UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 10–Q

(Mark One)

☑ **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the quarterly period ended June 30, 2017

OR

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from ______ to ______

Commission file No. 001-35711

CROSSAMERICA PARTNERS LP

(Exact name of registrant as specified in its charter)

Delaware	**45-4165414**
(State or Other Jurisdiction of Incorporation or Organization)	**(I.R.S. Employer Identification No.)**
515 Hamilton Street, Suite 200 Allentown, PA	**18101**
(Address of Principal Executive Offices)	**(Zip Code)**

(610) 625-8000
(Registrant's telephone number, including area code)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☑ No ☐

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes ☑ No ☐

Indicate by check mark whether the Registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "small reporting company," and "emerging growth 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	☐
Emerging growth company	☐		

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☑

As of August 7, 2017, the registrant had outstanding 33,860,967 common units.

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COMMONLY USED DEFINED TERMS

The following is a list of certain acronyms and terms generally used in the industry and throughout this document:

CrossAmerica Partners LP and subsidiaries:

CrossAmerica, the Partnership, we, us, our	CrossAmerica Partners LP
LGW	Lehigh Gas Wholesale LLC
LGPR	LGP Realty Holdings LP
LGWS	Lehigh Gas Wholesale Services, Inc. and subsidiaries

CrossAmerica Partners LP related and affiliated parties:

Circle K	Circle K Stores Inc., a Texas corporation, and a wholly owned subsidiary of Couche-Tard
Couche-Tard	Alimentation Couche-Tard Inc. (TSX: ATD.A ATD.B)
CST	CST Brands, LLC, a wholly owned subsidiary of Circle K.
DMS	Dunne Manning Stores LLC (formerly known as Lehigh Gas-Ohio, LLC), an entity associated with Joseph V. Topper, Jr., a member of the Board and a related party. DMS is an operator of retail motor fuel stations. DMS leases retail sites from us in accordance with a master lease agreement with us and DMS purchases substantially all of its motor fuel for these sites from us on a wholesale basis under rack plus pricing. The financial results of DMS are not consolidated with ours.
General Partner	CrossAmerica GP LLC, the General Partner of CrossAmerica, a Delaware limited liability company.
CST Fuel Supply	CST Fuel Supply LP is the parent of CST Marketing and Supply, CST's wholesale motor fuel supply business, which provides wholesale fuel distribution to the majority of CST's U.S. retail convenience stores on a fixed markup per gallon. As of June 30, 2017, our total limited partner interest in CST Fuel Supply was 17.5%.
Topstar	Topstar Enterprises, an entity associated with Joseph V. Topper, Jr. Topstar is an operator of convenience stores that leases retail sites from us, but does not purchase fuel from us.

Recent Acquisitions:

PMI	Petroleum Marketers, Inc., acquired in April 2014
Erickson	Erickson Oil Products, Inc., acquired in February 2015
One Stop	M&J Operations, LLC, acquired in July 2015
Franchised Holiday Stores	The franchised Holiday stores acquired from S/S/G Corporation in March 2016
State Oil Assets	The assets acquired from State Oil Company in September 2016

Other Defined Terms:

Amended Omnibus Agreement	The Amended and Restated Omnibus Agreement, dated October 1, 2014, as amended on February 17, 2016 by and among CrossAmerica, the General Partner, Dunne Manning Inc., DMS, CST Services LLC and Joseph V. Topper, Jr., which amends and restates the original omnibus agreement that was executed in connection with CrossAmerica's initial public offering on October 30, 2012
ASU	Accounting Standards Update
Board	Board of Directors of our General Partner
BP	BP p.l.c.
DTW	Dealer tank wagon contracts, which are variable cent per gallon priced wholesale motor fuel distribution or supply contracts. DTW also refers to the pricing methodology under such contracts
EBITDA	Earnings before interest, taxes, depreciation, amortization and accretion, a non-GAAP financial measure
EICP	The Partnership's Executive Income Continuity Plan, as amended
Exchange Act	Securities Exchange Act of 1934, as amended

ExxonMobil	ExxonMobil Corporation
FASB	Financial Accounting Standards Board
Form 10-K	CrossAmerica's Annual Report on Form 10-K for the year ended December 31, 2016
Getty lease	In May 2012, the Predecessor Entity, which represents the portion of the business of Dunne Manning Inc. and its subsidiaries and affiliates contributed to the Partnership in connection with the IPO, entered into a 15-year master lease agreement with renewal options of up to an additional 20 years with Getty Realty Corporation. The Partnership pays fixed rent, which increases 1.5% per year. In addition, the lease requires contingent rent payments based on gallons of motor fuel sold. The Partnership leases sites under the lease in Delaware, Maine, Maryland, Massachusetts, New Hampshire, New Jersey, Pennsylvania and Rhode Island.
IDRs	Incentive Distribution Rights, which are partnership interests in the Partnership that provide for special distributions associated with increasing partnership distributions. Couche-Tard is the indirect owner of 100% of the outstanding IDRs of CrossAmerica.
Internal Revenue Code	Internal Revenue Code of 1986, as amended
IPO	Initial public offering of CrossAmerica Partners LP on October 30, 2012
LIBOR	London Interbank Offered Rate
Merger	The merger of Ultra Acquisition Corp. with CST, with CST surviving the merger as a wholly owned subsidiary of Circle K Stores Inc., which closed on June 28, 2017. See Merger Agreement below.
Merger Agreement	CST's Agreement and Plan of Merger (the "Merger Agreement") entered into on August 21, 2016 with Circle K and Ultra Acquisition Corp., a Delaware corporation and an indirect, wholly owned subsidiary of Circle K ("Merger Sub"). Under and subject to the terms and conditions of the Merger Agreement, on June 28, 2017, Merger Sub was merged with and into CST, with CST surviving the Merger as a wholly owned subsidiary of Circle K.
Merger Sub	Ultra Acquisition Corp., a Delaware corporation and an indirect, wholly owned subsidiary of Circle K
MD&A	Management's Discussion and Analysis of Financial Condition and Results of Operations
Motiva	Motiva Enterprises LLC
NTI	CST's new to industry stores opened after January 1, 2008, which is generally when CST began designing and operating its larger format stores that accommodate broader merchandise categories and food offerings and have more fuel dispensers than its legacy stores
Partnership Agreement	The First Amended and Restated Agreement of Limited Partnership of CrossAmerica Partners LP, dated as of October 1, 2014, as amended
Predecessor Entity	Wholesale distribution business of Lehigh Gas-Ohio, LLC and real property and leasehold interests contributed in connection with the IPO
Plan	In connection with the IPO, the General Partner adopted the Lehigh Gas Partners LP 2012 Incentive Award Plan, a long-term incentive plan for employees, officers, consultants and directors of the General Partner and any of its affiliates who perform services for the Partnership.
SEC	U.S. Securities and Exchange Commission
Terms Discounts	Discounts for prompt payment and other rebates and incentives from our suppliers for a majority of the gallons of motor fuel purchased by us, which are recorded within cost of sales. Prompt payment discounts are based on a percentage of the purchase price of motor fuel.
U.S. GAAP	United States Generally Accepted Accounting Principles
Valero	Valero Energy Corporation and, where appropriate in context, one or more of its subsidiaries, or all of them taken as a whole
WTI	West Texas Intermediate crude oil

PART I - FINANCIAL INFORMATION
ITEM 1. FINANCIAL STATEMENTS

CROSSAMERICA PARTNERS LP
CONSOLIDATED BALANCE SHEETS
(Thousands of Dollars, except unit data)

	June 30, 2017 (Unaudited)	December 31, 2016
ASSETS		
Current assets:		
Cash	$ 3,429	1,350
Accounts receivable, net of allowances of $440 and $487, respectively	21,199	29,251
Accounts receivable from related parties	13,125	12,975
Inventories	11,907	13,164
Assets held for sale	6,170	2,111
Other current assets	6,115	6,556
Total current assets	61,945	65,407
Property and equipment, net	661,271	677,329
Intangible assets, net	72,905	80,760
Goodwill	89,109	89,109
Other assets	20,429	19,384
Total assets	$ 905,659	$ 931,989
LIABILITIES AND EQUITY		
Current liabilities:		
Current portion of debt and capital lease obligations	$ 2,117	$ 2,100
Accounts payable	36,122	34,903
Accounts payable to related parties	16,871	9,958
Accrued expenses and other current liabilities	16,309	15,705
Motor fuel taxes payable	12,917	12,467
Total current liabilities	84,336	75,133
Debt and capital lease obligations, less current portion	470,663	465,119
Deferred tax liabilities, net	40,030	42,923
Asset retirement obligations	28,416	27,750
Other long-term liabilities	98,553	100,253
Total liabilities	721,998	711,178
Commitments and contingencies		
Equity:		
CrossAmerica Partners' Capital		
Common units—(33,860,967 and 33,524,952 units issued and outstanding at June 30, 2017 and December 31, 2016, respectively)	183,941	221,044
General Partner's interest	—	—
Total CrossAmerica Partners' Capital	183,941	221,044
Noncontrolling interests	(280)	(233)
Total equity	183,661	220,811
Total liabilities and equity	$ 905,659	$ 931,989

See Condensed Notes to Consolidated Financial Statements.

CROSSAMERICA PARTNERS LP
CONSOLIDATED STATEMENTS OF OPERATIONS
(Thousands of Dollars, Except Unit and Per Unit Amounts)
(Unaudited)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2017	2016	2017	2016
Operating revenues[(a)]	$ 528,789	$ 512,644	$ 998,075	880,384
Costs of sales[(b)]	487,167	472,129	919,007	802,679
Gross profit	41,622	40,515	79,068	77,705
Income from CST Fuel Supply equity interests	3,830	4,245	7,433	8,296
Operating expenses:				
Operating expenses	16,222	16,119	31,482	31,530
General and administrative expenses	11,920	4,921	17,737	11,926
Depreciation, amortization and accretion expense	14,278	14,262	28,626	27,162
Total operating expenses	42,420	35,302	77,845	70,618
Loss on sales of assets, net	(314)	(102)	(358)	(106)
Operating income	2,718	9,356	8,298	15,277
Other income, net	127	316	245	434
Interest expense	(6,795)	(5,704)	(13,497)	(10,769)
Income (loss) before income taxes	(3,950)	3,968	(4,954)	4,942
Income tax expense (benefit)	49	338	(2,652)	(457)
Consolidated net income (loss)	(3,999)	3,630	(2,302)	5,399
Less: net income (loss) attributable to noncontrolling interests	(6)	4	(5)	6
Net income (loss) attributable to CrossAmerica limited partners	(3,993)	3,626	(2,297)	5,393
IDR distributions	(1,055)	(820)	(2,047)	(1,579)
Net income (loss) available to CrossAmerica limited partners	$ (5,048)	$ 2,806	$ (4,344)	$ 3,814
Net income (loss) per CrossAmerica limited partner unit:				
Basic earnings per common unit	$ (0.15)	$ 0.08	$ (0.13)	$ 0.11
Diluted earnings per common unit	$ (0.15)	$ 0.08	$ (0.13)	$ 0.11
Basic and diluted earnings per subordinated unit	n/a	n/a	n/a	$ 0.11
Weighted-average CrossAmerica limited partner units:				
Basic common units	33,798,905	33,283,489	33,694,116	30,879,426
Diluted common units[(c)]	33,806,925	33,292,023	33,717,612	30,928,204
Basic and diluted subordinated units	—	—	—	2,315,385
Total diluted common and subordinated units[(c)]	33,806,925	33,292,023	33,717,612	33,243,589
Distribution paid per common and subordinated unit	$ 0.6175	$ 0.5975	$ 1.2300	$ 1.1900
Distribution declared (with respect to each respective period) per common and subordinated unit	$ 0.6225	$ 0.6025	$ 1.2400	$ 1.2000
Supplemental information:				
(a) Includes excise taxes of:	$ 20,094	$ 20,311	$ 38,647	$ 40,204
(a) Includes revenues from fuel sales to related parties of:	$ 95,592	$ 107,131	$ 180,421	180,439
(a) Includes rental income of:	$ 22,005	$ 20,351	$ 43,446	39,882
(b) Includes rental expense of:	$ 4,926	$ 5,019	$ 9,717	9,767

(c) Diluted common units were not used in the calculation of diluted earnings per common unit for the three and six months ended June 30, 2017 because to do so would have been antidilutive.

See Condensed Notes to Consolidated Financial Statements.

CROSSAMERICA PARTNERS LP
CONSOLIDATED STATEMENTS OF CASH FLOWS
(Thousands of Dollars)
(Unaudited)

	Six Months Ended June 30,	
	2017	2016
Cash flows from operating activities:		
Consolidated net income (loss)	$ (2,302)	$ 5,399
Adjustments to reconcile net income (loss) to net cash flows provided by operating activities:		
Depreciation, amortization and accretion expense	28,626	27,162
Amortization of deferred financing fees	852	738
Amortization of below market leases, net	42	93
Provision for losses on doubtful accounts	10	67
Deferred income tax benefit	(2,893)	(921)
Equity-based employees and directors compensation expense	1,710	1,875
Amended Omnibus Agreement fees: settled in common units	6,600	4,750
Loss on sales of assets, net	358	106
Changes in working capital, net of acquisitions	16,384	(2,228)
Net cash provided by operating activities	49,387	37,041
Cash flows from investing activities:		
Proceeds from sale of property and equipment	564	98
Capital expenditures	(8,179)	(5,524)
Principal payments received on notes receivable	180	192
Cash paid in connection with acquisitions, net of cash acquired	—	(52,350)
Cash paid to CST in connection with acquisitions	—	(2,900)
Net cash used in investing activities	(7,435)	(60,484)
Cash flows from financing activities:		
Borrowings under the revolving credit facility	51,716	121,445
Repayments on the revolving credit facility	(46,716)	(49,856)
Repurchases of common units	—	(3,252)
Payments of long-term debt and capital lease obligations	(993)	(1,285)
Payments of sale leaseback obligations	(413)	(354)
Payment of deferred financing fees	(5)	—
Distributions paid on distribution equivalent rights	(13)	(24)
Distributions paid to holders of the IDRs	(2,047)	(1,579)
Distributions paid to noncontrolling interests	(42)	(61)
Distributions paid on common and subordinated units	(41,360)	(39,528)
Net cash (used in) provided by financing activities	(39,873)	25,506
Net increase in cash	2,079	2,063
Cash at beginning of period	1,350	1,192
Cash at end of period	$ 3,429	$ 3,255

See Condensed Notes to Consolidated Financial Statements.

CROSSAMERICA PARTNERS LP
CONDENSED NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Note 1. DESCRIPTION OF BUSINESS AND OTHER DISCLOSURES

CST's Merger

CST entered into the Merger Agreement dated as of August 21, 2016, with Circle K and Merger Sub. On June 28, 2017, Merger Sub merged with and into CST, at which time the separate corporate existence of Merger Sub ceased, and CST survived the Merger as an indirect, wholly owned subsidiary of Circle K.

As a result of the Merger, Circle K indirectly owns all of the membership interests in our General Partner, as well as a 20.5% limited partner interest in the Partnership and all of the IDRs of the Partnership. Circle K, through its indirect ownership interest in the sole member of our General Partner, has the ability to appoint all of the members of the Board of our General Partner and to control and manage the operations and activities of the Partnership.

Description of Business

Our business consists of:

- the wholesale distribution of motor fuels;
- the retail distribution of motor fuels to end customers at retail sites operated by commission agents or us;
- the owning or leasing of retail sites used in the retail distribution of motor fuels and, in turn, generating rental income from the lease or sublease of the retail sites; and
- the operation of retail sites.

The financial statements reflect the consolidated results of the Partnership and its wholly owned subsidiaries. Our primary operations are conducted by the following consolidated wholly owned subsidiaries:

- LGW, which distributes motor fuels on a wholesale basis and generates qualified income under Section 7704(d) of the Internal Revenue Code;
- LGPR, which functions as the real estate holding company of CrossAmerica and holds assets that generate rental income that is qualifying under Section 7704(d) of the Internal Revenue Code; and
- LGWS, which owns and leases (or leases and sub-leases) real estate and personal property used in the retail distribution of motor fuels, as well as provides maintenance and other services to its customers. In addition, LGWS distributes motor fuels on a retail basis and sells convenience merchandise items to end customers at company operated retail sites and sells motor fuel on a retail basis at sites operated by commission agents. Income from LGWS generally is not qualifying income under Section 7704(d) of the Internal Revenue Code.

In 2015, we issued our common units as consideration in the purchase of equity interests in CST Fuel Supply and the real property associated with certain of CST's NTI retail sites. In addition, we also issued, and may continue to issue, our common units as payment for charges and expenses incurred by us under the Amended Omnibus Agreement. There is no obligation for CST or our General Partner to accept common units representing limited partner interests in lieu of cash for amounts due under the Amended Omnibus Agreement. CST also acquired our common units through open market purchases from September 2015 through December 2015. At June 30, 2017, Circle K indirectly owned 20.5% of our limited partner interests.

Interim Financial Statements

These unaudited condensed consolidated financial statements have been prepared in accordance with U.S. GAAP for interim financial information and with the instructions to Form 10-Q and the Exchange Act. Accordingly, they do not include all of the information and notes required by U.S. GAAP for complete financial statements. In the opinion of management, all adjustments considered necessary for a fair presentation have been included. All such adjustments are of a normal recurring nature unless disclosed otherwise. Management believes that the disclosures made are adequate to keep the information presented from being misleading. The financial statements contained herein should be read in conjunction with the consolidated financial statements and notes thereto included in our Form 10-K. Financial information as of June 30, 2017 and for the three and six months ended June 30, 2017 and 2016 included in the consolidated financial statements has been derived from our unaudited financial statements. Financial information as of December 31, 2016 has been derived from our audited financial statements and notes thereto as of that date.

Operating results for the six months ended June 30, 2017 are not necessarily indicative of the results that may be expected for the year ending December 31, 2017. Our business exhibits seasonality due to our wholesale and retail sites being located in certain geographic areas that are affected by seasonal weather and temperature trends and associated changes in retail customer activity during different seasons. Historically, sales volumes have been highest in the second and third quarters (during the summer activity months) and lowest during the winter months in the first and fourth quarters.

Use of Estimates

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting periods. Actual results and outcomes could differ from those estimates and assumptions. On an ongoing basis, management reviews its estimates based on currently available information. Changes in facts and circumstances could result in revised estimates and assumptions.

Significant Accounting Policies

There have been no material changes to the significant accounting policies described in our Form 10-K.

New Accounting Pronouncements

In May 2014, the FASB issued ASU 2014-09–*Revenue from Contracts with Customers (Topic 606)*, which results in comprehensive new revenue accounting guidance, requires enhanced disclosures to help users of financial statements better understand the nature, amount, timing, and uncertainty of revenue that is recognized, and develops a common revenue standard under U.S. GAAP and International Financial Reporting Standards. Specifically, the core principle of the guidance is that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods and services. With the issuance of ASU 2015-14, which deferred the effective date by one year, this guidance is effective January 1, 2018. The guidance can be applied either retrospectively to each prior reporting period presented, or as a cumulative-effect adjustment as of the date of adoption. Although management continues to evaluate the impact of adopting this new guidance, we do not expect the adoption to have a material impact on the financial statements, although it will affect disclosures.

In February 2016, the FASB issued ASU 2016-02–*Leases (Topic 842).* This standard modifies existing guidance for reporting organizations that enter into leases to increase transparency by recognizing lease assets and lease liabilities on the balance sheet and disclosing key information about leasing arrangements. ASU 2016-02 is effective for fiscal years and interim periods within those years beginning after December 15, 2018, and requires a modified retrospective approach to adoption. Early adoption is permitted. Management continues to evaluate the impact of this new guidance, but the adoption will have a material impact on our balance sheet. We do not anticipate adopting this guidance early. We intend to apply each of the practical expedients in adopting this new guidance.

In October 2016, the FASB issued ASU 2016-16–*Income Taxes (Topic 740): Intra-Entity Transfers of Assets Other Than Inventory.* This standard requires companies to account for income tax effects of intercompany transactions other than inventory in the period in which the transfer occurs. This guidance is effective January 1, 2018 and requires a modified retrospective application through a cumulative-effect adjustment directly to retained earnings as of the beginning of the period of adoption. We have chosen to early adopt the standard effective January 1, 2017, which had no impact as of the date of adoption but could impact us in the future.

In January 2017, the FASB issued ASU 2017-01–*Business Combinations (Topic 805): Clarifying the Definition of a Business.* This standard clarifies the definition of a business with the objective of adding guidance to assist entities with evaluating whether transactions should be accounted for as acquisitions (or disposals) of assets or businesses. The definition of a business affects many areas of accounting including acquisitions, disposals, goodwill and consolidation. ASU 2017-01 is effective for fiscal years and interim periods within those years beginning after December 15, 2017. We have chosen to early adopt this standard effective January 1, 2017. Although there was no impact upon adoption, among other things, this guidance will result in the capitalization rather than expensing of acquisition costs in future transactions that will be accounted for as asset acquisitions rather than business combinations under the new definition of a business.

In January 2017, the FASB issued ASU 2017-04–*Intangibles–Goodwill and Other (Topic 350): Simplifying the Test for Goodwill Impairment.* This standard removes Step 2 of the goodwill impairment test. A goodwill impairment will now be the amount by which a reporting unit's carrying value exceeds its fair value, not to exceed the carrying amount of goodwill. ASU 2017-04 is effective for a company's annual or any interim goodwill impairment tests in fiscal years beginning after December 15, 2019. Management has elected to early adopt this guidance effective January 1, 2017, which had no impact upon adoption but could result in a change in the measurement of an impairment loss if an impairment was required to be recorded in the future.

Certain other new financial accounting pronouncements have become effective for our financial statements but the adoption of these pronouncements did not materially impact our financial position, results of operations or disclosures.

