# SUSSER PETROLEUM PARTNERS LP

## FORM 10-K
(Annual Report)

Filed 03/14/14 for the Period Ending 12/31/13

| | |
|---|---|
| Address | 555 EAST AIRTEX DRIVE<br>HOUSTON, TX 77073 |
| Telephone | (832) 234-3600 |
| CIK | 0001552275 |
| Symbol | SUSP |
| SIC Code | 5172 - Petroleum and Petroleum Products Wholesalers, Except Bulk Stations and Terminals |
| Industry | Oil & Gas Operations |
| Sector | Energy |
| Fiscal Year | 12/31 |

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

---

## FORM 10-K

---

(Mark one)

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

**For the Fiscal Year Ended: December 31, 2013**

**or**

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

**For the transition period from _____ to _____**

**Commission File Number: 001-35653**

# SUSSER PETROLEUM PARTNERS LP

**(Exact name of registrant as specified in its charter)**

| **Delaware** | **30-0740483** |
|---|---|
| **(State or other jurisdiction of incorporation or organization)** | **(I.R.S. Employer Identification Number)** |

**555 East Airtex Drive**
**Houston, TX 77073**
**(Address of principal executive offices, including zip code)**

**Registrant's telephone number, including area code: (832) 234-3600**

**Securities registered pursuant to Section 12(b) of the Act:**

| **Title of each class** | **Name of each exchange on which registered** |
|---|---|
| **Common Units Representing Limited Partner Interests, $.01 par value** | **New York Stock Exchange (NYSE)** |

**Securities registered pursuant to Section 12(g) of the Act: NONE**

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes ☐ No ☒
Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. Yes ☐ No ☒

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 to its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Registration S-T 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 if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. ☒

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

| | |
|---|---|
| Large accelerated filer ☐ | Accelerated filer ☒ |
| Non-accelerated filer ☐ (Do not check if a smaller reporting company) | Smaller reporting company ☐ |

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

At June 30, 2013, the aggregate market value of common units representing limited partner interests held by non-affiliates of the registrant was approximately $306.0 million based upon the closing price of its common units on the New York Stock Exchange.

The registrant had 11,020,764 common units representing limited partner interests and 10,939,436 subordinated units representing limited partner interests outstanding at March 7, 2014.

**Documents Incorporated by Reference: None**

---

**SUSSER PETROLEUM PARTNERS LP**
**ANNUAL REPORT ON FORM 10-K**
**TABLE OF CONTENTS**

## PART I

### Item 1. Business

#### General

We are a growth-oriented Delaware limited partnership formed in June 2012 by Susser Holdings Corporation, ("SUSS") and its wholly owned subsidiary, Susser Petroleum Partners GP LLC (our "general partner"), to engage in the primarily fee-based wholesale distribution of motor fuels to SUSS and third parties. In September 2012, we completed our initial public offering (the “IPO”) and our common units representing limited partner interests now trade on the New York Stock Exchange under the symbol “SUSP.” Prior to completion of the IPO, our operations were conducted by Susser Petroleum Company LLC (our “Predecessor”). For the year ended December 31, 2013 , we distributed 1.1 billion gallons of motor fuel to *Stripes* ® convenience stores and SUSS consignment locations and 517.8 million gallons of motor fuel to other third-party customers. We believe we are one of the largest independent motor fuel distributors by gallons in Texas, and among the largest distributors of Valero and Chevron branded motor fuel in the United States. We also receive rental income from real estate that we lease or sublease.

Our principal executive offices are located at 555 East Airtex Drive, Houston, Texas 77073. Our telephone number is (832) 234-3600. Our internet address is *http://www.susserpetroleumpartners.com* . We make available through our website our annual report on Form 10-K, quarterly reports on Form 10-Q, current reports on Form 8-K and amendments to those reports filed or furnished pursuant to Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended, or the Exchange Act, as soon as reasonably practicable after we electronically file such material with, or furnish such material to, the Securities and Exchange Commission, or the SEC. The SEC maintains an internet site at *http://www.sec.gov* that contains reports, proxy and information statements, and other information regarding issuers that file electronically with the SEC.

References in this annual report to “Partnership,” “SUSP,” “we,” “us” and “our” refer to Susser Petroleum Partners LP, our predecessors and our consolidated subsidiaries, as applicable and appropriate.

#### Our Relationship with Susser Holdings Corporation

One of our principal strengths is our relationship with SUSS. SUSS operated approximately 580 retail convenience stores under its proprietary *Stripes*® brand, primarily in growing Texas markets, as of the end of 2013. Stripes is a leading independent operator of convenience stores in Texas, based on store count and retail motor fuel volumes sold. Our business is integral to the success of SUSS' retail operations, and SUSS purchases substantially all of its motor fuel from us.

The Susser family entered the motor fuel retailing and distribution business in the 1930's. Sam L. Susser, Chairman of the Board, President and Chief Executive Officer of SUSS, joined SUSS in 1988, when it operated five retail stores and had revenues of $8.4 million. SUSS has demonstrated a strong track record of internal growth and the ability to successfully integrate acquisitions into its operations, completing 14 multi-unit acquisitions consisting of both retail stores and wholesale distribution contracts since 1988. In addition, SUSS constructed approximately 170 large−format convenience stores from January 2000 through December 31, 2013 , and intends to construct 27 to 33 stores during 2014. SUSS has also developed *Laredo Taco Company* ®, a proprietary in-house restaurant concept, and implemented it in 362 *Stripes*® convenience stores, and intends to implement it in all newly constructed *Stripes*® convenience stores. Shares of SUSS' common stock are listed on the New York Stock Exchange under the ticker symbol "SUSS".

##### *Commercial Agreements*

Two long-term, fee-based commercial agreements with SUSS were contributed to us in connection with the IPO. These commercial agreements with SUSS consist of:

- A fuel distribution agreement (the “SUSS Distribution Contract”), pursuant to which we are the exclusive distributor of motor fuel to SUSS' existing *Stripes* ® convenience stores and independently operated consignment locations, and to all future sites purchased by the Partnership pursuant to the sale and leaseback option under the Omnibus Agreement. Under the SUSS Distribution Contract, motor fuel is purchased from us at cost, including tax and transportation costs, plus a fixed profit margin of three cents per gallon, for a period of ten years. In addition, all future motor fuel volumes purchased by SUSS for its own account will be added to the SUSS Distribution Contract pursuant to the terms of our Omnibus Agreement; and

- A Transportation Contract (the “SUSS Transportation Contract”), pursuant to which SUSS arranges for motor fuel to be delivered from our suppliers to our customers at rates consistent with those charged to third parties for the delivery of motor fuel, with the cost being entirely passed along to our customers, including SUSS.

***Omnibus Agreement***

In addition to the above commercial agreements, we also entered into an Omnibus Agreement with SUSS in connection with the IPO. Pursuant to the Omnibus Agreement, among other things, the Partnership received a three-year option to purchase from SUSS up to 75 of SUSS' new or recently constructed *Stripes* ® convenience stores at SUSS' cost and lease the stores back to SUSS at a specified rate for a 15-year initial term, and the Partnership will be the exclusive distributor of motor fuel to such stores for a period of ten years from the date of purchase. The Partnership also received a ten-year right to participate in acquisition opportunities with SUSS, to the extent the Partnership and SUSS are able to reach an agreement on terms, and the exclusive right to distribute all motor fuel SUSS purchases for its own account which would generally include all of SUSS' newly constructed convenience stores and independently operated consignment locations. In addition, the Partnership agreed to reimburse the general partner and its affiliates for the costs incurred in managing and operating the Partnership. The Ombinus Agreement also provides for certain indemnification obligations between SUSS and SUSP.

For more information regarding the commercial agreements and the Omnibus Agreement, please read "Item 13. Certain Relationships, Related Transactions and Director Independence.”

**Our Business and Operations**

We are a wholesale distributor of motor fuels and other petroleum products, and we lease or sublease to SUSS, third-party dealers, and independent operators of consignment locations, real estate used primarily in the retail distribution of motor fuels. We do not operate or intend to operate any retail convenience stores.

***Wholesale Motor Fuel Distribution***

We purchase motor fuel from refiners and distribute it throughout Texas and in New Mexico, Oklahoma and Louisiana to (i) *Stripes*® convenience stores; (ii) SUSS' independently operated consignment locations; (iii) convenience stores and retail fuel outlets operated by third parties and (iv) other commercial customers. Subsequent to our IPO, we classify sales to SUSS for its *Stripes*® stores and consignment locations as affiliated sales. Prior to our IPO, our Predecessor supplied the SUSS consignment locations directly and therefore these sales were included in third-party sales. The following table highlights our total motor fuel gallons sold during each of the last five fiscal years (gallons in thousands):

| | Year Ended December 31, | | | | |
|---|---|---|---|---|---|
| | **2009** | **2010** | **2011** | **2012 (1)** | **2013** |
| **Customer Group** | | | | | |
| Affiliates | 707,106 | 739,104 | 789,578 | 889,755 | 1,053,259 |
| Third−party dealers and other commercial customers | 494,821 | 494,209 | 522,832 | 560,191 | 517,775 |
| Total | 1,201,927 | 1,233,313 | 1,312,410 | 1,449,946 | 1,571,034 |

(1) SUSS consignment gallons are included in "Third-party dealers and other commercial customers" prior to September 25, 2012 and are included in "Affiliates" beginning September 25, 2012.

The following table highlights the number of locations to which we distributed fuel on a contract basis as of the end of the year, by principal customer group:

| | Year Ended December 31, | | | | |
|---|---|---|---|---|---|
| | 2009 | 2010 | 2011 | 2012 (1) | 2013 |
| **Customer Group** | | | | | |
| Affiliates | 526 | 526 | 541 | 648 | 662 |
| Third−party contracted dealer locations | 390 | 431 | 565 | 490 | 504 |
| Total | 916 | 957 | 1,106 | 1,138 | 1,166 |

(1) SUSS consignment locations are included in "Third-party contracted dealer locations" prior to September 25, 2012 and are included in "Affiliates" beginning September 25, 2012.

***Sales to Affiliates***

Pursuant to the SUSS Distribution Contract and the Omnibus Agreement, we are the exclusive distributor of motor fuel purchased by SUSS' *Stripes*® convenience store locations and independently operated consignment locations. We charge a fixed profit margin of three cents per gallon to all SUSS-supplied stores existing at the time of the IPO and purchased by us pursuant to our sale and leaseback option. Unless other fuel supply terms are negotiated between SUSS and us, the profit margin for other additional *Stripes* ® or consignment locations will be at the alternative fuel sales rate, as determined annually pursuant to the Omnibus Agreement.

As of December 31, 2013 , SUSS operated 580 *Stripes*® convenience stores, 533 of which were in Texas, 29 of which were in New Mexico, and 18 of which were in Oklahoma. As of December 31, 2013 , 575 *Stripes*® convenience stores that sell fuel were supplied by us, predominately at a fixed profit margin of three cents per gallon. Approximately 86% of the *Stripes*® convenience stores are open 24 hours a day, 365 days a year. SUSS has built approximately 170 *Stripes*® convenience stores since January 1, 2000 through December 31, 2013 . These new stores, which for the last five years average approximately 6,000 square feet, are built on large lots with much larger motor fueling and parking facilities as compared to older stores and many of SUSS' competitors' stores. According to a report of 2012 industry data issued by the National Association of Convenience Stores, the average size of new stores in the U.S. was 4,233 square feet in urban areas, and 5,722 square feet in rural areas. The average size of existing stores in the industry is 2,811 square feet.

As of December 31, 2013 , SUSS had consignment arrangements with independent operators at 87 locations, all of which we charge a fixed profit margin of three cents per gallon. At these consignment locations, SUSS provides and controls motor fuel inventory and price at the site and receives the actual retail selling price for each gallon sold, less a commission paid to the independent operators.

***Sales to Contracted Third Parties***

As of December 31, 2013 , we distributed fuel under long-term contracts to 492 convenience stores operated by third parties. No single third party dealer is material to our business. Under our distribution contracts with third parties, we agree to distribute a particular brand of, or unbranded, motor fuel to a location or group of locations and arrange for all transportation and logistics. We typically receive a fee per gallon equal to the posted purchase price at the fuel supply terminal, plus transportation costs, taxes and a fixed, volume−based fee, which is usually expressed in cents per gallon. The initial term of most dealer distribution contracts is ten years, and as of December 31, 2013 , our dealer distribution contracts had an average remaining life of five years. These dealer distribution agreements require, among other things, that dealers maintain the standards established by the applicable fuel brand, if any.

As of December 31, 2013 , we distributed fuel under consignment arrangements at 12 locations. Under these arrangements we provide and control motor fuel inventory and price at the site and receive actual retail selling price for each gallon sold, less a commission paid to the independent operators.

We continually seek to expand our dealer distribution network through additions of new dealers and consignment locations and through acquisitions of contracts for existing independently operated sites from other distributors. We evaluate potential independent site operators based on their creditworthiness and the quality of their site and operations, including the site's size and location, projected monthly volumes of motor fuel, monthly merchandise sales, overall financial performance and

previous operating experience. We may extend credit to certain dealers based on our credit evaluation process.

***Dealer Incentives***

In addition to motor fuel distribution, we offer dealers the opportunity to participate in merchandise purchasing and promotional programs arranged with vendors. We believe the vendor relationships we have established through SUSS' retail operations and our ability to develop programs provide us with an advantage over other distributors when recruiting new dealers into our network, as well as retaining current dealers. Our dealer incentives allow our dealers to access products and services, such as ATM machines and automated movie rental kiosks, that they would not likely be able to obtain either on their own or at our discounted rates.

***Sales to Other Commercial Customers***

We also distribute unbranded fuel to numerous other customers, including convenience stores, unattended fueling facilities and certain other commercial customers. These distribution arrangements totaled approximately 203 million gallons during 2013. These customers are primarily commercial, governmental and other parties who buy motor fuel by the load or in bulk and who do not generally enter exclusive contractual relationships with us, if they enter into a contractual relationship with us at all. Sales to these customers are typically made at a quoted price based upon our cost plus taxes, cost of transportation and a margin determined by us at time of sale, and may provide for immediate payment or the extension of credit for up to 30 days. We also sell propane, lube oil and other petroleum products to our commercial customers on both a spot and contracted basis.

