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 March 31, 2017

OR

o 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

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
(Address of Principal Executive Offices)
18101
(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, or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "small reporting company" in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer o	Accelerated filer ☑	Non-accelerated filer o (do not check if a smaller reporting company)	Smaller reporting company o
			Emerging growth company o

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. o

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 May 4, 2017, the registrant had outstanding 33,726,620 common units.

TABLE OF CONTENTS

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:

CST	CST Brands, Inc.
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
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 March 31, 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 by CrossAmerica 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 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.
Couche-Tard	Alimentation Couche-Tard Inc. (TSX: ATD.A ATD.B)
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 Massachusetts, New Hampshire, New Jersey and Maine
IDRs	Incentive Distribution Rights, which are partnership interests in the Partnership that provide for special distributions associated with increasing partnership distributions. CST is the 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. 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 Stores Inc., a Texas corporation ("Parent"), and Ultra Acquisition Corp., a Delaware corporation and an indirect, wholly owned subsidiary of Parent ("Merger Sub"). Under and subject to the terms and conditions of the Merger Agreement, Merger Sub will be merged with and into CST, with CST surviving the Merger as a wholly owned subsidiary of Parent. Parent is a wholly owned subsidiary of Alimentation Couche-Tard Inc.
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
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)

	March 31, 2017	December 31, 2016
ASSETS	**(Unaudited)**	
Current assets:		
Cash	$ 5,758	1,350
Accounts receivable, net of allowances of $434 and $487, respectively	22,234	29,251
Accounts receivable from related parties	12,549	12,975
Inventories	12,790	13,164
Assets held for sale	1,375	2,111
Other current assets	6,017	6,556
Total current assets	60,723	65,407
Property and equipment, net	670,968	677,329
Intangible assets, net	76,793	80,760
Goodwill	89,109	89,109
Other assets	19,751	19,384
Total assets	$ 917,344	$ 931,989
LIABILITIES AND EQUITY		
Current liabilities:		
Current portion of debt and capital lease obligations	$ 2,123	$ 2,100
Accounts payable	32,058	34,903
Accounts payable to related parties	9,108	9,958
Accrued expenses and other current liabilities	15,704	15,705
Motor fuel taxes payable	12,442	12,467
Total current liabilities	71,435	75,133
Debt and capital lease obligations, less current portion	472,793	465,119
Deferred tax liabilities, net	39,741	42,923
Asset retirement obligations	28,103	27,750
Other long-term liabilities	99,069	100,253
Total liabilities	711,141	711,178
Commitments and contingencies		
Equity:		
CrossAmerica Partners' Capital		
Common units—(33,725,837 and 33,524,952 units issued and outstanding at March 31, 2017 and December 31, 2016, respectively)	206,459	221,044
General Partner's interest	—	—
Total CrossAmerica Partners' Capital	206,459	221,044
Noncontrolling interests	(256)	(233)
Total equity	206,203	220,811
Total liabilities and equity	$ 917,344	$ 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 March 31,	
	2017	**2016**
Operating revenues[(a)]	$ 469,286	$ 367,740
Costs of sales[(b)]	431,840	330,550
Gross profit	37,446	37,190
Income from CST Fuel Supply equity interests	3,603	4,051
Operating expenses:		
Operating expenses	15,260	15,411
General and administrative expenses	5,817	7,005
Depreciation, amortization and accretion expense	14,348	12,900
Total operating expenses	35,425	35,316
Loss on sales of assets, net	(44)	(4)
Operating income	5,580	5,921
Other income, net	118	118
Interest expense	(6,702)	(5,065)
Income (loss) before income taxes	(1,004)	974
Income tax benefit	(2,701)	(795)
Consolidated net income	1,697	1,769
Less: net income attributable to noncontrolling interests	1	2
Net income attributable to CrossAmerica limited Partners	1,696	1,767
IDR distributions	(992)	(759)
Net income available to CrossAmerica limited Partners	$ 704	$ 1,008
Net income per CrossAmerica limited partner unit:		
Basic earnings per common unit	$ 0.02	$ 0.03
Diluted earnings per common unit	$ 0.02	$ 0.03
Basic and diluted earnings per subordinated unit	n/a	$ 0.03
Weighted-average CrossAmerica limited partner units:		
Basic common units	33,588,163	28,475,363
Diluted common units	33,622,661	28,545,975
Basic and diluted subordinated units	—	4,630,769
Total diluted common and subordinated units	33,622,661	33,176,744
Distribution paid per common and subordinated unit	$ 0.6125	$ 0.5925
Distribution declared (with respect to each respective period) per common and subordinated unit	$ 0.6175	$ 0.5975
Supplemental information:		
(a) Includes excise taxes of:	$ 18,552	$ 19,893
(a) Includes revenues from fuel sales to related parties of:	$ 84,829	$ 73,308
(a) Includes income from rentals of:	$ 21,441	$ 19,531
(b) Includes expenses from fuel sales to related parties of:	$ 81,968	$ 70,252
(b) Includes expenses from rentals of:	$ 4,791	$ 4,748

See Condensed Notes to Consolidated Financial Statements.

