet, e-mail or other electronic-transmission or data-communications system designated by Branded Supplier and/or Distributor; and
- (iii) dedicated telecommunication lines for tank monitoring or applicable communication as required by Distributor.

- (b) make other expenditures or investments as may be reasonably required in writing by Branded Supplier and/or Distributor from time to time to update equipment, technology and communications systems at the Marketing Premises including the addition, replacement or updating of point of purchase equipment, pump dispensing technology, credit and cash processing equipment and software. Distributor will provide Franchise Dealer with reasonable notice specifying the required expenditures or investment and any specifications or requirements necessary to assure uniformity and compatibility.

In the event Franchise Dealer fails to install and/or maintain the technological and communication requirements as set forth in 5.9(a) above, Distributor shall have the right, but not the obligation, to install and/or maintain those deficit items and charge all associated costs back to the Franchise Dealer. In particular, it is critical for Franchise Dealer to note that the obligation to maintain the dedicated telecommunications line for tank monitoring (as specified in 5.9(a)(iii)), is for the purpose of maintaining compliance with applicable tank monitoring regulations. In the event Franchise Dealer fails to maintain such communications, any fines or penalties assessed as a result, shall be borne by Franchise Dealer. Notwithstanding the requirement for Franchise Dealer to install and maintain in good operating condition such telecommunication lines, neither the presence nor absence of such telecommunication lines shall relieve Franchise Dealer from its obligations to satisfy all necessary tank monitoring data and records in accordance with applicable Laws.

5.10 **Inspection.** At all reasonable times, Franchise Dealer shall permit Distributor and/or Branded Supplier, their respective affiliates, contractors, employees and agents to enter and inspect the Marketing Premises, including any and all records relating to the Motor-Fuels Business and/or Related Businesses (if any) or required to be maintained under this Agreement, to determine compliance with this Agreement and applicable laws. Franchise Dealer shall cooperate fully with Distributor and/or Branded Supplier and its contractors, employees and agents in conducting any inspection and shall render assistance as may be reasonably requested. Upon notice from Distributor of any deficiencies detected in an inspection, Franchise Dealer promptly shall take such steps as may be necessary to correct the deficiencies including the temporary closing of the Marketing Premises if so directed by Distributor.

5.11 **Pricing.** Franchise Dealer shall determine its own retail prices, pricing policies and discounting policies in accordance with applicable Laws. Distributor may, from time to time, communicate with Franchise Dealer about prices and periodically may counsel Franchise Dealer on retail pricing. Franchise

Dealer is not required to accept any pricing suggestions of Distributor and shall not rely on Distributor's suggestions, nor is Distributor obligated to provide such counseling.

- 5.12 Maintain Inventory. Franchise Dealer shall maintain an inventory of Products sufficient to serve customers during the hours specified in Section 5.2, subject to Section 2.5.

ARTICLE VI INSURANCE

6.1 Types of Insurance.

During the time this Agreement is in effect, in addition to any other insurance or surety bonding required by applicable laws, Franchise Dealer will carry and maintain in force with companies satisfactory to Distributor, solely at Franchise Dealer's expense, insurance satisfactory to Distributor as follows for each Marketing Premises:

- (a) Comprehensive/Commercial General Liability insurance or Garage Liability insurance including, but not limited to, coverage for the sale of motor fuel, food preparation and service (if applicable), operation of retail motor fuel stores, premises operations, products, contractual liabilities, including, without limitation, Franchise Dealer's contractual indemnity liability under this agreement, with a minimum combined single limit of \$1,000,000 providing coverage for injury, death or property damage resulting from each occurrence.
- (b) In the event Franchise Dealer has alcoholic beverages for sale at any location, a minimum limit of \$1,000,000 shall be maintained covering liabilities arising out of the dispensing or selling of alcoholic beverages including, without limitation, any liabilities imposed by a dram shop or alcoholic beverage control act.
- (c) Business Auto Liability insurance coverage for operation of vehicles hired, owned or non-owned with a minimum combined single limit of \$1,000,000 providing coverage for injury, death or property damage

resulting from each occurrence.

- (d) Garage keepers' Legal Liability insurance (if Marketing Premises includes service bays) including, but not limited to, coverage for fire, theft, riot, vandalism, and collision with limits of at least \$50,000 for each occurrence.
- (e) Fire Legal Liability Insurance for an amount of at least the full replacement cost of fixtures and equipment on Marketing Premises.
- (f) Workers Compensation and Employers Liability insurance or similar social insurance, for all Franchise Dealers employees engaged in performing services where required by laws which may be applicable to Franchise Dealers employees with a waiver of all rights of subrogation and/or contribution against Distributor where such waiver is permitted by law.
- (g) Environmental impairment insurance coverage with minimum of \$1,000,000 on a continuous and uninterrupted basis insuring Franchise Dealer for environmental legal liabilities arising out of, or in any manner associated with, related to, Franchise Dealers use of, and/or presence on the Marketing Premises if any storage tanks are installed on Marketing Premises, in whole or in part, by anyone other than Distributor or a contractor hired by Distributor.
- (h) Distributor periodically may reasonably require Franchise Dealer to carry additional types of insurance coverages and amounts, including modifications to existing insurance under this Article.
- (i) Each policy of insurance described in this Section shall cover Distributor, the deeded property owner of each Marketing Premises and their respective parents, affiliates, lenders and successors and assigns, as additional insured (except Workers Compensation and Employers Liability), by endorsement if required by Distributor, and shall be primary and non-contributory as to all other policies which may provide coverage and, in the case of all liability policies, be written on an occurrence basis. Franchise Dealer waives their right of subrogation on all policies where applicable. If any insurance maintained hereunder is maintained under a "blanket policy", such policy shall contain an endorsement providing that coverage limits required hereunder are not subject to reduction or impairment by claims or losses at other locations.

- 6.2 Additional Insurance Obligations — Leases/Subleases. Additional insurance requirements shall apply as specified in the Leases/Subleases.