***Fuel Supplier Arrangements***

We distribute branded motor fuel under the Chevron, CITGO, Conoco, Exxon, Mobil, Phillips 66, Shamrock, Shell, Texaco and Valero brands. We purchase this branded motor fuel from major oil companies and refiners under supply agreements. We also distribute unbranded motor fuel, which we purchase either on a rack basis based upon prices posted by the refiner at a fuel supply terminal, or on a contract basis with the price tied to one or more market indices.

During 2012 and 2013 , Valero supplied approximately 35% and Chevron supplied approximately 20% , respectively, of our consolidated motor fuel purchases. Our supply agreement with Valero expires in July 2018. We have been a distributor for Chevron since 1996 and our current contract with Chevron expires in August 2014. We would not expect any significant obstacles to renewing these contracts at the end of their terms. We purchase motor fuel at the supplier's applicable price at the terminal, which typically changes daily. Our supply agreements with other suppliers generally have an initial term of three years. In addition, each supply agreement typically contains provisions relating to payment terms, use of the supplier's brand names, credit card processing, compliance with supplier's requirements, insurance coverage and compliance with legal and environmental requirements, among others. As is typical in the industry, our suppliers generally can terminate the supply contract if we do not comply with any material condition of the contract, including our failure to make payments when due, fraud, criminal misconduct, bankruptcy or insolvency. Generally, our supply agreements have provisions that obligate the supplier to sell up to an agreed upon number of gallons, subject to certain limitations. Any amount in excess of that agreed upon amount is subject to availability. Due to the large volumes of motor fuel we purchase, we may receive volume rebates or incentive payments to drive volumes and provide an incentive for branding new locations. Certain suppliers require that all or a portion of any such branding incentive payments be repaid to the supplier in the event that the sites are closed or rebranded within a stated number of years.

We have historically received early payment and volume−related discounts from our suppliers, although there is no guarantee that we will continue to receive these discounts in the future. Please read “Risk Factors-Risks Related to Our Business". Certain of our contracts with suppliers currently have early payment and volume−related discounts which reduce the price we pay for motor fuel that we purchase from them. If we are unable to renew these contracts on similar terms, our gross profit will decrease.

***Bulk Fuel Purchases***

We may periodically purchase motor fuel in bulk and hold it in inventory or transport it via pipeline, in which case we may mitigate the inventory risk through the use of commodity futures contracts or other derivative instruments which are matched in quantity and timing to the anticipated usage of the inventory. These fuel hedging positions have not been material to our operations. In certain instances, we blend in various additives including ethanol and bio-mass based diesel. During 2011, 2012 and 2013 , bulk fuel purchases represented approximately 5% to 12% of our total gallons purchased.

***Transportation Logistics***

Pursuant to the SUSS Transportation Contract, SUSS provides transportation logistics for most of our motor fuel deliveries. Through third−party transportation providers or its own fleet of fuel transportation vehicles, SUSS arranges for motor fuel to be delivered from the storage terminals to the appropriate sites in our distribution network at prices consistent with those historically charged to third parties for the delivery of fuel. Under this arrangement and pursuant to our contracts with third−party customers and SUSS, we pass through all transportation costs and consequently do not incur any profit or loss relating to transportation. We deliver motor fuel, propane, and lubricants to some customers using our trucks.

***Technology***

Technology is an important part of our wholesale operations. We utilize a proprietary web-based system that allows our wholesale customers to access their accounts at any time from a personal computer to obtain prices, place orders and review invoices, credit card transactions and electronic funds transfer notifications. Substantially all of our customer payments are processed by electronic funds transfer. We use an internet−based system to assist with fuel inventory management and procurement and an integrated wholesale fuel system for financial accounting, procurement, billing and inventory management.

***Real Estate and Lease Arrangements***

As of December 31, 2013 , we owned 79 locations, including 33 *Stripes*® locations purchased pursuant to our sale and leaseback option under the Omnibus Agreement, and leased 12 additional locations, most of which are in Texas, and all of which we rent or sublease to third parties. We collect rent from the lessees pursuant to lease agreements with them. Our leases typically have a term of five to 15 years and as of December 31, 2013 , the average remaining lease term for our current lease agreements was approximately seven years.

***Growth Opportunities in Rental Income from SUSS***

Pursuant to the Omnibus Agreement, we have the option to enter into sale and leaseback transactions with SUSS for up to 75 *Stripes*® convenience stores. As of December 31, 2013 , through our wholly owned subsidiary, Susser Petroleum Property Company LLC ("PropCo"), we had completed sale and leaseback transactions with SUSS on 33 locations. The annualized rental income from the 33 properties is $10.7 million. We intend to pursue additional sale and leaseback transactions with SUSS in the future, which we believe will help promote SUSS' organic growth strategy while providing us with additional cash flows from rent and the wholesale distribution of fuel.

SUSS' organic growth plans call for the opening of 27 to 33 newly constructed stores in 2014 in addition to the 29 newly constructed stores SUSS opened in 2013. SUSS currently owns sufficient properties for a large portion of the stores scheduled to be built in 2014, and is continuously evaluating new properties within or contiguous to its existing *Stripes*® market areas. SUSS currently expects to sell 25 to 33 of its newly constructed stores to us during 2014.

**Competition**

We compete primarily with other independent motor fuel distributors. The market for distribution of wholesale motor fuel is highly competitive and fragmented, which results in narrow margins. We have numerous competitors, some of which may have significantly greater resources and name recognition than we do. Significant competitive factors include the availability of major brands, customer service, price, range of services offered and quality of service, among others. We rely on our ability to provide value−added and reliable service and to control our operating costs in order to maintain our margins and competitive position.

**Seasonality**

Our business exhibits some seasonality due to our customers' increased demand for motor fuel during the late spring and summer months as compared to the fall and winter months. Travel, recreation and construction activities typically increase in these months in the geographic areas in which we operate, increasing the demand for motor fuel. Therefore, the volume of motor fuel that we distribute is typically somewhat higher in the second and third quarters of our fiscal year. As a result, our results from operations may vary from period to period.

**Working Capital Requirements**

We have minimal working capital requirements, as we do not hold significant amounts of inventory and we receive payment for most of the gallons we sell on approximately the same payment terms as we have with our suppliers. Both our accounts receivable and accounts payable balances may fluctuate with seasonal trends in the business as well as with increases or decreases in the cost of fuel.

**Environmental Matters**

***Environmental Laws and Regulations***

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

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

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

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

We believe we are in compliance in all material respects with applicable environmental laws and regulations, and we do not believe that compliance with federal, state or local environmental laws and regulations will have a material adverse effect on our financial position, results of operations or cash available for distribution to our unitholders. Any future change in regulatory requirements could cause us to incur significant costs.

***Hazardous Substances and Releases***

Certain environmental laws, including the Comprehensive Environmental Response, Compensation and Liability Act of 1980 (“CERCLA”), impose strict, and under certain circumstances, joint and several, liability on the owner and operator as well as former owners and operators of properties for the costs of investigation, removal or remediation of contamination and also impose liability for any related damages to natural resources without regard to fault. In addition, under CERCLA and similar state laws, as persons who arrange for the transportation, treatment or disposal of hazardous substances, we also may be subject to similar liability at sites where such hazardous substances come to be located. We may also be subject to third−party claims alleging property damage and/or personal injury in connection with releases of or exposure to hazardous substances at, from or in the vicinity of our current properties or off-site waste disposal sites.

We are required to comply with federal and state financial responsibility requirements to demonstrate that we have the ability to pay for remediation or to compensate third parties for damages incurred as a result of a release of regulated materials from our underground storage tank systems. We meet these requirements primarily by maintaining insurance which we purchase from private insurers.

***Environmental Reserves***

As of December 31, 2013 , we had no reserves for environmental matters and had no known liabilities for sites we own. Our Omnibus Agreement with SUSS provides that SUSS must indemnify us for costs that we incur for environmental liabilities and third-party claims that are based on environmental conditions in existence at the contributed properties prior to the IPO. The indemnity expires September 2015.

***Underground Storage Tanks***

We are required to make financial expenditures to comply with regulations governing underground storage tanks adopted by federal, state and local regulatory agencies. Pursuant to the Resource Conservation and Recovery Act of 1976, as amended, the Environmental Protection Agency ("EPA") has established a comprehensive regulatory program for the detection, prevention, investigation and cleanup of leaking underground storage tanks. State or local agencies are often delegated the responsibility for implementing the federal program or developing and implementing equivalent state or local regulations. We have a comprehensive program in place for performing routine tank testing and other compliance activities which are intended to promptly detect and investigate any potential releases. We believe we are in compliance in all material respects with requirements applicable to our underground storage tanks.

***Air Emissions***

The Federal Clean Air Act (the "CAA") and similar state laws impose requirements on emissions to the air from motor fueling activities in certain areas of the country, including those that do not meet state or national ambient air quality standards. These laws may require the installation of vapor recovery systems to control emissions of volatile organic compounds to the air during the motor fueling process. Under the CAA and comparable state and local laws, permits are typically required to emit regulated air pollutants into the atmosphere. We believe that we currently hold or have applied for all necessary air permits and that we are in substantial compliance with applicable air laws and regulations. Although we can give no assurances, we are aware of no changes to air quality regulations that will have a material adverse effect on our financial condition, results of operations or cash available for distribution to our unitholders.

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

Efforts at the federal and state level are currently underway to reduce the levels of greenhouse gas ("GHG") emissions from various sources in the United States. At the federal level, Congress has considered legislation to reduce GHG emissions in the United States but no such legislation has been passed. Such federal legislation may impose a carbon emissions tax or establish a cap-and-trade program or regulation by the EPA. Even in the absence of new federal legislation, GHG emissions have begun to be regulated by the EPA pursuant to the CAA. For example, in April 2010, the EPA set a new emissions standard for motor vehicles to reduce GHG emissions. New federal or state restrictions on emissions of GHGs that may be imposed in areas of the United States in which we conduct business and that apply to our operations could adversely affect the demand for our products.

**Other Government Regulation**

The Petroleum Marketing Practices Act, or PMPA, is a federal law that governs the relationship between a refiner and a distributor, as well as between a distributor and branded dealer, pursuant to which the refiner or distributor permits a distributor or dealer to use a trademark in connection with the sale or distribution of motor fuel. Under the PMPA, we may not terminate or fail to renew a branded distributor contract unless certain enumerated preconditions or grounds for termination or nonrenewal are met and we also comply with the prescribed notice requirements.

**Employee Safety**

We are subject to the requirements of the Occupational Safety and Health Act, or "OSHA," and comparable state statutes that regulate the protection of the health and safety of workers. In addition, OSHA's hazard communication standards require that information be maintained about hazardous materials used or produced in operations and that this information be provided to employees, state and local government authorities and citizens. We believe that we are in substantial compliance with the applicable OSHA requirements.

**Title to Properties, Permits and Licenses**

We believe we have all of the assets needed, including leases, permits and licenses, to operate our business in all material respects. With respect to any consents, permits or authorizations that have not been obtained, we believe that the failure to obtain these consents, permits or authorizations will not have a material adverse effect on our financial position, results of operations or cash available for distribution to our unitholders.

We believe we have satisfactory title to all of our assets. Title to property may be subject to encumbrances, including repurchase rights and use, operating and environmental covenants and restrictions, including restrictions on branded motor fuels that may be sold at such sites. We believe that none of these encumbrances will detract materially from the value of our sites or from our interest in these sites, nor will they interfere materially with the use of these sites in the operation of our business. These encumbrances may, however, impact our ability to sell the site to an entity seeking to use the land for alternative purposes.

**Our Employees**

We are managed and operated by the board of directors and executive officers of our general partner. Neither we nor our subsidiaries have any employees. Our general partner has the sole responsibility for providing the employees and other personnel necessary to conduct our operations. All of the employees that conduct our business are employed by SUSS and its affiliates. Our general partner and its affiliates have approximately 170 employees performing services for our operations, and appropriate costs are allocated to us. We believe that our general partner and its affiliates have a satisfactory relationship with those employees. None of these employees are subject to collective bargaining agreements. Beginning January 2014, as an employer with more than 50 employees, SUSS is subject to a system of mandated health insurance, which will increase our operating expenses. Information concerning the executive officers of our general partner is contained in "Item 10. Executive Officers and Directors of our General Partner."

**Item 1A. Risk Factors**

**Risks Related to Our Business**

***SUSS is our largest customer, and we are dependent on SUSS for a significant majority of our revenues. Therefore, we are indirectly subject to the business risks of SUSS. If SUSS changes its business strategy, is unable to satisfy its obligations under our various commercial agreements for any reason, or significantly reduces the volume of motor fuel it purchases under the SUSS Distribution Contract, our revenues will decline and our financial condition, results of operations, cash flows and ability to make distributions to our unitholders will be adversely affected.***

For the year ended December 31, 2013 , SUSS accounted for approximately 66% of our revenues, 45% of our gross profit and 67% of our motor fuel volumes sold. We are subject to the risk of nonpayment or nonperformance by SUSS under the SUSS Distribution Contract. Furthermore, the SUSS Distribution Contract does not impose any minimum volume obligations on SUSS and SUSS will have a limited ability to remove *Stripes* ® convenience stores from the SUSS Distribution Contract. If SUSS changes its business strategy or significantly reduces the volume of motor fuel it purchases for its *Stripes* ® convenience stores and independently operated consignment locations, our cash flows will be adversely impacted. Any event, whether in our areas of operation or otherwise, that materially and adversely affects SUSS' financial condition, results of operation or cash flows may adversely affect our ability to sustain or increase cash distributions to our unitholders. Accordingly, we are indirectly subject to the operational and business risks of SUSS, some which are related to the following:

- competitive pressures from convenience stores, gasoline stations, and non-traditional fuel retailers such as supermarkets, club stores and mass merchants located in SUSS' markets;
- volatility in prices for motor fuel, which could adversely impact consumer demand for motor fuel;
- increasing consumer preferences for alternative motor fuels, or improvements in fuel efficiency;
- seasonal trends in the convenience store industry, which significantly impact SUSS' motor fuel sales;
- the impact of severe or unfavorable weather conditions on SUSS' facilities or communications networks, or on consumer behavior, travel and convenience store traffic patterns;
- cross−border risks associated with the concentration of SUSS' stores in markets bordering Mexico;
- SUSS' dependence on information technology systems;
- SUSS' ability to build or acquire and successfully integrate new stores;
- the operation of SUSS' retail stores in close proximity to stores of our other customers; and

- risks relating to SUSS' dependence on us for cash flow generation.