Concentration Risk

For the six months ended June 30, 2017 and 2016, we distributed approximately 14% and 17% of our total wholesale distribution volumes to DMS and its affiliates and DMS and its affiliates accounted for approximately 23% and 30% of our rental income, respectively.

For the six months ended June 30, 2017 and 2016, we distributed 8% of our total wholesale distribution volume to CST retail sites that are not supplied by CST Fuel Supply and received 20% and 22% of our rental income from CST, respectively.

For more information regarding transactions with DMS and its affiliates and CST, see Note 7.

For the six months ended June 30, 2017 and 2016, we received 9% and 6%, respectively, of our rental income from a lessee dealer that operates certain of the retail sites acquired through the PMI and One Stop acquisitions.

For the six months ended June 30, 2017, our wholesale business purchased approximately 28%, 27% and 18% of its motor fuel from ExxonMobil, BP and Motiva, respectively. For the six months ended June 30, 2016, our wholesale business purchased approximately 29%, 25% and 25% of its motor fuel from ExxonMobil, BP and Motiva (Shell), respectively. No other fuel suppliers accounted for 10% or more of our motor fuel purchases during the six months ended June 30, 2017 and 2016.

Valero supplied substantially all of the motor fuel purchased by CST Fuel Supply during all periods presented. During the six months ended June 30, 2017 and 2016, CST Fuel Supply purchased approximately 0.9 billion gallons of motor fuel from Valero.

Note 2. ASSETS HELD FOR SALE

We have classified five and four retail sites as held for sale at June 30, 2017 and December 31, 2016, respectively. One of the sites newly classified as held for sale at June 30, 2017 is an NTI store acquired from CST in July 2015, which will be divested as a result of the Federal Trade Commission's requirements associated with the Merger. These assets are expected to be sold within a year of the date they were initially classified as held for sale. Assets held for sale were as follows (in thousands):

	June 30, 2017	December 31, 2016
Land	$ 3,452	$ 882
Buildings and site improvements	2,862	1,054
Equipment and other	951	702
Total	7,265	2,638
Less accumulated depreciation	(1,095)	(527)
Assets held for sale	$ 6,170	$ 2,111

Note 3. INVENTORIES

Inventories consisted of the following (in thousands):

	June 30, 2017	December 31, 2016
Retail site merchandise	$ 8,154	$ 8,374
Motor fuel	3,753	4,790
Inventories	$ 11,907	$ 13,164

Note 4. PROPERTY AND EQUIPMENT

Property and equipment, net consisted of the following (in thousands):

	June 30, 2017	December 31, 2016
Land	$ 279,710	$ 280,400
Buildings and site improvements	346,298	346,834
Leasehold improvements	9,638	9,095
Equipment and other	172,854	169,245
Construction in progress	4,037	3,173
Property and equipment, at cost	812,537	808,747
Accumulated depreciation and amortization	(151,266)	(131,418)
Property and equipment, net	$ 661,271	$ 677,329

Note 5. INTANGIBLE ASSETS

Intangible assets consisted of the following (in thousands):

	June 30, 2017			December 31, 2016		
	Gross Amount	Accumulated Amortization	Net Carrying Amount	Gross Amount	Accumulated Amortization	Net Carrying Amount
Wholesale fuel supply contracts/rights	$ 118,201	$ (50,459)	$ 67,742	$ 118,201	$ (44,298)	$ 73,903
Trademarks	1,094	(766)	328	1,094	(685)	409
Covenant not to compete	4,131	(2,897)	1,234	4,131	(2,503)	1,628
Below market leases	11,401	(7,800)	3,601	12,081	(7,261)	4,820
Total intangible assets	$ 134,827	$ (61,922)	$ 72,905	$ 135,507	$ (54,747)	$ 80,760

Note 6. DEBT

Our balances for long-term debt and capital lease obligations are as follows (in thousands):

	June 30, 2017	December 31, 2016
$550 million revolving credit facility	$ 446,500	$ 441,500
Note payable	794	822
Capital lease obligations	28,232	28,455
Total debt and capital lease obligations	475,526	470,777
Current portion	2,117	2,100
Noncurrent portion	473,409	468,677
Deferred financing fees	(2,746)	(3,558)
Noncurrent portion, net of deferred financing fees	$ 470,663	$ 465,119

Our $550 million revolving credit facility is secured by substantially all of our assets. Letters of credit outstanding at June 30, 2017 and December 31, 2016 totaled $6.5 million. The amount of availability at June 30, 2017 under the revolving credit facility, after taking into account debt covenant restrictions, was $83.6 million. In connection with future acquisitions, the revolving credit facility requires, among other things, that we have, after giving effect to such acquisition, at least $20.0 million

in the aggregate of borrowing availability under the revolving credit facility and unrestricted cash on the balance sheet on the date of such acquisition.

Financial Covenants and Interest Rate

We are required to comply with certain financial covenants under the credit facility. We are required to maintain a total leverage ratio (as defined in the credit facility) for the most recently completed four fiscal quarters of less than or equal to 4.50 : 1.00, except for periods following a material acquisition. The total leverage ratio shall not exceed 5.00 : 1.00 for the first three full fiscal quarters following the closing of a material acquisition. If we issued Qualified Senior Notes (as defined in the credit facility) in the aggregate principal amount of $175.0 million or greater, the ratio shall not exceed 5.50 : 1.00. If we issued Qualified Senior Notes of $175.0 million or greater, we are also required to maintain a senior leverage ratio (as defined in the credit facility) of less than or equal to 3.00 : 1.00 and a consolidated interest coverage ratio (as defined in the credit facility) of at least 2.75 : 1.00. As of June 30, 2017, we were in compliance with these covenants.

Outstanding borrowings under the revolving credit facility bear interest at LIBOR plus a margin of 3.00%. Our borrowings had an interest rate of 4.11% as of June 30, 2017.

Note 7. RELATED-PARTY TRANSACTIONS

Transactions with CST

Fuel Sales and Rental Income

We sell wholesale motor fuel under a master fuel distribution agreement to 48 CST retail sites and lease real property on 74 retail sites to CST under a master lease agreement each having initial 10-year terms. The fuel distribution agreement provides us with a fixed wholesale mark-up per gallon. The master lease agreement is a triple net lease.

Revenues from wholesale fuel sales and real property rental income from CST were as follows (in thousands):

	Three Months Ended June 30,		Six Months Ended June 30,	
	2017	2016	2017	2016
Revenues from motor fuel sales to CST	$ 33,854	$ 32,825	$ 64,234	$ 56,082
Rental income from CST	$ 4,280	$ 4,317	$ 8,561	$ 8,634

Accounts receivable from CST for fuel amounted to $3.2 million at June 30, 2017 and December 31, 2016.

Amended Omnibus Agreement and Management Fees

We incurred $4.2 million and $3.6 million for the three months ended June 30, 2017 and 2016 and $8.6 million and $8.1 million for the six months ended June 30, 2017 and 2016, respectively, including incentive compensation costs and non-cash stock-based compensation expense under the Amended Omnibus Agreement, which are recorded as a component of operating expenses and general and administrative expenses in the statement of operations. Amounts payable to CST were $16.9 million and $10.0 million at June 30, 2017 and December 31, 2016, respectively. The amounts payable at June 30, 2017 include separation benefits associated with the Merger. See Note 15 for additional information.

Common Units Issued to CST as Consideration for Amounts Due Under the Terms of the Amended Omnibus Agreement

As approved by the independent conflicts committee of the Board, the Partnership and CST mutually agreed to settle, from time to time, some or all of the amounts due under the terms of the Amended Omnibus Agreement in newly issued common units representing limited partner interests in the Partnership. We issued the following common units to CST as consideration for amounts due under the terms of the Amended Omnibus Agreement:

Period	Date of Issuance	Number of Common Units Issued
Quarter ended December 31, 2016	February 28, 2017	171,039
Quarter ended March 31, 2017	May 10, 2017	128,983
Quarter ended June 30, 2017	*	124,003

* Expected to be issued on August 9, 2017

CST Fuel Supply Equity Interests

CST Fuel Supply provides wholesale motor fuel distribution to the majority of CST's legacy U.S. retail sites on a fixed markup per gallon. We owned a 17.5% total interest in CST Fuel Supply at June 30, 2017 and 2016. We account for the income derived from our equity interest of CST Fuel Supply as "Income from CST Fuel Supply equity" on our statement of operations, which amounted to $3.8 million and $4.2 million for the three months ended June 30, 2017 and 2016 and $7.4 million and $8.3 million for the six months ended June 30, 2017 and 2016, respectively.

Purchase of Fuel from CST

We purchase the fuel supplied to 32 retail sites from CST Fuel Supply of which we own a 17.5% interest, and resell the wholesale motor fuel to independent dealers and sub-wholesalers. We purchased $6.0 million of motor fuel from CST Fuel Supply for the three months ended June 30, 2017 and 2016, and $11.7 million and $9.0 million for the six months ended June 30, 2017 and 2016, respectively, in connection with these retail sites.

IDR and Common Unit Distributions

We distributed $1.1 million and $0.8 million to CST related to its ownership of our IDRs and $4.2 million and $3.8 million related to its ownership of our common units during the three months ended June 30, 2017 and 2016, respectively. We distributed $2.0 million and $1.6 million to CST related to its ownership of our IDRs and $8.3 million and $7.5 million related to its ownership of our common units during the six months ended June 30, 2017 and 2016, respectively.

Wholesale Motor Fuel Sales and Real Estate Rentals

Revenues from motor fuel sales and rental income from DMS and its affiliates were as follows (in thousands):

	Three Months Ended June 30,		Six Months Ended June 30,	
	2017	2016	2017	2016
Revenues from motor fuel sales to DMS and its affiliates	$ 61,738	$ 74,306	$ 116,187	$ 124,357
Rental income from DMS and its affiliates	$ 4,758	$ 5,488	$ 9,733	$ 11,223

Accounts receivable from DMS and its affiliates totaled $8.8 million and $8.6 million at June 30, 2017 and December 31, 2016, respectively.

Revenues from rental income from Topstar were $0.1 million and $0.2 million for the three and six months ended June 30, 2017 and 2016, respectively.

CrossAmerica leases real estate from certain entities affiliated with Joseph V. Topper, Jr., director of the Board. Rent expense paid to these entities was $0.2 million and $0.4 million for the three and six months ended June 30, 2017 and 2016, respectively.

Maintenance and Environmental Costs

Certain maintenance and environmental monitoring and remediation activities are performed by a related party of Joseph V. Topper, Jr., a director of the Board, as approved by the independent conflicts committee of the Board. We incurred charges with this related party of $0.7 million and $0.2 million for the three months ended June 30, 2017 and 2016 and $0.8 million for the six months ended June 30, 2017 and 2016, respectively.

Principal Executive Offices

Our principal executive offices are in Allentown, Pennsylvania. We sublease office space from CST that CST leases from an affiliate of John B. Reilly, III and Joseph V. Topper, Jr., directors of our Board. The management fee charged by CST to us under the Amended Omnibus Agreement incorporates this rental expense, which amounted to $0.2 million and $0.3 million for the three and six months ended June 30, 2017 and 2016, respectively.

Note 8. COMMITMENTS AND CONTINGENCIES

Litigation Matters

We are from time to time party to various lawsuits, claims and other legal proceedings that arise in the ordinary course of business. These actions typically seek, among other things, compensation for alleged personal injury, breach of contract, property damages, environmental damages, employment-related claims and damages, punitive damages, civil penalties or other losses, or injunctive or declaratory relief. With respect to all such lawsuits, claims and proceedings, we record a reserve when it is probable that a liability has been incurred and the amount of loss can be reasonably estimated. In addition, we disclose matters for which management believes a material loss is at least reasonably possible. None of these proceedings, separately or in the aggregate, are expected to have a material adverse effect on our consolidated financial position, results of operations or cash flows. In all instances, management has assessed the matter based on current information and made a judgment concerning its potential outcome, giving due consideration to the nature of the claim, the amount and nature of damages sought and the probability of success. Management's judgment may prove materially inaccurate, and such judgment is made subject to the known uncertainties of litigation.

We are a co-defendant, together with our General Partner, CST and CST Services LLC, in a lawsuit brought by Charles Nifong, a former employee of CST Services LLC who previously provided services to us as Chief Investment Officer and Vice President of Finance (Court of Common Pleas, Lehigh County, Pennsylvania, case number 2015-1003). The plaintiff alleges breach of contract and associated claims relating to his termination of employment and claims severance benefits under the EICP totaling approximately $1.6 million. The trial was scheduled for July 31, 2017 and was postponed and a new trial date has not yet been set. We continue to contest the action vigorously. Under the EICP, we are obligated to pay reasonable legal expenses incurred by the plaintiff in connection with this dispute whether we are successful in our defense or not, which we expense as incurred.

Environmental Matters

Environmental liabilities related to the sites contributed to the Partnership in connection with our IPO have not been assigned to us, and are still the responsibility of the Predecessor Entity. Under the Amended Omnibus Agreement, the Predecessor Entity must indemnify us for any costs or expenses that it incurs for environmental liabilities and third-party claims, regardless of when a claim is made, that are based on environmental conditions in existence prior to the closing of the IPO for contributed sites. The Predecessor Entity's environmental liabilities and indemnification assets associated with contributed sites amounted to $5.1 million and $3.0 million at June 30, 2017 and $6.1 million and $5.1 million at December 31, 2016, respectively.

Note 9. FAIR VALUE MEASUREMENTS

General

We measure and report 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). U.S. 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 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 transfers occurred. There were no transfers between any levels in 2017 or 2016.

As further discussed in Note 10, we have accrued for unvested phantom units and vested and unvested profits interests as a liability and adjust that liability on a recurring basis based on the market price of our common units each balance sheet date. Such fair value measurements are deemed Level 1 measurements.

Financial Instruments

The fair value of our accounts receivable, notes receivable, and accounts payable approximated their carrying values as of June 30, 2017 and 2016 due to the short-term maturity of these instruments. The fair value of the revolving credit facility approximated its carrying values of $446.5 million as of June 30, 2017 and $441.5 million as of December 31, 2016, due to the frequency with which interest rates are reset and the consistency of the market spread.

Note 10. EQUITY-BASED COMPENSATION

Overview

We record equity-based compensation as a component of general and administrative expenses in the statements of operations. Compensation expense was $0.8 million and $0.6 million for the three months ended June 30, 2017 and 2016, and $1.7 million and $1.9 million for the six months ended June 30, 2017 and 2016, respectively.

Partnership Equity-Based Awards

Under the Plan, the Partnership granted 1,233 phantom units to an employee of CST who provides services to the Partnership during the three and six months ended June 30, 2017.

Since we grant awards to employees of CST who provide services to us under the Amended Omnibus Agreement, and since the grants may be settled in cash, unvested phantom units and vested and unvested profits interests receive fair value variable accounting treatment. As such, they are measured at fair value at each balance sheet reporting date and the cumulative compensation cost recognized is classified as a liability, which is included in accrued expenses and other current liabilities on the consolidated balance sheet. The balance of the accrual at June 30, 2017 and December 31, 2016 totaled $0.7 million and $1.8 million, respectively.

CST Awards

CST granted equity-based awards of approximately 47,000 and 102,000 in the form of time vested restricted stock units of CST, stock options of CST and market share units of CST for the six months ended June 30, 2017 and 2016, respectively, which were granted to certain employees of CST for services rendered on our behalf. Expense associated with these awards that was charged to us under the Amended Omnibus Agreement was $0.8 million and $0.3 million for the three months ended June 30, 2017 and 2016 and $1.5 million and $1.0 million for the six months ended June 30, 2017 and 2016, respectively.

At the completion of the Merger, each CST stock option, restricted stock unit and market share unit that was outstanding immediately prior to the completion of the Merger, excluding the CST restricted stock units granted in February 2017, whether vested or unvested, became fully vested and converted into the right to receive a cash payment as defined in the Merger Agreement. The Partnership was allocated a $0.4 million charge upon the accelerated vesting of these awards, included in the expense amounts for the three and six months ended June 30, 2017 set forth above.

At the completion of the Merger, each award of CST restricted stock units that was granted in February 2017 converted into the right to receive a cash payment as defined in the Merger Agreement, but such award will remain subject to the same vesting terms and payment schedule as those set forth in the original restricted stock unit award agreement; provided that such award will vest in full upon an involuntary termination of employment without cause, or termination for “Good Reason,” or termination due to death, “Disability” or “Retirement.” Unrecognized compensation expense associated with CST restricted stock units granted in February 2017 amounted to $0.8 million as of June 30, 2017, which will be recognized over the vesting term through February 2020.

Awards to Members of the Board

In November 2016, the Partnership granted 5,364 phantom units to non-employee directors of the Board as a portion of director compensation. Such awards vested upon the Merger. The liability for these awards at December 31, 2016 was $0.1 million. The associated compensation expense was not significant for the three and six months ended June 30, 2017 and 2016.

Note 11. NET INCOME PER LIMITED PARTNER UNIT

In addition to the common units, we have identified the IDRs as participating securities and compute income per unit using the two-class method under which any excess of distributions declared over net income shall be allocated to the partners based on their respective sharing of income as specified in the Partnership Agreement. Net income per unit applicable to limited partners is computed by dividing the limited partners' interest in net income (loss), after deducting the IDRs, by the weighted-average number of outstanding common units.

The following tables provide a reconciliation of net income (loss) and weighted-average units used in computing basic and diluted net income (loss) per limited partner unit for the following periods (in thousands, except unit and per unit amounts):

	Three Months Ended June 30,			
	2017		2016	
	Common Units	Subordinated Units	Common Units	Subordinated Units
Numerator:				
Distributions paid[a]	$ 20,826	$ —	$ 19,910	$ —
Allocation of distributions in excess of net income (loss)[b]	(25,874)	—	(17,104)	—
Limited partners' interest in net income (loss) - basic and diluted	$ (5,048)	$ —	$ 2,806	$ —
Denominator:				
Weighted average limited partnership units outstanding - basic	33,798,905	—	33,283,489	—
Adjustment for phantom units	—	—	8,534	—
Weighted average limited partnership units outstanding - diluted[c]	33,798,905	—	33,292,023	—
Net income (loss) per limited partnership unit - basic	$ (0.15)	$ —	$ 0.08	$ —
Net income (loss) per limited partnership unit - diluted	$ (0.15)	$ —	$ 0.08	$ —

	Six Months Ended June 30,			
	2017		2016	
	Common Units	Subordinated Units	Common Units	Subordinated Units
Numerator:				
Distributions paid[a]	$ 41,360	$ —	$ 35,069	$ 4,459
Allocation of distributions in excess of net income (loss)[b]	(45,704)	—	(31,521)	(4,193)
Limited partners' interest in net income (loss) - basic	$ (4,344)	$ —	$ 3,548	$ 266
Adjustment for phantom units	—	—	1	(1)
Limited partners' interest in net income (loss) - diluted	$ (4,344)	$ —	$ 3,549	$ 265
Denominator:				
Weighted average limited partnership units outstanding - basic	33,694,116	—	30,879,426	2,315,385
Adjustment for phantom units	—	—	48,778	—
Weighted average limited partnership units outstanding - diluted[c]	33,694,116	—	30,928,204	2,315,385
Net income (loss) per limited partnership unit - basic	$ (0.13)	$ —	$ 0.11	$ 0.11
Net income (loss) per limited partnership unit - diluted	$ (0.13)	$ —	$ 0.11	$ 0.11

(a) Distributions paid per unit were $0.6175 and $0.5975 during the three months ended June 30, 2017 and 2016, and $1.23 and $1.19 during the six months ended June 30, 2017 and 2016, respectively.
(b) Allocation of distributions in excess of net income is based on a pro rata proportion to the common and subordinated units as outlined in the Partnership Agreement.
(c) Excludes 8,020 and 23,496 potentially dilutive securities from the calculation of diluted earnings per common unit because to do so would be antidilutive for the three and six months ended June 30, 2017, respectively.

Distributions

Distribution activity for 2017 was as follows:

Quarter Ended	Record Date	Payment Date	Cash Distribution (per unit)	Cash Distribution (in thousands)
December 31, 2016	February 6, 2017	February 13, 2017	$ 0.6125	$ 20,534
March 31, 2017	May 8, 2017	May 15, 2017	$ 0.6175	$ 20,826
June 30, 2017	August 7, 2017	August 14, 2017	$ 0.6225	$ 21,078

The amount of any distribution is subject to the discretion of the Board, which may modify or revoke our cash distribution policy at any time. Our Partnership Agreement does not require us to pay any distributions. As such, there can be no assurance we will continue to pay distributions in the future.

Note 12. INCOME TAXES

As a limited partnership, we are not subject to federal and state income taxes, however our corporate subsidiaries are subject to income taxes. Income tax attributable to our taxable income, which may differ significantly from income for financial statement purposes, is assessed at the individual limited partner unit holder level. We are subject to a statutory requirement that non-qualifying income, as defined by the Internal Revenue Code, cannot exceed 10% of total gross income for the calendar year. If non-qualifying income exceeds this statutory limit, we would be taxed as a corporation. The non-qualifying income did not exceed the statutory limit in any period presented.

Certain activities that generate non-qualifying income are conducted through LGWS. LGWS is a tax paying corporate subsidiary of ours that is subject to federal and state income taxes. Current and deferred income taxes are recognized on the earnings of LGWS. Deferred income tax assets and liabilities are recognized for the future tax consequences attributable to temporary differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases and are measured using enacted tax rates.

We recorded income tax expense of an insignificant amount and $0.3 million for the three months ended June 30, 2017 and 2016 and income tax benefits of $2.7 million and $0.5 million for the six months ended June 30, 2017 and 2016, respectively, as a result of the income generated or losses incurred by our corporate subsidiaries. The effective tax rate differs from the combined federal and state statutory rate because only LGWS is subject to income tax.