- 6.3 Evidence of Insurance. Prior to the date of this Agreement and any time upon request by Distributor, Franchise Dealer shall have its insurance carrier(s) furnish to Distributor and other persons as directed by Distributor certified copies of the required insurance policies, and/or certificates of insurance specifying the types and amounts of coverage in effect, expiration dates, confirmation that each policy complies with the requirements of this Article XI specifying that no insurance shall be cancelled or materially changed during the time this Agreement is in effect without twenty (20) calendar days prior written notice to Distributor and such other persons as Distributor may designate. In the event Franchise Dealer fails to maintain any policy of insurance required under this Agreement in a form and in amounts required, Distributor shall have the right, but not the obligation, at any time to purchase any of such policies on behalf of Franchise Dealer and at Franchise Dealer's sole expense, which cost shall be paid by Franchise Dealer immediately upon demand.

- 6.4 Franchise Dealer acknowledges that any failure to comply with the requirements of this Article VI. will cause Distributor and/or Branded Supplier irreparable injury and justify termination of this Agreement in the sole discretion of Distributor.

ARTICLE VII TRANSFER OF INTEREST; SURVIVORSHIP

- 7.1 Assignment by Franchise Dealer. Franchise Dealer's interest in this Agreement shall not be transferred or assigned by Franchise Dealer in whole or in part, directly or indirectly, without the prior written consent of Distributor, unless as otherwise required by law. Such consent shall be in the sole discretion of Distributor. As a condition for Distributor's consent to the transfer or assignment of Franchise Dealer's interests under this Agreement, Distributor shall have the right, to the extent permissible by law, to require the proposed transferee or assignee to execute a mutual termination agreement terminating this Agreement and enter into a trial franchise motor fuel supply agreement, as the term "trial franchise" is defined in the Petroleum

Marketing Practices Act, 15 U.S.C. §2801, *et seq.* (the “PMPA”). Nothing contained in the foregoing sentence shall limit Distributor’s right to impose other conditions or requirements for its consent under this paragraph.

In the event Distributor, in its sole discretion, grants written consent to the transfer or assignment of Franchise Dealer’s interests under this Agreement, Franchise Dealer shall pay a fee to Distributor for the administrative costs of such transfer or assignment in the amount of \$5,000 for an individual station transfer or assignment or \$10,000 for a multi-

station transfer or assignment. Such fee shall accompany the written request from Franchise Dealer to Distributor for the transfer or assignment and shall only be refunded in the event Distributor does not grant consent.

7.2 Assignment by Distributor. Distributor may assign this Agreement in whole or in part upon ten (10) days’ prior written notice to Franchise Dealer. In the event of an assignment by Distributor, Franchise Dealer acknowledges that:

- (a) an assignment or delegation by Distributor may have an impact upon Franchise Dealer’s rights and obligations under this Agreement to the extent that an assignee or delegatee has policies or programs that differ from Distributor’s policies and programs;
- (b) this impact is contemplated by the Parties under this Agreement; and
- (c) Franchise Dealer and any other person with an interest in Franchise Dealer hereby waive any claim for constructive termination or claim for damages.

7.3 Right of First Refusal — Transfer of Interest.

- (a) In connection with the proposed transfer of an interest under Section 7.1, Distributor shall have the right to meet the offer of any transferee which and acquire the Interest on the same terms and conditions as those contained in the transferee’s offer. If Franchise Dealer owns property or businesses unrelated to this Agreement, the Franchise Dealer shall offer to sell to Distributor the property (including any interest in the Marketing Premises) equal to the consideration in the proposed transferee’s offer (the “Covered Interests”).
- (b) No later than 90 days before the proposed sale or closing date, Franchise Dealer must furnish to Distributor a written offer to sell Distributor the Covered Interests in accordance with Section 7.3(a) accompanied by a copy of the proposed transferee’s offer, which will be a binding offer (the “Offer”) by the Franchise Dealer to Distributor on the terms and conditions of the Offer. The Offer must be bona fide, in writing and signed by all parties thereto and contain all terms and conditions of the proposed transfer. Franchise Dealer also shall furnish Distributor with such additional information relating to the Interest, the proposed Transfer, the proposed transferee, the Interest and the Covered Interests, as Distributor may request in order to evaluate the offer or review the proposed Transfer, and ensure compliance with this Article VIII.
- (c) Upon receipt of the Offer and all requested information, Distributor will have 60 days (unless otherwise required by law) within which to evaluate the Offer, and to advise Franchise Dealer in writing whether or not Distributor exercises its right to acquire the Interest or the Covered Interests, whichever is applicable. An Offer that includes the exchange of other property interests for any Interest or Covered Interests may be accepted by Distributor by substituting for that other property payment of an amount equal to the fair-market value of that other property but not more than the value attributed to that other property in the Offer. Franchise Dealer shall provide Distributor with full access to Franchise Dealer’s books and records if the Offer includes an exchange of property; or is an offer by Franchise Dealer to sell the Covered Interests at fair-market value.
- (d) If Distributor chooses to exercise its right of first refusal under this Article VII, closing and the effective date of any termination of this Agreement will be the proposed sale or closing date:
 - (i) specified in the proposed transferee’s offer if the Offer is that of a proposed transferee; or
 - (ii) as agreed by Distributor and Franchise Dealer if the Offer is an offer by Franchise Dealer to sell the Covered Interests. The closing will take place at the location designated by Distributor. At closing, Franchise Dealer shall deliver to Distributor documentation satisfactory to Distributor conveying good, marketable and clear title to all property, subject only to reasonable liens and conditions expressly provided in the Offer. If the Interest or Covered Interests subject to the offer includes Franchise Dealer’s Interests in this Agreement and the Franchise Relationship, this Agreement and all related and supplemental Agreements will terminate on the sale or closing date, subject to any obligations or liability of Franchise Dealer to Distributor accrued prior to termination and/or which survive termination, and Franchise Dealer shall sign and deliver to Distributor, at least 7 business days prior to the sale or closing date, a binding mutual termination agreement in form and substance acceptable to Distributor.
- (e) If Distributor does not exercise its right under this Section 7.3 with respect to any Interest, Distributor shall:
 - (i) notify Franchise Dealer in writing of its decision;
 - (ii) review the proposed Transfer in accordance with Section 7.1, above; and
 - (iii) notify Franchise Dealer as to whether Distributor consents to the Transfer and as to which conditions will apply to the Transfer.
- (f) If Distributor notifies Franchise Dealer that Distributor consents to the Transfer, the Franchise Dealer may proceed with the Transfer of the Interest only in accordance with the terms and conditions in the proposed transferee’s offer constituting, or giving rise to, the Offer. Franchise Dealer shall provide Distributor with documentation satisfactory to Distributor that the Transfer was completed in accordance with the proposed transferee’s offer.
- (g) Distributor’ rights under this Article VII will apply to each offer by a transferee to Transfer an Interest and include any material renegotiations or material modifications of all or any part of an offer. Each offer (including any material renegotiation or modification of any offer) is a separate offer entitling Distributor to its rights under this Section 7.3.