Finally, we have no control over SUSS, our largest source of revenue and our primary customer. SUSS may elect to pursue a business strategy that does not favor us and our business. SUSS owns and controls our general partner, which has sole responsibility for conducting our business and managing our operations. Our general partner and its affiliates, including SUSS, have conflicts of interest with us and limited fiduciary duties and they may favor their own interests to the detriment of us and our unitholders.

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

We may not have sufficient cash each quarter to pay the full amount of our minimum quarterly distribution of $0.4375 per unit, or $1.75 per unit per year, which will require us to have available cash of approximately $9.6 million per quarter, or $38.4 million per year, based on the number of common and subordinated units currently outstanding. The amount of cash we can distribute on our common and subordinated units principally depends upon the amount of cash we generate from our operations, which will fluctuate from quarter to quarter based on a number of factors, some of which are beyond our control, including, among other things:

- demand for motor fuel in the markets we serve, including seasonal fluctuations in demand for motor fuel;
- competition from other companies that sell motor fuel products in our market areas;
- regulatory action affecting the supply of or demand for motor fuel, our operations, our existing contracts or our operating costs;
- prevailing economic conditions; and
- volatility of prices for motor fuel.

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

- the level and timing of capital expenditures we make;
- the cost of acquisitions, if any;
- our debt service requirements and other liabilities;
- fluctuations in our working capital needs;
- reimbursements made to our general partner and its affiliates for all direct and indirect expenses they incur on our behalf pursuant to the partnership agreement;
- our ability to borrow funds and access capital markets;
- restrictions contained in debt agreements to which we are a party; and
- the amount of cash reserves established by our general partner.

***The growth of our wholesale business depends in part on SUSS' ability to construct, open and profitably operate new Stripes® convenience stores. If SUSS does not construct additional Stripes® convenience stores, our growth strategy and ability to increase cash distributions to our unitholders may be adversely affected.***

A significant part of our growth strategy is to increase our wholesale fuel distribution volumes and rental income relating to newly constructed *Stripes* ® convenience stores. SUSS may not be able to construct and open new convenience stores, and any new stores that SUSS opens may be unprofitable or fail to attract expected volumes of motor fuel sales. Several factors that could affect SUSS' ability to open and profitably operate new stores include:

- competition in targeted market areas;
- the inability to identify and acquire suitable sites for new stores or to negotiate acceptable leases for such sites;
- difficulties in adapting distribution and other operational and management systems to an expanded network of stores;
- the potential inability to obtain adequate financing to fund its expansion; and
- difficulties in obtaining governmental and other third−party consents, permits and licenses needed to construct and operate additional stores.

Furthermore, SUSS is not obligated to construct additional *Stripes*® convenience stores nor enter into additional sale and leaseback transactions with respect to any newly constructed stores beyond the 75 option stores under the Omnibus Agreement. Additionally, under the SUSS Distribution Contract, SUSS will continue to have the right to convert a limited number of stores each year to third−party consignment contracts, and the third−party wholesalers party to such consignment contracts would not be obligated to purchase any motor fuel from us. If SUSS were to determine in the future that growth via the construction of additional *Stripes*® convenience stores or additional sale and leaseback transactions is not attractive or that it is more advantageous to contract for third−party consignment sales of motor fuel at existing or future locations as opposed to SUSS selling the motor fuel, it could adversely impact our ability to grow our motor fuel volumes and rental income and our ability to make distributions to our unitholders could be adversely affected.

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

The SUSS Distribution Contract has (i) a term of ten years from the IPO with respect to sales of motor fuel to existing *Stripes* ® convenience stores and consignment locations, and (ii) a term of ten years from the applicable option store closing date with respect to any *Stripes* ® convenience stores we purchase and lease back to SUSS pursuant to the 75 store option. However, SUSS is under no obligation to renew these volumes under the SUSS Distribution Contract on similar terms or at all, and SUSS' failure to renew the SUSS Distribution Contract would have a material adverse effect on our business, liquidity and results of operations. In addition, SUSS' obligation under the Omnibus Agreement to purchase any fuel it sells in the future for its own account will expire after ten years.

Our third−party revenues are generated under contracts with specified term lengths. As these contracts expire, they must be renegotiated or replaced. Our existing third−party dealer distribution contracts generally have an initial term of ten years and currently have an average remaining term of approximately five years. These dealers have no obligation to renew their distribution contracts with us on similar terms or at all.

We receive rental income from 58 properties that we currently lease or sublease to third parties, and 33 *Stripes* ® locations. Our lessees have no obligation to renew their contracts. Our third−party rental contracts typically have an initial term of five to ten years, and, as of December 31, 2013, had an average remaining life of seven years.

We may be unable to renegotiate or replace our third−party distribution contracts or leases when they expire, and the terms of any renegotiated contracts may not be as favorable as the terms of the contracts they replace. Whether these contracts are successfully renegotiated or replaced is frequently subject to factors beyond our control. Such factors include fluctuations in motor fuel prices, counterparty ability to pay for or accept the contracted volumes and a competitive marketplace for the services offered by us. If we cannot successfully renegotiate or replace our third−party contracts or must renegotiate or replace them on less favorable terms, revenues from these arrangements could decline and our ability to make distributions to our unitholders could be adversely affected.

***Our financial condition and results of operations are influenced by changes in the prices of motor fuel, which may adversely impact our margins, our customers' financial condition and the availability of trade credit.***

Our operating results are influenced by prices for motor fuel, pricing volatility and the market for such products. When prices for motor fuel rise, some of our customers may have insufficient credit to purchase motor fuel from us at their historical volumes. In addition, significant and persistent increases in the retail price of motor fuel could also diminish consumer demand, which could subsequently diminish the volume of motor fuel we distribute. Furthermore, higher prices for motor fuel may reduce our access to trade credit support or cause it to become more expensive. On the other hand, significant decreases in

wholesale motor fuel prices could result in lower motor fuel gross margins per gallon due to the reduction in value of discounts from our suppliers.

***A significant decrease in demand for motor fuel in the areas we serve would reduce our ability to make distributions to our unitholders.***

A significant decrease in demand for motor fuel in the areas that we serve could significantly reduce our revenues and, therefore, reduce our ability to make or increase distributions to our unitholders. Our revenues are dependent on various trends, such as trends in commercial truck traffic, travel and tourism in our areas of operation, and these trends can change. Furthermore, seasonal fluctuations or regulatory action, including government imposed fuel efficiency standards, may affect demand for motor fuel. Because certain of our operating costs and expenses are fixed and do not vary with the volumes of motor fuel we distribute, our costs and expenses might not decrease ratably or at all should we experience a reduction in our volumes distributed. As a result, we may experience declines in our profit margin if our fuel distribution volumes decrease.

***Certain of our contracts with suppliers currently have early payment and volume−related discounts which reduce the price we pay for motor fuel that we purchase from them. If we are unable to renew these contracts on similar terms, our gross profit will correspondingly decrease.***

Certain of our contracts with suppliers currently have early payment and volume−related discounts based on the timing of our payment and the market price of the fuel and volumes that we purchase. During the year ended December 31, 2013 we received early payment and volume−related discounts on approximately 41% of all motor fuel volumes purchased. If we were to be unable to qualify for these discounts, or unable to renew these contracts on similar terms, our gross profit would decrease, which could, in turn, reduce our cash available for distribution to our unitholders.

***We currently depend on two principal suppliers for the majority of our motor fuel. A failure by a principal supplier to renew our supply agreement, a disruption in supply or an unexpected change in our supplier relationships could have a material adverse effect on our business.***

For fiscal 2013, Valero supplied approximately 35% and Chevron supplied approximately 20% of our consolidated motor fuel purchases. Our supply agreement with Valero expires in July 2018 and our supply agreement with Chevron expires in August 2014. If Valero or Chevron elects not to renew their contracts with us, we may be unable to replace the volume of motor fuel we currently purchase from them on similar terms or at all. Furthermore, a disruption in supply or a significant change in our relationship with our principal fuel suppliers could have a material adverse effect on our business, results of operation and cash available for distribution to our unitholders.

***We are exposed to performance risk in our supply chain. If our suppliers are unable to sell to us sufficient amounts of motor fuel products, we may be unable to satisfy our customers' demand for motor fuel.***

We rely upon our suppliers to timely provide the volumes and types of motor fuels for which they contract with us. We purchase motor fuels from a variety of suppliers under term contracts. Generally, our supply contracts do not guarantee that we will receive all of the volumes that we need to fulfill the demands of our distribution customers. In times of extreme market demand or supply disruption, we may be unable to acquire enough fuel to satisfy the fuel demand of our customers. Furthermore, the feedstock for a significant portion of our supply comes from other countries, which could be disrupted by political events. In the event that such feedstock becomes scarce, whether as a result of political events or otherwise, we may be unable to meet our customers' demand for motor fuel.

***Increasing consumer preferences for alternative motor fuels, or improvements in fuel efficiency, could adversely impact our business.***

Any technological advancements, regulatory changes or changes in consumer preferences causing a significant shift toward alternative motor fuels, or non-fuel dependent means of transportation, could reduce demand for conventional petroleum based motor fuels. Additionally, a shift toward electric, hydrogen, natural gas or other alternative or non-fuel-powered vehicles could fundamentally change consumers' spending habits or lead to new forms of fueling destinations or new competitive pressures. Finally, new technologies have been developed and governmental mandates have been implemented to improve fuel efficiency. Any of these outcomes could potentially result in decreased consumer demand for motor fuel, which could have a material adverse effect on our business, financial condition, results of operations and cash available for distribution to our unitholders.

***The wholesale motor fuel distribution industry is characterized by intense competition and fragmentation, and our failure to effectively compete could result in lower margins.***

The market for distribution of wholesale motor fuel is highly competitive and fragmented, which results in narrow margins. We have numerous competitors, some of which may have significantly greater resources and name recognition than us. We rely on our ability to provide value−added, reliable services and to control our operating costs in order to maintain our margins and competitive position. If we were to fail to maintain the quality of our services, certain of our customers could choose alternative distribution sources and our margins could decrease. While major integrated oil companies have generally continued to divest retail sites and the corresponding wholesale distribution to such sites, such major oil companies could shift from this strategy and decide to distribute their own products in direct competition with us, or large customers could attempt to buy directly from the major oil companies. The occurrence of any of these events could have a material adverse effect on our business, results of operations and cash available for distribution to our unitholders.

***The motor fuel business is subject to seasonal trends, which may affect our earnings and ability to make distributions.***

Our customers experience more demand for motor fuel during the late spring and summer months than during the fall and winter. Travel, recreation and construction activities typically increase in these months in the geographic areas in which we operate, increasing the demand for motor fuel. Therefore, the volume of motor fuel that we distribute is typically somewhat higher in the second and third quarters of our fiscal year. As a result, our results from operations may vary from period to period, affecting our earnings and ability to make cash distributions.

***Severe weather could adversely affect our business by damaging our suppliers or our customers' facilities or communications networks.***

A substantial portion of our wholesale distribution network is located on the Texas gulf coast. Although South Texas is generally known for its mild weather, the region is susceptible to severe storms, including hurricanes. A severe storm could damage our facilities or communications networks, or those of our suppliers or our customers, as well as interfere with our ability to distribute motor fuel to our customers or our customers' ability to operate their locations. If warmer temperatures, or other climate changes, lead to changes in extreme weather events, including increased frequency, duration or severity, these weather−related risks could become more pronounced. Any weather−related catastrophe or disruption could have a material adverse effect on our business and results of operations, potentially causing losses beyond the limits of the insurance we currently carry.

***Negative events or developments associated with our branded suppliers could have an adverse impact on our revenues.***

We believe that the success of our operations is dependent, in part, on the continuing favorable reputation, market value and name recognition associated with the motor fuel brands sold both at *Stripes* ® convenience stores and to independent, branded dealers. Erosion of the value of those brands could have an adverse impact on the volumes of motor fuel we distribute, which in turn could have a material adverse effect on our financial condition and ability to make distributions to our unitholders.

***If we cannot otherwise agree with SUSS on fuel supply terms for volumes we sell to SUSS in the future (other than for stores purchased by us pursuant to our sale and leaseback option), then we will be required to supply volumes at a price equal to our motor fuel cost plus the alternate fuel sales rate, which will be substantially less than the fixed profit margin of three cents per gallon we will receive for motor fuel sold pursuant to the SUSS Distribution Contract. Furthermore, if certain of our operating costs increase significantly, we may not realize our anticipated profit margin with regard to motor fuel distributed to SUSS at the alternate fuel sales rate.***

Our Omnibus Agreement provides that if we cannot agree with SUSS on fuel supply terms for volumes we sell to SUSS in the future (other than for stores purchased by us pursuant to our sale and leaseback option), we will be required to distribute motor fuel to SUSS' newly built, acquired or added retail stores or consignment locations at a price equal to our motor fuel cost plus the alternate fuel sales rate, which will be substantially less than the fixed profit margin of three cents we receive for motor fuel sold pursuant to the SUSS Distribution Contract. The alternate fuel sales rate is a per gallon fee we will receive equal to our prior year per−gallon motor fuel distribution costs, excluding the cost of the motor fuel, plus 30% of such costs. Our motor fuel distribution costs include direct distribution expenses as well as general and administrative expenses, maintenance capital expenditures, franchise taxes and other miscellaneous costs. Under the Omnibus Agreement, the alternate fuel sales rate will reset annually, but the fixed fee included in the rate for a given year will be based on our motor fuel distribution costs for the immediately preceding year.