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

	Three Months Ended March 31,	
	2017	**2016**
Cash flows from operating activities:		
Consolidated net income	$ 1,697	$ 1,769
Adjustments to reconcile net income to net cash flows provided by operating activities:		
Depreciation, amortization and accretion expense	14,348	12,900
Amortization of deferred financing fees	424	369
Amortization of below market leases, net	27	29
Provision for losses on doubtful accounts	4	24
Deferred income taxes	(3,182)	(894)
Equity-based employees and directors compensation expense	866	1,282
Amended Omnibus Agreement fees: settled in common units	3,300	2,000
Loss on sales of assets, net	44	4
Changes in working capital, net of acquisitions	4,244	1,086
Net cash provided by operating activities	21,772	18,569
Cash flows from investing activities:		
Proceeds from sale of property and equipment	342	47
Capital expenditures	(2,517)	(3,498)
Principal payments received on notes receivable	64	18
Cash paid in connection with acquisitions, net of cash acquired	—	(52,262)
Cash paid to CST in connection with acquisitions	—	(2,900)
Net cash used in investing activities	(2,111)	(58,595)
Cash flows from financing activities:		
Borrowings under the revolving credit facility	31,026	90,308
Repayments on the revolving credit facility	(24,026)	(25,658)
Repurchases of common units	—	(2,752)
Payments of long-term debt and capital lease obligations	(495)	(489)
Payments of sale leaseback obligations	(201)	(173)
Distributions paid on distribution equivalent rights	(7)	(13)
Distributions paid to holders of the IDRs	(992)	(759)
Distributions paid to noncontrolling interests	(24)	(37)
Distributions paid on common and subordinated units	(20,534)	(19,618)
Net cash (used in) provided by financing activities	(15,253)	40,809
Net increase in cash	4,408	783
Cash at beginning of period	1,350	1,192
Cash at end of period	$ 5,758	$ 1,975

See Condensed Notes to Consolidated Financial Statements.

Note 1. DESCRIPTION OF BUSINESS AND OTHER DISCLOSURES

CST's Merger Agreement

Under the terms of the Merger Agreement, Circle K Stores Inc. will, through its acquisition of CST, control CST's interest in the General Partner and CST's 20.2% limited partner interest in CrossAmerica as well as own all of the IDRs. The closing of the transaction is subject to the receipt of regulatory approvals in the United States and Canada. The transaction is currently expected to close in the second quarter of 2017.

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 partnership units in lieu of cash for amounts due under the Amended Omnibus Agreement. Pursuant to a common unit purchase program announced in September 2015, CST has, from time to time, also acquired our common units through open market purchases. The Merger Agreement prohibits CST from purchasing any of our common units. At March 31, 2017, after giving effect to these transactions, CST owned 20.2% 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 March 31, 2017 and for the three months ended March 31, 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 three months ended March 31, 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 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.

Concentration Risk

For the three months ended March 31, 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 three months ended March 31, 2016, we distributed approximately 17% of our total wholesale distribution volumes to DMS and its affiliates and DMS and its affiliates accounted for approximately 30% of our rental income. For more information regarding transactions with DMS and its affiliates, see Note 7.

For the three months ended March 31, 2017, our wholesale business purchased approximately 28%, 27% and 22% of its motor fuel from ExxonMobil, BP and Motiva (Shell), respectively. For the three months ended March 31, 2016, our wholesale business purchased approximately 29%, 28% and 26% 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 three months ended March 31, 2017 and 2016.

Valero supplied substantially all of the motor fuel purchased by CST Fuel Supply during all periods presented. During the three months ended March 31, 2017 and 2016, CST Fuel Supply purchased approximately 0.4 billion and 0.5 billion gallons of motor fuel from Valero, respectively.

For the three months ended March 31, 2017, we distributed 7% 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 the three months ended March 31, 2016, we distributed 8% of our total wholesale distribution volume to CST retail sites that are not supplied by CST Fuel Supply and received 22% of our rental income from CST.