Note 13. SEGMENT REPORTING

We conduct our business in two segments: 1) the Wholesale segment and 2) the Retail segment. The wholesale segment includes the wholesale distribution of motor fuel to lessee dealers, independent dealers, commission agents, DMS, CST and company operated retail sites. We have exclusive motor fuel distribution contracts with lessee dealers who lease the property from us. We also have exclusive distribution contracts with independent dealers to distribute motor fuel but do not collect rent from the independent dealers. Similar to lessee dealers, we have motor fuel distribution agreements with DMS and CST and collect rent from both. The Retail segment includes the sale of convenience merchandise items, the retail sale of motor fuel at company operated retail sites and the retail sale of motor fuel at retail sites operated by commission agents. A commission agent is a retail site where we retain title to the motor fuel inventory and sell it directly to our end user customers. At commission agent retail sites, we manage motor fuel inventory pricing and retain the gross profit on motor fuel sales, less a commission to the agent who operates the retail site. Similar to our Wholesale segment, we also generate revenues through leasing or subleasing real estate in our Retail segment.

As part of our evaluation of the economic performance of our retail sites, we will from time to time convert company owned retail sites from our Retail segment to lessee dealers in our Wholesale segment. As a result, we no longer generate revenues from the retail sale of motor fuel or merchandise at these stores subsequent to the date of conversion and we no longer incur retail operating expenses related to these retail sites. However, we continue to supply these retail sites with motor fuel on a wholesale basis pursuant to the fuel supply contract with the lessee dealer. Further, we continue to own/lease the property and earn rental income under lease/sublease agreements with the lessee dealers under triple net leases. The lessee dealer owns all motor fuel and convenience merchandise and retains all gross profit on such operating activities.

Unallocated items consist primarily of general and administrative expenses, depreciation, amortization and accretion expense, gains on sales of assets, net, and the elimination of the Retail segment's intersegment cost of revenues from motor fuel sales against the Wholesale segment's intersegment revenues from motor fuel sales. The profit in ending inventory generated by the intersegment motor fuel sales is also eliminated. Total assets by segment are not presented as management does not currently assess performance or allocate resources based on that data.

The following table reflects activity related to our reportable segments (in thousands):

	Wholesale	Retail	Unallocated	Consolidated
Three Months Ended June 30, 2017				
Revenues from fuel sales to external customers	$ 383,519	$ 94,801	$ —	$ 478,320
Intersegment revenues from fuel sales	69,027	—	(69,027)	—
Revenues from food and merchandise sales	—	27,691	—	27,691
Rent income	20,361	1,644	—	22,005
Other revenue	773	—	—	773
Total revenues	$ 473,680	$ 124,136	$ (69,027)	$ 528,789
Income from CST Fuel Supply Equity	$ 3,830	$ —	$ —	$ 3,830
Operating income (loss)	$ 27,678	$ 1,538	$ (26,498)	$ 2,718
Three Months Ended June 30, 2016				
Revenues from fuel sales to external customers	$ 366,838	$ 91,701	$ —	$ 458,539
Intersegment revenues from fuel sales	67,209	—	(67,209)	—
Revenues from food and merchandise sales	—	33,297	—	33,297
Rent income	18,997	1,354	—	20,351
Other revenue	457	—	—	457
Total revenues	$ 453,501	$ 126,352	$ (67,209)	$ 512,644
Income from CST Fuel Supply Equity	$ 4,245	$ —	$ —	$ 4,245
Operating income (loss)	$ 25,900	$ 2,728	$ (19,272)	$ 9,356

	Wholesale	Retail	Unallocated	Consolidated
Six Months Ended June 30, 2017				
Revenues from fuel sales to external customers	$ 722,607	$ 179,004	$ —	$ 901,611
Intersegment revenues from fuel sales	130,643	—	(130,643)	—
Revenues from food and merchandise sales	—	51,711	—	51,711
Rent income	40,000	3,446	—	43,446
Other revenue	1,307	—	—	1,307
Total revenues	$ 894,557	$ 234,161	$ (130,643)	$ 998,075
Income from CST Fuel Supply Equity	$ 7,433	$ —	$ —	$ 7,433
Operating income (loss)	$ 53,330	$ 1,683	$ (46,715)	$ 8,298
Six Months Ended June 30, 2016				
Revenues from fuel sales to external customers	$ 610,241	$ 165,739	$ —	$ 775,980
Intersegment revenues from fuel sales	115,646	—	(115,646)	—
Revenues from food and merchandise sales	—	63,746	—	63,746
Rent income	37,196	2,686	—	39,882
Other revenue	776	—	—	776
Total revenues	$ 763,859	$ 232,171	$ (115,646)	$ 880,384
Income from CST Fuel Supply Equity	$ 8,296	$ —	$ —	8,296
Operating income (loss)	$ 49,941	$ 4,398	$ (39,062)	$ 15,277

Note 14. SUPPLEMENTAL CASH FLOW INFORMATION

In order to determine net cash provided by operating activities, net income is adjusted by, among other things, changes in current assets and current liabilities as follows (in thousands):

	Six Months Ended June 30,	
	2017	2016
Decrease (increase):		
Accounts receivable	$ 8,049	$ (2,711)
Accounts receivable from related parties	(132)	(3,030)
Inventories	929	5,005
Other current assets	698	(1,136)
Other assets	(2,004)	(3,234)
Increase (decrease):		
Accounts payable	1,219	2,467
Accounts payable to related parties	6,425	(2,374)
Motor fuel taxes payable	450	(1,698)
Accrued expenses and other current liabilities	813	1,327
Other long-term liabilities	(63)	3,156
Changes in working capital, net of acquisitions	$ 16,384	$ (2,228)

The above changes in current assets and current liabilities may differ from changes between amounts reflected in the applicable balance sheets for the respective periods due to acquisitions.

Supplemental disclosure of cash flow information (in thousands):

	Six Months Ended June 30,	
	2017	2016
Cash paid for interest	$ 12,587	$ 10,049
Cash paid for income taxes, net of refunds received	$ 782	$ 1,241

Supplemental schedule of non-cash investing and financing activities (in thousands):

	Six Months Ended June 30,	
	2017	2016
Sale of property and equipment in Section 1031 like-kind exchange transactions	$ 260	$ 1,300
Issuance of capital lease obligations and recognition of asset retirement obligation related to Getty lease	$ 740	$ 1,240
Amended Omnibus Agreement fees settled in our common units	$ 7,718	$ 4,750

Note 15. SEPARATION BENEFITS

During the three and six months ended June 30, 2017, the Partnership recognized a $5.3 million charge for severance and benefit costs associated with certain officers and other employees of CST Services LLC who provided services to the Partnership and who terminated employment upon the consummation of the Merger, which constituted a change in control, as defined in the EICP and CST's severance plans. Such costs are included in general and administrative expenses. Severance payments are expected to be paid in the third quarter of 2017.

In addition, certain participants in the EICP received retention bonuses that will be paid in annual installments beginning July 2017 and continuing through July 2019. The Partnership recorded a $1.1 million charge during the three and six months ended June 30, 2017 in connection with the payments that were made in July 2017, which were included in general and administrative expenses. In addition, the Partnership anticipates recognizing a $1.5 million charge over the retention period, of which $0.6 million, $0.8 million and $0.1 million is anticipated to be recognized in 2017, 2018 and 2019, respectively.

Note 16. SUBSEQUENT EVENT

On August 4, 2017, we entered into a definitive asset purchase agreement (the "Purchase Agreement"), by and among (i) CrossAmerica, (ii) Jet-Pep, Inc., and (iii) other persons listed as signatories in the Purchase Agreement (collectively the "Sellers"). Pursuant to the Purchase Agreement, we have agreed to purchase the real property and the fuel supply business of 92 fee simple sites, and the leasehold interest in 5 leased real property sites; and the fuel supply business to five independent dealers, all located in Alabama ("Acquired Assets"), for an aggregate cash consideration of $72.3 million (the "Purchase Price"), subject to certain closing adjustments. We also agreed to assume certain liabilities and pay for the value of the petroleum inventory contained in the retail sites. Circle K also entered into a definitive asset purchase agreement with the Sellers. The closing of the purchase of the Acquired Assets and the closing of the purchase by Circle K of certain related retail and terminaling assets from the Sellers (the "Circle K Agreements"), are mutually conditioned upon each other.

The closing of the transaction ("Closing") is expected to occur in the fourth quarter of 2017, and is subject to the satisfaction or waiver of customary closing conditions. The Purchase Agreement contains customary representations, warranties, agreements and obligations of the parties, and termination and closing conditions. We and the Sellers have generally agreed to indemnify each other for breaches of the representations, warranties and covenants contained in the Purchase Agreement, subject to survival period limitations and an indemnification cap for the Sellers in the amount of $6.5 million in the aggregate for Sellers' liabilities under the Purchase Agreement and the Circle K Agreements.

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS

This quarterly report includes forward-looking statements, including in the section entitled "Management's Discussion and Analysis of Financial Condition and Results of Operations." Forward-looking statements include the information concerning our possible or assumed future results of operations, business strategies, financing plans, competitive position, credit ratings, distribution growth, potential growth opportunities, potential operating performance improvements, potential improvements in return on capital employed, the effects of competition and the effects of future legislation or regulations. You can identify our forward-looking statements by the words "anticipate," "estimate," "believe," "continue," "could," "intend," "may," "plan," "potential," "predict," "seek," "should," "will," "would," "expect," "objective," "projection," "forecast," "guidance," "outlook," "effort," "target" and similar expressions. Such statements are based on management's current views and assumptions, and involve risks and uncertainties that could affect expected results. These forward-looking statements include, among other things, statements regarding:

- future retail and wholesale gross profits, including gasoline, diesel and convenience store merchandise gross profits;
- our anticipated level of capital investments, primarily through acquisitions, and the effect of these capital investments on our results of operations;
- anticipated trends in the demand for, and volumes sold of, gasoline and diesel in the regions where we operate;
- volatility in the equity and credit markets limiting access to capital markets;
- our ability to integrate acquired businesses and to transition retail sites to dealer operated sites;
- expectations regarding environmental, tax and other regulatory initiatives; and
- the effect of general economic and other conditions on our business.

In general, we based the forward-looking statements included in this quarterly report on our current expectations, estimates and projections about our company and the industry in which we operate. We caution you that these statements are not guarantees of future performance as they involve assumptions that, while made in good faith, may prove to be incorrect, and involve risks and uncertainties we cannot predict. In addition, we based many of these forward-looking statements on assumptions about future events that may prove to be inaccurate. Accordingly, our actual outcomes and results may differ materially from what we have expressed or forecasted in the forward-looking statements. Any differences could result from a variety of factors, including the following:

- Couche-Tard's business strategy and operations and Couche-Tard's conflicts of interest with us;
- availability of cash flow to pay the current quarterly distributions on our common units;
- the availability and cost of competing motor fuels;
- motor fuel price volatility or a reduction in demand for motor fuels;
- competition in the industries and geographical areas in which we operate;
- 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;
- failure to comply with applicable tax and other regulations or governmental policies;
- future legislation and changes in regulations, governmental policies, immigration laws and restrictions or changes in enforcement or interpretations thereof;
- future regulations and actions that could expand the non-exempt status of employees under the Fair Labor Standards Act;
- future income tax legislation;
- changes in energy policy;
- increases in energy conservation efforts;
- technological advances;

- 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;
- hazards and risks associated with transporting and storing motor fuel;
- unexpected environmental liabilities;
- the outcome of pending or future litigation; and
- our ability to comply with federal and state laws and regulations, including those related to environmental matters, the sale of alcohol, cigarettes and fresh foods, employment, and health benefits, including the Affordable Care Act.

You should consider the areas of risk described above, as well as those set forth herein and in the section entitled "Risk Factors" included in our Form 10-K, in connection with considering any forward-looking statements that may be made by us and our businesses generally. We cannot assure you that projected results or events reflected in the forward-looking statements will be achieved or will occur. The forward-looking statements included in this report are made as of the date of this report.

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

The following MD&A is intended to help the reader understand our results of operations and financial condition. This section is provided as a supplement to, and should be read in conjunction with, our consolidated financial statements and the accompanying notes to these financial statements contained elsewhere in this report, and the MD&A section and the consolidated financial statements and accompanying notes to those financial statements in our Form 10-K. Our Form 10-K contains a discussion of other matters not included herein, such as disclosures regarding critical accounting policies and estimates and contractual obligations.

MD&A is organized as follows:

- **CST's Merger**—This section provides information on the Merger.
- **Significant Factors Affecting Our Profitability**—This section describes the significant impact on our results of operations caused by crude oil commodity price volatility, seasonality and acquisition and financing activities.
- **Results of Operations**—This section provides an analysis of our results of operations, including the results of operations of our business segments, for the three and six months ended June 30, 2017 and 2016 and non-GAAP financial measures.
- **Liquidity and Capital Resources**—This section provides a discussion of our financial condition and cash flows. It also includes a discussion of our debt, capital requirements, other matters impacting our liquidity and capital resources and an outlook for our business.
- **New Accounting Policies**—This section describes new accounting pronouncements that we have already adopted, those that we are required to adopt in the future, and those that became applicable in the current year as a result of new circumstances.
- **Critical Accounting Policies Involving Critical Accounting Estimates**—This section describes the accounting policies and estimates that we consider most important for our business and that require significant judgment.

CST's Merger

CST entered into the Merger Agreement dated as of August 21, 2016, with Circle K and Merger Sub. On June 28, 2017, Merger Sub merged with and into CST, at which time the separate corporate existence of Merger Sub ceased, and CST survived the Merger as an indirect, wholly owned subsidiary of Circle K.

As a result of the Merger, Circle K indirectly owns all of the membership interests in our General Partner, as well as a 20.5% limited partner interest in the Partnership and all of the IDRs of the Partnership. Circle K, through its indirect ownership interest in the sole member of our General Partner, has the ability to appoint all of the members of the Board of our General Partner and to control and manage the operations and activities of the Partnership.

Significant Factors Affecting our Profitability

The Significance of Crude Oil and Wholesale Motor Fuel Prices on Our Revenues, Cost of Sales and Gross Profit

Wholesale segment

The prices paid to our motor fuel suppliers for wholesale motor fuel (which affects our cost of sales) are highly correlated to the price of crude oil. The crude oil commodity markets are highly volatile, and the market prices of crude oil, and, correspondingly, the market prices of wholesale motor fuel, experience significant and rapid fluctuations. We receive a fixed mark-up per gallon on approximately 87% of gallons sold to our customers. The remaining gallons are primarily DTW priced contracts with our customers. These contracts provide for variable, market based pricing that results in motor fuel gross profit effects similar to retail motor fuel gross profits (as crude oil prices decline, motor fuel gross profit generally increases, as discussed in our Retail segment below). The increase in DTW gross profit results from the acquisition cost of wholesale motor fuel declining at a faster rate as compared to the rate retail motor fuel prices decline. Conversely, our DTW motor fuel gross profit declines when the cost of wholesale motor fuel increases at a faster rate as compared to the rate retail motor fuel prices increase.

Regarding our supplier relationships, a majority of our total gallons purchased are subject to Terms Discounts. The dollar value of these discounts increases and decreases corresponding to motor fuel prices. Therefore, in periods of lower wholesale motor fuel prices, our gross profit is negatively affected and, in periods of higher wholesale motor fuel prices, our gross profit is positively affected (as it relates to these discounts).

Retail segment

We attempt to pass along wholesale motor fuel price changes to our retail customers through “at the pump” retail price changes; however, market conditions do not always allow us to do so immediately. The timing of any related increase or decrease in “at the pump” retail prices is affected by competitive conditions in each geographic market in which we operate. As such, the prices we charge our customers for motor fuel and the gross profit we receive on our motor fuel sales can increase or decrease significantly and rapidly over short periods of time.

Changes in our average motor fuel selling price per gallon and gross margin for the periods ended June 30, 2017 and 2016 are directly related to the changes in crude oil and wholesale motor fuel prices over the same period. Variations in our reported revenues and cost of sales are, therefore, primarily related to the price of crude oil and wholesale motor fuel prices and generally not as a result of changes in motor fuel sales volumes, unless otherwise indicated and discussed below.

We typically experience lower retail motor fuel gross profits in periods when the wholesale cost of motor fuel increases, and higher retail motor fuel gross profits in periods when the wholesale cost of motor fuel declines rapidly.

Seasonality Effects on Volumes

Our business is subject to seasonality due to our wholesale and retail sites being located in certain geographic areas that are affected by seasonal weather and temperature trends and associated changes in retail customer activity during different seasons. Historically, sales volumes have been highest in the second and third quarters (during the summer months) and lowest during the winter months in the first and fourth quarters.

Impact of Inflation

Inflation affects our financial performance by increasing certain of our operating expenses and cost of goods sold. Operating expenses include labor costs, leases, and general and administrative expenses. While our Wholesale segment benefits from higher Terms Discounts as a result of higher fuel costs, inflation could negatively impact our Retail segment as a result of higher motor fuel, merchandise and operating costs. Although we have historically been able to pass on increased costs through price increases, there can be no assurance that we will be able to do so in the future.

Acquisition and Financing Activity

Our results of operations and financial condition are also impacted by our acquisition and financing activities as summarized below.

- On February 5, 2016, we purchased independent dealer and sub-wholesaler contracts from CST for $2.9 million.
- On March 29, 2016, we closed on the acquisition of Franchised Holiday Stores and company operated liquor stores from S/S/G Corporation for approximately $52.4 million, including working capital.
- On September 27, 2016, we acquired the State Oil Assets located in the greater Chicago market for approximately $41.9 million, including working capital.
- On December 21, 2016, we sold the real property at 17 fee sites acquired in the State Oil Assets acquisition for $25.0 million in proceeds, which were used to repay borrowings under the credit facility. We subsequently leased these sites back under a triple net lease agreement.

Separation Benefits and Retention Bonuses

During the three and six months ended June 30, 2017, the Partnership recognized a $5.3 million charge for severance and benefit costs associated with certain officers and other employees of CST Services LLC who provided services to the Partnership and who terminated employment upon the consummation of the Merger, which constituted a change in control, as defined in the EICP and CST's severance plans. Such costs are included in general and administrative expenses. Severance payments are expected to be paid in the third quarter of 2017.

In addition, certain participants in the EICP received retention bonuses that will be paid in annual installments beginning July 2017 and continuing through July 2019. The Partnership recorded a $1.1 million charge during the three and six months ended June 30, 2017 in connection with the payments that were made in July 2017, which were included in general and administrative expenses. In addition, the Partnership anticipates recognizing a $1.5 million charge over the retention period, of which $0.6 million, $0.8 million and $0.1 million is anticipated to be recognized in 2017, 2018 and 2019, respectively.

Subsequent Event – Acquisition of Jet-Pep Assets

On August 4, 2017, we entered into a definitive asset purchase agreement (the "Purchase Agreement"), by and among (i) CrossAmerica, (ii) Jet-Pep, Inc., and (iii) other persons listed as signatories in the Purchase Agreement (collectively the "Sellers"). Pursuant to the Purchase Agreement, we have agreed to purchase the real property and the fuel supply business of 92 fee simple sites, and the leasehold interest in 5 leased real property sites; and the fuel supply business to five independent dealers, all located in Alabama ("Acquired Assets"), for an aggregate cash consideration of $72.3 million (the "Purchase Price"), subject to certain closing adjustments. We also agreed to assume certain liabilities and pay for the value of the petroleum inventory contained in the retail sites. Circle K also entered into a definitive asset purchase agreement with the Sellers. The closing of the purchase of the Acquired Assets and the closing of the purchase by Circle K of certain related retail and terminaling assets from the Sellers (the "Circle K Agreements"), are mutually conditioned upon each other.

The closing of the transaction ("Closing") is expected to occur in the fourth quarter of 2017, and is subject to the satisfaction or waiver of customary closing conditions. The Purchase Agreement contains customary representations, warranties, agreements and obligations of the parties, and termination and closing conditions. We and the Sellers have generally agreed to indemnify each other for breaches of the representations, warranties and covenants contained in the Purchase Agreement, subject to survival period limitations and an indemnification cap for the Sellers in the amount of $6.5 million in the aggregate for Sellers' liabilities under the Purchase Agreement and the Circle K Agreements.

Results of Operations

Consolidated Income Statement Analysis

Below is an analysis of our consolidated statements of operations and provides the primary reasons for significant increases and decreases in the various income statement line items from period to period. Our consolidated statements of operations are as follows (in thousands):

	Three Months Ended June 30,		Six Months Ended June 30,	
	2017	2016	2017	2016
Operating revenues	$ 528,789	$ 512,644	$ 998,075	$ 880,384
Cost of sales	487,167	472,129	919,007	802,679
Gross profit	41,622	40,515	79,068	77,705
Income from CST Fuel Supply equity interests	3,830	4,245	7,433	8,296
Operating expenses:				
Operating expenses	16,222	16,119	31,482	31,530
General and administrative expenses	11,920	4,921	17,737	11,926
Depreciation, amortization and accretion expense	14,278	14,262	28,626	27,162
Total operating expenses	42,420	35,302	77,845	70,618
Loss on sales of assets, net	(314)	(102)	(358)	(106)
Operating income	2,718	9,356	8,298	15,277
Other income, net	127	316	245	434
Interest expense	(6,795)	(5,704)	(13,497)	(10,769)
Income (loss) before income taxes	(3,950)	3,968	(4,954)	4,942
Income tax expense (benefit)	49	338	(2,652)	(457)
Consolidated net income (loss)	(3,999)	3,630	(2,302)	5,399
Net income (loss) attributable to noncontrolling interests	(6)	4	(5)	6
Net income (loss) attributable to CrossAmerica limited partners	(3,993)	3,626	(2,297)	5,393
IDR distributions	(1,055)	(820)	(2,047)	(1,579)
Net income (loss) available to CrossAmerica limited partners	$ (5,048)	$ 2,806	$ (4,344)	$ 3,814

Three Months Ended June 30, 2017 Compared to Three Months Ended June 30, 2016

Consolidated Results

Operating revenues increased $16.1 million, or 3%, while gross profit increased $1.1 million, or 2.7%.