- (h) Except as otherwise provided by law, if any transferee fails to meet any requirements or conditions under Distributor's then-current requirements for new franchise dealers, Distributor, in addition to withholding its consent to the Transfer and in lieu of exercising its rights under Section 7.1 above, may, consistent with applicable Laws, substitute another transferee who meets those requirements and conditions and who accepts and is able to meet the terms and conditions of the Offer.
- (i) Distributor's failure to exercise its purchase rights under this Section 7.3 on one or more occasions:
 - (i) does not affect Distributor's rights under this Section 7.3 on other occasions whether or not involving the same Interest; and
 - (ii) does not constitute Distributor's consent to the Transfer of an Interest.

ARTICLE VIII
DEFAULT AND TERMINATION

8.1 Termination of Agreement and Franchise Relationship. This Agreement shall terminate upon expiration of the Term of this Agreement.

- (a) This Agreement may be terminated by Distributor:
 - (i) if Franchise Dealer makes any materially false or misleading statement or representation which induces Distributor to enter into this Agreement, or which is relevant to the relationship between the parties hereto;
 - (ii) if Franchise Dealer becomes insolvent or commits an act of bankruptcy or takes advantage of any law for the benefit of debtors or Franchise Dealer's creditors, or if a receiver is appointed for Franchise Dealer;
 - (iii) if possession of the business location(s) of the Franchise Dealer is interrupted by act of any government or agency thereof;
 - (iv) if Franchise Dealer fails to pay in a timely manner any sums when due hereunder upon Franchise Dealer's failure to pay any amount when and as due, and no forbearance, course of dealing, or prior payment shall affect these rights of termination;
 - (v) if Franchise Dealer defaults in any of its obligations under this Agreement;
 - (vi) if Franchise Dealer is declared incompetent to manage his property or affairs by any court, or if Franchise Dealer is mentally or physically disabled for three (3) months or more to the extent that Franchise Dealer is unable to provide for the continued proper operation of the business of the Franchise Dealer;
 - (vii) under the circumstances described as causes for termination by Distributor elsewhere in this Agreement;
 - (viii) if Franchise Dealer engages in fraud or criminal misconduct relevant to the operation of the business, and/or Related Business, of the Franchise Dealer;
 - (ix) if Franchise Dealer is convicted of a felony or of misdemeanor involving fraud, moral turpitude or commercial dishonesty, whether or not the crime arose from the operation of the business of the Franchise Dealer;
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- (x) if Franchise Dealer fails to operate the Marketing Premises for seven (7) consecutive days, or any shorter period of time which, taking into account the facts and circumstances, amounts to an unreasonable period of time not to operate;
 - (xi) if Franchise Dealer fails to maintain an inventory of any one or more grades of motor fuel covered by this Agreement in an amount adequate to meet customer demand;
 - (xii) if there occurs any other circumstance under which termination of a franchise is permitted under the provisions of the Petroleum Marketing Practices Act (15 U.S.C. 2802);
 - (xiii) upon assignment of the Agreement by Franchise Dealer contrary to the terms of this Agreement; or
 - (xiv) if Franchise Dealer is an individual and Franchise Dealer dies; or if Franchise Dealer is a corporation and such corporation winds up its business or dissolves.
- (b) Upon loss of Distributor's right to grant the use of Branded Supplier's Proprietary Marks, Distributor may terminate this Agreement. Distributor will not be liable for the consequences of such loss unless they result from an act by Distributor taken in bad faith for the purpose of causing the loss of Distributor's right to grant the right to use the Proprietary Marks.
 - (c) If Franchise Dealer fails to comply with the terms of any of the Leases/Subleases, upon the expiration of any applicable notice and cure periods thereunder, such failure shall be deemed a default under this Agreement.
 - (d) Franchise Dealer agrees not to engage in or permit any illegal or improper act or conduct, on or about the Premises, which act or conduct is detrimental to Distributor or any member of the public. If Franchise Dealer engages in any such illegal act or conduct, this Agreement may be terminated without further notice.
 - (e) Any termination of this Agreement shall be accompanied by such notice from Distributor as may be required by law.
 - (f) Upon the expiration of the Term hereof or upon termination hereof, Distributor shall have the right, at its option, to enter upon the Premises and to remove, paint out, or obliterate any signs, symbols or colors on said Premises or on the buildings or equipment thereof which in Distributor's opinion would lead a patron to believe that Distributor's products are being offered for sale at the Premises.

(g) Termination of this Agreement by either party for any reason shall not relieve the parties of any obligation theretofore accrued under this Agreement.

Upon any termination or non-renewal, Franchise Dealer shall comply with the provisions of this Agreement and with Distributor's normal post-termination procedures as furnished in writing to Franchise Dealer from time to time.