Accordingly, even though the alternate fuel sales rate will reset annually, we may not realize our anticipated profit margin on motor fuel distributed to SUSS at the alternate fuel sales rate. If our operating costs significantly increase in a given year as compared to immediately preceding year operating costs, the profit margin we receive for fuel distributed at the alternate fuel sales rate will be reduced, which will negatively impact our results of operations and cash available for distribution to our unitholders.

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

Our operations are located in Texas, New Mexico, Louisiana and Oklahoma. Due to our lack of geographic diversification, an adverse development in the areas in which we operate, such as a catastrophic weather event or a decrease in demand for motor fuel, could have a significantly greater impact on our results of operations and cash available for distribution than it would if we operated in more diverse locations.

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

Our ability to grow depends substantially on our ability to make acquisitions that result in an increase in available cash per unit. We intend to expand our dealer distribution network through acquisitions, and we anticipate that we may jointly pursue mutually beneficial acquisition opportunities with SUSS. However, we may be unable to take advantage of accretive opportunities for any of the following reasons:

- we are unable to identify attractive acquisition opportunities or negotiate acceptable terms;
- we are unable to reach an agreement with SUSS regarding the terms of jointly pursued acquisitions;
- we are unable to raise financing for such acquisitions on economically acceptable terms; or
- we are outbid by competitors.

Pursuant to the Omnibus Agreement, we have a three-year option to purchase up to 75 new or recently constructed *Stripes* ® convenience stores from SUSS and lease them back to SUSS on specified terms set forth in a lease agreement, including a specified lease rate, for an initial term of 15 years. However, such specified terms may not be economically favorable to us in the future, and we may not choose to exercise this option.

In addition, we expect to grow through additional sale and leaseback transactions with SUSS beyond the 75 store option set forth in the Omnibus Agreement. However, SUSS is under no obligation to pursue acquisitions with us, enter into additional sale and leaseback arrangements with us beyond the 75 store option or generally pursue projects that enhance the value of our business. Finally, we may complete acquisitions which at the time of completion we believe will be accretive, but which ultimately may not be accretive. If any of these events were to occur, our future growth would be limited.

***Any acquisitions we complete are subject to substantial risks that could reduce our ability to make distributions to unitholders.***

Even if we do make acquisitions that we believe will increase available cash per unit, these acquisitions may nevertheless result in a decrease in available cash per unit. Any acquisition involves potential risks, including, among other things:

- we may not be able to obtain the cost savings and financial improvements we anticipate or acquired assets may not perform as we expect;
- we may not be able to successfully integrate the businesses we acquire;
- we may fail or be unable to discover some of the liabilities of businesses that we acquire, including liabilities resulting from a prior owner's noncompliance with applicable federal, state or local laws;
- acquisitions may divert the attention of our senior management from focusing on our core business;
- we may experience a decrease in our liquidity by using a significant portion of our available cash or borrowing capacity to finance acquisitions; and

- we face the risk that our existing financial controls, information systems, management resources and human resources will need to grow to support future growth.

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

Our business is subject to various federal, state and local environmental laws and regulations, including those relating to underground storage tanks, the release or discharge of regulated materials into the air, water and soil, the generation, storage, handling, use, transportation and disposal of hazardous materials, and the exposure of persons to regulated materials. A violation of, liability under or compliance with these laws or regulations or any future environmental laws or regulations, could have a material adverse effect on our business and results of operations.

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

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

The trend in environmental regulation is towards more restrictions and limitations on activities that may affect the environment. Our business may be adversely affected by increased costs and liabilities resulting from such stricter laws and regulations. We try to anticipate future regulatory requirements that might be imposed and plan accordingly to remain in compliance with changing environmental laws and regulations and to minimize the costs of such compliance. However, there can be no assurances as to the timing and type of such changes in existing laws or the promulgation of new laws or the amount of any required expenditures associated therewith.

***We are subject to federal, state and local laws and regulations that govern the product quality specifications of the refined petroleum products we purchase, store, transport and sell to our distribution customers.***

Various federal, state and local government agencies have the authority to prescribe specific product quality specifications for certain commodities, including commodities that we distribute. Changes in product quality specifications, such as reduced sulfur content in refined petroleum products, or other more stringent requirements for fuels, could reduce our ability to procure product, require us to incur additional handling costs and/or require the expenditure of capital. If we are unable to procure product or recover these costs through increased sales, we may not be able to meet our financial obligations. Failure to comply with these regulations could result in substantial penalties.

***The dangers inherent in the storage of motor fuel could cause disruptions in our operations and could expose us to potentially significant losses, costs or liabilities.***

We store motor fuel in underground and above ground storage tanks. Our operations are subject to significant hazards and risks inherent in storing motor fuel. These hazards and risks include, but are not limited to, fires, explosions, spills, discharges and other releases, any of which could result in distribution difficulties and disruptions, environmental pollution, governmentally−imposed fines or clean-up obligations, personal injury or wrongful death claims and other damage to our properties and the properties of others. Any such event could significantly disrupt our operations or expose us to significant liabilities, to the extent such liabilities are not covered by insurance. Therefore, the occurrence of such an event could have a material adverse effect on our business, financial condition, results of operations and cash available for distribution to our unitholders.

***We are not fully insured against all risks incident to our business.***

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

***Future litigation could adversely affect our financial condition and results of operations.***

We are occasionally exposed to various litigation claims in the ordinary course of our business, including dealer litigation and industry-wide or class−action claims arising from the equipment or processes we use or employ or industry−specific business practices. If we were to become subject to any such claims in the future, our defense costs and any resulting awards or settlement amounts may not be fully covered by our insurance policies. An unfavorable outcome or settlement of any future lawsuits could have a material adverse effect on our financial condition, results of operation and cash available for distribution to our unitholders.

***We rely on SUSS for transportation of all of our motor fuel, which in turn relies, in part, on third−party transportation providers. As a result, a change in SUSS' transportation providers, a significant change in SUSS' relationship with its transportation providers or nonperformance or a disruption of motor fuel transportation services by SUSS or by SUSS' transportation providers could have a material adverse effect on our business.***

SUSS transports all of our motor fuel from terminals to its *Stripes* ® convenience stores and consignment locations, and to our third−party dealers and other customers pursuant to the SUSS Transportation Contract. SUSS transports a portion of our motor fuel itself and has contracts with third−party transportation carriers for the remainder of our motor fuel. SUSS' third−party contracts with its transportation providers may be terminated by either party upon 30 days' notice. A change in transportation providers, a significant change in SUSS' relationship with its transportation providers or nonperformance or a disruption in service by SUSS or by SUSS' transportation providers could have a material adverse effect on our business, results of operations and cash available for distribution.

***We rely on our suppliers to provide trade credit terms to adequately fund our ongoing operations.***

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

***Because we depend on our senior management's experience and knowledge of our industry, we could be adversely affected were we to lose key members of our senior management team.***

We are dependent on the expertise and continued efforts of our general partner's senior management team. If, for any reason, our senior executives do not continue to be active in our management, our business, financial condition or results of operations could be adversely affected. In addition, other than the key man life insurance for Sam L. Susser held by SUSS, our general partner does not maintain key man life insurance on its senior executives and other key employees.

***Terrorist attacks and threatened or actual war may adversely affect our business.***

Our business is affected by general economic conditions and fluctuations in consumer confidence and spending, which can decline as a result of numerous factors outside of our control. Terrorist attacks or threats, whether within the United States or abroad, rumors or threats of war, actual conflicts involving the United States or its allies, or military or trade disruptions impacting our suppliers or our customers may adversely impact our operations. Specifically, strategic targets such as energy related assets (which could include refineries that produce the motor fuel we purchase or ports in which crude oil is delivered) may be at greater risk of future terrorist attacks than other targets in the United States. These occurrences could have an adverse impact on energy prices, including prices for motor fuels, and an adverse impact on our operations. Any or a combination of these occurrences could have a material adverse effect on our business, results of operations and cash available for distribution to our unitholders.

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

We depend on our information technology (IT) systems to manage numerous aspects of our business transactions and provide analytical information to management. Our IT systems are an essential component of our business and growth strategies, and a serious disruption to our IT systems could significantly limit our ability to manage and operate our business efficiently. These systems are vulnerable to, among other things, damage and interruption from power loss or natural disasters, computer system and network failures, loss of telecommunications services, physical and electronic loss of data, cyber−security breaches or cyber−terrorism, and computer viruses. Any disruption could cause our business and competitive position to suffer and cause our operating results to be reduced.

***Our future debt levels may impair our financial condition.***

We had $186.2 million of debt outstanding as of December 31, 2013, of which $26 million was secured by marketable securities. We have the ability to incur additional debt under our revolving credit facility. The level of our future indebtedness could have important consequences to us, including:

- making it more difficult for us to satisfy our obligations with respect to our credit agreement governing our revolving credit facility;
- limiting our ability to borrow additional amounts to fund working capital, capital expenditures, acquisitions, debt service requirements, the execution of our growth strategy and other activities;
- requiring us to dedicate a substantial portion of our cash flow from operations to pay interest on our debt, which would reduce our cash flow available to fund working capital, capital expenditures, acquisitions, execution of our growth strategy and other activities;
- making us more vulnerable to adverse changes in general economic conditions, our industry and government regulations and in our business by limiting our flexibility in planning for, and making it more difficult for us to react quickly to, changing conditions; and
- placing us at a competitive disadvantage compared with our competitors that have less debt.

In addition, we may not be able to generate sufficient cash flow from our operations to repay our indebtedness when it becomes due and to meet our other cash needs. Our ability to service our debt will depend upon, among other things, our future financial and operating performance, which will be affected by prevailing economic conditions and financial, business, regulatory and other factors, some of which are beyond our control. In addition, our ability to service our debt will depend on market interest rates, since we anticipate that the interest rates applicable to our borrowings will fluctuate. If we are not able to pay our debts as they become due, we will be required to pursue one or more alternative strategies, such as selling assets, refinancing or restructuring our indebtedness or selling additional debt or equity securities. We may not be able to refinance our debt or sell additional debt or equity securities or our assets on favorable terms, if at all, and if we must sell our assets, it may negatively affect our ability to generate revenues.

***Increases in interest rates could reduce the amount of cash we have available for distributions as well as the relative value of those distributions to yield-oriented investors, which could cause a decline in the market value of our common units.***

Approximately $182.1 million of our outstanding indebtedness as of December 31, 2013 bears interest at variable interest rates. Should those rates rise, the amount of cash we would otherwise have available for distribution would ordinarily be expected to decline, which could impact our ability to maintain or grow our quarterly distributions. Additionally, an increase in interest rates in lower risk investment alternatives--such as United States treasury securities--could cause investors to demand a relatively higher distribution yield on our common units, which, unless we are able to raise our distribution, would imply a lower trading price of our common units. Consequently, rising interest rates could cause a significant decline in the market value of our common units.

***Our credit facilities have substantial restrictions and financial covenants that may restrict our business and financing activities and our ability to pay distributions to our unitholders.***

We are dependent upon the earnings and cash flow generated by our operations in order to meet our debt service obligations and to allow us to make cash distributions to our unitholders. The operating and financial restrictions and covenants in our credit facilities and any future financing agreements may restrict our ability to finance future operations or capital needs, to engage in or expand our business activities or to pay distributions to our unitholders. For example, our credit facilities restricts our ability to, among other things:

- Incur additional debt or issue guarantees;
- Incur or permit liens to exist on certain property;
- Make certain investments, acquisitions or other restricted payments;
- Modify or terminate certain material contracts; and

- Merge or dispose of all or substantially all of our assets.

In addition, our revolving credit agreement contains covenants requiring us to maintain certain financial ratios. See "Management's Discussion and Analysis of Financial Condition and Results of Operations - Liquidity and Capital Resources" for additional information.

Our future ability to comply with these restrictions and covenants is uncertain and will be affected by the levels of cash flow from our operations and other events or circumstances beyond our control. If market or other economic conditions deteriorate, our ability to comply with these covenants may be impaired. If we violate any provisions of our new credit facilities that are not cured or waived within the appropriate time periods provided in the applicable credit facility, a significant portion of our indebtedness may become immediately due and payable, our ability to make distributions to our unitholders will be inhibited and our lenders' commitment to make further loans to us may terminate. We might not have, or be able to obtain, sufficient funds to make these accelerated payments.

***We depend on cash flow generated by our subsidiaries.***

We are a holding company with no material assets other than the equity interests in our subsidiaries. We have three subsidiaries that conduct all of our operations and own all of our assets. These subsidiaries are distinct legal entities and, under certain circumstances, legal and contractual restrictions may limit our ability to obtain cash from our subsidiaries and our subsidiaries may not be able to, or be permitted to, make distributions to us. In the event that we do not receive distributions from our subsidiaries, we may be unable to meet our financial obligations or make distributions to our unitholders.

***The impact of derivatives legislation by the United States Congress could have an adverse effect on our ability to use derivative instruments to reduce the effect of changes in commodity prices and interest rates and other risks associated with our business.***

The United States Congress adopted comprehensive financial reform legislation that establishes federal oversight and regulation of the over-the-counter derivatives market and entities, such as us, that participate in that market. The legislation, known as the Dodd-Frank Wall Street Reform and Consumer Protection Act (the “Dodd-Frank Act”) was signed into law on July 21, 2010 and requires the Commodities Futures Trading Commission (the “CFTC”), the SEC and other regulators to promulgate rules and regulations implementing the new legislation. The CFTC has issued final regulations to set position limits for certain futures and option contracts in the major energy markets and for swaps that are their economic equivalent. Certain bona fide hedging transactions or positions would be exempt from these position limits. The financial reform legislation may also require compliance with margin requirements and with certain clearing and trade−execution requirements in connection with certain derivative activities, although the application of those provisions is uncertain at this time. The financial reform legislation may also require the counterparties to our derivative instruments to spin off some of their derivatives activities to a separate entity, which may not be as creditworthy as the current counterparty.