For the three months ended March 31, 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. For the three months ended March 31, 2016, we received 6% of our rental income from this lessee dealer.

Note 2. ASSETS HELD FOR SALE

We have classified three and four retail sites as held for sale at March 31, 2017 and December 31, 2016, respectively. 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):

	March 31, 2017	December 31, 2016
Land	$ 712	$ 882
Buildings and site improvements	742	1,054
Equipment and other	258	702
Total	1,712	2,638
Less accumulated depreciation	(337)	(527)
Assets held for sale	$ 1,375	$ 2,111

Note 3. INVENTORIES

Inventories consisted of the following (in thousands):

	March 31, 2017	December 31, 2016
Retail site merchandise	$ 8,337	$ 8,374
Motor fuel	4,453	4,790
Inventories	$ 12,790	$ 13,164

Note 4. PROPERTY AND EQUIPMENT

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

	March 31, 2017	December 31, 2016
Land	$ 280,561	$ 280,400
Buildings and site improvements	347,635	346,834
Leasehold improvements	9,359	9,095
Equipment and other	171,734	169,245
Construction in progress	3,497	3,173
Property and equipment, at cost	812,786	808,747
Accumulated depreciation and amortization	(141,818)	(131,418)
Property and equipment, net	$ 670,968	$ 677,329

Note 5. INTANGIBLE ASSETS

Intangible assets consisted of the following (in thousands):

	March 31, 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	$ (47,339)	$ 70,862	$ 118,201	$ (44,298)	$ 73,903
Trademarks	1,094	(726)	368	1,094	(685)	409
Covenant not to compete	4,131	(2,700)	1,431	4,131	(2,503)	1,628
Below market leases	11,401	(7,269)	4,132	12,081	(7,261)	4,820
Total intangible assets	$ 134,827	$ (58,034)	$ 76,793	$ 135,507	$ (54,747)	$ 80,760

Note 6. DEBT

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

	March 31, 2017	December 31, 2016
$550 million revolving credit facility	$ 448,500	$ 441,500
Note payable	808	822
Capital lease obligations	28,759	28,455
Total debt and capital lease obligations	478,067	470,777
Current portion	2,123	2,100
Noncurrent portion	475,944	468,677
Deferred financing fees	(3,151)	(3,558)
Noncurrent portion, net of deferred financing fees	$ 472,793	$ 465,119

Our $550 million revolving credit facility is secured by substantially all of our assets. Letters of credit outstanding at March 31, 2017 and December 31, 2016 totaled $6.5 million. The amount of availability at March 31, 2017 under the revolving credit facility, after taking into account debt covenant restrictions, was $85.7 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 March 31, 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 3.95% as of March 31, 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 43 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 March 31,	
	2017	**2016**
Revenues from motor fuel sales to CST	$ 30,380	$ 23,257
Rental income from CST	$ 4,280	$ 4,317

Receivables from CST were $2.9 million and $3.2 million at March 31, 2017 and December 31, 2016, respectively, related to these transactions.

Amended Omnibus Agreement and Management Fees

We incurred $4.3 million and $4.5 million for the three months ended March 31, 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 $9.1 million and $10.0 million at March 31, 2017 and December 31, 2016, respectively.

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 and the executive committee of CST's board of directors, 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	*	128,983

* Expected to be issued on May 10, 2017

CST Fuel Supply Equity Interests

CST Fuel Supply provides wholesale motor fuel distribution to the majority of CST's U.S. retail sites on a fixed markup per gallon. We owned a 17.5% total interest in CST Fuel Supply at March 31, 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 \$3.6 million and \$4.1 million for the three months ended March 31, 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 subwholesalers. We purchased \$5.7 million and \$3.0 million of motor fuel from CST Fuel Supply for the three months ended March 31, 2017 and 2016, respectively, in connection with these retail sites.

IDR and Common Unit Distributions

We distributed \$1.0 million and \$0.8 million to CST related to its ownership of our IDRs and \$4.1 million and \$3.7 million related to its ownership of our common units during the three months ended March 31, 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 March 31,	
	2017	2016
Revenues from motor fuel sales to DMS and its affiliates	$ 54,449	$ 50,051
Rental income from DMS and its affiliates	$ 4,975	$ 5,693

Receivables from DMS and its affiliates totaled \$8.3 million and \$8.6 million at March 31, 2017 and December 31, 2016, respectively.

Revenues from rental income from Topstar were \$0.1 million for each of the three months ended March 31, 2017 and 2016.

We lease real estate from certain entities affiliated with Joseph V. Topper, Jr. Rent expense paid to these entities was \$0.2 million for each of the three months ended March 31, 2017 and 2016.