8.2 Right of Termination Due to Governmental Action. Either Party may terminate this Agreement upon not less than 180 days' prior written notice to the other Party if any federal, state or local governmental action results in the adoption or imposition of laws that:

- (a) significantly alter the reasonable expectations of the Parties at the time of entering into this Agreement including the expectation that Franchise Dealer will be obligated to pay rent as specified in each Lease/Sublease or purchase the Products from Distributor in accordance with Section 2.1;
- (b) result in the imposition of an obligation upon Distributor to install or construct equipment, facilities or improvements on the Marketing Premises and, in Distributor's sole judgment, the cost of such installation would be uneconomical to Distributor; or
- (c) modify in any way the present relationship of Distributor's and/or Branded Supplier's exploration, production, supply, transportation, refining or marketing functions.

8.3 Accrued Rights. Any termination or non-renewal is subject to Distributor's rights which have accrued prior to the termination or non-renewal.

8.4 Remedies of Distributor. If Franchise Dealer defaults on any obligation contained in this Agreement or any related or supplemental agreement, Distributor may, but is not obligated to, exercise any or all of its rights allowable by law, including but not limited to the following remedies, whether or not Distributor exercises its right to terminate or non-renew:

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- (a) suspend all deliveries of Products to Franchise Dealer until the default is corrected or remedied; and/or
 - (b) apply any sums or security furnished by Franchise Dealer to Distributor under this Agreement or any related or supplemental agreement to the payment of any indebtedness. Franchise Dealer immediately shall provide additional security, as directed by Distributor, to replace the sums or security applied by Distributor.

Distributor's rights and remedies under this Agreement are distinct, separate and cumulative, and no one of them, whether or not exercised by Distributor, is an exclusion of any others under this Agreement or any related or supplemental agreement, or at law or in equity.

ARTICLE IX OBLIGATIONS UPON TERMINATION OR EXPIRATION

9.1 Termination of Business Operation. Upon the termination or non-renewal of this Agreement, the Franchise and the Franchise Relationship, Franchise Dealer's rights under this Agreement and all related and supplemental agreements terminate, and Franchise Dealer shall stop all operation of the Motor-Fuels Business and the Related Businesses and all use of the Proprietary Marks. In particular, and without limiting the general requirements of the preceding provisions of this Section 9.1, Franchise Dealer shall:

- (a) Immediately stop operating the Motor-Fuels Business and the Related Businesses and at no time after termination or non-renewal represent Franchise Dealer, directly or indirectly, as a current or former franchise dealer of Distributor or Branded Supplier.
- (b) Immediately and permanently stop using, in any manner whatsoever, any Confidential Information, Branded Supplier's name and all signs, advertising, materials, displays, stationery and forms containing the Proprietary Marks.
- (c) Promptly pay:
 - (i) all sums owing to Distributor and its Affiliates and to all financial institutions and other persons that have loaned money or leased property to Franchise Dealer in connection with an arrangement under which Distributor or its Affiliate furnished any consideration including any inducement, guarantee or credit enhancement. Without limiting the preceding general requirements of this Section 9.1(c), Franchise Dealer shall pay all the outstanding principal balance and all interest and other charges under Distributor-backed loan programs, direct Distributor loans and Distributor reimbursement or amortization agreements; and
 - (ii) all indebtedness to contractors or vendors that have furnished goods or services to the Marketing Premises.
- (d) Immediately return to Distributor all Branded Supplier signs and other personal property of Distributor. Franchise Dealer grants and shall cause any other person in possession of the Marketing Premises to grant to Distributor a non-revocable license to enter the Marketing Premises to remove Branded Supplier signs and property. Franchise Dealer shall bear all removal, site-restoration and transportation costs relating to the removal of Branded Supplier signs and equipment under this Section 10.1(d).

9.2 Post-Termination Obligations. Franchise Dealer shall continue to be responsible after termination or non-renewal of this Agreement for any obligations under this Agreement which by their nature involve performance after termination, including but not limited to any payment and indemnification obligations.

ARTICLE X TAXES, PERMITS, INDEBTEDNESS

10.1 Taxes and Fees. It is agreed that any duty, tax, fee or other charge which Distributor may be required to collect or pay under any municipal, state, federal or other laws now in effect or hereafter enacted with respect to the production, manufacture, inspection, transportation, storage, sale, delivery or use of the Product(s) covered by this Agreement shall be added to the prices to be paid by Franchise Dealer for product(s) purchased hereunder.

- 10.2 Indebtedness Dispute. Notwithstanding any dispute by Franchise Dealer of its liability to pay any governmental charges under Section 10.1, Franchise Dealer shall not permit a tax sale, foreclosure or seizure by levy or execution or similar writ or warrant, or any attachment, lien or encumbrance by a creditor or governmental authority, of or on the Marketing Premises, any Related Business or any improvements, equipment or fixtures on the Marketing Premises.
- 10.3 Permits and Licenses. Franchise Dealer shall timely obtain and comply with all permits, certificates or licenses
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necessary for the full and proper conduct of the Motor-Fuels Businesses and any Related Businesses, including licenses to do business, fictitious name registration, underground storage tank permits and licenses, sales tax permits and fire clearances. Franchise Dealer shall pay all fees or charges relating to these permits, certificates and licenses.

- 11.4 Notices. Franchise Dealer shall notify Distributor in writing within 5 days of:
- (a) the commencement of any action, suit or proceeding,
 - (b) the issuance of any writ, injunction or award or of a decree of any court, agency, or other governmental authority, or
 - (c) any indebtedness, event or occurrence, which may adversely affect the operation or financial condition of the Businesses, the Franchise Dealer or the Marketing Premises.