The final rules will be phased in over time according to a specified schedule which is dependent on the finalization of certain other rules to be promulgated jointly by the CFTC and the SEC. The Dodd-Frank Act and any new regulations could significantly increase the cost of some derivative contracts (including through requirements to post collateral which could adversely affect our available liquidity), materially alter the terms of some derivative contracts, reduce the availability of some derivatives to protect against risks we encounter, reduce our ability to monetize or restructure our existing derivative contracts, and potentially increase our exposure to less creditworthy counterparties. Any of these consequences could have a material adverse effect on our financial condition, results of operations and cash available for distribution to our unitholders.

**Risks Related to Our Structure**

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

SUSS owns and controls our general partner and appoints all of the officers and directors of our general partner. All of the officers and certain of the directors of our general partner are also officers and/or directors of SUSS. Although our general partner has a fiduciary duty to manage us in a manner beneficial to us and our unitholders, the executive officers and directors of our general partner have a fiduciary duty to manage our general partner in a manner beneficial to SUSS. Therefore, conflicts of interest may arise between SUSS and its affiliates, including our general partner, on the one hand, and us and our unitholders, on the other hand. In resolving these conflicts of interest, our general partner may favor its own interests and the

interests of its affiliates over the interests of our common unitholders. These conflicts include the following situations, among others:

- Neither our partnership agreement nor any other agreement requires SUSS to pursue a business strategy that favors us. The affiliates of our general partner have fiduciary duties to make decisions in their own best interests and in the best interest of their owners, which may be contrary to our interests. In addition, our general partner is allowed to take into account the interests of parties other than us or our unitholders, such as SUSS, in resolving conflicts of interest, which has the effect of limiting its fiduciary duty to our unitholders.

- All of the officers and certain of the directors of our general partner are also officers and/or directors of SUSS and owe fiduciary duties to SUSS. Certain officers of our general partner will also devote significant time to the business of SUSS and will be compensated by SUSS accordingly.

- Other than as provided in the Omnibus Agreement, SUSS is not limited in its ability to compete with us and may offer business opportunities or sell assets to parties other than us.

- The limited partner interests that SUSS owns permit it to effectively control any vote of our limited partners. SUSS is entitled to vote its units in accordance with its own interests, which may be contrary to the interests of our other unitholders.

- Our partnership agreement limits the liability of, and reduces the fiduciary duties owed by, our general partner and also restricts the remedies available to unitholders for actions that, without the limitations, might constitute breaches of fiduciary duty. As a result of purchasing common units, unitholders consent to some actions and conflicts of interest that might otherwise constitute a breach of fiduciary or other duties under applicable state law.

- Except in limited circumstances, our general partner has the power and authority to conduct our business without unitholder approval.

- Our general partner determines the amount and timing of asset purchases and sales, borrowings, repayment of indebtedness and issuances of additional partnership securities and the level of reserves, each of which can affect the amount of cash that is distributed to our unitholders.

- Our general partner determines whether or not to purchase and lease stores to SUSS pursuant to our 75 store option.

- Our general partner determines the amount and timing of any capital expenditure and whether a capital expenditure is classified as a maintenance capital expenditure or an expansion capital expenditure. These determinations can affect the amount of cash that is distributed to our unitholders which, in turn, affects the ability of the subordinated units to convert to common units.

- Our general partner may cause us to borrow funds in order to permit the payment of cash distributions, even if the purpose or effect of the borrowing is to make a distribution on the subordinated units, to make incentive distributions or to accelerate the expiration of the subordination period.

- Our partnership agreement permits us to distribute up to $25 million as operating surplus, even if it is generated from asset sales, non-working capital borrowings or other sources that would otherwise constitute capital surplus. This cash may be used to fund distributions on our subordinated units or the incentive distribution rights.

- Our general partner determines which costs incurred by it and its affiliates are reimbursable by us.

- Our partnership agreement does not restrict our general partner from causing us to pay it or its affiliates for any services rendered to us or entering into additional contractual arrangements with its affiliates on our behalf. There is no limitation on the amounts our general partner can cause us to pay it or its affiliates.

- Our general partner has limited its liability regarding our contractual and other obligations.

- Our general partner may exercise its right to call and purchase common units if it and its affiliates own more than 80% of the common units.

- Our general partner controls the enforcement of obligations owed to us by it and its affiliates. In addition, our general partner will decide whether to retain separate counsel or others to perform services for us.

- SUSS may elect to cause us to issue common units to it in connection with a resetting of the target distribution levels related to SUSS' incentive distribution rights without the approval of the conflicts committee of the board of directors of our general partner or our unitholders. This election may result in lower distributions to our common unitholders in certain situations.

***Our general partner has limited its liability regarding our obligations.***

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

***Our partnership agreement requires that we distribute all of our available cash, which could limit our ability to grow and make acquisitions.***

Our partnership agreement requires that we distribute all of our available cash to our unitholders, and we will rely primarily upon external financing sources, including borrowings under our revolving credit facility and the issuance of debt and equity securities, to fund our acquisitions and expansion capital expenditures. As a result, to the extent we are unable to finance growth externally, our cash distribution policy will significantly impair our ability to grow.

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

***SUSS may compete with us or contract with third−party wholesalers to distribute motor fuel to SUSS' convenience stores on a consignment basis.***

Pursuant to the Omnibus Agreement and SUSS Distribution Contract, for a period of ten years, we are the exclusive distributor of all motor fuel purchased by SUSS for its existing *Stripes* ® convenience stores and independently operated consignment locations. Additionally, SUSS must purchase any motor fuel it sells at its newly built, acquired or added retail stores from us, except if such stores are already party to a supply agreement or in the case of third-party consignment sales described below. If these provisions of the SUSS Distribution Contract and Omnibus Agreement expire at the end of their respective ten-year terms and are not renewed, SUSS will no longer be required to purchase motor fuel from us (except in the case of delivery arrangements that under the SUSS Distribution Contract extend beyond the ten-year term). SUSS could then compete with us to deliver motor fuel to its *Stripes* ® stores and consignment locations. Furthermore, subject to our right to participate in acquisitions, SUSS is permitted to compete with us for investment opportunities, and SUSS is permitted to own an interest in entities that compete with us.

Under the Omnibus Agreement, SUSS continues to have the right to contract for third−party consignment sales of motor fuel with other wholesalers at any newly constructed or acquired locations. Under these arrangements, as the consignee, SUSS would not purchase any fuel and would instead receive a commission on sales made by the wholesaler. As a result, we will not distribute any volumes nor earn any revenues for fuel sold at these locations. SUSS is under no obligation to purchase fuel from us for its convenience stores if it determines that consignment arrangements with third parties are more advantageous to SUSS and its shareholders.

Pursuant to the terms of our partnership agreement, the doctrine of corporate opportunity, or any analogous doctrine, does not apply to our general partner or any of its affiliates, including its executive officers and directors and SUSS. Any such person or entity is not liable to us or to any limited partner under our partnership agreement for breach of any fiduciary duty or

other duty by reason of the fact that such person or entity pursues or acquires such opportunity for itself, directs such opportunity to another person or entity or does not communicate such opportunity or information to us. This may create actual and potential conflicts of interest between us and affiliates of our general partner and result in less than favorable treatment of us and our unitholders.

***Our partnership agreement limits the liability and duties of our general partner and restricts the remedies available to us and our common unitholders for actions taken by our general partner that might otherwise constitute breaches of fiduciary duty.***

Our partnership agreement limits the liability and duties of our general partner, while also restricting the remedies available to our common unitholders for actions that, without these limitations, might constitute breaches of fiduciary duty. Delaware partnership law permits such contractual reductions of fiduciary duty. By purchasing common units, common unitholders consent to be bound by the partnership agreement, and pursuant to our partnership agreement, each holder of common units consents to various actions and conflicts of interest contemplated in our partnership agreement that might otherwise constitute a breach of fiduciary or other duties under Delaware law. Our partnership agreement contains provisions that reduce the standards to which our general partner would otherwise be held by state fiduciary duty law. For example:

- Our partnership agreement permits our general partner to make a number of decisions in its individual capacity, as opposed to its capacity as general partner. This entitles our general partner to consider only the interests and factors that it desires, and it has no duty or obligation to give any consideration to any interest of, or factors affecting, our common unitholders. Decisions made by our general partner in its individual capacity will be made by SUSS, as the owner of our general partner, and not by the board of directors of our general partner. Examples of these decisions include:

    - Whether to exercise its limited call right;
    - How to exercise its voting rights with respect to any units it may own;
    - Whether to exercise its registration rights; and
    - Whether or not to consent to any merger or consolidation or amendment to our partnership agreement.

- Our partnership agreement provides that our general partner will not have any liability to us or our unitholders for decisions made in its capacity as general partner so long as it acted in good faith, meaning it believed that the decisions were not adverse to the interests of our partnership.

- Our partnership agreement provides that our general partner and the officers and directors of our general partner will not be liable for monetary damages to us for any acts or omissions unless there has been a final and non-appealable judgment entered by a court of competent jurisdiction determining that our general partner or those persons acted in bad faith or, in the case of a criminal matter, acted with knowledge that such person's conduct was criminal.

- Our partnership agreement provides that our general partner will not be in breach of its obligations under the partnership agreement or its duties to us or our limited partners with respect to any transaction involving an affiliate if the transaction with an affiliate or the resolution of a conflict of interest is:

    - approved by the conflicts committee of the board of directors of our general partner, although our general partner is not obligated to seek such approval; or
    - approved by the vote of a majority of the outstanding common units, excluding any common units owned by our general partner and its affiliates; or
    - the board of directors of our general partner acted in good faith in taking any action or failing to act.

If an affiliate transaction or the resolution of a conflict of interest is not approved by our common unitholders or the conflicts committee then it will be presumed that, in making its decision, taking any action or failing to act, the board of directors acted in good faith, and in any proceeding brought by or on behalf of any limited partner or the partnership, the person bringing or prosecuting such proceeding will have the burden of overcoming such presumption.

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

Prior to making any distribution on the common units, we will reimburse our general partner and its affiliates for all expenses they incur and payments they make on our behalf pursuant to the Omnibus Agreement and our partnership agreement.

Neither our partnership agreement nor our Omnibus Agreement will limit the amount of expenses for which our general partner and its affiliates may be reimbursed. Our Omnibus Agreement and partnership agreement provide that our general partner will determine in good faith the expenses that are allocable to us. The reimbursement of expenses and payment of fees to our general partner and its affiliates will reduce the amount of cash available to pay cash distributions to our unitholders.

***Our tax treatment depends on our status as a partnership for U.S. federal income tax purposes, as well as our not being subject to a material amount of entity-level taxation by individual states. If the IRS were to treat us as a corporation for federal income tax purposes or we were to become subject to material additional amounts of entity-level taxation for state tax purposes, then our cash available for distribution to our unitholders would be substantially reduced.***

The anticipated after-tax economic benefit of an investment in our common units depends largely on our being treated as a partnership for U.S. federal income tax purposes. Despite the fact that we are organized as a limited partnership under Delaware law, it is possible in certain circumstances for a partnership such as ours to be treated as a corporation for U.S. federal income tax purposes. Although we do not believe, based upon our current operations, that we are so treated, a change in our business (or a change in current law) could cause us to be treated as a corporation for federal income tax purposes or otherwise subject us to taxation as an entity.

If we were treated as a corporation for federal income tax purposes, we would pay federal income tax on our taxable income at the corporate tax rate, which is currently a maximum of 35%, and would likely pay state income tax at varying rates. Distributions to our unitholders would generally be taxed again as corporate distributions, and no income, gains, losses, deductions or credits would flow through to our unitholders. Because a tax would be imposed upon us as a corporation, our cash available for distribution to our unitholders would be substantially reduced. Therefore, treatment of us as a corporation would result in a material reduction in the anticipated cash flow and after-tax return to our unitholders, likely causing a substantial reduction in the value of our common units.

We are subject to the entity-level Texas franchise tax. Imposition of any such additional taxes on us or an increase in the existing tax rates would reduce the cash available for distribution to our unitholders.

Our partnership agreement provides that if a law is enacted or existing law is modified or interpreted in a manner that subjects us to taxation as a corporation or otherwise subjects us to entity-level taxation for federal, state or local income tax purposes, the minimum quarterly distribution amount and the target distribution amounts may be adjusted to reflect the impact of that law on us.

***The tax treatment of publicly traded partnerships or an investment in our common units could be subject to potential legislative, judicial or administrative changes and differing interpretations, possibly on a retroactive basis.***

The present federal income tax treatment of publicly traded partnerships, including us, or an investment in our common units may be modified by administrative, legislative or judicial interpretation at any time. For example, from time to time, members of the U.S. Congress propose and consider substantive changes to the existing federal income tax laws that affect publicly traded partnerships. One such legislative proposal would have eliminated the qualifying income exception upon which we rely for our treatment as a partnership for U.S. federal income tax purposes. We are unable to predict whether any such legislation will be reintroduced or will ultimately be enacted. However, it is possible that a change in law could affect us and may, if enacted, be applied retroactively. Any such changes could negatively impact the value of an investment in our common units.

In addition to the risks discussed above, there are certain risks associated with an investment in our common units and the ownership of a limited partner interest in us, including tax risks to our unitholders. For a discussion of those particular risks, please see the section of the final prospectus filed with the U.S. Securities Exchange Commission in connection with our IPO on September 21, 2012 captioned "Risk Factors".

**Item 1B. Unresolved Staff Comments**

None.

**Item 2. Properties**

In addition to the information presented under "Item 1. Business - Our Business and Properties," the following table provides summary information of our owned and leased real property as of December 31, 2013 , inclusive of executed renewal options:

| | | Leased Locations by Expirations | | | | |
|---|---|---|---|---|---|---|
| | Owned | 0-5 Years | 6-10 Years | 11-15 Years | 16 + Years | Total |
| Wholesale dealer and consignment sites | 46 | — | 9 | 3 | — | 58 |
| Stripes locations | 33 | — | — | — | — | 33 |
| Total | 79 | 0 | 9 | 3 | 0 | 91 |

**Item 3. Legal Proceedings**

Although we may, from time to time, be involved in litigation and claims arising out of our operations in the normal course of business, we do not believe that we are a party to any litigation that will have a material adverse impact on our financial condition or results of operations. Our general partner is not involved in any legal proceedings.