Operating revenues

Significant items impacting these results prior to the elimination of intercompany revenues were:

- A $20.2 million, or 4.4%, increase in our Wholesale segment revenues primarily attributable to the increase in crude oil prices as well as incremental volume generated by our September 2016 State Oil Assets acquisition. The average daily spot price of WTI crude oil increased 6% to $48.10 per barrel for the second quarter of 2017, compared to $45.46 per barrel for the second quarter of 2016. The wholesale price of motor fuel is highly correlated to the price of crude oil. See "Significant Factors Affecting our Profitability—The Significance of Crude Oil and Wholesale Motor Fuel Prices on Our Revenues, Cost of Sales and Gross Profit."
- A $2.2 million, or 2%, decline in our Retail segment revenues primarily attributable to the conversion of company operated retail sites to lessee dealer sites, partially offset by an increase in crude oil prices and our recent acquisitions. See "Significant Factors Affecting our Profitability—The Significance of Crude Oil and Wholesale Motor Fuel Prices on Our Revenues, Cost of Sales and Gross Profit."

Intersegment revenues

We present the results of operations of our segments consistently with how our management views the business. Therefore, our segments are presented before intersegment eliminations (which consist of motor fuel sold by our Wholesale segment to our Retail segment). As a result, in order to reconcile to our consolidated change in operating revenues, a discussion of the change in intersegment revenues is included in our consolidated MD&A discussion.

- Our intersegment revenues increased $1.8 million, primarily attributable to the increases in wholesale motor fuel prices discussed above.

Cost of sales

Cost of sales increased $15.0 million as a result of the increase in wholesale motor fuel prices and gallons sold of motor fuel as noted above. See “Results of Operations—Segment Results” for additional gross profit analyses.

Operating expenses

See “Results of Operations—Segment Results” for additional operating expenses analyses.

General and administrative expenses

General and administrative expenses increased $7.0 million primarily attributable to a $6.5 million charge recorded upon closing of the Merger for severance and benefit costs for certain terminated officers and other employees of CST Services LLC who provided services to the Partnership and retention bonuses to certain EICP participants, as well as a $0.4 million charge related to the accelerated vesting of equity-based awards upon the closing of the Merger.

Interest expense

Interest expense increased $1.1 million due to an increase in the average interest rate charged on our credit facility borrowings from 3.6% to 4.1% and additional borrowings to fund our recent acquisitions. In addition, we incurred $0.4 million of interest expense in 2017 related to our sale leaseback executed in December 2016.

Income tax expense

We recorded income tax expense of an insignificant amount and $0.3 million for the three months ended June 30, 2017 and 2016, respectively. The decrease in the income tax expense was primarily due to a decline in the income generated by our corporate subsidiaries.

Six Months Ended June 30, 2017 Compared to Six Months Ended June 30, 2016

Consolidated Results

Operating revenues increased $117.7 million, or 13%, while gross profit increased $1.4 million, or 1.8%.

Operating revenues

Significant items impacting these results prior to the elimination of intercompany revenues were:

- A $130.7 million, or 17%, increase in our Wholesale segment revenues primarily attributable to the increase in crude oil prices as well as incremental volume generated by our March 2016 Franchised Holiday Stores and September 2016 State Oil Assets acquisitions. The average daily spot price of WTI crude oil increased 26% to $49.85 per barrel for the six months ended June 30, 2017, compared to $39.55 per barrel for the six months ended June 30, 2016. The wholesale price of motor fuel is highly correlated to the price of crude oil. See “Significant Factors Affecting our Profitability—The Significance of Crude Oil and Wholesale Motor Fuel Prices on Our Revenues, Cost of Sales and Gross Profit.”
- A $2.0 million, or 1%, increase in our Retail segment revenues primarily attributable to the increase in crude oil prices and our recent acquisitions, largely offset by conversion of company operated retail sites to lessee dealer sites. See “Significant Factors Affecting our Profitability—The Significance of Crude Oil and Wholesale Motor Fuel Prices on Our Revenues, Cost of Sales and Gross Profit.”

Intersegment revenues

We present the results of operations of our segments consistently with how our management views the business. Therefore, our segments are presented before intersegment eliminations (which consist of motor fuel sold by our Wholesale segment to our Retail segment). As a result, in order to reconcile to our consolidated change in operating revenues, a discussion of the change in intersegment revenues is included in our consolidated MD&A discussion.

- Our intersegment revenues increased $15.0 million, primarily attributable to the increases in wholesale motor fuel prices discussed above.

Cost of sales

Cost of sales increased $116.3 million as a result of the increase in wholesale motor fuel prices and gallons sold of motor fuel as noted above. See “Results of Operations—Segment Results” for additional gross profit analyses.

Operating expenses

See “Results of Operations—Segment Results” for additional operating expenses analyses.

General and administrative expenses

General and administrative expenses increased $5.8 million primarily attributable to a $6.5 million charge recorded upon closing of the Merger for severance and benefit costs for certain terminated officers and other employees of CST Services LLC who provided services to the Partnership and retention bonuses to certain EICP participants, partially offset by a $1.6 million decrease driven by the integration of prior year acquisitions and other cost savings initiatives. The remaining increase was primarily attributable to a $0.4 million charge related to the accelerated vesting of equity-based awards upon the closing of the Merger and legal fees.

Depreciation, amortization and accretion expense

Depreciation, amortization and accretion expense increased $1.5 million primarily driven by our recent acquisitions.

Interest expense

Interest expense increased $2.7 million due to an increase in the average interest rate charged on our credit facility borrowings from 3.6% to 4.2% and additional borrowings to fund our recent acquisitions. In addition, we incurred $0.8 million of interest expense in 2017 related to our sale leaseback executed in December 2016.

Income tax benefit

We recorded income tax benefits of $2.7 million and $0.5 million for the six months ended June 30, 2017 and 2016, respectively. The increase in the income tax benefit was primarily due to an increase in the loss generated by our corporate subsidiaries.

Segment Results

We present the results of operations of our segments consistent with how our management views the business. Therefore, our segments are presented before intersegment eliminations (which consist of motor fuel sold by our Wholesale segment to our Retail segment). These comparisons are not necessarily indicative of future results.

Wholesale

The following table highlights the results of operations and certain operating metrics of our Wholesale segment. The narrative following these tables provides an analysis of the results of operations of that segment (thousands of dollars, except for the number of distribution sites and per gallon amounts):

	Three Months Ended June 30,		Six Months Ended June 30,	
	2017	2016	2017	2016
Gross profit:				
Motor fuel–third party	$ 9,037	$ 7,512	$ 16,902	$ 13,126
Motor fuel–intersegment and related party	5,854	6,807	11,335	12,918
Motor fuel gross profit	14,891	14,319	28,237	26,044
Rent and other	16,696	14,770	32,666	28,899
Total gross profit	31,587	29,089	60,903	54,943
Income from CST Fuel Supply equity(a)	3,830	4,245	7,433	8,296
Operating expenses	(7,739)	(7,434)	(15,006)	(13,298)
Adjusted EBITDA(b)	$ 27,678	$ 25,900	$ 53,330	$ 49,941
Motor fuel distribution sites (end of period):(c)				
Motor fuel–third party				
Independent dealers(d)	390	384	390	384
Lessee dealers(e)	434	361	434	361
Total motor fuel distribution–third party sites	824	745	824	745
Motor fuel–intersegment and related party				
DMS (related party)(f)	151	184	151	184
CST (related party)	43	43	43	43
Commission agents (Retail segment)(g)	82	65	82	65
Company operated retail sites (Retail segment)(h)	71	77	71	77
Total motor fuel distribution–intersegment and related party sites	347	369	347	369
Motor fuel distribution sites (average during the period):				
Motor fuel-third party distribution	822	739	822	711
Motor fuel-intersegment and related party distribution	357	380	360	393
Total motor fuel distribution sites	1,179	1,119	1,182	1,104
Volume of gallons distributed (in thousands)				
Third party	169,914	160,551	321,594	297,916
Intersegment and related party	96,597	105,359	183,337	204,156
Total volume of gallons distributed	266,511	265,910	504,931	502,072
Wholesale margin per gallon	$ 0.056	$ 0.054	$ 0.056	$ 0.052

(a) Represents income from our equity interest in CST Fuel Supply.

(b) Please see the reconciliation of our segment's Adjusted EBITDA to consolidated net income (loss) under the heading "Results of Operations—Non-GAAP Financial Measures."

(c) In addition, as of June 30, 2017 and 2016, we distributed motor fuel to 14 sub-wholesalers who distributed to additional sites.

(d) The increase in the independent dealer site count was primarily attributable to 25 wholesale fuel supply contracts acquired in the State Oil Assets acquisition, partially offset by a net 19 terminated motor fuel supply contracts that were not renewed.

(e) The increase in the lessee dealer site count was primarily attributable to converting 9 company operated retail sites in our Retail segment to lessee dealers in our Wholesale segment and the 49 sites acquired in the September 2016 State Oil Assets acquisition.

(f) During the fourth quarter of 2016, the Partnership recaptured 25 sites from DMS and operated them as commission agent sites. During the second quarter of 2017, CrossAmerica converted some of these recaptured sites to lessee dealers.

(g) The decrease in the company operated retail site count was primarily attributable to company operated retail sites being converted to lessee dealer sites.

Three Months Ended June 30, 2017 Compared to Three Months Ended June 30, 2016

The results were driven by:

Motor Fuel Gross profit

The $0.6 million increase in motor fuel gross profit was primarily due to a $0.5 million increase primarily from 1) increased payment discounts and incentives due to the increase in motor fuel prices as a result of the increase in crude oil prices; 2) increased DTW margins as a result of the movements in crude prices throughout both periods; and 3) incremental volumes from the State Oil Assets acquisition. The average daily spot price of WTI crude oil increased 6% to $48.10 per barrel for the second quarter of 2017, compared to $45.46 per barrel for the second quarter of 2016. See "Significant Factors Affecting our Profitability—The Significance of Crude Oil and Wholesale Motor Fuel Prices on Our Revenues, Cost of Sales and Gross Profit."

Rent and other gross profit

Rent and other gross profit increased $1.9 million primarily as a result of our September 2016 acquisition of the State Oil Assets, as well as converting company operated retail sites to lessee dealer sites throughout 2016, partially offset by 25 DMS sites being converted to commission agent sites in 2016, which resulted in the rent income from these 25 sites being included in the retail segment rather than the wholesale segment.

Income from CST Fuel Supply equity

The decline of $0.4 million was primarily attributable to CST's July 2016 divestiture of its California and Wyoming retail sites.

Operating expenses

Operating expenses increased $0.3 million primarily as a result of our 2016 acquisitions as well as our conversion of company operated retail sites to lessee dealer sites throughout 2016.

Six Months Ended June 30, 2017 Compared to Six Months Ended June 30, 2016

The results were driven by:

Motor Fuel Gross profit

The $2.2 million increase in motor fuel gross profit was due to a $2.0 million increase primarily from increased payment discounts and incentives due to the increase in motor fuel prices as a result of the increase in crude oil prices. The average daily spot price of WTI crude oil increased 26% to $49.85 per barrel for the six months ended June 30, 2017, compared to $39.55 per barrel for the six months ended June 30, 2016. See "Significant Factors Affecting our Profitability—The Significance of Crude Oil and Wholesale Motor Fuel Prices on Our Revenues, Cost of Sales and Gross Profit."

Rent and other gross profit

Rent and other gross profit increased $3.8 million primarily as a result of our September 2016 acquisition of the State Oil Assets, as well as converting company operated retail sites to lessee dealer sites throughout 2016, partially offset by 25 DMS sites being converted to commission agent sites in 2016, which resulted in the rent income from these 25 sites being included in the retail segment rather than the wholesale segment.

Income from CST Fuel Supply equity

The decline of $0.9 million was primarily attributable to CST's July 2016 divestiture of its California and Wyoming retail sites.

Operating expenses

Operating expenses increased $1.7 million primarily as a result of our 2016 acquisitions as well as our conversion of company operated retail sites to lessee dealer sites throughout 2016.

Retail

The following table highlights the results of operations and certain operating metrics of our Retail segment. The narrative following these tables provides an analysis of the results of operations of that segment (thousands of dollars, except for the number of retail sites and per gallon amounts):

	Three Months Ended June 30,		Six Months Ended June 30,	
	2017	2016	2017	2016
Gross profit:				
Motor fuel	$ 2,076	$ 2,361	$ 3,239	$ 4,890
Merchandise and services	6,789	8,033	12,550	15,748
Rent and other	1,156	1,019	2,370	1,992
Total gross profit	10,021	11,413	18,159	22,630
Operating expenses	(8,483)	(8,685)	(16,476)	(18,232)
Inventory fair value adjustments[(a)]	—	—	—	91
Adjusted EBITDA[(b)]	$ 1,538	$ 2,728	$ 1,683	$ 4,489
Retail sites (end of period):				
Commission agents[(c)]	82	65	82	65
Company operated retail sites[(d)]	72	80	72	80
Total system sites at the end of the period	154	145	154	145
Total system operating statistics:				
Average retail fuel sites during the period[(c)(d)]	163	150	166	162
Motor fuel sales (gallons per site per day)	2,734	2,984	2,573	2,751
Motor fuel gross profit per gallon, net of credit card fees and commissions	$ 0.051	$ 0.058	$ 0.042	$ 0.060
Commission agents statistics:				
Average retail fuel sites during the period[(c)]	91	65	94	66
Motor fuel gross profit per gallon, net of credit card fees and commissions	$ 0.010	$ 0.019	$ 0.011	$ 0.018
Company operated retail site statistics:				
Average retail fuel sites during the period[(d)]	72	85	72	96
Motor fuel gross profit per gallon, net of credit card fees	$ 0.097	$ 0.091	$ 0.078	$ 0.094
Merchandise and services gross profit percentage, net of credit card fees	24.5%	24.1%	24.3%	24.7%

(a) The inventory fair value adjustment represents the expensing of the step-up in value ascribed to inventory acquired in the Franchised Holiday Stores acquisition.

(b) Please see the reconciliation of our segment's Adjusted EBITDA to consolidated net income under the heading "Results of Operations—Non-GAAP Financial Measures" below.

(c) During the fourth quarter of 2016, we recaptured 25 sites from DMS and operated them as commission agent sites. During the second quarter of 2017, we converted some of these recaptured sites to lessee dealers.

(d) The decrease in company operated retail sites relates to the conversion of company operated retail sites to lessee dealer sites.

Three Months Ended June 30, 2017 Compared to Three Months Ended June 30, 2016

Gross profit declined $1.4 million, while operating expenses declined $0.2 million.

These results were impacted by:

Gross profit

- Our motor fuel gross profit decreased $0.3 million attributable to a 12% decrease in margin per gallon as a result of the movements in crude oil prices throughout the two periods. See “Significant Factors Affecting our Profitability—The Significance of Crude Oil and Wholesale Motor Fuel Prices on Our Revenues, Cost of Sales and Gross Profit.”
- Our merchandise and services gross profit declined $1.2 million as a result of the conversion of company operated retail sites to lessee dealer sites, partially offset by the incremental gross profit generated by the Franchised Holiday Stores.
- Our rent and other gross profit increased $0.1 million primarily from 25 DMS sites being converted to commission agent sites in 2016, which resulted in the rent income from these 25 sites being included in the retail segment rather than the wholesale segment.

Operating expenses

- The $0.2 million decline in operating expenses was attributable to the conversion of company operated retail sites to lessee dealer sites, partially offset by the impact of the Franchised Holiday Stores acquisition and the 25 DMS sites being converted to commission agent sites in 2016.

Six Months Ended June 30, 2017 Compared to Six Months Ended June 30, 2016

Gross profit declined $4.5 million, while operating expenses declined $1.8 million.

These results were impacted by:

Gross profit

- Our motor fuel gross profit decreased $1.7 million attributable to a 31% decrease in margin per gallon as a result of the movement in crude oil prices throughout the two periods. See “Significant Factors Affecting our Profitability—The Significance of Crude Oil and Wholesale Motor Fuel Prices on Our Revenues, Cost of Sales and Gross Profit.”
- Our merchandise and services gross profit declined $3.2 million as a result of the conversion of company operated retail sites to lessee dealer sites, partially offset by the incremental gross profit generated by the Franchised Holiday Stores.
- Our rent and other gross profit increased $0.4 million primarily from 25 DMS sites being converted to commission agent sites in 2016, which resulted in the rent income from these 25 sites being included in the retail segment rather than the wholesale segment.

Operating expenses

- The $1.8 million decline in operating expenses was attributable to the conversion of company operated retail sites to lessee dealer sites, partially offset by the impact of the Franchised Holiday Stores acquisition and the 25 DMS sites being converted to commission agent sites in 2016.

Non-GAAP Financial Measures

We use non-GAAP financial measures EBITDA, Adjusted EBITDA, Distributable Cash Flow and Distribution Coverage Ratio. EBITDA represents net income available to us before deducting interest expense, income taxes, depreciation, amortization and accretion. Adjusted EBITDA represents EBITDA as further adjusted to exclude equity funded expenses related to incentive compensation and the Amended Omnibus Agreement, gains or losses on sales of assets, certain discrete acquisition related costs, such as legal and other professional fees and severance expenses associated with recently acquired companies, and certain other discrete non-cash items arising from purchase accounting. Distributable Cash Flow represents Adjusted EBITDA less cash interest expense, sustaining capital expenditures and current income tax expense. Distribution Coverage Ratio is computed by dividing Distributable Cash Flow by the weighted average diluted common and subordinated units and then dividing that result by the distributions paid per limited partner unit.

EBITDA, Adjusted EBITDA, Distributable Cash Flow and Distribution Coverage Ratio are used as supplemental financial measures by management and by external users of our financial statements, such as investors and lenders. EBITDA and Adjusted EBITDA are used to assess our financial performance without regard to financing methods, capital structure or income taxes and the ability to incur and service debt and to fund capital expenditures. In addition, Adjusted EBITDA is used to assess the operating performance of our business on a consistent basis by excluding the impact of items which do not result directly from the wholesale distribution of motor fuel, the leasing of real property, or the day to day operations of our retail site activities. EBITDA, Adjusted EBITDA, Distributable Cash Flow and Distribution Coverage Ratio are also used to assess the ability to generate cash sufficient to make distributions to our unit-holders.

We believe the presentation of EBITDA, Adjusted EBITDA, Distributable Cash Flow and Distribution Coverage Ratio provides useful information to investors in assessing the financial condition and results of operations. EBITDA, Adjusted EBITDA, Distributable Cash Flow and Distribution Coverage Ratio should not be considered alternatives to net income or any other measure of financial performance or liquidity presented in accordance with U.S. GAAP. EBITDA, Adjusted EBITDA, Distributable Cash Flow and Distribution Coverage Ratio have important limitations as analytical tools because they exclude some but not all items that affect net income. Additionally, because EBITDA, Adjusted EBITDA, Distributable Cash Flow and Distribution Coverage Ratio may be defined differently by other companies in our industry, our definitions may not be comparable to similarly titled measures of other companies, thereby diminishing their utility.

The following table presents reconciliations of EBITDA, Adjusted EBITDA, and Distributable Cash Flow to net income, the most directly comparable U.S. GAAP financial measure, for each of the periods indicated (in thousands, except for per unit amounts):

	Three Months Ended June 30,		Six Months Ended June 30,	
	2017	2016	2017	2016
Net income (loss) available to CrossAmerica limited partners	$ (5,048)	$ 2,806	$ (4,344)	$ 3,814
Interest expense	6,795	5,704	13,497	10,769
Income tax expense (benefit)	49	338	(2,652)	(457)
Depreciation, amortization and accretion	14,278	14,262	28,626	27,162
EBITDA	16,074	23,110	35,127	41,288
Equity funded expenses related to incentive compensation and the Amended Omnibus Agreement (a)	4,144	3,343	8,310	6,625
Loss on sales of assets, net	314	102	358	106
Acquisition-related costs (b)	7,236	563	7,709	1,223
Inventory fair value adjustments	—	—	—	91
Adjusted EBITDA	27,768	27,118	51,504	49,333
Cash interest expense	(6,488)	(5,354)	(12,645)	(10,049)
Sustaining capital expenditures (c)	(358)	(198)	(722)	(329)
Current income tax expense	239	(365)	(120)	(465)
Distributable Cash Flow	$ 21,161	$ 21,201	$ 38,017	$ 38,490
Weighted average diluted common and subordinated units	33,807	33,292	33,718	33,244
Distributions paid per limited partner unit (d)	$ 0.6175	$ 0.5975	$ 1.2300	$ 1.1900
Distribution Coverage Ratio (e)	**1.01x**	**1.07x**	**0.92x**	**0.97x**

(a) As approved by the independent conflicts committee of the Board and the executive committee of CST and its board of directors, the Partnership and CST mutually agreed to settle certain amounts due under the terms of the Amended Omnibus Agreement in limited partner units of the Partnership.

(b) Relates to certain discrete acquisition related costs, such as legal and other professional fees, severance expenses and purchase accounting adjustments associated with recently acquired businesses. Acquisition-related costs for the three and six months ended June 30, 2017 include severance and benefit expense and retention bonuses paid to certain EICP participants associated with CST's merger with Couche-Tard. See "Significant Factors Affecting our Profitability—Separation Benefits and Retention Bonuses" for additional information.

(c) Under the Partnership Agreement, sustaining capital expenditures are capital expenditures made to maintain our long-term operating income or operating capacity. Examples of sustaining capital expenditures are those made to maintain existing contract volumes, including payments to renew existing distribution contracts, or to maintain our sites in conditions suitable to lease, such as parking lot or roof replacement/renovation, or to replace equipment required to operate the existing business.

(d) On July 26, 2017, the Board approved a quarterly distribution of $0.6225 per unit attributable to the second quarter of 2017. The distribution is payable on August 14, 2017 to all unitholders of record on August 7, 2017.