ARTICLE XI INDEPENDENT CONTRACTOR

- 11.1 Relationship of the Parties. The relationship of the Parties is as follows:
- (a) neither Party has a fiduciary relationship with the other;
 - (b) Franchise Dealer is an independent business person with responsibility for and control over the manner and means of the day-to-day operations of the Businesses including Product deliveries, Product leak or release detection, Product leak or release reporting and compliance with all Laws;
 - (c) neither Party is an agent, legal representative, subsidiary, joint venturer, partner, employee or servant of the other for any purpose; and
 - (d) Franchise Dealer has exclusive control and direction over the duties, supervision, compensation, hiring and firing of its employees, contractors and agents.
- 11.2 Public Notification. Franchise Dealer shall represent itself to the public as an independent business person operating the Motor-Fuels Business under franchise from Distributor. Franchise Dealer shall take necessary action to effect this representation, including placing a notice of Franchise Dealer's status in a conspicuous place on the Marketing Premises and on stationery and written or graphic materials.
- 11.3 Other Franchise Dealer Obligations. Franchise Dealer shall not:
- (a) make any contract, agreement, warranty or representation on behalf of Distributor or Branded Supplier or their Affiliates;
 - (b) incur any debt or obligation in the name of Distributor or Branded Supplier or their Affiliates; or
 - (c) by act or omission, cause Distributor or Branded Supplier or their affiliates to be liable, or be found to have assumed liability, for any activities of Franchise Dealer at the Marketing Premises or relating to the Businesses including any claim or judgment arising from Franchise Dealer's act or omission.

ARTICLE XII INDEMNIFICATION

- 12.1 Definition of Losses. "Losses" includes all, compensatory, exemplary or punitive damages, fines, penalties, charges, costs, lost profits, legal fees and costs, accountants' and expert witness fees, expenses (including expenses for environmental personnel), settlement amounts, judgments, damage to Distributor's reputation and goodwill and any other amounts incurred in connection with the matters described.
- 12.2 Indemnity. Franchise Dealer assumes the risk of and sole responsibility for and agrees to defend (with counsel acceptable to Distributor, unless such defense, but not Distributor's defense costs, is waived by Distributor), indemnify, release and hold harmless Distributor, its affiliates and each of their officers, employees, agents, successors, and assigns (altogether "Indemnitees"), from and against any and all of the following (each a "Proceeding"): expenses, costs (including, without limitation, legal fees and costs and other professional fees), penalties, fines (without regard to the amount of such fines), liabilities, claims, demands and causes of action, at law or in equity (including, without limitation, any arising out of the Comprehensive Environmental Response Compensation and Liability Act (CERCLA), the Resource Conservation and Recovery Act (RCRA), the Clean Air Act, or any other laws), for violations of law or injuries, death, loss, or damage of any kind or character to person, property, or natural resources, by whomever suffered or asserted including Franchise Dealer, its agents, officers,
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directors, servants, contractors, partners, affiliates, shareholders, employees, invitees, licensees, and/or trespassers, owner or representative of Franchise Dealer ("Related Party") resulting from, related to, or arising out of the actual or alleged:

- (a) violation or asserted violation, by Franchise Dealer or any Related Party of any Laws;
- (b) Franchise Dealer's breach or alleged breach of any contract;

- (c) libel, slander or any other form of defamation by Franchise Dealer or any Related Party;
- (d) violation or breach by Franchise Dealer of any warranty, representation or obligation of this Agreement or any related or supplemental agreement;
- (e) any environmental contamination or occurrence as follows:
 - (i) unless Section 12.2(e)(ii) applies, any environmental contamination or occurrence in whole or in part arising out of the operation of any Marketing Premises during any period when Franchise Dealer was or is in possession or entitled to be in possession of the Marketing Premises or arising out of any act or omission of Franchise Dealer or any Related Party, or
 - (ii) if Franchise Dealer and all Related Parties have no interest in the storage tanks, lines or dispensing equipment located at the Marketing Premises and have no interest in the underlying estate of the Marketing Premises (excluding only the Leases/Subleases), any environmental contamination or occurrence in whole or in part arising out of any act or omission of Franchise Dealer or any Related Party;
- (f) use of the Marketing Premises by Franchise Dealer, its agents, contractors, and/or employees;
- (g) purchase, delivery, receipt, storage, dispensing, or sale of motor fuel not bought from Distributor;
- (h) installation, existence, use, or removal of any storage tank(s), lines or dispensing equipment, in whole or in part, not owned by Distributor or its Affiliates, and the delivery of products into or out of such storage tank(s), lines or dispensing equipment;
- (i) defective condition of the Marketing Premises whether due to any latent or patent defect;
- (j) failure by Franchise Dealer to comply with Franchise Dealer's maintenance obligations under this Agreement or any related or supplemental agreement including any agreement relating to a Related Business ("failure" shall include any unreasonable delay);
- (k) acts or omissions, whether occurring on or off the Marketing Premises, of any person(s) including, without limitation, Franchise Dealer, its agents, contractors, employees and/or any third parties, and excepting only Distributor, its agents, and/or employees, even if such acts or omissions, by whomever committed, constitute a criminal act;
- (l) activities of third parties acting on behalf of or pursuant to any joint venture, partnership, co-branding arrangement, sublease, license or other agreement with, Franchise Dealer with respect to the Marketing Premises, management of the Franchise or conduct of the Businesses;
- (m) claims by creditors of Franchise Dealer or any Related Party;
- (n) failure by Franchise Dealer to obtain or keep current the amounts and types of insurance required by this Agreement or to comply with the terms and conditions of the insurance obtained;
- (o) failure by Franchise Dealer, its agents, contractors, and/or employees, to fully comply with: any laws, or any provision, covenant, standard, or requirement of this Agreement and any related agreements; or
- (p) liens or claims of any contractors, subcontractors, suppliers, materialmen, workers, other persons or entities (excepting only Distributor, its agents, contractors, and/or employees) relating to the Marketing Premises.

12.3 Notices; Choice of Counsel. Franchise Dealer shall promptly notify Distributor of any Proceeding. If Distributor is or may be named as a party in the Proceeding, Distributor may elect (but is not obligated) to undertake the defense or settlement of the Proceeding with counsel of Distributor's choice. If Distributor does not elect to undertake the defense or settlement of the Proceeding, Franchise Dealer shall use counsel acceptable to Distributor. If Franchise Dealer fails to use counsel acceptable to Distributor or if Distributor, in its discretion, determines that a conflict of

interest exists between Distributor and Franchise Dealer in the defense of the Proceeding, Distributor may engage counsel of its choice to separately represent it in the Proceeding. No undertaking or separate representation of counsel by Distributor under this Section 12.3 in any manner limits or waives Franchise Dealer's obligation to indemnify and defend, or pay for the defense of, Distributor.