Maintenance and Environmental Costs

Certain maintenance and environmental monitoring and remediation activities are performed by a related party of Joseph V. Topper, Jr. as approved by the independent conflicts committee of the Board. We incurred charges with this related party of \$0.2 million and \$0.6 million for the three months ended March 31, 2017 and 2016, respectively.

Aircraft Usage Costs

From time to time, we lease, on a non-exclusive basis, aircraft owned by a group of individuals that includes Joseph V. Topper, Jr. and John B. Reilly, III, members of our Board, as previously approved in August 2013 by the independent conflicts committee of the Board. Lease costs incurred by us for use of these aircraft were not significant for each of the three months ended March 31, 2017 and 2016.

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 $0.1 million for the three months ended March 31, 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 claimed severance benefits under the EICP totaling approximately $1.6 million. We intend 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 $5.5 million and $3.5 million at March 31, 2017 and $6.1 million and $5.1 million at December 31, 2016.

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 March 31, 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 $448.5 million as of March 31, 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 for the three months ended March 31, 2017 and 2016 was $0.9 million and $1.3 million, respectively.

Partnership Equity-Based Awards

No Partnership awards were granted to CST employees in the first quarter of 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 March 31, 2017 and December 31, 2016 totaled $0.8 million and $1.8 million, respectively.

CST Awards

CST granted equity-based awards of approximately 47,000 in the form of time vested restricted stock units of CST 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 three months ended March 31, 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 $0.7 million for each of the three months ended March 31, 2017 and 2016.

At the completion of the Merger, each CST stock option, restricted share and restricted stock unit that is outstanding immediately prior to the completion of the Merger, whether vested or unvested, will become fully vested and be converted into the right to receive a cash payment as defined in the Merger Agreement.

At the completion of the Merger, each award of CST restricted stock units that was granted in February 2017 will be 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, upon completion of the Merger, 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.”

Awards to Members of the Board

In December 2016, the Partnership granted 11,476 phantom units to non-employee directors of the Board as a portion of director compensation. Such awards vest in December 2017. All director equity awards contain a provision providing for acceleration of vesting upon a change in control. The Merger will constitute a change in control for purposes of these awards.

The liability for these awards at March 31, 2017 and December 31, 2016 was $0.1 million. The associated compensation expense was not significant for the three months ended March 31, 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 March 31,			
	2017		2016	
	Common Units	Subordinated Units	Common Units	Subordinated Units
Numerator:				
Distributions paid[(a)]	$ 20,541	$ —	$ 15,172	$ 4,459
Allocation of distributions in excess of net income[(b)]	(19,837)	—	(14,305)	(4,318)
Limited partners' interest in net income - basic and diluted	$ 704	$ —	$ 867	$ 141
Denominator:				
Weighted average limited partnership units outstanding - basic	33,588,163	—	28,475,363	4,630,769
Adjustment for phantom units	34,498	—	70,612	—
Weighted average limited partnership units outstanding - diluted	33,622,661	—	28,545,975	4,630,769
Net income per limited partnership unit - basic	$ 0.02	$ —	$ 0.03	$ 0.03
Net income per limited partnership unit - diluted	$ 0.02	$ —	$ 0.03	$ 0.03

(a) Distributions paid per unit were $0.6125 and $0.5925 during the three months ended March 31, 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.

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 benefits of $2.7 million and $0.8 million for the three months ended March 31, 2017 and 2016, respectively, as a result of 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 March 31, 2017				
Revenues from fuel sales to external customers	$ 339,088	$ 84,203	$ —	$ 423,291
Intersegment revenues from fuel sales	61,616	—	(61,616)	—
Revenues from food and merchandise sales	—	24,020	—	24,020
Rent income	19,639	1,802	—	21,441
Other revenue	534	—	—	534
Total revenues	$ 420,877	$ 110,025	$ (61,616)	$ 469,286
Income from CST Fuel Supply Equity	$ 3,603	$ —	$ —	$ 3,603
Operating income (loss)	$ 25,652	$ 145	$ (20,217)	$ 5,580
Three Months Ended March 31, 2016				
Revenues from fuel sales to external customers	$ 243,403	$ 74,038	$ —	$ 317,441
Intersegment revenues from fuel sales	48,437	—	(48,437)	—
Revenues from food and merchandise sales	—	30,449		30,449
Rent income	18,199	1,332	—	19,531
Other revenue	319	—	—	319
Total revenues	$ 310,358	$ 105,819	$ (48,437)	$ 367,740
Income from CST Fuel Supply Equity	$ 4,051	$ —	$ —	$ 4,051
Operating income (loss)	$ 24,041	$ 1,670	$ (19,790)	$ 5,921