**Item 4. Mine Safety Disclosures**

Not applicable.

## Part II

### Item 5. Market for Our Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities

Our common units began trading on the NYSE under the symbol "SUSP" on September 20, 2012. Prior to that time, there was no public market for our securities. As of December 31, 2013 , SUSS owned 79,308 common units and 10,939,436 subordinated units, which together constitute a 50.2% ownership interest in us. As of December 31, 2013, 10,936,352 common units are owned by the public. There are three record holders of our outstanding common units as of March 7, 2014.

The following table sets forth the range of the high and low closing prices of our common units and cash distributions to common unitholders for the period from September 20, 2012, the date our shares began trading.

| | Sales Price per Common Unit | | Quarterly Cash Distribution per Unit | Distribution Date | Record Date |
|---|---|---|---|---|---|
| Quarter Ended | High | Low | | | |
| December 31, 2013 | $ 36.66 | $ 30.05 | $ 0.4851 | February 28, 2014 | February 18, 2014 |
| September 30, 2013 | $ 32.84 | $ 28.64 | $ 0.4687 | November 29, 2013 | November 19, 2013 |
| June 30, 2013 | $ 32.78 | $ 26.80 | $ 0.4528 | August 29, 2013 | August 19, 2013 |
| March 31, 2013 | $ 33.41 | $ 25.42 | $ 0.4375 | May 30, 2013 | May 20, 2013 |
| December 31, 2012 | $ 26.34 | $ 23.09 | $ 0.4375 | March 1, 2013 | February 19, 2013 |
| September 30, 2012 (1) | $ 24.10 | $ 22.52 | $ 0.0285 | November 29, 2012 | November 19, 2012 |

(1) Sales price per common unit from September 20, 2012, the commencement date of trading. Quarterly cash distribution per unit was prorated for the six days of operation from September 25, 2012 to September 30, 2012.

**Distributions of Available Cash**

***General***

Our partnership agreement requires that within 60 days after the end of each quarter, beginning with the quarter ended September 30, 2012, we distribute our available cash to unitholders of record on the applicable record date. The distribution for the quarter ended September 30, 2012 was adjusted for the number of days beginning with the completion of the IPO.

***Definition of Available Cash***

Available cash generally means, for any quarter, all cash and cash equivalents on hand at the end of the quarter;

*less* , the amount of cash reserves established by our general partner at the date of determination of available cash for the quarter to:

- provide for the proper conduct of our business;
- comply with applicable law, any of our debt instruments or other agreements or any other obligation; or
- provide funds for distributions to our unitholders for any one or more of the next four quarters (provided that our general partner may not establish cash reserves for distributions unless it determines that the establishment of those reserves will not prevent us from distributing the minimum quarterly distribution on all common units and any cumulative arrearages on such common units for the current quarter);

*plus* , if our general partner so determines on the date of determination, all or any portion of the cash on hand immediately prior to the date of determination of available cash for the quarter, including cash on hand resulting from working capital borrowings made after the end of the quarter.

***Quarterly Distributions***

We intend to make a cash distribution to the holders of our common units and subordinated units on a quarterly basis to the extent we have sufficient cash from our operations after the establishment of cash reserves and the payment of costs and expenses, including payments to our general partner and its affiliates. However, there is no guarantee that we will pay the minimum quarterly distribution, as described below, on our units in any quarter. Even if our cash distribution policy is not

modified or revoked, the amount of distributions paid under our policy and the decision to make any distribution is determined by our general partner, taking into consideration the terms of our partnership agreement.

***Incentive Distribution Rights***

The following table illustrates the percentage allocations of available cash from operating surplus between the unitholders and SUSS (in its capacity as the holder of our incentive distribution rights or IDRs) based on the specified target distribution levels. The amounts set forth under "marginal percentage interest in distributions" are the percentage interests of SUSS and the unitholders in any available cash from operating surplus we distribute up to and including the corresponding amount in the column "total quarterly distribution per unit target amount." The percentage interests shown for our unitholders and SUSS for the minimum quarterly distribution are also applicable to quarterly distribution amounts that are less than the minimum quarterly distribution. The percentage interests set forth below for SUSS assume that there are no arrearages on common units and that SUSS continues to own all of the IDRs.

| | | Marginal percentage interest in distributions | |
|---|---|---|---|
| | **Total quarterly distribution per unit target amount** | **Unitholders** | **SUSS** |
| Minimum Quarterly Distribution | $0.4375 | 100% | — |
| First Target Distribution | Above $0.4375 up to $0.503125 | 100% | — |
| Second Target Distribution | Above $0.503125 up to $0.546875 | 85% | 15% |
| Third Target Distribution | Above $0.546875 up to $0.656250 | 75% | 25% |
| Thereafter | Above $0.656250 | 50% | 50% |

***Subordinated Units***

SUSS owns, directly or indirectly, all of our subordinated units. The principal difference between our common units and subordinated units is that in any quarter during the subordination period, holders of the subordinated units will not be entitled to receive any distribution until the common units have received the minimum quarterly distribution plus any arrearages in the payment of the minimum quarterly distribution from prior quarters. To the extent that we do not pay the minimum quarterly distribution on our common units, our common unitholders will not be entitled to receive such payments in the future except during the subordination period. Subordinated units will not accrue arrearages. To the extent that we have available cash in any future quarter during the subordination period in excess of the amount necessary to pay the minimum quarterly distribution to holders of our common units, we will use this excess available cash to pay any distribution arrearages on the common units related to prior quarters before any cash distribution is made to holders of subordinated units. When the subordination period ends, all of the subordinated units will convert into an equal number of common units.

The subordination period will end on the first business day after we have earned and paid at least (1) $1.75 (the minimum quarterly distribution on an annualized basis) on each outstanding common and subordinated unit for each of three consecutive, non-overlapping four-quarter periods ending on or after September 30, 2015 or (2) $2.625 (150% of the annualized minimum quarterly distribution) on each outstanding common and subordinated unit and the related distributions on the incentive distribution rights for the four-quarter period immediately preceding that date, in each case provided there are no arrearages on our common units at that time.

The subordination period also will end upon the removal of our general partner other than for cause if no subordinated units or common units held by the holder(s) of subordinated units or their affiliates are voted in favor of that removal.

**Item 6. Selected Financial Data**

The following table shows selected historical financial data of our Predecessor and the Partnership for the periods and as of the dates indicated. The selected consolidated financial data as of December 31, 2010 and 2011 and for the years ended December 31, 2009, 2010 and 2011 are derived from the audited consolidated financial statements of our Predecessor. The selected financial data as of December 31, 2009 is derived from the unaudited consolidated financial statements of our Predecessor. The selected historical financial data for the year ended December 31, 2012 includes the combined results of our Predecessor through September 24, 2012 and the Partnership for the period from September 25, 2012 through December 31, 2012, all derived from the Partnership's 2012 audited financial statements. The selected historical financial data as of and for the year ended December 31, 2013 is derived from the Partnership's 2013 audited financial statements.

Our assets have historically been a part of the integrated operations of SUSS, and our Predecessor distributed motor fuel and other petroleum products to SUSS without any profit margin. Accordingly, the gross profit in our Predecessor's historical consolidated financial statements relate only to gross profit received from third parties for our wholesale distribution services. In addition, our Predecessor's results of operations included results from consignment contracts retained by SUSS. At these consignment locations, our Predecessor provided and controlled motor fuel inventory and retail price at the site and received the actual retail selling price for each gallon sold, less a commission paid to the independent operator of the location, instead of the fixed profit margin per gallon that we receive for fuel supplied to SUSS for existing consignment locations. For this reason, as well as the other factors described in "Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations," our results of operations subsequent to September 25, 2012, are not comparable to our Predecessor's historical results of operations.

| | Predecessor Historical | | | | |
|---|---|---|---|---|---|
| | Year Ended December 31, | | | | |
| | 2009 | 2010 | 2011 | 2012 (1) | 2013 |
| | (in thousands, except per unit data) | | | | |
| **Statement of Income Data:** | | | | | |
| **Revenues:** | | | | | |
| Motor fuel sales to third parties (3) | $ 918,247 | $ 1,139,960 | $ 1,603,745 | $ 1,738,096 | $ 1,502,786 |
| Motor fuel sales to affiliates | 1,205,890 | 1,578,653 | 2,257,788 | 2,570,757 | 2,974,122 |
| Rental income | 4,245 | 5,351 | 5,467 | 5,045 | 10,060 |
| Other income | 7,462 | 5,515 | 7,980 | 7,514 | 5,611 |
| Total revenues (3) | 2,135,844 | 2,729,479 | 3,874,980 | 4,321,412 | 4,492,579 |
| **Gross profit:** | | | | | |
| Motor fuel sales to third parties | 20,584 | 26,065 | 31,217 | 33,292 | 26,307 |
| Motor fuel sales to affiliates | — | — | — | 7,781 | 31,597 |
| Rental income | 4,245 | 5,351 | 5,467 | 5,045 | 10,060 |
| Other | 7,501 | 4,683 | 6,339 | 5,384 | 3,000 |
| Total gross profit | 32,330 | 36,099 | 43,023 | 51,502 | 70,964 |
| **Operating expenses:** | | | | | |
| Selling, general and administrative | 13,899 | 16,506 | 19,751 | 20,718 | 21,015 |
| Loss (gain) on disposal of assets | (6) | 86 | 221 | 341 | 324 |
| Depreciation, amortization and accretion | 4,901 | 4,771 | 6,090 | 7,031 | 8,687 |
| Total operating expenses | 18,794 | 21,363 | 26,062 | 28,090 | 30,026 |
| Income from operations | 13,536 | 14,736 | 16,961 | 23,412 | 40,938 |
| Interest expense, net | 191 | 284 | 324 | 809 | 3,471 |
| Income tax expense | 4,831 | 5,236 | 6,039 | 5,033 | 440 |
| Net income | $ 8,514 | $ 9,216 | $ 10,598 | $ 17,570 | $ 37,027 |
| **Net income per limited partner unit (2)** | | | | $ 0.42 | $ 1.69 |
| **Cash distribution per unit (2)** | | | | $ 0.47 | $ 1.84 |
| **Cash Flow Data:** | | | | | |
| Net cash provided by (used in): | | | | | |
| Operating activities | $ 9,833 | $ 17,469 | $ 14,665 | $ 16,488 | $ 50,680 |
| Investing activities | $ (11,025) | $ (14,308) | $ (19,153) | $ (190,949) | $ 6,358 |
| Financing activities | $ — | $ 1,142 | $ (21) | $ 180,973 | $ (55,640) |

| | Predecessor Historical | | | | |
|---|---|---|---|---|---|
| | Year Ended December 31, | | | | |
| | 2009 | 2010 | 2011 | 2012 | 2013 |
| | | | (in thousands) | | |
| **Balance Sheet Data (at period end):** | | | | | |
| Cash and cash equivalents | $ 446 | $ 4,749 | $ 240 | $ 6,752 | $ 8,150 |
| Property and equipment, net | 47,602 | 35,247 | 39,049 | 68,173 | 180,127 |
| Total assets | 192,857 | 202,587 | 231,316 | 355,800 | 390,084 |
| Total liabilities | 96,858 | 97,372 | 115,503 | 277,468 | 310,391 |
| Total equity | 95,999 | 105,215 | 115,813 | 78,332 | 79,693 |

(1) Results represent Predecessor activity prior to September 25, 2012, and Partnership activity beginning September 25, 2012.
(2) Calculated based on operations since September 25, 2012, the date of our IPO.
(3) In 2013, we revised our presentation of fuel taxes on motor fuel sales at our consignment locations to present such fuel taxes gross in motor fuel sales. Prior years' motor fuel sales have been adjusted to reflect this revision.

## Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations

The following discussion and analysis of our financial condition and results of operations should be read in conjunction with our consolidated financial statements and notes to consolidated financial statements included elsewhere in this report, as well as the historical consolidated financial statements and notes thereto of Susser Petroleum Company LLC, our Predecessor.

EBITDA, Adjusted EBITDA, and distributable cash flow are non-GAAP financial measures of performance that have limitations and should not be considered as a substitute for net income or cash provided by (used in) operating activities. Please see footnote (1) under “Key Operating Metrics” below for a discussion of our use of EBITDA, Adjusted EBITDA, and distributable cash flow in this “Management's Discussion and Analysis of Financial Condition and Results of Operations” and a reconciliation to net income for the periods presented.

### Safe Harbor Discussion

This report, including without limitation, our discussion and analysis of our financial condition and results of operations, and any information incorporated by reference, contains statements that we believe are “forward-looking statements” under the Private Securities Litigation Reform Act of 1995 and are intended to enjoy protection under the safe harbor for forward-looking statements provided by that Act. These forward-looking statements generally can be identified by use of phrases such as “believe,” “plan,” “expect,” “anticipate,” “intend,” “forecast” or other similar words or phrases. Descriptions of our objectives, goals, targets, plans, strategies, costs, anticipated capital expenditures, expected cost savings and benefits are also forward-looking statements. These forward-looking statements are based on our current plans and expectations and involve a number of risks and uncertainties that could cause actual results and events to vary materially from the results and events anticipated or implied by such forward-looking statements, including:

- SUSS' business strategy and operations and SUSS' conflicts of interest with us;
- Renewal or renegotiation of our long-term distribution contracts with our customers;
- Changes in the price of and demand for the motor fuel that we distribute;
- Our dependence on two principal suppliers;
- Competition in the wholesale motor fuel distribution industry;
- Seasonal trends;
- Our ability to make acquisitions;
- Environmental, tax and other federal, state and local laws and regulations;

- Dangers inherent in the storage of motor fuel; and
- Our reliance on SUSS for transportation services.