12.4 Remedies. With respect to any Proceeding, Distributor may, at any time and without notice, in order to protect persons or property or the reputation or goodwill of Distributor or others, consent or agree to any settlement or remedial or corrective action as Distributor deems expedient, if, in Distributor's sole judgment, there are reasonable grounds to believe that:

- (a) any of the acts or circumstances enumerated in Section 12.2 have occurred; or
- (b) any act or omission of Franchise Dealer or any Related Party may result directly or indirectly in future damage, injury or harm to any person or any property.

12.5 Defenses. All Losses incurred under this Article XII shall be chargeable to and paid by Franchise Dealer, regardless of any actions, activities or defenses undertaken by the Indemnitees, or subsequent success or failure of any actions, activities or defenses.

12.6 Recovery Obligations. Under no circumstances will Indemnitees be obligated to seek recovery from third parties or mitigate their Losses in order to maintain a claim against Franchise Dealer. Any Indemnitee's failure to pursue a recovery or mitigate a Loss will in no way reduce the amounts recoverable by that Indemnitee from Franchise Dealer.

12.7 Claims against Distributor. Franchise Dealer represents and warrants that Franchise Dealer has no knowledge of any claim by Franchise Dealer or any related party against the Indemnitees on the date of this Agreement. Franchise Dealer's obligation to disclose claims includes the disclosure of claims of which Franchise Dealer would have acquired knowledge upon reasonable inquiry or the exercise of due diligence.

12.8 Criminal Act. "Criminal Act" as used in the Agreement means any act(s) or omission(s) having the nature of crime. criminal Act does not require proof of arrest, the filing of criminal charges, formal criminal processing, indictment, or conviction.

12.9 Survival. The provisions of this Article XII shall survive the expiration or earlier termination of this Agreement.

ARTICLE XIII **FAILURE TO PERFORM; ALLOCATION**

13.1 General Contingencies; Force Majeure.

- (a) Distributor is not liable for any consequences to Franchise Dealer, including loss, damage, or demurrage due to any delay or failure in performance, arising out of any cause beyond Distributor's reasonable control including:
 - (i) Governmental Action. Compliance with any action, order, direction, request or control of any governmental authority or person purporting to act for any governmental authority; or
 - (ii) Force Majeure. Interruption, unavailability or inadequacy of the supply of the Products or of any facility of production, manufacture, storage, transportation, distribution or delivery, for any reason, including wars, hostilities, public disorders, acts of enemies, sabotage, strikes, lockouts, labor or employment difficulties, fires, floods, acts of God, accidents or breakdowns, plant shutdowns for repairs, maintenance or inspection, or weather conditions.
- (b) Distributor shall not be required to remove any cause or replace the affected source of supply or facility if Distributor determines the action would involve additional expense or a departure from its normal practices.
- (c) Franchise Dealer is not liable for failure to receive Products if Franchise Dealer is prevented from receiving and using them in Franchise Dealer's customary manner by any cause beyond Franchise Dealer's reasonable control.

13.2 Allocation.

- (a) If there is, or Distributor determines there may be, a shortage of supplies, for whatever reason, so that Distributor is or may be unable to meet the demands of some or all of its customers, Distributor may allocate to and among its retail dealers those quantities of Product that Distributor determines it has available for distribution to that class of trade, or subgroup within that class of trade, from any specific

terminal or point of supply. Distributor is not required to make up any deliveries or quantities omitted as a result of any cause or allocation under this Article XIV including deliveries or quantities omitted by Distributor in allocating Products among its retail dealers under this Section 13.2, and Distributor is not liable for any damages or losses in connection with those omitted deliveries or quantities.

- (b) In all situations of perceived or actual supply shortages, Distributor may join or comply with any voluntary or non-mandatory price, supply, allocation or delivery restriction systems or programs designed or supported by any governmental authority. Any decision or determination made by Distributor under this Article XIII will be made in Distributor's sole discretion when acting in good faith in the ordinary course of business.

ARTICLE XIV **MISCELLANEOUS**

14.1 Significance of Terms and Conditions.

- (a) FRANCHISE DEALER ACKNOWLEDGES THAT EACH TERM AND CONDITION OF THIS AGREEMENT IS A REASONABLE AND MATERIALLY SIGNIFICANT PROVISION AND THAT ANY BREACH OF THE TERMS AND CONDITIONS IS SUBSTANTIAL AND PROVIDES REASONABLE BASIS FOR TERMINATION OR NON-RENEWAL. THE PARTIES ALSO ACKNOWLEDGE THAT THIS AGREEMENT IS SUBJECT TO THE PMPA, AND NOTHING CONTAINED HEREIN IS INTENDED TO REDUCE THE RIGHTS OF EITHER PARTY UNDER THAT LAW.
- (b) Franchise Dealer has expressly acknowledged in this Agreement that the failure to meet certain obligations constitutes a failure to comply with a reasonable and materially significant provision of this Agreement or the Franchise Relationship. These acknowledgments may not be construed as intending that other provisions, which are not so acknowledged, are not reasonable and materially significant provisions of this Agreement and the Franchise Relationship.

14.2 Approvals and Consents. If this Agreement requires the prior approval or consent of Distributor, Franchise Dealer shall make a timely written request to Distributor for its approval or consent, and any approval or consent must be obtained in writing. Distributor makes no warranties or assurances upon which Franchise Dealer may rely, and assumes no liability or obligation to Franchise Dealer by:

- (a) providing any waiver, approval, consent, or suggestion to Franchise Dealer in connection with any approval or consent; or
- (b) reason of any neglect, delay or denial of any request.