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):

	Three Months Ended March 31,	
	2017	2016
Decrease (increase):		
Accounts receivable	$ 7,020	$ (1,207)
Accounts receivable from related parties	491	(655)
Inventories	330	4,685
Other current assets	1,223	(560)
Other assets	(1,257)	(1,702)
Increase (decrease):		
Accounts payable	(2,845)	782
Accounts payable to related parties	(339)	2,018
Motor fuel taxes payable	(25)	(3,341)
Accrued expenses and other current liabilities	(210)	444
Other long-term liabilities	(144)	622
Changes in working capital, net of acquisitions	$ 4,244	$ 1,086

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):

	Three Months Ended March 31,	
	2017	2016
Cash paid for interest	$ 6,157	$ 4,695
Cash paid for income taxes, net of refunds received	$ 50	$ 708

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

	Three Months Ended March 31,	
	2017	2016
Sale of property and equipment in Section 1031 like-kind exchange transactions	$ —	$ 909
Issuance of capital lease obligations and recognition of asset retirement obligation related to Getty lease	$ 785	$ 1,240
Amended Omnibus Agreement fees settled in our common units	$ 4,510	$ 3,345

Note 15. 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

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.

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:

- CST's Merger or its Merger Agreement and interim operating covenants contained therein;
- the inability to satisfy the conditions specified in the Merger Agreement, including, without limitation, the receipt of necessary governmental or regulatory approvals required to complete the transactions contemplated by the Merger Agreement;
- CST's business strategy and operations and CST's conflicts of interest with us and, post-merger, 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;
- 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.

For additional information regarding CST, CST’s Merger and CST’s Merger Agreement, refer to CST’s Form 10-K, and CST’s Definitive Proxy Statement filed with the SEC on October 11, 2016.

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 Agreement**—This section provides information on the pending 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 months ended March 31, 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 Agreement

Under the terms of the Merger Agreement, Circle K Stores Inc. will, through its acquisition of CST, control CST's interest in the General Partner and CST's 20.2% limited partner interest in us as well as all of the IDRs. The transaction is subject to the receipt of regulatory approvals in the United States and Canada. The transaction is currently expected to close in the second quarter of 2017 (i.e. on or before June 30, 2017). See CST's Definitive Proxy Statement filed with the SEC on October 11, 2016. See Page 8 of the Form 10-K "Items 1., 1A. and 2. Business, Risk Factors and Properties—Risk Factors—Risks Relating to CST's Merger."

Significant Factors Affecting our Profitability

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

<u>Wholesale segment</u>

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 86% 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 increase and decrease corresponding with 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).

<u>Retail segment</u>

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 March 31, 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 subwholesaler 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.

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 March 31,	
	2017	2016
Operating revenues	$ 469,286	$ 367,740
Cost of sales	431,840	330,550
Gross profit	37,446	37,190
Income from CST Fuel Supply equity interests	3,603	4,051
Operating expenses:		
Operating expenses	15,260	15,411
General and administrative expenses	5,817	7,005
Depreciation, amortization and accretion expense	14,348	12,900
Total operating expenses	35,425	35,316
Loss on sales of assets, net	(44)	(4)
Operating income	5,580	5,921
Other income, net	118	118
Interest expense	(6,702)	(5,065)
Income (loss) before income taxes	(1,004)	974
Income tax benefit	(2,701)	(795)
Consolidated net income	1,697	1,769
Net income attributable to noncontrolling interests	1	2
Net income attributable to CrossAmerica limited Partners	1,696	1,767
Distributions to CST as holder of the incentive distribution rights	(992)	(759)
Net income available to CrossAmerica limited Partners	$ 704	$ 1,008

Three Months Ended March 31, 2017 Compared to Three Months Ended March 31, 2016

Consolidated Results

Operating revenues increased $101.5 million, or 28%, while gross profit increased $0.3 million, or 1%.

Operating revenues

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

- A $110.5 million, or 36%, increase in our Wholesale segment revenues primarily attributable to the increase in crude oil prices as well as our recent acquisitions. The average daily spot price of WTI crude oil increased 55% to $51.62 per barrel during 2017, compared to $33.35 per barrel during 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 $4.2 million, or 4%, 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 $13.2 million, primarily attributable to the increases in wholesale motor fuel prices discussed above.

Cost of sales

Cost of sales increased $101.3 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 declined $1.2 million primarily attributable to the integration of prior year acquisitions and other cost savings initiatives.