(e) The distribution coverage ratio is computed by dividing Distributable Cash Flow by the weighted average diluted common and subordinated units and then dividing that result by the distributions paid per limited partner unit.

The following table reconciles our segment Adjusted EBITDA to Consolidated Adjusted EBITDA presented in the table above (in thousands):

	Three Months Ended June 30,		Six Months Ended June 30,	
	2017	2016	2017	2016
Adjusted EBITDA - Wholesale segment	$ 27,678	$ 25,900	$ 53,330	$ 49,941
Adjusted EBITDA - Retail segment	1,538	2,728	1,683	4,489
Adjusted EBITDA - Total segment	$ 29,216	$ 28,628	$ 55,013	$ 54,430
Reconciling items:				
Elimination of intersegment profit in ending inventory balance	14	13	6	132
General and administrative expenses	(11,920)	(4,921)	(17,737)	(11,926)
Other income, net	127	316	245	434
Equity funded expenses related to incentive compensation and the Amended Omnibus Agreement	4,144	3,343	8,310	6,625
Acquisition-related costs	7,236	563	7,709	1,223
Net (income) loss attributable to noncontrolling interests	6	(4)	5	(6)
IDR distributions	(1,055)	(820)	(2,047)	(1,579)
Consolidated Adjusted EBITDA	$ 27,768	$ 27,118	$ 51,504	$ 49,333

Liquidity and Capital Resources

Liquidity

Our principal liquidity requirements are to finance our operations, fund acquisitions, service our debt and pay distributions to our unitholders and IDR distributions. We expect our ongoing sources of liquidity to include cash generated by our operations and borrowings under the revolving credit facility and, if available to us on acceptable terms, issuances of equity and debt securities. We regularly evaluate alternate sources of capital, including sale-leaseback financing of real property with third parties, to support our liquidity requirements.

Our ability to meet our debt service obligations and other capital requirements, including capital expenditures, acquisitions, and partnership distributions, 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.

We believe that we will have sufficient cash flow from operations, borrowing capacity under the revolving credit facility and access to capital markets and alternate sources of funding to meet our financial commitments, debt service obligations, contingencies, anticipated capital expenditures, and partnership distributions. 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 equity and/or debt securities.

Cash Flows

The following table summarizes cash flow activity (in thousands):

	Six Months Ended June 30,	
	2017	2016
Net Cash Provided by Operating Activities	$ 49,387	$ 37,041
Net Cash Used in Investing Activities	$ (7,435)	$ (60,484)
Net Cash (Used in) Provided by Financing Activities	$ (39,873)	$ 25,506

Operating Activities

Net cash provided by operating activities increased $12.4 million in 2017 compared to 2016, driven primarily by incremental cash flow generated by our acquisitions. In addition, we settled $1.9 million more in management fees related to the services provided under the Amended Omnibus Agreement in equity with CST in 2017 compared to 2016.

Investing Activities

We incurred $8.2 million and $5.5 million in capital expenditures in 2017 and 2016, respectively. Additionally, in 2016, $52.3 million of cash was used in acquiring the Franchised Holiday Stores and $2.9 million was used to purchase independent dealer and sub-wholesaler contracts from CST.

Financing Activities

During 2017, we paid $43.5 million in distributions and made net borrowings under our credit facility of $5.0 million. During 2016, we paid $41.2 million in distributions, made net borrowings of $71.6 million primarily to fund our Franchised Holiday Stores acquisition, and purchased $3.3 million in common units under our common unit purchase program.

Distributions

Distribution activity for 2017 was as follows:

Quarter Ended	Record Date	Payment Date	Cash Distribution (per unit)	Cash Distribution (in thousands)
December 31, 2016	February 6, 2017	February 13, 2017	$ 0.6125	$ 20,534
March 31, 2017	May 8, 2017	May 15, 2017	$ 0.6175	$ 20,906
June 30, 2017	August 7, 2017	August 14, 2017	$ 0.6225	$ 21,078

The amount of any distribution is subject to the discretion of the Board, which may modify or revoke our cash distribution policy at any time. Our Partnership Agreement does not require us to pay any distributions. As such, there can be no assurance we will continue to pay distributions in the future.

IDRs

During the three and six months ended June 30, 2017, we distributed $1.1 million and $2.0 million to CST with respect to the IDRs, respectively.

Expiration of the Subordination Period

In accordance with the terms of the Partnership Agreement, on February 25, 2016, the first business day after the payment of the fourth quarter 2015 distribution of $0.5925 per unit, the subordination period under the Partnership Agreement ended. At that time, each of the 7,525,000 outstanding subordinated units converted into one common unit and now participate in distributions pro rata with other common units.

Debt

As of June 30, 2017, our consolidated debt and capital lease obligations consisted of the following (in thousands):

$550 million revolving credit facility	$ 446,500
Note payable	794
Capital lease obligations	28,232
Total debt and capital lease obligations	475,526
Current portion	2,117
Noncurrent portion	473,409
Deferred financing fees	(2,746)
Noncurrent portion, net of deferred financing fees	$ 470,663

Our revolving credit facility is secured by substantially all of our assets. Our borrowings under the revolving credit facility had a weighted-average interest rate of 4.11% as of June 30, 2017 (LIBOR plus an applicable margin, which was 3.00% as of June 30, 2017). Letters of credit outstanding at June 30, 2017 totaled $6.5 million. The credit facility is secured by substantially all of the assets of CrossAmerica and its subsidiaries. The amount of availability under the revolving credit facility at August 4, 2017, after taking into consideration debt covenant restrictions, was $90.1 million. In connection with future acquisitions, the revolving credit facility requires, among other things, that we have, after giving effect to such acquisition, at least $20 million in the aggregate of borrowing availability under the revolving credit facility and unrestricted cash on the balance sheet on the date of such acquisition. We are required to maintain a total leverage ratio (as defined in the revolving credit facility) for the most recently completed four fiscal quarters of less than or equal to 4.50: 1.00, except for the first three full fiscal quarters following a material acquisition with a ratio of 5.00: 1.00, and a consolidated interest coverage ratio (as defined in the revolving credit facility) of greater than or equal to 2.75: 1.00. The computation of our total leverage ratio allows for a pro forma application of the EBITDA (as defined in the revolving credit facility) of acquired entities and was 4.25: 1.00 as of June 30, 2017. As of June 30, 2017, we were in compliance with these financial covenant ratios.

Capital Expenditures

We make investments to expand, upgrade and enhance existing assets. We categorize our capital requirements as either sustaining capital expenditures, growth capital expenditures or acquisition capital expenditures. Sustaining capital expenditures are those capital expenditures required to maintain our long-term operating income or operating capacity. Acquisition and growth capital expenditures are those capital expenditures that we expect will increase our operating income or operating capacity over the long term. We have the ability to fund our capital expenditures by additional borrowings under our revolving credit facility or, if available to us on acceptable terms, issuing additional equity, debt securities or other options, such as the sale of assets. With the significant decline in energy prices since 2014, access to the capital markets has tightened for the energy and MLP industries as a whole, which has impacted our cost of capital and our ability to raise equity and debt financing at favorable terms. Our ability to access the capital markets may have an impact on our ability to fund acquisitions. We may not be able to complete any offering of securities or other options on terms acceptable to us, if at all.

The following table outlines our consolidated capital expenditures and acquisitions for the six months ended June 30, 2017 and 2016 (in thousands):

	Six Months Ended June 30,	
	2017	2016
Sustaining capital	$ 722	$ 329
Growth	7,457	5,195
Acquisitions	—	55,250
Total consolidated capital expenditures and acquisitions	$ 8,179	$ 60,774

Other Matters Impacting Liquidity and Capital Resources

Concentration of Customers

For the six months ended June 30, 2017, we distributed approximately 14% of our total wholesale distribution volumes to DMS and its affiliates and DMS and its affiliates accounted for approximately 23% of our rental income. For the six months ended June 30, 2017, we distributed 8% of our total wholesale distribution volume to CST retail sites that are not supplied by CST Fuel Supply and received 20% of our rental income from CST. For more information regarding transactions with DMS and its affiliates and CST, see Note 7 of the Condensed Notes to Consolidated Financial Statements.

For the six months ended June 30, 2017, we received 9% of our rental income from a lessee dealer that operates certain of the retail sites acquired through the PMI and One Stop acquisitions.

Outlook

As noted previously, the prices paid to our motor fuel suppliers for wholesale motor fuel (which affects our costs of sales) are highly correlated to the price of crude oil. The crude oil commodity markets are highly volatile, and the market prices of crude oil, and, correspondingly, the market prices of wholesale motor fuel, experience significant and rapid fluctuations, which affect our motor fuel gross profit. See “Significant Factors Affecting our Profitability—The Significance of Crude Oil and Wholesale Motor Fuel Prices on Our Revenues, Cost of Sales and Gross Profit” for additional information.

As a result of our recent acquisitions, we expect our total motor fuel volume sold for 2017 to be higher than 2016 volumes. We also expect our rent income to increase in 2017 based on our recent acquisitions and our expectation that we will continue to convert company operated retail sites to lessee dealers.

We will continue to evaluate acquisitions on an opportunistic basis. Additionally, we will pursue acquisition targets that fit into our strategy. Whether we will be able to execute acquisitions will depend on market conditions, availability of suitable acquisition targets at attractive terms, acquisition related compliance with customary regulatory requirements, and our ability to finance such acquisitions on favorable terms and in compliance with our debt covenant restrictions.

New Accounting Policies

In May 2014, the FASB issued ASU 2014-09–*Revenue from Contracts with Customers (Topic 606)*, which results in comprehensive new revenue accounting guidance, requires enhanced disclosures to help users of financial statements better understand the nature, amount, timing, and uncertainty of revenue that is recognized, and develops a common revenue standard under U.S. GAAP and International Financial Reporting Standards. Specifically, the core principle of the guidance is that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods and services. With the issuance of ASU 2015-14, which deferred the effective date by one year, this guidance is effective January 1, 2018. The guidance can be applied either retrospectively to each prior reporting period presented, or as a cumulative-effect adjustment as of the date of adoption. Although management continues to evaluate the impact of adopting this new guidance, we do not expect the adoption to have a material impact on the financial statements, although it will affect disclosures.

In February 2016, the FASB issued ASU 2016-02–*Leases (Topic 842).* This standard modifies existing guidance for reporting organizations that enter into leases to increase transparency by recognizing lease assets and lease liabilities on the balance sheet and disclosing key information about leasing arrangements. ASU 2016-02 is effective for fiscal years and interim periods within those years beginning after December 15, 2018, and requires a modified retrospective approach to adoption. Early adoption is permitted. Management continues to evaluate the impact of this new guidance, but the adoption will have a material impact on our balance sheet. We do not anticipate adopting this guidance early. We intend to apply each of the practical expedients in adopting this new guidance.

In October 2016, the FASB issued ASU 2016-16–*Income Taxes (Topic 740): Intra-Entity Transfers of Assets Other Than Inventory.* This standard requires companies to account for income tax effects of intercompany transactions other than inventory in the period in which the transfer occurs. This guidance is effective January 1, 2018 and requires a modified retrospective application through a cumulative-effect adjustment directly to retained earnings as of the beginning of the period of adoption. We have chosen to early adopt the standard effective January 1, 2017, which had no impact as of the date of adoption but could impact us in the future.

In January 2017, the FASB issued ASU 2017-01–*Business Combinations (Topic 805): Clarifying the Definition of a Business.* This standard clarifies the definition of a business with the objective of adding guidance to assist entities with evaluating whether transactions should be accounted for as acquisitions (or disposals) of assets or businesses. The definition of a business affects many areas of accounting including acquisitions, disposals, goodwill and consolidation. ASU 2017-01 is effective for public fiscal years and interim periods within those years beginning after December 15, 2017. We have chosen to early adopt this standard effective January 1, 2017. Although there was no impact upon adoption, among other things, this guidance will result in the capitalization rather than expensing of acquisition costs in future transactions that will be accounted for as asset acquisitions rather than business combinations under the new definition of a business.

In January 2017, the FASB issued ASU 2017-04–*Intangibles–Goodwill and Other (Topic 350): Simplifying the Test for Goodwill Impairment.* This standard removes Step 2 of the goodwill impairment test. A goodwill impairment will now be the amount by which a reporting unit’s carrying value exceeds its fair value, not to exceed the carrying amount of goodwill. ASU 2017-04 is effective for a company's annual or any interim goodwill impairment tests in fiscal years beginning after December 15, 2019. Management has elected to early adopt this guidance effective January 1, 2017, which had no impact upon adoption but could result in a change in the measurement of an impairment loss if an impairment was required to be recorded in the future.

Certain other new financial accounting pronouncements have become effective for our financial statements but the adoption of these pronouncements did not materially impact our financial position, results of operations or disclosures.

Critical Accounting Policies Involving Critical Accounting Estimates

The preparation of financial statements in accordance with U.S. GAAP requires us to make estimates and assumptions that affect the amounts reported in our financial statements and accompanying notes. Actual results could differ from those estimates.

There have been no material changes to the critical accounting policies described in our Form 10-K.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Market Risk

We purchase gasoline and diesel fuel from several suppliers at costs that are subject to market volatility. These purchases are generally made pursuant to contracts or at market prices established with the supplier. We do not currently engage in hedging activities for these purchases due to our pricing structure that allows us to generally pass on price changes to our customers and related parties.

Interest Rate Risk

As of June 30, 2017, we had $446.5 million outstanding on our revolving credit facility. Our outstanding borrowings bear interest at LIBOR plus an applicable margin, which was 3.00% at June 30, 2017. Our borrowings had a weighted-average interest rate at June 30, 2017 of 4.11%. A one percentage point change in our average rate would impact annual interest expense by approximately $4.5 million.

Commodity Price Risk

We have not historically hedged or managed our price risk with respect to our commodity inventories (gasoline and diesel fuel), as the time period between the purchases of our motor fuel inventory and the sales to our customers is very short.

Regarding our supplier relationships, a majority of our total gallons purchased are subject to Terms Discounts. We have not historically hedged or managed our price risk with respect to these Terms Discounts. Based on our current volumes, we estimate a $10 per barrel change in the price of crude oil would impact our annual wholesale motor fuel gross profit by approximately $2.2 million related to these Terms Discounts.

Foreign Currency Risk

Our operations are located in the U.S., and therefore are not subject to foreign currency risk.

ITEM 4. CONTROLS AND PROCEDURES

(a) Evaluation of Disclosure Controls and Procedures

Our management has evaluated, with the participation of our principal executive officer and principal financial officer, the effectiveness of our disclosure controls and procedures (as defined in Rules 13a-15(f) under the Exchange Act) as of the end of the period covered by this report, and based on their evaluation, our principal executive officer and principal financial officer have concluded that our disclosure controls and procedures were effective as of June 30, 2017.

(b) Changes in Internal Control over Financial Reporting

There were no changes in our internal control over financial reporting (as that term is defined in Rules 13a-15(f) under the Exchange Act) that occurred during the three months ended June 30, 2017, that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II - OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

We hereby incorporate by reference into this Item our disclosures made in Part I, Item 1 of this quarterly report included in Note 8 of the Condensed Notes to Consolidated Financial Statements.

ITEM 1A. RISK FACTORS

There were no material changes in risk factors for the company in the period covered by this report. See the risk factors disclosed in the section entitled "Risk Factors" in our Form 10-K.

ITEM 2. UNRESGISTERED SALES OF EQUITY SECURITIES

Management Fee Issuance

As discussed in Note 7 to Item 1 in Part I above, on February 28, 2017 and May 10, 2017, CrossAmerica issued 171,039 and 128,983 common units to a subsidiary of CST as partial payment for the amounts incurred for the fourth quarter of 2016 and the first quarter of 2017, respectively, under the terms of the Amended Omnibus Agreement. This issuance of common units was made in reliance on Section 4(a)(2) of the Securities Act of 1933, as amended.

ITEM 6. EXHIBITS.

Exhibit No.	Description
10.27*	Form of Indemnification Agreement for directors of the Board and certain officers of CrossAmerica GP LLC
10.28*	Second Amendment to the Amended and Revised CrossAmerica Partners LP Executive Income Continuity Plan, dated June 26, 2017
31.1 *	Certification of Principal Executive Officer of CrossAmerica GP LLC as required by Rule 13a-14(a) of the Securities Exchange Act of 1934
31.2 *	Certification of Principal Financial Officer of CrossAmerica GP LLC as required by Rule 13a-14(a) of the Securities Exchange Act of 1934
32.1*†	Certification of Principal Executive Officer of CrossAmerica GP LLC pursuant to 18 U.S.C. §1350
32.2*†	Certification of Principal Financial Officer of CrossAmerica GP LLC pursuant to 18 U.S.C. §1350
101.INS *	XBRL Instance Document
101.SCH *	XBRL Taxonomy Extension Schema Document
101.CAL *	XBRL Taxonomy Extension Calculation Linkbase Document
101.LAB *	XBRL Taxonomy Extension Label Linkbase Document
101.PRE *	XBRL Taxonomy Extension Presentation Linkbase Document
101.DEF *	XBRL Taxonomy Extension Definition Linkbase Document

* Filed herewith

† Not considered to be "filed" for purposes of Section 18 of the Securities Exchange Act of 1934 or otherwise subject to the liabilities of that section.

SIGNATURE

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

CROSSAMERICA PARTNERS LP

By: CROSSAMERICA GP LLC, its General Partner

By: /s/ Evan W. Smith
Evan W. Smith
Vice President—Finance and Chief Financial Officer
(Duly Authorized Officer and Principal Financial and Accounting Officer)

Date: August 8, 2017

CROSSAMERICA GP LLC

CROSSAMERICA PARTNERS LP

INDEMNIFICATION AGREEMENT

This Indemnification Agreement ("***Agreement***") is executed to be effective as of June 28, 2017 by and between CrossAmerica GP LLC, a Delaware limited liability company (the "***General Partner***"), the general partner of CrossAmerica Partners LP, a Delaware limited partnership (the "***Partnership"***), on behalf of the General Partner and as general partner of the Partnership, and [name], [title] ("***Indemnitee***").

RECITALS

WHEREAS, highly competent persons have become more reluctant to serve publicly-held companies (including on the board of directors of a general partner of a publicly traded partnership) as directors or in other capacities unless they are provided with adequate protection through insurance or adequate indemnification against inordinate risks of claims and actions against them arising out of their service to and activities on behalf of the General Partner (including service to general partners of publicly traded partnerships);

WHEREAS, the Board of Directors of the General Partner (the "***Board***"), on behalf of the General Partner and the Partnership, has determined that in order to attract and retain the services of highly qualified individuals, the General Partner and the Partnership will attempt to maintain on an ongoing basis, at their sole expense, liability insurance to protect persons serving the General Partner and its subsidiaries from certain liabilities. Although the furnishing of such insurance has been a customary and widespread practice among United States-based corporations and other business enterprises, the General Partner and the Partnership believe that, given current market conditions and trends, such insurance may be available in the future only at higher premiums and with more exclusions. At the same time directors, officers and other persons in service to public companies or business enterprises are being increasingly subjected to expensive and time-consuming litigation relating to, among other things, matters that traditionally would have been brought only against the General Partner or the Partnership or business enterprise itself;

WHEREAS, Plaintiffs often seek damages in such large amounts and the costs of litigation may be so great (whether or not the case is meritorious), that the defense and/or settlement of such litigation is usually beyond the personal resources of directors and officers;

WHEREAS, the Limited Liability Company Agreement of the General Partner (as the same may be amended, restated or otherwise modified from time to time, the "***LLC Agreement***") and the First Amended and Restated Agreement of Limited Partnership of the Partnership (as the same may be amended, restated or otherwise modified from time to time, the "***Partnership Agreement***") require indemnification of the officers and directors of the General Partner, and Indemnitee may also be entitled to indemnification pursuant to the Delaware Revised Uniform Limited Partnership Act, as amended (the "***DRULPA***"), with respect to the Partnership and the Delaware Limited Liability Act, as amended (the "***LLC Act***"), with respect to the General Partner;

WHEREAS, the LLC Agreement, the Partnership Agreement, the DRULPA and the LLC Act expressly provide that the indemnification provisions set forth therein are not exclusive, and thereby contemplate that contracts may be entered into between the General Partner as the general partner of the Partnership, the Partnership and members of the board of directors, officers and other persons with respect to indemnification, hold harmless, advancement and reimbursement rights;

WHEREAS, the Board has determined that the increased difficulty in attracting and retaining highly qualified persons such as Indemnitee is detrimental to the best interests of the Partnership's unitholders;

WHEREAS, it is reasonable, prudent and necessary for the General Partner and the Partnership contractually to obligate themselves to indemnify and to hold harmless and to advance expenses on behalf of, such persons to the fullest extent permitted by applicable law, regardless of any amendment or revocation of the LLC Agreement or the Partnership Agreement , so that they will serve or continue to serve the General Partner free from undue concern that they will not be protected against liabilities;

WHEREAS, this Agreement is a supplement to and in furtherance of the indemnification provided in the LLC Agreement and the Partnership Agreement and any resolutions adopted pursuant thereto, and shall not be deemed a substitute therefor, nor to diminish or abrogate any rights of Indemnitee thereunder; and

WHEREAS, Indemnitee does not regard the protection available under the LLC Agreement and the Partnership Agreement and insurance as adequate in the present circumstances, and may not be willing to serve as an officer or director without adequate protection, and the General Partner and the Partnership desire Indemnitee to serve in such capacity. Indemnitee is willing to serve, continue to serve and to take on additional service for or on behalf of the General Partner on the condition that he be so indemnified.