14.3 Strict Compliance. Subject to the PMPA, Distributor's rights at any time to:

- (a) demand strict compliance with any obligation or condition under this Agreement or any related or supplemental agreement, or
- (b) exercise any rights or remedies in connection with Franchise Dealer's default under this Agreement or any related or supplemental agreement, are not waived or impaired by:

- (i) Distributor's failure to exercise any right under this Agreement or any supplemental or related agreement,
- (ii) Distributor's failure to insist upon strict compliance by Franchise Dealer with any obligation or condition in this Agreement or any supplemental or related agreement,
- (iii) any course of dealing of the parties or any trade practice or practice of the Parties at variance with this Agreement or any related or supplemental agreement,
- (iv) Distributor's waiver of any prior default, whether or not similar, or
- (v) Distributor's delay, forbearance or failure to exercise any power or right arising out of default by Franchise Dealer under this Agreement or any related or supplemental agreement.

14.4 Notices. Unless otherwise expressly provided in this Agreement, all notices, communications and delivery of information must be in writing and must be:

- (a) if to Distributor, posted by registered or certified mail, return receipt requested, or overnight mail by a recognized

carrier, signature required, to the following address:

Lehigh Gas Wholesale LLC
 702 West Hamilton Street
 Suite 203
 Allentown, PA 18101
 Attn: David Hrinak

- (b) if to Franchise Dealer, posted by registered or certified mail, return receipt requested, or overnight mail by a recognized carrier, signature required, to the following address:

Lehigh Gas — Ohio, LLC
 702 West Hamilton Street
 Suite 203
 Allentown, PA 18101
 Attn: Joseph V. Topper, Jr.

Where commercially reasonable, Distributor may also communicate or deliver information to Franchise Dealer by electronic or telephonic means including those means of communication specified in Section 5.9.

Distributor may change the address for delivery of notices to it by furnishing written notice pursuant to this Section 14.4. Notice is deemed furnished on the first to occur of the following:

- (a) if made by personal delivery, the date the notice is personally delivered;
- (b) if made by registered or certified mail, three (3) business days after the date the notice is deposited in the United States mail, postage prepaid, and properly addressed; or
- (c) if made by Distributor using electronic or telephonic communications, upon receipt by Franchise Dealer.

14.5 Distributor Legal Fees and Costs. Franchise Dealer will promptly reimburse Distributor on demand for all costs, fees (including attorneys and expert witness fees), and expenses incurred by Distributor in enforcing its rights or remedies under this Agreement.

14.6 Claims. All claims by Franchise Dealer whether or not arising out of this Agreement are barred unless asserted by the commencement of a lawsuit naming Distributor as a defendant in a court of competent jurisdiction within 12 months after the event, act or omission to which the claim relates.

14.7 Limitation of Liability. Distributor is not liable to Franchise Dealer or any other person for:

- (a) prospective profits or special, incidental, indirect, punitive or consequential damages in any circumstances arising out of the subject matter of this Agreement or Distributor's acts or omissions relating to that subject matter; or
- (b) claims under Section 2.10 in excess of Franchise Dealer's purchase price of the Products to which the claims relate.

14.8 Entire Agreement; Modifications. This Agreement, (including the Exhibits, attachments, and addenda, if any, which are incorporated for all purposes) contains the entire Agreement and understanding between Franchise Dealer and Distributor pertaining to the covered subject matter, and supersedes all prior agreements relating to that subject matter. There are no binding oral representations, stipulations, warranties, or "understandings" relating to this Agreement that are not fully set out in this Agreement. Except for those permitted to be made unilaterally by Distributor under this Agreement, no amendment, change or variance from this Agreement is binding on either Party unless agreed in writing by the Franchise Dealer and Distributor's authorized representative.

14.9 Severability and Construction. Except as otherwise expressly provided in this Agreement, each provision, and portion of any provision, of this Agreement is severable. If, for any reason, a provision or portion of any provision of this Agreement is determined by a court of competent jurisdiction to be invalid or unenforceable, the invalidity or unenforceability will not affect the validity or enforceability of any other provision or portion of a provision. The unaffected provisions, and portions of provisions, will remain in full force and effect.

14.10 Third Party Rights. Except as otherwise expressly provided in this Agreement, no person or entity not a party to this Agreement has any rights or remedies under this Agreement.

14.11 Headings. All headings in this Agreement are intended solely for convenience and do not affect the meaning or construction of any provision of this Agreement.

14.12 Joint and Several Obligations. All acknowledgments, representations, warranties and obligations of Franchise Dealer under this Agreement are made by, and binding on, all those signing this Agreement jointly and severally as Franchise Dealer.

14.13 Distributor Approval. This Agreement is not binding on Distributor until approved and signed on Distributor's behalf by Distributor's authorized representative.

14.14 Terms on Renewal. Nothing in this Agreement is to be construed as preventing Distributor, upon renewal of the Franchise Relationship, from offering Franchise Dealer terms and conditions in good faith and the normal course of business which differ from or are in addition to those in this Agreement, including terms and conditions relating to the Related Businesses or other businesses which may be operated at the Marketing Premises.

14.15 Governing Law. This Agreement shall be interpreted in accordance with the laws of the Commonwealth of Pennsylvania, except to the extent preempted by federal law, without giving effect to conflicts of law doctrine of such state. Franchise Dealer hereby consents to the jurisdiction of any federal or state court within the Commonwealth of Pennsylvania and also consent to service of process by any means authorized by state or federal law.

ARTICLE XV
ADDITIONAL FRANCHISE DEALER REPRESENTATIONS AND WARRANTIES

15.1 Business Risks. Franchise Dealer represents and warrants that it has conducted an independent investigation of the Related Businesses and recognizes that the related businesses involve business risks and that its success will be largely dependent upon the ability of Franchise Dealer as an independent businessperson. Distributor expressly disclaims the making of, and Franchise Dealer represents that it has not received, any representation, warranty or guarantee, express or implied, as to the potential volume, profits or success of the Businesses covered by this Agreement.