For a discussion of these and other risks and uncertainties, please refer to “Item 1A. Risk Factors.” The list of factors that could affect future performance and the accuracy of forward-looking statements is illustrative but by no means exhaustive. Accordingly, all forward-looking statements should be evaluated with the understanding of their inherent uncertainty. The forward-looking statements included in this report are based on, and include, our estimates as of March 14, 2014. We anticipate that subsequent events and market developments will cause our estimates to change. However, while we may elect to update these forward-looking statements at some point in the future, we specifically disclaim any obligation to do so, even if new information becomes available in the future.

**Overview**

We are a growth-oriented Delaware limited partnership formed by SUSS to engage in the primarily fee-based wholesale distribution of motor fuels to SUSS and third parties. We closed the initial public offering of our common units on September 25, 2012.

SUSS operated approximately 580 retail convenience stores under its proprietary *Stripes* ® convenience store brand at year-end, primarily in growing Texas markets. Stripes is a leading independent chain of convenience stores in Texas based on store count and retail motor fuel volumes sold. Our business is integral to the success of SUSS' retail operations, and SUSS purchases substantially all of its motor fuel from us. For the year ended December 31, 2013 , we distributed 1.1 billion gallons of motor fuel to *Stripes* ® convenience stores and SUSS' consignment locations, and 517.8 million gallons of motor fuel to other third party customers. We believe we are one of the largest independent motor fuel distributors by gallons in Texas, and among the largest distributors of Valero and Chevron branded motor fuel in the United States.

In addition to distributing motor fuel, we also distribute other petroleum products such as propane and lube oil, and we receive rental income from real estate that we lease or sublease. We purchase motor fuel primarily from independent refiners and major oil companies and distribute it throughout Texas and in Louisiana, New Mexico and Oklahoma to:

- *Stripes* ® convenience stores, pursuant to the SUSS Distribution Contract;
- approximately 90 other independently operated consignment locations where SUSS sells motor fuel to retail customers, also pursuant to the SUSS Distribution Contract;
- approximately 10 independently operated consignment locations where we sell motor fuel under consignment arrangements to retail customers;
- over 490 convenience stores and retail fuel outlets operated by independent operators, which we refer to as "dealers," pursuant to long-term distribution agreements; and
- approximately 1,900 other commercial customers, including unbranded convenience stores, other fuel distributors, school districts and municipalities and other industrial customers.

We entered into several agreements with SUSS concurrent with our IPO. See "Item 13. Certain Relationships, Related Transactions and Director Independence" for information regarding related party transactions.

**Market and Industry Trends and Outlook**

We expect that certain trends and economic or industry-wide factors will continue to affect our business, both in the short-term and long-term. We have based our expectations described below on assumptions made by us and on the basis of information currently available to us. To the extent our underlying assumptions about or interpretation of available information prove to be incorrect, our actual results may vary materially from our expected results. Read “Item 1A. Risk Factors” for additional information about the risks associated with purchasing our common units.

***Regional Trends***

The majority of our fuel distribution business is conducted in Texas. The economy in Texas continues to fare better than many other parts of the nation, partly as a result of a relatively stable housing market and strong population growth and job creation. In 2013, Texas led the nation in job growth for the fourth straight year according to the U.S. Bureau of Labor Statistics, and also ranks first in the United States for population growth. We believe the significant expansion of oil and gas

development in the Eagle Ford Shale and Permian Basin has resulted in increased motor fuel usage in South and West Texas in particular.

The Texas Comptroller of Public Accounts has reported that gasoline gallons taxed in Texas have grown significantly during the last several decades. From 1989 to 2013, gasoline consumption grew approximately 46% from 8.5 billion gallons to 12.4 billion gallons, or at an approximate 1.6% compound annual growth rate. Taxed gasoline gallons grew by 1.4% from 2012 to 2013. Similarly, diesel gallons taxed in Texas have grown significantly during the last several decades. From 1989 to 2013, diesel consumption grew approximately 150%, from 1.6 billion gallons to 4.0 billion gallons, or at an approximate 3.9% compound annual growth rate. Taxed diesel gallons grew by 1.1% from 2012 to 2013.

***Industry Consolidation***

We believe that there is considerable opportunity for consolidation in our industry as major integrated oil companies continue to divest sites they own or lease, and independent dealers continue to experience pressure from increased competition from non-traditional fuel suppliers, such as Walmart and grocery store chains. We intend to capitalize on the relationship between our wholesale business and SUSS' complementary retail business by jointly pursuing mixed asset acquisition opportunities with SUSS which may not be attractive to a pure wholesaler or pure retailer. Pursuant to the Omnibus Agreement, we will have a right to negotiate with SUSS to acquire any third−party distribution contracts and to distribute fuel to any retail stores or consignment locations included in a potential acquisition under consideration by SUSS, other than any retail stores already party to an existing supply agreement. We therefore expect to have the opportunity to participate with SUSS in acquiring convenience store operations and related wholesale distribution businesses through (i) directly purchasing any dealer distribution contracts or other wholesale distribution contracts and assets owned by the acquisition target, (ii) selling additional fuel volumes to convenience stores that SUSS acquires or to SUSS for any acquired consignment locations, and (iii) entering into additional sale and leaseback arrangements with respect to acquired stores. We believe these opportunities will provide for growth in both our fuel volumes and rental income.

In September 2013, SUSS completed the acquisition of Gainesville Fuel, Inc, a wholesale fuel and lubricants business selling approximately 60 million gallons of diesel annually, and subsequently contributed the business to us (the “GFI Contribution”).

***Seasonality***

Our business exhibits some seasonality due to our customers' increasing demand for motor fuel during the late spring and summer months as compared to the fall and winter months. Travel, recreation and construction activities typically increase in these months in the geographic areas in which we operate, increasing the demand for motor fuel. Therefore, the volume of motor fuel that we distribute is typically somewhat higher in the second and third quarters of our fiscal year. As a result, our results from operations may vary from period to period.

**How We Evaluate and Assess Our Business**

Our management uses a variety of financial measurements to analyze our performance. Key measures we use to evaluate and assess our business include the following:

- *Motor fuel gallons sold.* One of the primary drivers of our business is the total volume of motor fuel sold. Our long-term fuel distribution contracts with our customers, including SUSS, typically provide that we will distribute motor fuel at a fixed, volume−based profit margin. As a result, our gross profit is directly tied to the volume of motor fuel that we distribute.

- *Gross profit per gallon.* Gross profit per gallon reflects the gross profit on motor fuel divided by the number of gallons sold, which we typically express in terms of cents per gallon. Historically, sales of motor fuel to SUSS' retail convenience stores have been at cost and therefore, our Predecessor earned profits only on gallons sold to third parties. Pursuant to the SUSS Distribution Contract, we receive a fixed profit margin per gallon on all of the motor fuel we distribute to *Stripes* ® convenience stores and to SUSS' consignment locations. The financial impact of this fee, if it had been generated on our historical volumes sold, is reflected in our discussion of pro forma results of operations later in this section. Our gross profit per gallon varies among our third−party customers and is impacted by the availability of certain discounts and rebates from our suppliers. Pursuant to the SUSS Transportation Contract, SUSS arranges for motor fuel to be delivered from our suppliers to our customers, with the costs being passed entirely along to our customers. As a result, our cost to purchase fuel and any transp

ortation costs that we incur are generally passed through to our customers, and therefore do not have a substantial impact on our gross profit per gallon.

- *Adjusted EBITDA and distributable cash flow.* We define Adjusted EBITDA as net income before net interest expense, income taxes and depreciation, amortization and accretion, as further adjusted to exclude allocated non-cash stock−based compensation expense and certain other operating expenses that are reflected in our net income that we do not believe are indicative of our ongoing core operations, such as the gain or loss on disposal of assets. We define distributable cash flow as Adjusted EBITDA less cash interest expense, cash state franchise expense, maintenance capital expenditures and other non-cash adjustments.

  We believe Adjusted EBITDA and distributable cash flow are useful to investors in evaluating our operating performance because:

  - securities analysts and other interested parties use such metrics as measures of financial performance, ability to make distributions to our unitholders and debt service capabilities;
  - they are used as performance measures under our revolving credit facility; and
  - they are used by our management for internal planning purposes, including aspects of our consolidated operating budget and capital expenditures.

  For a reconciliation of Adjusted EBITDA and distributable cash flow to their most directly comparable financial measure calculated and presented in accordance with GAAP, read “Key Operating Metrics” below.

**Factors Affecting Comparability of our Financial Results**

The Partnership's results of operations may not be comparable to the Predecessor's historical results of operations for the reasons described below:

***Revenues and Gross Profits*** . Prior to our IPO, our assets were part of the integrated operations of SUSS, and our Predecessor distributed motor fuel and other petroleum products to SUSS without any profit margin. Accordingly, the revenues and gross profits in our Predecessor's historical consolidated financial statements do not include the profit margin on fuel sold to SUSS. In addition, our Predecessor's results of operations included results from certain consignment contracts that were retained by SUSS following the completion of the IPO and were reflected as third-party for our Predecessor but are now reflected as affiliate for SUSP.

***General and Administrative Expenses*** . Our Predecessor's general and administrative expenses included direct charges for the management of its operations as well as certain expenses allocated from SUSS for general corporate services. These expenses were charged, or allocated, to our Predecessor based on the nature of the expenses. The Partnership continues to incur charges for the management of the operations contributed to the Partnership as well as an allocation for general corporate services. We incur additional incremental general and administrative expenses as a result of being a separate publicly-traded partnership.

***Other Operating Expenses and Depreciation, Amortization and Accretion*** . Our Predecessor's other operating expenses and depreciation, amortization and accretion include direct charges related to certain consignment operations not contributed to the Partnership.

***Income Tax Expense.*** Our Predecessor was part of a taxable corporation, and as such, was allocated a portion of federal income tax expense. Our income tax expense only includes applicable Texas franchise tax and any federal and state income taxes related to PropCo.

**Key Operating Metrics**

The following table sets forth, for the periods indicated, information concerning key measures we rely on to gauge our operating performance. Historical results include our Predecessor's results of operations. The following information is intended to provide investors with a reasonable basis for assessing our historical operations, but should not serve as the only criteria for predicting our future performance.

| | Year Ended | | |
|---|---|---|---|
| | December 31, 2011 | December 31, 2012 (1) | December 31, 2013 |
| | Predecessor | | |
| | *(dollars and gallons in thousands, except motor fuel pricing and gross profit per gallon)* | | |
| Revenues: | | | |
| Motor fuel sales to third parties (2) (3) | $ 1,603,745 | $ 1,738,096 | $ 1,502,786 |
| Motor fuel sales to affiliates (2) | 2,257,788 | 2,570,757 | 2,974,122 |
| Rental income | 5,467 | 5,045 | 10,060 |
| Other income | 7,980 | 7,514 | 5,611 |
| Total revenue (3) | $ 3,874,980 | $ 4,321,412 | $ 4,492,579 |
| Gross profit: | | | |
| Motor fuel gross profit to third parties (2) | $ 31,217 | $ 33,292 | $ 26,307 |
| Motor fuel gross profit to affiliates (2) | — | 7,781 | 31,597 |
| Rental income | 5,467 | 5,045 | 10,060 |
| Other | 6,339 | 5,384 | 3,000 |
| Total gross profit | $ 43,023 | $ 51,502 | $ 70,964 |
| Net income | $ 10,598 | $ 17,570 | $ 37,027 |
| Adjusted EBITDA (4) | $ 23,979 | $ 31,695 | $ 51,885 |
| Distributable cash flow (4) | | $ 10,457 | $ 47,679 |
| **Operating Data:** | | | |
| Total motor fuel gallons sold: | | | |
| Third-party gallons | 522,832 | 560,191 | 517,775 |
| Affiliated gallons | 789,578 | 889,755 | 1,053,259 |
| Average wholesale selling price per gallon | $ 2.94 | $ 2.97 | $ 2.85 |
| Motor fuel gross profit cents per gallon (2): | | | |
| Third-party | 6.0¢ | 5.9¢ | 5.1¢ |
| Affiliated | 0.0¢ | 0.9¢ | 3.0¢ |
| Volume-weighted average for all gallons | 2.4¢ | 2.8¢ | 3.7¢ |

(1) Results represent Predecessor activity prior to September 25, 2012 and Partnership activity beginning September 25, 2012. See the disaggregated results in the table below.

(2) For the periods presented prior to September 25, 2012, affiliated sales only include sales to *Stripes* ® convenience stores, for which our Predecessor historically received no margin, and third-party motor fuel sales and gross profit cents per gallon includes the motor fuel sold directly to independently operated consignment locations, as well as sales to third-party dealers and other commercial customers. Following our IPO on September 25, 2012, we sell fuel to SUSS for both *Stripes* ® convenience stores and SUSS' independently operated consignment locations at a fixed profit margin of approximately three cents per gallon. As a result, volumes sold to consignment locations are included in the calculation of third-party motor fuel revenue and gross profit in the historical operating data prior to September 25, 2012, and in the calculation of affiliated motor fuel gross profit cents per gallon in the historical data beginning September 25, 2012.

(3) In 2013, we revised our presentation of fuel taxes on motor fuel sales at our consignment locations to present such fuel taxes gross in motor fuel sales. Prior years' motor fuel sales have been adjusted to reflect this revision.

(4) We define EBITDA as net income before net interest expense, income tax expense and depreciation and amortization expense. Adjusted EBITDA further adjusts EBITDA to reflect certain other non-recurring and non-cash items. We define distributable cash flow as Adjusted EBITDA less cash interest expense, cash state franchise tax expense, maintenance capital expenditures, and other non-cash adjustments. Adjusted EBITDA and distributable cash flow are not financial measures calculated in accordance with GAAP. Distributable cash flow for the year ended December 31, 2012 does not include results related to our Predecessor prior to September 25, 2012.

We believe EBITDA, Adjusted EBITDA and distributable cash flow are useful to investors in evaluating our operating performance because:

- Adjusted EBITDA is used as a performance measure under our revolving credit facility;

- securities analysts and other interested parties use such metrics as measures of financial performance, ability to make distributions to our unitholders and debt service capabilities;
- they are used by our management for internal planning purposes, including aspects of our consolidated operating budget, and capital expenditures; and
- distributable cash flow provides useful information to investors as it is a widely accepted financial indicator used by investors to compare partnership performance, as it provides investors an enhanced perspective of the operating performance of our assets and the cash our business is generating.