NOW, THEREFORE, in consideration of the premises and the covenants contained herein, the General Partner, on behalf of itself and as general partner of the Partnership, and Indemnitee do hereby covenant and agree as follows:

Section 1. Services to the General Partner. Indemnitee agrees to serve as a director or officer or key employee of the General Partner for so long as Indemnitee is duly elected or appointed or until Indemnitee tenders his resignation or is no longer serving in such capacity. Indemnitee may at any time and for any reason resign from such position (subject to any other contractual obligation or any obligation imposed by law), in which event the General Partner shall have no obligation under this Agreement to continue Indemnitee in such position. This Agreement shall not be deemed an employment contract between the General Partner, the Partnership (or any of its subsidiaries or any Enterprise, as hereinafter defined) and Indemnitee. The forgoing notwithstanding, this Agreement shall continue in force after Indemnitee has ceased to serve as a director, officer or key employee of the General Partner in its capacity as general partner of the Partnership.

Section 2. Definitions.

As used in this Agreement:

(a) "***Beneficial Owner***" shall have the meaning given to such term in Rule 13d-3 under the Exchange Act; provided, however, that Beneficial Owner shall exclude any Person otherwise becoming a Beneficial Owner by reason of the unitholders of the Partnership approving a merger of the Partnership with another entity.

(b) "***Change in Control***" shall mean at any time the occurrence of any of the following events: (a) Circle K Stores Inc. and its subsidiaries shall cease, directly or indirectly, to beneficially own (as such term is defined in Rule 13d-3 under the Exchange Act) more than 50% of the Equity Interests in the General Partner; (b) any Person (other than Circle K Stores Inc. and its subsidiaries) shall Control the General Partner; (c) the General Partner shall cease to be the sole general partner of the Partnership; or (d) the Partnership and its subsidiaries shall fail to Control Lehigh Gas Wholesale Services, Inc.

(c) "***Control***" shall mean the possession, directly or indirectly, of the power to direct or cause the direction of the management or policies of a Person, whether through the ability to exercise voting power, by contract or otherwise. "***Controlling***" and "***Controlled***" have meanings correlative thereto.

(d) "***Enterprise***" shall mean any corporation (other than the General Partner or the Partnership), partnership, joint venture, trust, employee benefit plan, limited liability company, or other legal entity of which Indemnitee is or was serving at the request of the General Partner as a director, officer, trustee, partner, member, fiduciary, employee or agent.

(e) "***Equity Interests***" shall mean (a) in the case of a corporation, capital stock, (b) in the case of an association or business entity, any and all shares, interests, participations, rights or other equivalents (however designated) of capital stock, (c) in the case of a partnership, partnership interests (whether general, preferred or limited), (d) in the case of a limited liability company, membership interests, and (e) any other interest or participation that confers or could confer on a Person the right to receive a share of the profits and losses of, or distributions of assets of, the issuing Person, without limitation, options, warrants and any other "equity security" as defined in Rule 3a11-1 of the Exchange Act.

(f) "***Exchange Act***" shall mean the Securities Exchange Act of 1934, as amended.

(g) "***Expenses***" shall include all direct and indirect costs, fees and expenses of any type or nature whatsoever, including without limitation all reasonable attorneys' fees and costs, transcript costs, fees of experts, travel expenses, fees of private investigators and professional advisors, duplicating costs, printing and binding costs, telephone charges, postage, delivery service fees, and all other disbursements or expenses incurred in connection with prosecuting, defending, preparing to prosecute or defend, investigating, being or preparing to be a witness in, settlement

or appeal or otherwise participating in, a Proceeding (as defined below), including reasonable compensation for time spent by Indemnitee for which he is not otherwise compensated by the General Partner or the Partnership or any third party. Expenses also shall include Expenses incurred in connection with any appeal resulting from a Proceeding (as defined below), including without limitation the premium, security for and other costs relating to any cost bond, supersedeas bond, or other appeal bond or its equivalent. Expenses, however, shall not include amounts paid in settlement by Indemnitee or the amount of judgments or fines against Indemnitee.

(h) "***General Partner Status***" describes the status of a person who is or was a director, officer, trustee, partner, member, fiduciary, employee or agent of the General Partner or of any other Enterprise (as defined below) which such person is or was serving at the request of the General Partner.

(i) "***Independent Counsel***" means a law firm, or a partner (or, if applicable, member or shareholder) of such a law firm, that is experienced in matters of Delaware partnership law and neither presently is, nor in the past five (5) years has been, retained to represent: (i) the General Partner, the Partnership, any subsidiary of the General Partner or the Partnership, any Enterprise or Indemnitee in any matter material to any such party (other than with respect to matters concerning Indemnitee under this Agreement, or of other indemnitees under similar indemnification agreements); or (ii) any other party to the Proceeding giving rise to a claim for indemnification hereunder. Notwithstanding the foregoing, the term "Independent Counsel" shall not include any person who, under the applicable standards of professional conduct then prevailing, would have a conflict of interest in representing any of the General Partner, the Partnership or Indemnitee in an action to determine Indemnitee's rights under this Agreement. The Partnership agrees to pay the reasonable fees and expenses of the Independent Counsel referred to above and to fully indemnify such counsel against any and all expenses, claims, liabilities and damages arising out of or relating to this Agreement or its engagement pursuant hereto.

(j) "***Person***" shall have the meaning as set forth in Sections 13(d) and 14(d) of the Exchange Act; provided, however, that Person shall exclude (i) the General Partner, (ii) the Partnership, (iii) any trustee or other fiduciary holding securities under an employee benefit plan of the General Partner or the Partnership, and (iv) any corporation owned, directly or indirectly, by the unitholders of the General Partner in substantially the same proportions as their ownership of stock of the General Partner.

(k) ***"Potential Change in Control"*** shall be deemed to have occurred if: (i) the Partnership enters into an agreement or arrangement, the consummation of which would result in the occurrence of a Change in Control; (ii) any Person or the Partnership publicly announces an intention to take or consider taking actions which if consummated would constitute a Change in Control; or (iii) the Board

adopts a resolution to the effect that, for purposes of this Agreement, a Potential Change in Control has occurred.

(l) "***Proceeding***" shall include any threatened, pending or completed action, suit, arbitration, alternate dispute resolution mechanism, investigation, inquiry, administrative hearing or any other actual, threatened or completed proceeding, whether brought in the right of the General Partner, the Partnership or otherwise and whether of a civil (including intentional or unintentional tort claims), criminal, administrative, regulatory or investigative nature, and whether formal or informal, in which Indemnitee was, is or will be involved as a party or otherwise by reason of Indemnitee's General Partner Status or by reason of any action taken by Indemnitee or of any inaction on his part while acting in his General Partner Status, in each case whether or not serving in such capacity at the time any liability or Expense is incurred for which indemnification, reimbursement or advancement of expenses can be provided under this Agreement; provided, however, that the term "Proceeding" shall not include any action, suit or part thereof, initiated by Indemnitee to enforce Indemnitee's rights under this Agreement as provided for in Section 14(a) of this Agreement.

Section 3. Indemnity in Third-Party Proceedings. The Partnership shall indemnify Indemnitee to the extent set forth in this Section 3 if Indemnitee was, is, or is threatened to be made a party to or a participant in any Proceeding, other than a Proceeding by or in the right of the Partnership to procure a judgment in its favor. Pursuant to this Section 3, Indemnitee shall be indemnified against all Expenses, judgments, fines, penalties, excise taxes, and amounts paid in settlement actually and reasonably incurred by Indemnitee or on his behalf in connection with such Proceeding or any claim, issue or matter therein, if Indemnitee acted in good faith and in a manner he reasonably believed to be in or not opposed to the best interests of the Partnership and, in the case of a criminal proceeding, had no reasonable cause to believe that his conduct was unlawful. Indemnitee shall not enter into any settlement in connection with a Proceeding without ten (10) days' prior notice to the General Partner.

Section 4. Indemnity in Proceedings as a Result of Indemnitee's General Partner Status. The Partnership shall indemnify and hold harmless Indemnitee in accordance with the provisions of this Section 4 if Indemnitee was, is, or is threatened to be made, a party to or a participant in any Proceeding brought by or in the right of the Partnership to procure a judgment in its favor. Pursuant to this Section 4, Indemnitee shall be indemnified against all Expenses actually and reasonably incurred by Indemnitee or on his behalf in connection with such Proceeding or any claim, issue or matter therein, if Indemnitee acted in good faith and in a manner he reasonably believed to be in or not opposed to the best interests of the Partnership. No indemnification or hold harmless right for Expenses, judgments, fines, penalties, excise taxes or amount paid in settlement shall be made under this Section 4 in respect of any claim, issue or matter as to which Indemnitee shall have been finally adjudged by a court to be liable to the Partnership, unless and only to the extent that any court in which the Proceeding was brought or the Delaware Court of Chancery (the "***Delaware Court***") shall determine upon application that, despite the adjudication of liability but in view of all the circumstances of the case, Indemnitee is fairly and reasonably entitled to indemnification or to be held harmless for such Expenses as the Delaware Court or such other court shall deem proper.

Section 5. Indemnification for Expenses of a Party Who is Wholly or Partly Successful. Notwithstanding any other provision of this Agreement and except as provided in Section 9, to the extent that Indemnitee is a party to or a participant in any Proceeding and is successful on the merits or otherwise, in such Proceeding or in defense of any claim, issue or matter therein, the Partnership shall indemnify and hold harmless Indemnitee against all Expenses actually and reasonably incurred by him or on his behalf in connection therewith. If Indemnitee is not wholly successful in such Proceeding but is successful on the merits or otherwise, as to one or more but less than all claims, issues or matters in such Proceeding, the Partnership shall indemnify and hold harmless Indemnitee against all Expenses actually and reasonably incurred by him or on his behalf in connection with each successfully resolved claim, issue or matter. For purposes of this Section 5 and without limitation, the termination of any claim, issue or matter in such a Proceeding by dismissal, with or without prejudice, shall be deemed to be a successful result as to such claim, issue or matter.

Section 6. Reimbursement for Expenses of a Witness or in Response to a Subpoena. Notwithstanding any other provision of this Agreement, to the extent that Indemnitee, by reason of his General Partner Status, (i) is a witness in any Proceeding to which Indemnitee is not a party and is not threatened to be made a party or (ii) receives a subpoena with respect to any Proceeding to which Indemnitee is not a party and is not threatened to be made a party, the Partnership shall reimburse and hold harmless Indemnitee for and against all Expenses actually and reasonably incurred by him or on his behalf in connection therewith.

Section 7. **Additional Indemnification And Hold Harmless Rights.**

(a) Except as provided in Section 9, notwithstanding any limitation in Sections 3, 4 or 5, the Partnership shall indemnify and hold harmless Indemnitee to the fullest extent permitted by law if Indemnitee is a party to or is threatened to be made a party to any Proceeding (including a Proceeding by or in the right of the Partnership to procure a judgment in its favor) against all Expenses, judgments, fines, penalties and amounts paid in settlement (including all interest, assessments and other charges paid or payable in connection with or in respect of such Expenses, judgments, fines, penalties and amounts paid in settlement) actually and reasonably incurred by Indemnitee or on his behalf in connection with the Proceeding.

(b) For purposes of Section 7(a) the meaning of the phrase "to the fullest extent permitted by law" shall include, but not be limited to:

i. to the fullest extent permitted by the provisions of the DRULPA or the Exchange Act that authorizes or contemplates additional indemnification by agreement, or the corresponding provision of any amendment to or replacement of the DRULPA or the Exchange Act or such provision thereof; and

ii. to the fullest extent authorized or permitted by any amendments to or replacements of the DRULPA or the Exchange Act adopted after the date of this Agreement that increase the extent to which a corporation may indemnify its officer and directors.

Section 8. Contribution.

(a) To the fullest extent permissible under applicable law, if the indemnification and hold harmless rights provided for in this Agreement are unavailable to Indemnitee in whole or in part for any reason whatsoever in connection with a Proceeding in which either the Partnership or the General Partner is jointly liable with Indemnitee (or would be if joined in such Proceeding), then, the Partnership, in lieu of indemnifying and holding harmless Indemnitee, shall pay, in the first instance, the entire amount incurred by Indemnitee, whether for judgments, liabilities, fines, penalties, excise taxes, amounts paid or to be paid in settlement and/or for Expenses, in connection with any Proceeding without requiring Indemnitee to contribute to such payment, and the General Partner and the Partnership hereby waive and relinquish any right of contribution either the General Partner or the Partnership may have at any time against Indemnitee. Neither the Partnership nor the General Partner shall enter into any settlement of any action, suit or proceeding in which either the Partnership or the General Partner is jointly liable with Indemnitee (or would be if joined in such action, suit or proceeding) unless such settlement provides for a full and final release of all claims against Indemnitee.

(b) In the event the preceding paragraph is not enforced for any reason, and if the indemnification and hold harmless rights provided for in this Agreement are unavailable to Indemnitee in whole or in part for any reason whatsoever, the Partnership and the General Partner, in lieu of indemnifying and holding harmless Indemnitee, shall contribute to the amount incurred by Indemnitee, whether for judgments, liabilities, fines, penalties, excise taxes, amounts paid or to be paid in settlement and/or for Expenses, in connection with any Proceeding in such proportion as is deemed fair and reasonable in light of all of the circumstances in order to reflect (i) the relative benefits received by the Partnership or the General Partner, as the case may be, and Indemnitee in connection with such event(s) and/or transactions and/or (ii) the relative fault of the General Partner (and its directors, officers, employees and agents) and Indemnitee in connection with such event(s) and/or transactions.

(c) The Partnership hereby agrees to fully indemnify Indemnitee from any claims for contribution that may be brought by officers, directors or employees of the General Partner, other than Indemnitee, who may be jointly liable with Indemnitee.

Section 9. Exclusions. Notwithstanding any provision in this Agreement to the contrary, neither the Partnership nor the General Partner shall be obligated under this Agreement to make any indemnification or hold harmless payment in connection with any of the following:

(a) a claim made against Indemnitee for which payment has actually been received by or on behalf of Indemnitee under any director or officer liability insurance policy or other indemnity provision between Indemnitee and the General Partner or the Partnership, as the case may be, any of their respective subsidiaries or any Enterprise, except with respect to any excess beyond the amount actually received under any such insurance policy or other indemnity provision; or

(b) a claim made against Indemnitee for an accounting of profits made from the purchase and sale (or sale and purchase) by Indemnitee of securities of the Partnership within the meaning of Section 16(b) of the Exchange Act, or similar provisions of state statutory law or common law; or

(c) a claim made against Indemnitee for any reimbursement of, or payment to, the Partnership by Indemnitee of any bonus or other incentive-based or equity-based compensation or of any profits realized by Indemnitee from the sale of securities of the Partnership, as required in each case under the Exchange Act (including any such reimbursements that arise from an accounting restatement of the General Partner pursuant to Section 304 of the Sarbanes-Oxley Act of 2002 ("***SOX***"), or the payment to the Partnership of profits arising from the purchase and sale by Indemnitee of securities in violation of Section 306 of SOX), if Indemnitee is held liable therefor (including pursuant to any settlement arrangements) or in respect of claw-back provisions promulgated under the rules and regulations of the Securities and Exchange Commission pursuant to the Dodd-Frank Wall Street Reform and Consumer Protection Act; or

(d) except as otherwise provided in Section 14(e), in connection with any Proceeding (or part of any Proceeding) initiated voluntarily by Indemnitee, and not by way of defense, including any Proceeding (or any part of any Proceeding) initiated by Indemnitee against the General Partner or the Partnership, any legal entity which it controls, any director or officer thereof or any other indemnitees, unless (i) the Board has consented to the initiation of such Proceeding (or any part of any Proceeding) prior to its initiation or (ii) the Partnership provides the indemnification, advancement or hold harmless payment in the General Partner's sole discretion, pursuant to the powers vested in the General Partner under applicable law or the Partnership Agreement; or

(e) a claim made against Indemnitee for which indemnification or advancement of expenses is prohibited by applicable law.

Section 10. Advancement of Expenses. Notwithstanding any provision of this Agreement to the contrary, and to the fullest extent permitted by applicable law, the Partnership shall advance the Expenses incurred by or on behalf of Indemnitee in connection with any Proceeding as soon as practical but in any event not more than thirty (30) days after the receipt by the Partnership of a statement or statements from Indemnitee requesting such advances (which shall include invoices received by Indemnitee in connection with such Expenses but, in the case of invoices in connection with legal services, any references to legal work performed or to expenditures made that would cause Indemnitee to waive any privilege accorded by applicable law shall not be included with the invoice) from time to time, whether prior to or after final disposition of any Proceeding. Advances shall be unsecured and interest free. Advances shall be made without regard to Indemnitee's ability to repay the Expenses and without regard to Indemnitee's ultimate entitlement to indemnification or hold harmless under the provisions of this Agreement, the LLC Agreement, the Partnership Agreement, applicable law or otherwise. Indemnitee shall qualify for advances to the fullest extent permitted by applicable law solely upon the execution and delivery to the Partnership of an undertaking to repay the advance if and to the extent it is ultimately determined by the Delaware Court or other court of competent jurisdiction in a final judgment not subject to appeal that Indemnitee is not entitled to be indemnified by the Partnership under the

provision of this Agreement, the LLC Agreement, the Partnership Agreement, applicable law or otherwise. The right to advances under this paragraph shall in all events continue until final disposition of any Proceeding, including any appeal therein. Nothing in this Section 10 shall limit Indemnitee's right to advancement pursuant to Section 14(e) of this Agreement.

Section 11. Procedure for Notification and Defense of Claim.

(a) Indemnitee agrees to promptly notify the Partnership in writing upon being served with any summons, citation, subpoena, complaint, indictment, inquiry, information or other document relating to any Proceeding or matter that may be subject to indemnification or hold harmless rights, or advancement of Expenses covered hereunder. The failure of Indemnitee to so notify the Partnership shall not relieve the Partnership of any obligation that it may have to Indemnitee under this Agreement, or otherwise.

(b) To obtain indemnification under this Agreement, Indemnitee shall submit to the Partnership a written request, including therein or therewith such documentation and information as is reasonably available to Indemnitee and is reasonably necessary to determine whether and to what extent Indemnitee is entitled to indemnification. Following such a written request for indemnification by Indemnitee, Indemnitee's entitlement to indemnification shall be determined in accordance with Section 12(b) of this Agreement. Notwithstanding the foregoing, any failure of Indemnitee to provide such a request to the Partnership, or to provide such a request in a timely fashion, shall not relieve the Partnership of any liability that it may have to Indemnitee unless, and to the extent that, such failure actually and materially prejudices the interests of the Partnership.

(c) The Partnership and the General Partner, as the case may be, will be entitled to participate in the Proceeding at its own expense.

(d) The Partnership or the General Partner on behalf of itself or of the Partnership shall not settle any action, claim or Proceeding (in whole or in part) which would impose any Expense, judgment, fine, penalty or limitation on Indemnitee without Indemnitee's prior written consent.

Section 12. Procedure Upon Application for Indemnification.

(a) To the extent that Indemnitee shall have been successful on the merits in any Proceeding to which he is a party or a participant or in defense of any claim, issue or matter therein, no determination shall be required to be made with respect to Indemnitee's entitlement to indemnification or hold harmless hereunder.

(b) In all other cases, upon a written request by Indemnitee for indemnification pursuant to Section 11 a determination with respect to Indemnitee's entitlement thereto shall be made in the specific case by one of the following methods: (x) if a Change in Control shall have occurred, (i) by Independent Counsel in a written opinion to the Board or (ii) if the Indemnitee so requests in writing, by a majority vote of the disinterested directors, even though less than a quorum; or (y) if a Change in Control shall not have occurred: by one of the following four methods which shall be at the election of the Board: (i) by a majority vote of the disinterested directors, even though less than a quorum, (ii) by a committee of

disinterested directors designated by a majority vote of the disinterested directors, even though less than a quorum, or (iii) if there are no disinterested directors or if the disinterested directors so direct, by Independent Counsel in a written opinion to the Board, a copy of which shall be delivered to Indemnitee.

(c) If the determination of entitlement to indemnification is to be made by Independent Counsel pursuant to Section 12(b) hereof, the Independent Counsel shall be selected as provided in this Section 12(c). If a Change in Control shall not have occurred, the Independent Counsel shall be selected by the Board and if a Change in Control shall have occurred, the Independent Counsel shall be selected by Indemnitee. Indemnitee, the Partnership or the General Partner, as the case may be, may, within ten (10) days after such written notice of selection shall have been given, deliver to Partnership, the General Partner or Indemnitee, as the case may be, a written objection to such selection; provided, however, that such objection may be asserted only on the ground that the Independent Counsel so selected does not meet the requirements of "Independent Counsel" as defined in Section 2 of this Agreement, and the objection shall set forth with particularity the factual basis of such assertion. Absent a proper and timely objection, the person so selected shall act as Independent Counsel. If a written objection is made and substantiated, the Independent Counsel selected may not serve as Independent Counsel unless and until such objection is withdrawn or a court has determined that such objection is without merit. If, within twenty (20) days after submission by Indemnitee of a written request for indemnification pursuant to Section 11 hereof, no Independent Counsel shall have been selected and not objected to, any of the Partnership, the General Partner or Indemnitee may petition the Delaware Court or other court of competent jurisdiction for resolution of any objection which shall have been made by the Indemnitee, the Partnership or the General Partner to the selection of Independent Counsel and/or for the appointment as Independent Counsel of a person selected by the court or by such other person as the court shall designate. The person with respect to whom all objections are so resolved or the person so appointed shall act as Independent Counsel under Section 12(b) hereof. The Partnership shall pay any and all reasonable fees and expenses of Independent Counsel incurred by such Independent Counsel in connection with acting pursuant to Section 12(b) hereof, and the Partnership shall pay all reasonable fees and expenses incident to the procedures of this Section 12(c), regardless of the manner in which such Independent Counsel was selected or appointed.

Section 13. Presumptions and Effect of Certain Proceedings.