15.2 Representations. Franchise Dealer represents and warrants that it has no knowledge of any representation or warranty by Distributor or any of its Affiliates or its officers, directors, shareholders, employees, agents or contractors concerning the Businesses that is contrary to the terms of this Agreement or the documents referred to in this Agreement. Franchise Dealer represents and warrants that:

- (a) Distributor has made no representation or warranty to Franchise Dealer that Franchise Dealer will earn or is likely to earn a positive return on any investment made by Franchise Dealer;
- (b) the Franchise includes no right of exclusivity;
- (c) Distributor has made no representation or warranty that it will buy back or otherwise accept from Franchise Dealer any Products, supplies or equipment purchased or leased by Franchise Dealer in connection with the Businesses;
- (d) Franchise Dealer has made no misrepresentation in applying for the Franchise or entering into this Agreement; and
- (e) if Franchise Dealer is a corporation or a limited liability company:
 - (i) Franchise Dealer is duly organized and validly existing;
 - (ii) Franchise Dealer is authorized to do business and in good standing under the laws of the state of its organization and under the laws of any state in which this Agreement is to be performed;
 - (iii) Franchise Dealer has the power and authority to enter into this Agreement, to perform its obligations under this Agreement and to consummate the transactions contemplated by this Agreement; and
 - (iv) Franchise Dealer's signing, delivery and performance of this Agreement has been duly authorized by all required action.

15.3 Receipt of Attachments and Disclosures. Franchise Dealer represents and warrants that it received a copy of the complete Agreement, the schedules and attachments to the Agreement, and any supplemental and related disclosures required by applicable Law.

15.4 Understanding of Agreements. Franchise Dealer represents and warrants that it has read and understands this Agreement, any attachments, and any related or supplemental agreements, and that Distributor has afforded Franchise Dealer ample time and opportunity to consult with advisers of Franchise Dealer's own choosing about the potential

benefits and risks of entering into this Agreement. Franchise Dealer represents and warrants that Franchise Dealer understands and agrees with the terms of this Agreement.

-Signatures on Next Page-

Intending to be legally bound, this Agreement, the Parties have executed this Agreement by their duly authorized representatives.

Signed by the Parties.

Witness/Attest:

DISTRIBUTOR

By: _____
Name: _____
Title: _____

Witness/Attest:

FRANCHISE DEALER
Lehigh Gas — Ohio, LLC

By: _____
Name: _____
Title: _____

EXHIBIT A

EXHIBIT B

PURCHASE SCHEDULE

- (a) This Purchase Schedule is a part of and incorporated into the PMPA Franchise Agreement to which this Exhibit is attached.
- (b) The price to be paid by Franchise Dealer to Distributor in accordance with the Agreement, for Products delivered to each Marketing Premises shall be Distributor’s dealer tank wagon prices (DTWs) for each respective grade of Branded Supplier’s Products as established by Distributor for the particular Marketing Premises and in effect at the time when the title to the Products passes from Distributor to Franchise Dealer in accordance with Section 2.5 of the Agreement.
- (c) Franchise Dealer acknowledges and agrees that, subject to subparagraph (d) below, from time to time, but no less than annually, the Conflicts Committee of Lehigh Gas GP LLC (the General Partner of Lehigh Gas Partners LP, the parent of Distributor) shall review the DTW prices charged to Franchise Dealer to ensure that such prices are not below reasonable market rates charged to similarly situated or otherwise comparable third-party sites over a representative period of time. In connection with any such review, the Distributor shall have the right to review and, at the Distributor’s expense, to audit, examine and make copies of the books and records maintained by the Franchise Dealer necessary to allow the Conflicts Committee to evaluate the reasonableness of the DTW prices charged by the Distributor to the Franchise Dealer (the “Audit Right”). The Distributor may exercise the Audit Right through such auditors as the Distributor may determine in its sole discretion. The Distributor shall (a) exercise the Audit Right only upon reasonable written notice to the Franchise Dealer and during normal business hours and (b) use its reasonable efforts to conduct the Audit Right in such a manner as to minimize the inconvenience and disruption to the Franchise Dealer. Franchise Dealer further acknowledges and agrees that, as a result of the Conflicts Committee’s review of the DTW prices charged to Franchise Dealer, the Conflicts Committee may recommend changes to the Distributor’s DTW pricing policies and procedures under this Agreement for some or all of the Marketing Premises.
- (d) The provisions of subparagraph (c) above shall automatically terminate and be of no further force and effect in the event that (i) Lehigh Gas Corporation and Joseph V. Topper, Jr. cease to possess, directly or indirectly, the power to direct or cause the direction of the management and policies of Lehigh Gas GP LLC, whether through ownership of voting securities, by contract, or otherwise, or (ii) Lehigh Gas GP LLC is removed as the general partner of Lehigh Gas Partners LP.

EXHIBIT C

CREDIT PROVISIONS

Pursuant to Section 2.4 of the Agreement, credit is offered In Distributor’s sole discretion, as such, Distributor may extend credit to Franchise Dealer on terms and conditions as specified by Distributor, and Distributor may modify the terms and conditions of credit, or revoke credit, at any time or from time to time. If at any time and for any reason (or no reason) Distributor elects to revoke such credit, then the terms of payment as detailed in Section 2.3 of the Agreement shall apply.

The credit offered by Distributor is subject to, conditioned upon, and limited to any of the terms Distributor may require, add or amend, from time to time, including but not limited to the following:

- 1. **Default:** If Franchise Dealer defaults in the payment of any obligation or indebtedness to Distributor or any related or affiliated entities, or otherwise fails to comply with any credit terms imposed by Distributor. Distributor may without notice or demand, in addition to any other rights it may have (including termination or non-renewal of this Agreement and the Franchise Relationship):
 - (a) immediately suspend deliveries of all Products; and
 - (b) apply any security which Franchise Dealer may have given to Distributor to the payment of the indebtedness or obligation.

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We have issued our reports dated May 11, 2012, with respect to the combined financial statements of Lehigh Gas Entities and affiliated entities under common control (collectively "Predecessor Entity") and the balance sheets of Lehigh Gas Partners LP, which are included in this Registration Statement and Prospectus. We consent to the use of the aforementioned reports in the Registration Statement and Prospectus and to the use of our name as it appears under the caption "Experts."

/s/ GRANT THORNTON LLP

Philadelphia, Pennsylvania
July 3, 2012

QuickLinks

[Exhibit 23.1](#)