Depreciation, amortization and accretion expense

Depreciation, amortization and accretion expense increased $1.4 million primarily driven by our recent acquisitions.

Interest expense

Interest expense increased $1.6 million due to additional borrowings to fund our recent acquisitions and an increase in interest rates.

Income tax benefit

We recorded income tax benefits of $2.7 million and $0.8 million for 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 March 31,	
	2017	**2016**
Gross profit:		
Motor fuel–third party	$ 7,865	$ 5,614
Motor fuel–intersegment and related party	5,481	6,111
Motor fuel gross profit	13,346	11,725
Rent and other	15,970	14,129
Total gross profit	29,316	25,854
Income from CST Fuel Supply equity[a]	3,603	4,051
Operating expenses	(7,267)	(5,864)
Adjusted EBITDA[b]	$ 25,652	$ 24,041
Motor fuel distribution sites (end of period):[c]		
Motor fuel–third party		
Independent dealers[d]	394	390
Lessee dealers[e]	427	343
Total motor fuel distribution–third party sites	821	733
Motor fuel–intersegment and related party		
DMS (related party)[f]	151	191
CST (related party)	43	43
Commission agents (Retail segment)[g]	98	66
Company operated retail sites (Retail segment)[h]	72	94
Total motor fuel distribution–intersegment and related party sites	364	394
Motor fuel distribution sites (average during the period):		
Motor fuel-third party distribution	822	683
Motor fuel-intersegment and related party distribution	364	406

	Three Months Ended March 31,	
	2017	2016
Total volume of gallons distributed (in thousands)	238,420	236,162
Motor fuel gallons distributed per site per day:[i]		
Motor fuel–third party		
Total weighted average motor fuel distributed–third party	1,993	2,108
Independent dealers	2,151	2,329
Lessee dealers	1,846	1,828
Motor fuel–intersegment and related party		
Total weighted average motor fuel distributed–intersegment and related party	2,583	2,676
DMS (related party)	2,371	2,326
CST (related party)	4,095	4,783
Commission agents (Retail segment)	2,254	2,774
Company operated retail sites (Retail segment)	2,571	2,389
Wholesale margin per gallon–total system	$ 0.056	$ 0.050
Wholesale margin per gallon–third party sites[j]	$ 0.051	$ 0.041
Wholesale margin per gallon–intersegment and related party	$ 0.065	$ 0.062

(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 under the heading "Results of Operations—Non-GAAP Financial Measures."

(c) In addition, as of March 31, 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 21 terminated motor fuel supply contracts that were not renewed.

(e) The increase in the lessee dealer site count was primarily attributable to converting 26 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) The decrease in the DMS site count was primarily due to sites reverted back to us and subsequently converted into a third party lessee dealer or commission agent. Through the first five years of the lease with DMS, the lease agreement allows for a limited number of sites to be reverted back to us from the lease by each of DMS and ourselves. This right generally expires October 31, 2017.

(g) The increase in the commission agent site count was primarily attributable to 25 reverted DMS sites being converted to commission agent sites in 2016.

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

(i) Does not include the motor fuel gallons distributed to sub-wholesalers. The decrease in independent dealer gallons sold per day are due to the divestiture of commercial wholesale supply contracts associated with the PMI acquisition, whereby gallons distributed are reduced but the site count is not affected.

(j) Includes the wholesale gross margin for motor fuel distributed to sub-wholesalers.

Three Months Ended March 31, 2017 Compared to Three Months Ended March 31, 2016

The results were driven by:

Motor Fuel Gross profit

The $1.6 million increase in motor fuel gross profit was due to a $1.2 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 55% to $51.62 per barrel during 2017, compared to $33.35 per barrel during 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 margin increased $1.8 million primarily as a result of our 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.

Income from CST Fuel Supply equity

The decline of $0.4 million is attributable to CST’s divestiture of its California and Wyoming retail sites.