(a) To the extent permitted by applicable law, in making a determination with respect to entitlement to indemnification hereunder, it shall be presumed that Indemnitee is entitled to indemnification under this Agreement if Indemnitee has submitted a request for indemnification in accordance with Section 11(b) of this Agreement, and the Partnership or General Partner, as the case may be, shall have the burden of proof to overcome that presumption in connection with the making of any determination contrary to that presumption. Neither (i) the failure of the Partnership, the General Partner or of Independent Counsel to have made a determination prior to the commencement of any action pursuant to this Agreement that indemnification is proper in the circumstances because Indemnitee has met the applicable standard of conduct, nor (ii) an actual determination by the Partnership, the General Partner or by Independent Counsel that

Indemnitee has not met such applicable standard of conduct, shall be a defense to the action or create a presumption that Indemnitee has not met the applicable standard of conduct.

(b) The termination of any Proceeding or of any claim, issue or matter therein, by judgment, order, settlement or conviction, or upon a plea of guilty, nolo contendere or its equivalent, shall not (except as otherwise expressly provided in this Agreement) of itself adversely affect the right of Indemnitee to indemnification or create a presumption that Indemnitee did not act in good faith and in a manner which he reasonably believed to be in or not opposed to the best interests of the General Partner or the Partnership, as the case may be, or, with respect to any criminal Proceeding, that Indemnitee had reasonable cause to believe that his conduct was unlawful.

(c) The knowledge and/or actions, or failure to act, of any director, officer, trustee, partner, member, fiduciary, employee or agent of the General Partner, any subsidiary of the General Partner, the Partnership or any Enterprise shall not be imputed to Indemnitee for purposes of determining the right to indemnification under this Agreement.

(d) For purposes of any determination of good faith, Indemnitee shall be deemed to have acted in good faith and in a manner which he reasonably believed to be in or not opposed to the best interest of the General Partner or the Partnership if Indemnitee's action is based on the records or books of account of the Enterprise, including financial statements, or on information, opinions, reports or statements supplied to Indemnitee by the directors or officers of the Enterprise in the course of their duties, or on the advice of legal counsel for the Enterprise or on information or records given or reports made to the Enterprise by an independent certified public accountant or by an appraiser or other expert selected by the Enterprise. The provisions of this Section 13(d) shall not be deemed to be exclusive or to limit in any way the other circumstances in which Indemnitee may be deemed or found to have met the applicable standard of conduct set forth in this Agreement.

Section 14. Remedies of Indemnitee.

(a) Subject to Section 14(g), in the event that (i) a determination is made pursuant to Section 12 of this Agreement that Indemnitee is not entitled to indemnification under this Agreement, (ii) advancement of Expenses is not timely made pursuant to Section 10 of this Agreement, (iii) no determination of entitlement to indemnification shall have been made pursuant to Section 12(b) of this Agreement within sixty (60) days after receipt by the Partnership of the request for indemnification, (iv) payment of indemnification or reimbursement of expenses is not made pursuant to Sections 5 or 6 or the last sentence of Section 12(c) of this Agreement within thirty (30) days after receipt by the Partnership of a written request therefor, (v) payment of indemnification pursuant to Section 3 or 4 of this Agreement is not made within thirty (30) days after a determination has been made that Indemnitee is entitled to indemnification, or (vi) payment to Indemnitee pursuant to any contribution rights under this Agreement or otherwise is not made within ten (10) days, Indemnitee shall be entitled to an adjudication by the Delaware Court of his entitlement to such indemnification, hold harmless or advancement.

(b) In the event that a determination shall have been made pursuant to Section 12(b) of this Agreement that Indemnitee is not entitled to indemnification, any judicial proceeding commenced pursuant to this Section 14 shall be conducted in all respects as a de novo trial on the merits and Indemnitee shall not be prejudiced by reason of that adverse determination. In any judicial proceeding commenced pursuant to this Section 14, Indemnitee shall be presumed to be entitled to be indemnified and held harmless and to receive advances of Expenses under this Agreement and the General Partner or the Partnership, as the case may be, shall have the burden of proving Indemnitee is not entitled to indemnification and/or to be held harmless and/or to receive advances of Expenses, as the case may be, and neither the General Partner nor the Partnership may refer to or introduce into evidence any determination pursuant to Section 12(b) of this Agreement adverse to Indemnitee for any purpose.

(c) If Indemnitee is entitled to indemnification pursuant to Section 12(b) of this Agreement, the General Partner and the Partnership shall be bound by such provision and/or determination in any judicial proceeding commenced pursuant to this Section 14, absent (i) a misstatement by Indemnitee of a material fact, or an omission of a material fact necessary to make Indemnitee's statement not materially misleading, in connection with the request for indemnification, or (ii) a prohibition of such indemnification under applicable law.

(d) The General Partner and the Partnership shall be precluded from asserting in any judicial proceeding commenced pursuant to this Section 14 that the procedures and presumptions of this Agreement are not valid, binding and enforceable and shall stipulate in any such court that each of the General Partner and the Partnership is bound by all the provisions of this Agreement.

(e) The Partnership shall indemnify Indemnitee to the fullest extent permitted by law against any and all Expenses and, if requested by Indemnitee, shall (within ten (10) days after receipt by the Partnership of a written request therefor) advance to Indemnitee such Expenses which are incurred by Indemnitee in connection with any action brought by Indemnitee (i) to enforce his rights under or to recover damages for breach of this Agreement or any other indemnification, hold harmless, advancement or contribution provision of the LLC Agreement or the Partnership Agreement now or hereafter in effect; (ii) to defend against any claim brought by the General Partner or the Partnership to recover an advancement of Expenses pursuant to the terms of an undertaking; or (iii) for recovery or advances under any insurance policy maintained by any Person, the Partnership or the General Partner for the benefit of Indemnitee. Unless prohibited by applicable law, such indemnification and advancement shall be paid regardless of whether Indemnitee ultimately is determined to be entitled to such indemnification, advance, contribution or insurance recovery, as the case may be, in the suit for which indemnification, contribution or advancement is being sought.

(f) Interest shall be paid by the Partnership to Indemnitee, compounded quarterly, at 5% over the Federal Reserve discount rate (including surcharge), as established from time to time during the period that interest accrues for amounts which the General Partner or the Partnership owes Indemnitee pursuant to any right of Indemnitee under this Agreement

(including any right to indemnity, advancement of Expenses and any hold harmless right). Such interest shall accrue until such amounts are paid, and shall begin to accrue as follows: (i) except for amounts payable pursuant to the preceding Section 14(e), interest shall begin to accrue on the first date on which Indemnitee is entitled to commence a proceeding against the Partnership for failure to pay such amounts (regardless of whether Indemnitee commences a proceeding on such date) and (ii) in the case of amounts payable pursuant to the preceding Section 14(e), interest shall begin to accrue on the 31st day after an invoice for such amount is submitted to the Partnership.

(g) Notwithstanding anything in this Agreement to the contrary, no determination as to entitlement to indemnification under this Agreement shall be required to be made prior to the final disposition of the Proceeding, including any appeal therein.

Section 15. Establishment of Trust. In the event of a Potential Change in Control, the Partnership shall, upon written request by Indemnitee, create a "***Trust***" for the benefit of Indemnitee and from time to time upon written request of Indemnitee shall fund such Trust in an amount sufficient to satisfy any and all Expenses reasonably anticipated at the time of each such request to be incurred in connection with the investigating, preparing for, participating in or defending any Proceedings, and any and all judgments, fines, penalties and amounts paid in settlement (including interest, assessment and other charges paid or payable in connection with or in respect of such judgments, fines, penalties and amounts paid in settlement) in connection with any and all Proceedings from time to time actually paid or claimed, reasonably anticipated or proposed to be paid. The trustee of the Trust ("***Trustee***") shall be a bank or trust company or other individual or entity chosen by Indemnitee and reasonably acceptable to the General Partner on behalf of the Partnership. Nothing in this Section 15 shall relieve the General Partner or the Partnership of any of its obligations under this Agreement. The amount or amounts to be deposited in the Trust pursuant to the foregoing funding obligation shall be determined by mutual agreement of the Indemnitee and the General Partner, on behalf of the Partnership, or, if the General Partner, on behalf of the Partnership, and Indemnitee are unable to reach such an agreement by Independent Counsel selected in accordance with Section 12(c) of this Agreement. The terms of the Trust shall provide that, except upon the consent of both the Indemnitee and the General Partner, on behalf of the Partnership, upon a Change in Control: (a) the Trust shall not be revoked or the principal thereof invaded, without written consent of Indemnitee; (b) the Trustee shall advance, to the fullest extent permitted by applicable law, Expenses with respect to which Indemnitee would be entitled under this Agreement within ten (10) business days of a request by Indemnitee for advancement; (c) the Trust shall continue to be funded by the Partnership in accordance with the funding obligations set forth above; (d) the Trustee shall promptly pay to Indemnitee all amounts for which Indemnitee shall be entitled to indemnification, or to be held harmless pursuant to this Agreement or otherwise; and (e) all unexpended funds in such Trust shall revert to the Partnership upon mutual agreement by Indemnitee and the General Partner, on behalf of the Partnership or, if Indemnitee and the General Partner, on behalf of the Partnership, are unable to reach such an agreement, by Independent Counsel selected in accordance with Section 12(c) of this Agreement. The Trust shall be governed by Delaware law (without regard to its conflicts of law rules) and the Trustee shall consent to the exclusive jurisdiction of the Delaware Court in accordance with this Agreement.

Section 16. Security. Notwithstanding anything to the contrary herein, to the extent requested by Indemnitee and approved by the Board, the Partnership may at any time and from

time to time provide security to Indemnitee for the Partnership's obligations hereunder through an irrevocable bank line of credit, funded trust or other collateral. Any such security, once provided to Indemnitee, may not be revoked or released without the prior written consent of Indemnitee.

Section 17. Non-Exclusivity; Survival of Rights; Insurance; Subrogation.

(a) The rights of indemnification, hold harmless and to receive advancement as provided by this Agreement shall not be deemed exclusive of any other rights to which Indemnitee may at any time be entitled under applicable law, the LLC Agreement or the Partnership Agreement, any agreement, a vote of unitholders or a resolution of directors, or otherwise. No amendment, alteration or repeal of this Agreement or of any provision hereof shall limit or restrict any right of Indemnitee under this Agreement in respect of any action taken or omitted by such Indemnitee in his General Partner Status prior to such amendment, alteration or repeal. To the extent that a change in Delaware law, whether by statute or judicial decision, permits greater indemnification, hold harmless or advancement of Expenses than would be afforded currently under the LLC Agreement and the Partnership Agreement and this Agreement, it is the intent of the parties hereto that Indemnitee shall enjoy by this Agreement the greater benefits so afforded by such change. No right or remedy herein conferred is intended to be exclusive of any other right or remedy, and every other right and remedy shall be cumulative and in addition to every other right and remedy given hereunder or now or hereafter existing at law or in equity or otherwise. The assertion or employment of any right or remedy hereunder, or otherwise, shall not prevent the concurrent assertion or employment of any other right or remedy.

(b) To the extent that the Partnership or the General Partner, whether on behalf of itself or on behalf of the Partnership, maintains an insurance policy or policies providing liability insurance for directors, officers, trustees, partners, members, fiduciaries, employees or agents of the General Partner or of any other Enterprise, Indemnitee shall be covered by such policy or policies in accordance with its or their terms to the maximum extent of the coverage available for any such director, manager, officer, employee, agent or trustee under such policy or policies. If, at the time of the receipt of a notice of a claim pursuant to the terms hereof, the Partnership or the General Partner has director and officer liability insurance in effect, the Partnership or General Partner, as the case may be, shall give prompt notice of the commencement of such proceeding to the insurers in accordance with the procedures set forth in the respective policies. The Partnership and the General Partner shall thereafter take all necessary or desirable action to cause such insurers to pay, on behalf of Indemnitee, all amounts payable as a result of such proceeding in accordance with the terms of such policies.

(c) In the event of any payment under this Agreement, the Partnership shall be subrogated to the extent of such payment to all of the rights of recovery of Indemnitee who shall execute all papers required and take all action necessary to secure such rights, including execution of such documents as are necessary to enable the Partnership to bring suit to enforce such rights.

(d) The Partnership's obligation to indemnify, hold harmless or advance Expenses hereunder to Indemnitee who is or was serving at the request of the General Partner as a director,

officer, trustee, partner, member, fiduciary, employee or agent of any other Enterprise shall be reduced by any amount Indemnitee has actually received as indemnification or advancement from such other Enterprise.

Section 18. Duration of Agreement. This Agreement shall continue during the period Indemnitee serves as a director or officer of the General Partner or as a director, officer, trustee, partner, member, fiduciary, employee or agent of any other Enterprise with which Indemnitee serves at the request of the General Partner and shall continue thereafter so long as Indemnitee shall be subject to any possible Proceeding (including any rights of appeal thereto and any Proceeding commenced by Indemnitee pursuant to Section 14 of this Agreement) by reason of his General Partner Status, whether or not he is acting in any such capacity at the time any liability or expense is incurred for which indemnification can be provided under this Agreement. This Agreement shall be binding upon the General Partner, the Partnership and their successors and assigns and shall inure to the benefit of Indemnitee and his heirs, executors and administrators. The General Partner and the Partnership shall require and cause any successor (whether direct or indirect by purchase, merger, consolidation or otherwise) to all, substantially all or a substantial part, of the business and/or assets of the Partnership or the General Partner, by written agreement in form and substance satisfactory to Indemnitee, expressly to assume and agree to perform this Agreement in the same manner and to the same extent that the General Partner or the Partnership, as the case may be, would be required to perform if no such succession had taken place.

Section 19. Period of Limitations. No legal action shall be brought and no cause of action shall be asserted by or in the right of the Partnership or the General Partner against Indemnitee, Indemnitee's spouse, heirs, executors or personal or legal representatives after the expiration of two years from the date of accrual of such cause of action, and any claim or cause of action of the General Partner or the Partnership shall be extinguished and deemed released unless asserted by the timely filing of a legal action within such two-year period; provided, however, that if any shorter period of limitations is otherwise applicable to any such cause of action such shorter period shall govern.

Section 20. Severability. If any provision or provisions of this Agreement shall be held to be invalid, illegal or unenforceable for any reason whatsoever: (a) the validity, legality and enforceability of the remaining provisions of this Agreement (including, without limitation, each portion of any section of this Agreement containing any such provision held to be invalid, illegal or unenforceable, that is not itself invalid, illegal or unenforceable) shall not in any way be affected or impaired thereby and shall remain enforceable to the fullest extent permitted by law; (b) such provision or provisions shall be deemed reformed to the extent necessary to conform to applicable law and to give the maximum effect to the intent of the parties hereto; and (c) to the fullest extent possible, the provisions of this Agreement (including, without limitation, each portion of any section of this Agreement containing any such provision held to be invalid, illegal or unenforceable, that is not itself invalid, illegal or unenforceable) shall be construed so as to give effect to the intent manifested thereby.

Section 21. Enforcement.

(a) The General Partner and the Partnership expressly confirm and agree that each the General Partner and the Partnership has entered into this Agreement and assumed the obligations

imposed on it hereby in order to induce Indemnitee to serve or continue to serve as a director or officer of the General Partner, and the General Partner acknowledges that Indemnitee is relying upon this Agreement in serving as a director or officer of the General Partner.

(b) This Agreement constitutes the entire agreement between the parties hereto with respect to the subject matter hereof and supersedes all prior agreements and understandings, oral, written and implied, between the parties hereto with respect to the subject matter hereof; provided, however, that this Agreement is a supplement to and in furtherance of the LLC Agreement, the Partnership Agreement and applicable law, and shall not be deemed a substitute therefor, nor to diminish or abrogate any rights of Indemnitee thereunder.

(c) The Partnership, the General Partner and Indemnitee agree herein that a monetary remedy for breach of this Agreement, at some later date, may be inadequate, impracticable and difficult of proof and further agree that such breach may cause Indemnitee irreparable harm. Accordingly, the parties hereto agree that Indemnitee may enforce this Agreement by seeking, among other things, injunctive relief and/or specific performance hereof, without any necessity of showing actual damage or irreparable harm and that by seeking injunctive relief and/or specific performance Indemnitee shall not be precluded from seeking or obtaining any other relief to which he may be entitled. The Partnership, the General Partner and Indemnitee further agree that Indemnitee shall be entitled to such specific performance and injunctive relief, including temporary restraining orders, preliminary injunction and permanent injunctions, without the necessity of posting bonds or other undertaking in connection therewith. The Partnership and General Partner acknowledges that in the absence of a waiver, a bond or undertaking may be required of Indemnitee by the Delaware Court, and the Partnership and the General Partner hereby waive any such requirement of such a bond or undertaking; however, if such waiver is unenforceable the parties agree that such undertaking shall be $1.00.

Section 22. Modification and Waiver. No supplement, modification or amendment, or waiver of any provision, of this Agreement shall be binding unless executed in writing by the parties thereto. No waiver of any of the provisions of this Agreement shall be deemed or shall constitute a waiver of any other provisions of this Agreement nor shall any waiver constitute a continuing waiver. No supplement, modification or amendment of this Agreement or of any provision hereof shall limit or restrict any right of Indemnitee under this Agreement in respect of any action taken or omitted by such Indemnitee prior to such supplement, modification or amendment.

Section 23. Notices. All notices, requests, demands and other communications under this Agreement shall be in writing and shall be deemed to have been duly given if (a) delivered by hand and receipted for by the party to whom said notice or other communication shall have been directed, (b) mailed by certified or registered mail with postage prepaid, on the third business day after the date on which it is so mailed, (c) mailed by reputable overnight courier and receipted for by the party to whom said notice or other communication shall have been directed or (d) sent by facsimile transmission, with receipt of oral confirmation that such transmission has been received:

If to Indemnitee, at such address as Indemnitee shall provide to the Partnership and the General Partner as follows:

If to the General Partner or the Partnership to:

CrossAmerica GP LLC
Attn: Giovanna Rueda
Director, Legal Affairs and Corporate Secretary
19500 Bulverde Road San Antonio, Texas 78259

or to any other address as may have been furnished to Indemnitee by the General Partner or the Partnership.

Section 24. Applicable Law and Consent to Jurisdiction. This Agreement and the legal relations among the parties shall be governed by, and construed and enforced in accordance with, the laws of the State of Delaware, without regard to its conflict of laws rules. Each of the General Partner, the Partnership and Indemnitee hereby irrevocably and unconditionally (i) agrees that any action or proceeding arising out of or in connection with this Agreement shall be brought only in the Delaware Court, and not in any other state or federal court in the United States of America or any court in any other country, (ii) consents to submit to the exclusive jurisdiction of the Delaware Court for purposes of any action or proceeding arising out of or in connection with this Agreement, (iii) waives any objection to the laying of venue of any such action or proceeding in the Delaware Court, and (iv) waives, and agrees not to plead or to make, any claim that any such

action or proceeding brought in the Delaware Court has been brought in an improper or inconvenient forum.

Section 25. Miscellaneous; Headings. Use of the masculine pronoun shall be deemed to include usage of the feminine pronoun where appropriate. The headings of the paragraphs of this Agreement are inserted for convenience only and shall not be deemed to constitute part of this Agreement or to affect the construction thereof.

Section 26. Identical Counterparts. This Agreement may be executed in one or more counterparts, each of which shall be deemed an original and all of which together shall constitute one and the same instrument. In the event that any signature is delivered by electronic transmission of a facsimile thereof (including a ".pdf" format data file), such signature shall create a valid and binding obligation of the party executing with the same force and effect as if such facsimile were an original signature.

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed as of the day and year first above written.

CROSSAMERICA GP LLC

By:________________________________

CROSSAMERICA PARTNERS LP

By: CrossAmerica GP LLC, its general partner

By:________________________________

INDEMNITEE

____
Name: [Name], [Title]
Address:

Second Amendment to Amended and Revised CrossAmerica Partners LP
Executive Income Continuity Plan

1. Purpose. The purpose of this Executive Income Continuity Plan (this "Plan") is to retain the services of executives and other key employees who provide management services to CrossAmerica Partners LP and its subsidiaries (the "Partnership") and its general partner, CrossAmerica GP LLC (the "GP", collectively with the Partnership, the "Company") and to reinforce and encourage the continuing attention, dedication and loyalty of these executives without the distraction of concern over the possibility of involuntary or constructive termination of employment resulting from unforeseen developments, by providing income continuity for a limited period.

This Plan is intended to comply with Section 409A of the Internal Revenue Code of 1986, as amended (the "Code"), the regulations thereunder and related guidance issued by the Internal Revenue Service ("IRS").

2. Definitions. Unless the context otherwise requires, the following terms shall have the meanings respectively indicated:

(a) "2012 Plan" shall mean the Lehigh Gas Partners LP 2012 Incentive Award Plan, or any successor incentive award plans, as from time to time in effect.

(b) "Annual Bonus" shall have the meaning set forth in Section 5(e) of this Plan.

(c) "Award" shall mean any and all awards granted under the 2012 Plan including, without limitation, options, unit appreciation rights, restricted units, phantom units, profits interest, substitute awards, performance awards, unit awards, other unit based awards and any tandem distribution equivalent rights granted with respect to an award.

(d) "Board" shall mean the board of directors of the GP.

(e) "Cause" shall mean (i) the willful and continued failure by a Participant substantially to perform such Participant's duties with the Company (other than any such failure resulting from such Participant's incapacity due to physical or mental illness), after a demand for substantial performance is delivered to the Participant by the Company which specifically identifies the manner in which the Company believes that the Participant has not substantially performed such Participant's duties, or (ii) the willful engaging by the Participant in conduct demonstrably injurious to the Company. For purposes of this definition, no act, or failure to act, on the part of a Participant shall be considered "willful" unless done, or omitted to be done, by such Participant without reasonable belief that such Participant's action or omission was in the best interests of the Company and was lawful.

(f) A "Change in Control" shall be deemed to have occurred upon the occurrence of one of the following events:

(i) Any one person, or more than one person acting as a group, acquires ownership of either (A) the common and subordinated units of CrossAmerica Partners LP ("Units"), or (B) the membership interests of the GP ("Membership Interests") that, together with Units or Membership Interests, as applicable, held by such person or group, constitutes more than 50%

of either the total fair market value or total voting power of either the Units or the Membership Interests, as applicable.

(ii) Any one person, or more than one person acting as a group, acquires (or has acquired during the 12-month period ending on the date of the most recent acquisition by such person or persons) ownership of Units or Membership Interests possessing thirty-five percent (35%) or more of the total voting power of the Company; or

(iii) A majority of members of the Board is replaced during any 12-month period by directors whose appointment or election is not recommended by CST Brands, Inc.; or

(iv) Any one person, or more than one person acting as a group, acquires (or has acquired during the 12-month period ending on the date of the most recent acquisition by such person or persons) assets from the Partnership that have a total gross fair market value equal to or more than sixty percent (60%) of the total gross fair market value of all of the assets of the Partnership immediately prior to such acquisition; or

(v) The consummation of the transactions contemplated by the Agreement and Plan of Merger, by and among Circle K Stores Inc., Ultra Acquisition Corp. and CST Brands, Inc., dated as of August 21, 2016.

(g) “Company” shall mean the Partnership and CrossAmerica GP LLC, collectively.

(h) “Date of Termination” shall mean (i) if the Services of a Participant are terminated by death, the date of such Participant’s death, (ii) if the Participant retires, the date of such Participant’s retirement, (iii) if such Services are terminated other than for Cause or other than as a result of Disability, the date specified in the Notice of Termination, (iv) if such Services are terminated for Disability, the date of such Participant’s Disability, (v) if such Services are terminated by the Participant for Good Reason, the date specified in the Notice of Termination, (vi) if the Participant’s Services are terminated following a Change in Control, the date in the Notice of Termination, and (vii) otherwise shall be the last day such Participant provides Services to the Company.

(i) “Disability” shall mean that a Participant is unable to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment that can be expected to result in death or can be expected to last for a continuous period of not less than twelve (12) months.

(j) “Good Reason” shall mean the occurrence of any of the following: (A) a material diminution in the Participant’s base compensation and/or target Annual Bonus; (B) a material diminution in the Participant’s authority, duties, or responsibilities; (C) a material diminution in the authority, duties, or responsibilities of the supervisor to whom the Participant is required to report, including a requirement that the Participant report to a corporate officer or employee instead of reporting directly to the board of directors of the GP; (D) a material diminution in the budget over which the Participant retains authority; (E) a material change in the geographic location at which the Participant must perform the Services; and (F) any other action or inaction that constitutes a material breach by Company of the agreement under which the Participant provides services. Notice of Termination by a Participant for “Good Reason” shall not be effective unless all of the following conditions are satisfied: (i) the occurrence of the condition which would otherwise constitute Good Reason under this Section 2(j) of this Plan must have arisen without the Participant’s consent; (ii) such condition must remain uncorrected for 30 days after receipt by the Company of a notice of the existence of such condition from the Participant in accordance with

Section 10 of this Plan; and (iii) the date of Participant's termination of Service must occur within 90 days after the initial existence of the condition specified in such notice.

(k) "I.C. Plan" means the existing system of annual bonuses (cash, equity or a combination thereof) payable to Participants, pursuant to which annual target bonuses are established based upon job levels and payments of bonuses as a percentage of such targets are made based upon CST Brands, Inc., Partnership and/or individual performance.

(l) "Multiplier" shall mean (i) in the case of each Officer, the number 2.99; and (ii) in the case of each other Participant, such number set forth adjacent to such Participant's name in Schedule A which in no event shall exceed 2.99 (in the cases of each of (i) and (ii), subject to the asterisked footnote to Schedule A).

(m) "Notice of Termination" shall mean a notice which indicates the specific basis for termination of the Services of a Participant relied upon and shall set forth in reasonable detail the facts and circumstances claimed to provide such basis. The Notice of Termination shall also include the date of termination.

(n) "Officer(s)" shall mean who is designated as an executive officer of the Company or Partnership by resolution of the Board.

(o) "Participant" shall mean the Officers and any other person, who is an employee of CST Services, LLC, who is included in the membership of this Plan as provided in Section 3 of this Plan.

(p) "Prospective Change in Control" shall have the meaning as defined in Section 12(b) of this Plan.

(q) "Service," as used in Section 5 of this Plan, shall mean the provision of management services to the Company.

3. Membership. All Officers shall be Participants. The Board may designate any other person, who provides Services, as a Participant. Such Participant and the Multiplier applicable to such Participant shall be set forth in Schedule A, attached hereto and made a part hereof. After a person becomes a Participant, such Participant's membership in this Plan shall continue until such person's death or retirement, termination by the Company or CST Services, LLC for Cause or Disability, or termination by such Participant other than for Good Reason.

4. Termination. Each Participant shall be entitled to receive the income continuation payments provided for in Section 5 of this Plan upon termination of such Participant's Services (including, without limitation, the termination of the Omnibus Agreement between CST Services, LLC and the Company) unless such termination is (a) because of the Participant's death, Disability or retirement, (b) by the Company or CST Services, LLC for Cause, or (c) by such Participant for any reason (other than for Good Reason which occurs within one hundred twenty (120) days prior to the termination); provided that, if Notice of Termination is given prior to a Change in Control, such Participant shall have signed and delivered, in form and substance satisfactory to the Company's counsel, a non-disparagement agreement, and a waiver, effectively waiving all claims against the Company (including its directors, officers, employees and agents) arising out of such Participant's employment with CST Services, LLC and the provision of Services, other than claims for payment post-termination under the terms of this

Plan and employee benefit and compensation plans of the Company or CST Services, LLC, as applicable, such waiver, and non-disparagement agreement to be delivered no later than the later of thirty (30) days following (i) the date of Notice of Termination, or (ii) written request therefor by the Company, provided the Company must request same no later than three (3) months after the date of the Notice of Termination. For all purposes of this Plan, a Participant shall be considered to have terminated his Services with the Company when Participant incurs a "separation from service" with the Company within the meaning of section 409A(a)(2)(A)(i) of the Code and applicable administrative guidance issued thereunder.

5. Income Continuation and Vesting.

(a) Except as otherwise provided in Section 5(c) of this Plan, upon the termination of an Officer's Services, pursuant to Section 4 of this Plan, (a) the GP shall pay to such Participant in cash the sum of such Participant's annual base salary at the rate in effect at the time Notice of Termination is given plus such Participant's Annual Bonus, in equal monthly installments over a twelve (12) month period following the Date of Termination in the case of Officers, and (b) notwithstanding any provision to the contrary in any Award agreement, all of such Participant's Awards shall vest immediately on the date that the Notice of Termination is given.

(b) Except as otherwise provided in Section 5(c) of this Plan, upon the termination of a Participant's Services other than those of an Officer, pursuant to Section 4 of this Plan, (a) the GP shall pay to such Participant in cash the sum of one-half of such Participant's annual base salary at the rate in effect at the time Notice of Termination is given plus one-half of such Participant's Annual Bonus, in equal monthly installments over a six (6) month period following the Date of Termination in the case of Participants, and (b) notwithstanding any provision to the contrary in any Award agreement, all of such Participant's Awards shall vest immediately on the date that the Notice of Termination is given.

(c) Upon the termination of a Participant's Services pursuant to a Notice of Termination given after, or in connection with, a Change in Control and before the second anniversary of such Change in Control, pursuant to Section 4 of this Plan, the GP shall pay to such Participant the product of (A) the sum of (x) the Participant's annual base salary at the rate in effect at the time Notice of Termination is given, plus (y) the Participant's Annual Bonus times (B) the Multiplier, payable in a lump sum in cash following the Date of Termination, subject to Subsection (d) of this Section. To the extent that such payment is a short term deferral or is not otherwise subject to Section 409A of the Code, such payment shall be paid only upon, and on the first pay day of the second month following the date of participant's termination or, if required, the timely execution by Participant and receipt by or on behalf of the Company of a non-disparagement agreement and waiver pursuant to Section 4 of this Plan; provided, however, that if the payment date under this provision could fall in more than one calendar year based upon the timing of the Participant's execution of the non-disparagement agreement and waiver described in Section 4 of this Plan, then payment shall be made in the later of such calendar years. Notwithstanding any provision to the contrary in any Award agreement, upon the occurrence of a Change in Control, all Awards to Participants shall vest immediately on the date that the Change in Control is effective.

(d) All payments under subsections (a), (b) and (c) of this Section 5 of this Plan shall commence, or be paid, on the first business day of the seventh month after the Participant's Date of Termination except as otherwise specifically provided in such subsections. Payments that would have been made during the

six-month period following the Participant's Date of Termination shall be paid to the Participant on the first business day of the seventh month after the Participant's Date of Termination, without interest.

(e) As used in this Plan, "Annual Bonus" means the annual target bonus under the I.C. Plan attributable to the Participant in effect at the time the Notice of Termination is given. Notwithstanding the foregoing, if termination occurred for Good Reason as specified in Section 2(j)(A) of this Plan, the termination payments provided for in subsection 5(a) or (b) shall be calculated using the annual base salary and Annual Bonus as in effect immediately before the reduction of such annual base salary or Annual Bonus.

6. Other Payments. Upon termination of a Participant's Services pursuant to Section 4 of this Plan, the GP shall, in addition to the payments provided for in Section 5 of this Plan, pay to the Participant:

(a) All relocation payments incurred in connection with Section 2(j)(E) of this Plan and all legal fees and expenses incurred by the Participant as a result of such termination (including all such fees and expenses, if any, incurred in contesting or disputing any such termination or in seeking to obtain or enforce any right or benefit provided by this Plan or in connection with any tax audit or proceeding to the extent attributable to the application of Section 4999 of the Code to any payment or benefit provided hereunder); and

(b) During the period of one (1) year following the Date of Termination in the case of an Officer and during the period of six (6) months following the Date of Termination in the case of all other Participants, all reasonable expenses incurred by the Participant in seeking comparable employment with another employer to the extent not otherwise reimbursed to the Participant, including, without limitation, the fees and expenses of a reputable out placement organization, and reasonable travel, telephone and office expenses.

Any payments pursuant to this Section 6 shall be made by the Company upon or as soon as practicable following receipt of supporting documentation reasonably satisfactory to the Company (but in any event not later than the close of the Participant's third taxable year following the taxable year in which the Date of Termination occurs). In no event shall any payment be made to Participant for fees and expenses incurred after the close of the Participant's second taxable year following the taxable year in which the Date of Termination occurs

7. Maintenance of Other Benefit Plans. For a period of three (3) years (one year if not in connection with a Change in Control) following an Officer's Date of Termination and for a period of one (1) year (six months if not in connection with a Change in Control) following the Date of Termination in the case of a Participant who is not an Officer, the Company shall cause the Participant's employer to maintain in full force and effect, for the continued benefit of each Participant entitled to receive, or who received, payments pursuant to Section 5 of this Plan, comprehensive medical and dental insurance, group life insurance (but not including disability coverage) on the same basis as such Participant participated immediately prior to the Date of Termination, unless the Participant's continued participation is not permitted under the general terms and provisions of such plans and programs or applicable law. Continued benefits provided pursuant to the preceding sentence shall be subject to the following requirements: (a) continued provided during one taxable year of the Participant shall not affect the continued benefits provided during any other taxable year of the Participant, (b) any reimbursement of an eligible expense with respect to a continued benefit shall be made on or before the last day of the

Participant's taxable year in which the expense was incurred and (c) the right to a continued benefit shall not be subject to liquidation or exchange for another benefit.

8. No Mitigation. No Participant shall be required to mitigate the amount of any payment provided for under this Plan by seeking other employment or otherwise, nor shall the amount of any payment so provided for be reduced by any compensation earned by any Participant as the result of employment by another employer, by retirement benefits or by offset against any amount claimed to be owed by the Participant to the Company.

9. Successors. The Company will require any successor (whether direct or indirect, by purchase, merger, consolidation or otherwise) to all or substantially all of the business and assets of the Company, by a written agreement, to expressly assume and agree to carry out the provisions of this Plan in the same manner and to the same extent that the Company would be required to carry them out if no such succession had occurred.

10. Notice. Any notice expressly provided for under this Plan shall be in writing, shall be given either manually or by mail, telegram, telex, telefax or cable, and shall be deemed sufficiently given, if and when received by CST Services, LLC at its offices at One Valero Way, San Antonio, Texas 78249, Attention: General Counsel, or by any Participant at the address on the records of the Company for such Participant, or if and when mailed by registered mail, postage prepaid, return receipt requested, addressed to the Company or the Participant to be notified at such address. Either the Company or any Participant may, by notice to the other, change its address for receiving notices.

11. Funding. All payments provided for under this Plan for Participants (including those who have retired) shall not be funded or secured, and no trust shall be created hereunder. Payments under this Plan shall become fully vested and non-forfeitable upon the termination of a Participant's Services except for termination where a Participant not be entitled to income continuation payments as provided in Section 4 or as otherwise provided in any waiver, and non-disparagement agreement entered into pursuant to Section 4 of this Plan.

12. Amendment and Termination.

(a) The Board may at any time or from time to time amend or terminate this Plan. No such amendment or termination may adversely affect any vested benefits hereunder; and, provided further, that after a Change in Control, this Plan may not be amended or terminated without the consent of all persons who were Participants as of the date of such Change in Control (including those who have retired).

(b) In addition, no amendment or termination made within one (1) year before a Change in Control and made while a Prospective Change in Control is pending may adversely affect any benefit that might at any time be or become owing hereunder to a person who, immediately prior to the commencement of such Prospective Change in Control, was a Participant, without the consent of such person (other than a benefit to any such person who is the person, or part of the group, making the offer, or negotiating to make the offer, which constitutes the Prospective Change in Control). As used herein, the term "Prospective Change in Control" means (i) any offer presented, directly or indirectly, to the Board which, if consummated, would constitute a Change in Control, or (ii) any negotiation with the Board or

any committee or representative thereof to make such an offer (including the unilateral announcement of the terms on which such an offer would be made).

13. Claim and Appeal Procedure. This Section 13 of this Plan shall not apply after there has been a Change in Control.

The Company shall appoint a person or persons to adjudicate claims and appeals under this Plan (the "Administrator"). The Administrator shall provide adequate notice in writing to any Participant or to any beneficiary (the "Claimant") whose claim for benefits under this Plan has been denied. The Administrator's notice to the Claimant shall set forth:

(a) The specific reason for the denial;

(b) Specific references to pertinent Plan provisions upon which the Administrator based its denial;

(c) A description of any additional material and information that is needed;

(d) That any appeal the Claimant wishes to make of the adverse determination must be in writing to the Administrator within seventy-five (75) days after receipt of the Administrator's notice of denial of benefits. The Administrator's notice must further advise the Claimant that the Claimant's failure to appeal the action to the Administrator in writing within the seventy-five (75) day period will render the Administrator's determination final, binding and conclusive; and

(e) The name and address to whom the Claimant may forward an appeal.

If the Claimant should appeal to the Administrator, the Claimant, or the Claimant's duly authorized representative, may submit, in writing, whatever issues and comments the Claimant or the Claimant's duly authorized representative feels are pertinent. The Claimant, or the Claimant's duly authorized representative, may review pertinent Plan documents. The Administrator shall re-examine all facts to the appeal and make a final determination as to whether the denial of benefits is justified under the circumstances. The Administrator shall advise the Claimant of its decision within sixty (60) days of the Claimant's written request for review, unless special circumstances (such as a hearing) would make the rendering of a decision within the sixty (60) day limit unfeasible, but in no event shall the Administrator render a decision respecting a denial for a claim of benefits later than one hundred twenty (120) days after its receipt of a request for review. The Administrator's notice to the Claimant shall set forth:

(i) The specific reason for the denial;

(ii) Specific references to pertinent Plan provisions upon which the Administrator based its denial;

(iii) A statement that the Claimant is entitled to receive, upon request and free of charge, reasonable access to, and copies of, all documents, records, and other information relevant to the Claimant's claim; and

(iv) A statement that the Claimant has a right to bring a civil action under Section 502(a) of ERISA.

14. Governing Law. This Plan, and the rights and obligations of the Company and the Participants hereunder, shall be construed and governed in accordance with the law of the Commonwealth of Pennsylvania.

15. Partial Invalidity. If any provision of this Plan is determined to be invalid or unenforceable, such invalidity or unenforceability shall not affect the remaining provisions of this Plan, which shall remain in effect in accordance with its terms.

16. Certain Excise Taxes. Notwithstanding anything to the contrary in this Plan, if Participant is a “disqualified individual” (as defined in section 280G(c) of the Code), and the payments and benefits provided for under this Plan, together with any other payments and benefits which Participant has the right to receive from the Company or any of its affiliates, would constitute a “parachute payment” (as defined in section 280G(b)(2) of the Code), then the payments and benefits provided for under this Plan shall be either (a) reduced (but not below zero) so that the present value of such total amounts and benefits received by Participant from the Company and its affiliates will be one dollar ($1.00) less than three times Participant’s “base amount” (as defined in section 280G(b)(3) of the Code) and so that no portion of such amounts and benefits received by Participant shall be subject to the excise tax imposed by section 4999 of the Code, or (b) paid in full, whichever produces the better net after-tax position to Participant (taking into account any applicable excise tax under section 4999 of the Code and any other applicable taxes). The reduction of payments and benefits hereunder, if applicable, shall be made by reducing, first, payments or benefits to be paid in cash hereunder in the order in which such payment or benefit would be paid or provided (beginning with such payment or benefit that would be made last in time and continuing, to the extent necessary, through to such payment or benefit that would be made first in time) and, then, reducing any benefit to be provided in-kind hereunder in a similar order. The determination as to whether any such reduction in the amount of the payments and benefits provided hereunder is necessary shall be made by the Company in good faith. If a reduced payment or benefit is made or provided, and through error or otherwise, that payment or benefit, when aggregated with other payments and benefits from the Company (or its affiliates) used in determining if a “parachute payment” exists, exceeds one dollar ($1.00) less than three times Participant’s base amount, then Participant shall immediately repay such excess to the Company upon notification that an overpayment has been made. Nothing in this Section 16 shall require the Company to be responsible for, or have any liability or obligation with respect to, Participant’s excise tax liabilities under section 4999 of the Code.

By: CrossAmerica Partners LP and CrossAmerica GP LLC

By: CrossAmerica GP LLC, for itself and as general partner

By:	/s/ Jeremy L. Bergeron	September 14,2016
	Jeremy L. Bergeron	DATE
	President	

Exhibit 31.1

CERTIFICATION PURSUANT TO SECTION 302
OF THE SARBANES-OXLEY ACT OF 2002

I, Jeremy Bergeron, certify that:

1. I have reviewed this quarterly report on Form 10-Q of CrossAmerica Partners LP;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   c. Evaluated the effectiveness of the registrant's disclosure controls and procedures, and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting.

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: August 8, 2017

/s/ Jeremy Bergeron

Jeremy Bergeron
President and Chief Executive Officer
CrossAmerica GP LLC
(as General Partner of CrossAmerica Partners LP)

Exhibit 31.2

CERTIFICATION PURSUANT TO SECTION 302
OF THE SARBANES-OXLEY ACT OF 2002

I, Evan W. Smith, certify that:

1. I have reviewed this quarterly report on Form 10-Q of CrossAmerica Partners LP;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant’s other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

    a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

    b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

    c. Evaluated the effectiveness of the registrant’s disclosure controls and procedures, and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

    d. Disclosed in this report any change in the registrant’s internal control over financial reporting that occurred during the registrant’s fiscal quarter (the registrant’s fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant’s internal control over financial reporting.

5. The registrant’s other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant’s auditors and the audit committee of the registrant’s board of directors (or persons performing the equivalent functions):

    a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant’s ability to record, process, summarize and report financial information; and

    b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant’s internal control over financial reporting.

Date: August 8, 2017

/s/ Evan W. Smith

Evan W. Smith
Vice President Finance and Chief Financial Officer
CrossAmerica GP LLC
(as General Partner of CrossAmerica Partners LP)

Exhibit 32.1

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with this Quarterly Report on Form 10-Q of CrossAmerica Partners LP (the “Partnership”) for the quarter ended June 30, 2017, as filed with the Securities and Exchange Commission on the date hereof (the “Report”), I, Jeremy Bergeron, President and Chief Executive Officer of CrossAmerica GP LLC, the General Partner of the Partnership, certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002 that, to my knowledge:

(1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Partnership.

Date: August 8, 2017

/s/ Jeremy Bergeron

Jeremy Bergeron
President and Chief Executive Officer
CrossAmerica GP LLC
(as General Partner of CrossAmerica Partners LP)

This certification accompanies the Report pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 and shall not, except to the extent required by the Sarbanes-Oxley Act of 2002, be deemed filed by the Company for purposes of §18 of the Securities Exchange Act of 1964, as amended.

A signed original of this written statement required by Section 906 has been provided to the Company and will be retained by the Company and furnished to the Securities and Exchange Commission or its staff upon request.

Exhibit 32.2

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with this Quarterly Report on Form 10-Q of CrossAmerica Partners LP (the "Partnership") for the quarter ended June 30, 2017, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Evan W. Smith, Vice President Finance and Chief Financial Officer of CrossAmerica GP LLC, the General Partner of the Partnership, certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002 that, to my knowledge:

(1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Partnership.

Date: August 8, 2017

/s/ Evan W. Smith

Evan W. Smith
Vice President Finance and Chief Financial Officer
CrossAmerica GP LLC
(as General Partner of CrossAmerica Partners LP)

This certification accompanies the Report pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 and shall not, except to the extent required by the Sarbanes-Oxley Act of 2002, be deemed filed by the Company for purposes of §18 of the Securities Exchange Act of 1964, as amended.

A signed original of this written statement required by Section 906 has been provided to the Company and will be retained by the Company and furnished to the Securities and Exchange Commission or its staff upon request.