Operating expenses

Operating expenses increased $1.4 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 March 31,	
	2017	**2016**
Gross profit:		
Motor fuel	$ 1,163	$ 2,529
Merchandise and services	5,761	7,715
Rent and other	1,214	973
Total gross profit	8,138	11,217
Operating expenses	(7,993)	(9,547)
Inventory fair value adjustments(a)	—	91
Adjusted EBITDA(b)	$ 145	$ 1,761
Retail sites (end of period):		
Commission agents(c)	98	67
Company operated retail sites(d)	75	97
Total system sites at the end of the period	173	164
Total system operating statistics:		
Average retail fuel sites during the period(c)(d)	170	173
Motor fuel sales (gallons per site per day)	2,402	2,549
Motor fuel gross profit per gallon, net of credit card fees and commissions	$ 0.032	$ 0.063
Commission agents statistics:		
Average retail fuel sites during the period(c)	98	67
Motor fuel sales (gallons per site per day)	2,271	2,767
Motor fuel gross profit per gallon, net of credit card fees and commissions	$ 0.011	$ 0.016
Company operated retail site statistics:		
Average retail fuel sites during the period(d)	72	107
Motor fuel sales (gallons per site per day)	2,580	2,413
Motor fuel gross profit per gallon, net of credit card fees	$ 0.056	$ 0.097
Merchandise and services sales (per site per day)(e)	$ 3,558	$ 3,141
Merchandise and services gross profit percentage, net of credit card fees	24.0%	25.3%

(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) The increase in the commission agent site count was primarily attributable to 25 reverted DMS sites being converted to commission agent sites in 2016.
(d) The decrease in retail sites relates to the conversion of company operated retail sites to lessee dealer sites.
(e) Includes the results from car wash sales and commissions from lottery, money orders, air/water/vacuum services and ATM fees.

Three Months Ended March 31, 2017 Compared to Three Months Ended March 31, 2016

Gross profit declined $3.1 million, while operating expenses declined $1.6 million.

These results were impacted by:

<u>Gross profit</u>

- Our motor fuel gross profit decreased $1.4 million attributable to a 8% decrease in volume driven by the conversion of company operated retail sites acquired in prior acquisitions to lessee dealer sites and a 49% decrease in margin per gallon as a result of the volatility in crude oil prices. The average daily spot price of WTI crude oil increased 55% in the first quarter of 2017 compared to the same period of the prior year. 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 $2.0 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 $0.2 million primarily from 25 DMS sites being converted to commission agent sites in 2016.

<u>Operating expenses</u>

- A $1.6 million decline in operating expenses attributable to the conversion of company operated retail sites to lessee dealer sites, partially offset by the impact of the Franchised Holiday Stores acquisition.

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 March 31,	
	2017	2016
Net income available to CrossAmerica limited partners	$ 704	$ 1,008
Interest expense	6,702	5,065
Income tax benefit	(2,701)	(795)
Depreciation, amortization and accretion	14,348	12,900
EBITDA	19,053	18,178
Equity funded expenses related to incentive compensation and the Amended Omnibus Agreement[(a)]	4,166	3,282
Loss on sales of assets, net	44	4
Acquisition-related costs[(b)]	473	660
Inventory fair value adjustments	—	91
Adjusted EBITDA	23,736	22,215
Cash interest expense	(6,157)	(4,695)
Sustaining capital expenditures[(c)]	(364)	(131)
Current income tax expense	(359)	(100)
Distributable Cash Flow	$ 16,856	$ 17,289
Weighted average diluted common and subordinated units	33,623	33,177
Distributions paid per limited partner unit[(d)]	$ 0.6125	$ 0.5925
Distribution Coverage Ratio[(e)]	**0.82x**	**0.88x**

(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 partnership 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.

(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 April 26, 2017, the Board approved a quarterly distribution of $0.6175 per unit attributable to the first quarter of 2017. The distribution is payable on May 15, 2017 to all unitholders of record on May 8, 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 March 31,	
	2017	2016
Adjusted EBITDA - Wholesale segment	$ 25,652	$ 24,041
Adjusted EBITDA - Retail segment	145	1,761
Adjusted EBITDA - Total segment	$ 25,797	$ 25,802
Reconciling items:		
Elimination of intersegment profit in ending inventory balance	(8)	119
General and administrative expenses	(5,817)	(7,005)
Other income, net	118	118
Equity funded expenses related to incentive compensation and the Amended Omnibus Agreement	4,166	3,282
Acquisition-related costs	473	660
Net income attributable to noncontrolling interests	(1)	(2)
IDR distributions	(992)	(759)
Consolidated Adjusted EBITDA	$ 23,736	$ 22,215

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):

	Three Months Ended March 31,	
	2017	2016
Net Cash Provided by Operating Activities	$ 21,772	$ 18,569
Net Cash Used in Investing Activities	$ (2,111)	$ (58,595)
Net Cash (Used in) Provided by Financing Activities	$ (15,253)	$ 40,809

<u>Operating Activities</u>

Net cash provided by operating activities increased $3.2 million in 2017 compared to 2016, driven primarily by incremental cash flow generated by our acquisitions. In addition, we settled $1.3 million more in management fees related to the services provided under the Amended Omnibus Agreement in equity with CST in 2017 compared to 2016.

<u>Investing Activities</u>

We incurred $2.5 million and $3.5 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 subwholesaler contracts from CST.

<u>Financing Activities</u>

During 2017, we paid $21.6 million in distributions and made net borrowings under our credit facility of $7.0 million. During 2016, we paid $20.4 million in distributions, made net borrowings of $64.7 million primarily to fund our Franchised Holiday Stores acquisition, and purchased $2.8 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

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 months ended March 31, 2017, we distributed $1.0 million to CST with respect to the IDRs.

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 March 31, 2017, our consolidated debt and capital lease obligations consisted of the following (in thousands):

$550 million revolving credit facility	$	448,500
Note payable		808
Capital lease obligations		28,759
Total debt and capital lease obligations		478,067
Current portion		2,123
Noncurrent portion		475,944
Deferred financing fees		(3,151)
Total	$	472,793

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 3.95% as of March 31, 2017 (LIBOR plus an applicable margin, which was 3.00% as of March 31, 2017). Letters of credit outstanding at March 31, 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 May 4, 2017, after taking into consideration debt covenant restrictions, was $92.2 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 4.23 : 1.00 as of March 31, 2017. As of March 31, 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 three months ended March 31, 2017 and 2016 (in thousands):

	Three Months Ended March 31,	
	2017	2016
Sustaining capital	$ 364	$ 131
Growth	2,153	3,367
Acquisitions	—	55,162
Total consolidated capital expenditures and acquisitions	$ 2,517	$ 58,660

Other Matters Impacting Liquidity and Capital Resources

Concentration of Customers

For the three months ended March 31, 2017, we distributed approximately 14% of our total wholesale distribution volumes to DMS and its affiliates and received 23% of our rent income from DMS and its affiliates. For the three months ended March 31, 2017, we distributed 7% of our total wholesale distribution volumes to CST and received 20% of our rent income from CST. For the three months ended March 31, 2017, we received 9% of our rent income from a lessee dealer that operates many of the sites acquired through the PMI and One Stop acquisitions. See Note 7 of the Condensed Notes to Consolidated Financial Statements for additional information.

Outlook

This outlook section does not take into account or give any effect to the impact of CST's proposed Merger on our business. See Page 8 of the Form 10-K "Items 1., 1A. and 2. Business, Risk Factors and Properties—Risk Factors—Risks Relating to CST's Merger."

As a result of our recent acquisitions, we expect our total motor fuel volume sold for 2017 to be higher than 2016 volumes. While the U.S. energy markets, including wholesale and retail motor fuel prices, are likely to continue to be volatile in 2017, crude prices increased in the latter part of 2016 and have remained at those levels in early 2017, which supports the payment terms discount component of our motor fuel gross margin on an absolute basis while this price increase negatively impacts our wholesale DTW contracts and retail motor fuel gross margins. We 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.

Upon completion of CST's proposed Merger, 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 March 31, 2017, we had $448.5 million outstanding on our revolving credit facility. Our outstanding borrowings bear interest at LIBOR plus an applicable margin, which was 3.00% at March 31, 2017. Our borrowings had a weighted-average interest rate at March 31, 2017 of 3.95%. 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 Securities Exchange Act of 1934) as of the end of the period covered by this report, and has concluded that our disclosure controls and procedures were effective as of March 31, 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 Securities Exchange Act) that occurred during the three months ended March 31, 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, CrossAmerica issued 171,039 common units to a subsidiary of CST as partial payment for the amounts incurred for the fourth quarter of 2016 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
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/ Clayton E. Killinger
Clayton E. Killinger
Executive Vice President and Chief Financial Officer
(Duly Authorized Officer and Principal Financial and Accounting Officer)

Date: May 8, 2017

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: May 8, 2017

/s/ Jeremy Bergeron

Jeremy Bergeron
President
[Principal 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, Clayton E. Killinger, 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: May 8, 2017

/s/ Clayton E. Killinger

Clayton E. Killinger
Executive Vice President and Chief Financial Officer

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 March 31, 2017, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Jeremy Bergeron, President 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: May 8, 2017

/s/ Jeremy Bergeron

Jeremy Bergeron
President
[Principal 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 March 31, 2017, as filed with the Securities and Exchange Commission on the date hereof (the “Report”), I, Clayton E. Killinger, Executive Vice President 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: May 8, 2017

/s/ Clayton E. Killinger

Clayton E. Killinger
Executive Vice President and Chief Financial Officer

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.