EBITDA, Adjusted EBITDA and distributable cash flow are not recognized terms under GAAP and do not purport to be alternatives to net income (loss) as measures of operating performance or to cash flows from operating activities as a measure of liquidity. EBITDA, Adjusted EBITDA and distributable cash flow have limitations as analytical tools, and one should not consider them in isolation or as substitutes for analysis of our results as reported under GAAP. Some of these limitations include:

- they do not reflect our total cash expenditures, or future requirements for capital expenditures or contractual commitments;
- they do not reflect changes in, or cash requirements for, working capital;
- they do not reflect interest expense, or the cash requirements necessary to service interest or principal payments on our revolving credit facility or term loan;
- although depreciation and amortization are non-cash charges, the assets being depreciated and amortized will often have to be replaced in the future, and EBITDA and Adjusted EBITDA do not reflect cash requirements for such replacements; and
- because not all companies use identical calculations, our presentation of EBITDA, Adjusted EBITDA and distributable cash flow may not be comparable to similarly titled measures of other companies.

The following table presents a reconciliation of net income to EBITDA, Adjusted EBITDA and distributable cash flow:

| | Year Ended | | |
|---|---|---|---|
| | December 31, 2011 | December 31, 2012 | December 31, 2013 |
| | Predecessor | | |
| | *(in thousands)* | | |
| Net income | $ 10,598 | $ 17,570 | $ 37,027 |
| Depreciation, amortization and accretion | 6,090 | 7,031 | 8,687 |
| Interest expense, net | 324 | 809 | 3,471 |
| Income tax expense | 6,039 | 5,033 | 440 |
| EBITDA | 23,051 | 30,443 | 49,625 |
| Non-cash stock-based compensation | 707 | 911 | 1,936 |
| Loss on disposal of assets and impairment charge | 221 | 341 | 324 |
| Adjusted EBITDA | $ 23,979 | $ 31,695 | $ 51,885 |
| Cash interest expense | | | 3,090 |
| State franchise tax expense (cash) | | | 302 |
| Maintenance capital expenditures | | | 814 |
| Distributable cash flow | | | $ 47,679 |

The following table is a summary of our results of operations for the year ended December 31, 2012, disaggregated for the periods preceding and following our IPO:

| | Susser Petroleum Company LLC Predecessor | Susser Petroleum Partners LP | |
|---|---|---|---|
| | *January 1, 2012 Through September 24, 2012* | *September 25, 2012 Through December 31, 2012* | *Year Ended December 31, 2012* |
| | | *(in thousands)* | |
| Revenues: | | | |
| Motor fuel sales to third parties (a) | $ 1,381,829 | $ 356,267 | $ 1,738,096 |
| Motor fuel sales to affiliates | 1,848,655 | 722,102 | 2,570,757 |
| Rental income | 4,023 | 1,022 | 5,045 |
| Other income | 5,764 | 1,750 | 7,514 |
| Total revenue (a) | 3,240,271 | 1,081,141 | 4,321,412 |
| Gross profit: | | | |
| Motor fuel gross profit to third parties | 27,678 | 5,614 | 33,292 |
| Motor fuel gross profit to affiliates | 6 | 7,775 | 7,781 |
| Rental income | 4,023 | 1,022 | 5,045 |
| Other | 4,287 | 1,097 | 5,384 |
| Total gross profit | 35,994 | 15,508 | 51,502 |
| Net income | $ 8,420 | $ 9,150 | $ 17,570 |
| Adjusted EBITDA (b) | $ 20,272 | $ 11,423 | $ 31,695 |
| Distributable cash flow (b) | | $ 10,457 | |

(a) In 2013, we revised our presentation of fuel taxes on motor fuel sales at our consignment locations to present such fuel taxes gross in motor fuel sales. Prior years' motor fuel sales have been adjusted to reflect this revision.

(b) Reconciliation of net income to EBITDA, Adjusted EBITDA and distributable cash flow:

| | Susser Petroleum Company LLC Predecessor | Susser Petroleum Partners LP | |
|---|---|---|---|
| | *January 1, 2012 Through September 24, 2012* | *September 25, 2012 Through December 31, 2012* | *Year Ended December 31, 2012* |
| | | *(in thousands)* | |
| Net income | $ 8,420 | $ 9,150 | $ 17,570 |
| Depreciation, amortization and accretion | 5,735 | 1,296 | 7,031 |
| Interest expense, net | 269 | 540 | 809 |
| Income tax expense | 4,809 | 224 | 5,033 |
| EBITDA | 19,233 | 11,210 | 30,443 |
| Non-cash stock-based compensation | 810 | 101 | 911 |
| Loss on disposal of assets and impairment charge | 229 | 112 | 341 |
| Adjusted EBITDA | $ 20,272 | 11,423 | $ 31,695 |
| Cash interest expense | | 439 | |
| State franchise tax expense (cash) | | 71 | |
| Maintenance capital expenditures | | 456 | |
| Distributable cash flow | | $ 10,457 | |

***Year Ended December 31, 2013 Compared to Year Ended December 31, 2012***

The following discussion compares our 2013 to our 2012 results, which consisted of those of our Predecessor prior to the IPO and those of SUSP after the IPO. See "Factors Affecting Comparability of our Financial Results".

***Revenue.*** Total revenue for 2013 was $4.5 billion , an increase of $171.2 million , or 4.0% , from 2012 . Motor fuel sales to third parties decreased $235.3 million , or 13.5% . This decrease is primarily related to 2012 consignment motor fuel sales of $270.3 million which, prior to the IPO, were categorized as third-party sales but are now included in affiliated sales. In addition, the wholesale selling price per gallon of motor fuel decreased 6.5%, offset by gallons sold to third parties which increased 8.9%, on a comparable basis. Motor fuel sales to affiliates increased $403.4 million , or 15.7% , from 2012 . Of this increase, $263.1 million related to 2013 consignment motor fuel sales that were previously reflected in third party sales for our Predecessor. The remaining increase consisted of an 8.1% increase in gallons sold to affiliates, on a comparable basis, partially offset by a 2.3% decrease in the wholesale selling price of motor fuel. Rental revenue of $10.1 million increased by $5.0 million from last year due to the acquisition and subsequent leaseback of 25 additional convenience store locations in 2013 from SUSS.

***Cost of Sales and Gross Profit.*** Gross profit for 2013 was $71.0 million , an increase of $19.5 million , or 37.8% , over 2012 . Gross profit on motor fuel sales to third parties decreased $7.0 million primarily attributable to the shift of consignment sales from third party to affiliated sales, as discussed above. The sales price of motor fuel sold to third parties decreased by 20.0 cents per gallon, while the cost of fuel decreased 19.2 cents per gallon, resulting in a 0.8 cents per gallon decrease in gross profit cents per gallon. Our Predecessor sold motor fuel to affiliates at cost, resulting in no gross profit on motor fuel sales to affiliates for the period from January 1, 2012 through September 24, 2012. SUSP sold fuel to affiliates at a gross profit of approximately 3.0 cents per gallon, resulting in $7.8 million and $31.6 million of gross profit in 2012 and 2013, respectively. Other gross profit of $13.1 million increased by $2.6 million from last year, primarily as a result of additional rental income offset by certain income streams not contributed to us at the IPO.

***Total Operating Expenses.*** For 2013 , general and administrative expenses, or G&A expenses, increased by $4.8 million , or 40.0% , from 2012 . The increase in G&A expenses was primarily attributable to increased allocation of salaries, bonus and benefits related to annual compensation increases and headcount additions during 2013. A portion of the G&A increase is attributable to a planned $2.0 million annual increase related to new public company expenses. Also included in G&A expense is $1.9 million of non-cash stock compensation expense, an increase of $1.0 million compared to the prior year. Other operating expenses decreased $2.0 million , or 38.5% , due primarily to operating expenses associated with activities not contributed to us in the IPO. Rent expense decreased by $2.5 million from 2012 due to Predecessor leasehold properties not being contributed to us. Depreciation, amortization and accretion expense for 2013 of $8.7 million was up $1.7 million , or 23.6% , from 2012 due to depreciation and amortization on additional capital investments, including acquisitions in 2013, recently constructed assets being placed into service and the stores purchased and leased back to SUSS.

***Income Tax Expense.*** For 2013, income tax expense decreased $4.6 million from 2012. The effective tax rate for 2012 was 22.3% compared to 1.2% for 2013 . For 2012, taxes consist of state and federal income taxes of the Predecessor prior to the IPO, but since SUSP is a pass-through entity and is not subject to income tax, activity post IPO only reflects Texas franchise tax and the income tax expense of PropCo.

***Year Ended December 31, 2012 Compared to Year Ended December 31, 2011***

The following discussion compares the 2012 results of SUSP, which consisted of those of our Predecessor prior to the IPO and those of SUSP after the IPO, to the 2011 results, which consisted of those of our Predecessor. See “Factors Affecting Comparability of our Financial Results.”

***Revenue.*** Total revenue for 2012 was $4.3 billion, an increase of $446.4 million, or 11.5%, from 2011. Motor fuel sales to third parties increased $134.4 million, or 8.4%. Of this increase, $19.8 million was driven by a 1.1% increase in the wholesale selling price per gallon of motor fuel, and $114.6 million was due to a 7.1% increase in gallons sold to third parties. Motor fuel sales to affiliates increased $313.0 million, or 13.9%, from 2011. This increase consisted of $286.5 million increase resulting from a 12.7% increase in gallons sold to affiliates and an increase of $26.5 million related to a 1.0% increase in the wholesale selling price of motor fuel.

***Cost of Sales and Gross Profit.*** Gross profit for 2012 was $51.5 million, an increase of $8.5 million, or 19.7%, over 2011. Gross profit on motor fuel sales to third parties increased $2.1 million primarily attributable to the 7.1% increase in gallons sold to third parties. The sales price of motor fuel sold to third parties increased by 3.5 cents per gallon, while the cost of fuel increased 3.6 cents per gallon, resulting in a negligible decrease in gross profit cents per gallon. For our Predecessor, motor fuel was sold to affiliates at cost, resulting in no gross profit on motor fuel sales to affiliates for all of 2011 and the period

from January 1, 2012 through September 24, 2012. Gross profit from motor fuel sold to affiliates at a fixed three cent profit margin following the IPO from September 25, 2012, was $7.8 million.

***Total Operating Expenses.*** For 2012, general and administrative expenses, or G&A expenses, increased by $1.5 million, or 13.8%, from 2011. The increase in G&A expenses was primarily attributable to increased cost of salaries, bonus and benefits related to annual compensation increases and headcount additions during 2012. We anticipate incurring an incremental $2.0 million of G&A expenses annually resulting from being a publicly traded partnership, of which less than $0.3 million was incurred during the fourth quarter of 2012. Other operating expenses increased $0.3 million, or 6.3%, due primarily to increased reserves for bad debt of $0.4 million and environmental costs. Depreciation, amortization and accretion expense for 2012 of $7.0 million was up $0.9 million, or 15.5%, from 2011 due to depreciation and amortization on additional capital investments, including the acquisition of 121 dealer distribution agreements made in the fourth quarter of 2011.

***Income Tax Expense.*** For 2012, income tax expense decreased $1.0 million from 2011. The effective tax rate for 2011 was 36.3% compared to 22.3% for 2012. Income taxes for 2011 reflect state and federal income taxes of our Predecessor for the entire year. For 2012, taxes consist of state and federal income taxes of our Predecessor prior to the IPO, but because SUSP is a pass-through entity and is not subject to income tax, activity post IPO only reflects Texas franchise tax and the income tax expense of PropCo.

**Pro Forma Results of Operations**

We have provided below certain supplemental pro forma information for the years ended December 31, 2011 and 2012, compared to historical results for the year ended December 31, 2013. The pro forma information gives effect to (i) the contribution by our Predecessor to us of substantially all of the assets and operations comprising its wholesale motor fuel distribution business (other than its motor fuel consignment business and transportation assets and substantially all of its accounts receivable and payable) and the contribution by SUSS and our Predecessor to us of certain convenience store properties and (ii) our entry into the SUSS Distribution Contract, the SUSS Transportation Contract and the Omnibus Agreement as if such transactions had occurred at the beginning of the period presented.

Our assets have historically been a part of the integrated operations of SUSS, and our Predecessor distributed motor fuel and other petroleum products to SUSS, as opposed to third parties, without receiving any profit margin. Accordingly, the gross profit in our Predecessor's historical consolidated financial statements, prior to our IPO on September 25, 2012, relates only to the profit margin received from third parties for our wholesale distribution services and from consignment contracts that were retained by SUSS following the completion of our IPO. The pro forma information presented in the table below was derived based upon known volumes distributed by our Predecessor to SUSS reflected in our Predecessor's historical financial statements for which our Predecessor did not receive any profit margin, and adjusted for the profit margin that we will receive going forward pursuant to the SUSS Distribution Contract applied to those volumes. The pro forma information was also derived based upon the volumes distributed by our Predecessor under consignment arrangements, for which it historically received variable margins, and the profit margin contained in the SUSS Distribution Contract applied to those volumes.

Management believes the pro forma presentation is useful to investors because, had it been in effect during the historical periods presented, the SUSS Distribution Contract would have had a substantial impact on our historical results of operations as a result of (i) the fixed profit margin that we would have earned on the motor fuel distributed to SUSS instead of no margin historically reflected in our Predecessor financial statements and (ii) the fixed profit margin that we would have received on all volumes sold to consignment locations instead of the variable and higher margin received by our Predecessor under consignment contracts.

| | Year Ended December 31, | | |
|---|---|---|---|
| | 2011 | 2012 | 2013 |
| | Pro Forma | Pro Forma | Actual |
| | (in thousands, except gross profit per gallon) | | |
| Revenues: | | | |
| Motor fuel sales to third parties (a) | $ 1,271,498 | $ 1,467,833 | $ 1,502,786 |
| Motor fuel sales to affiliates | 2,605,050 | 2,853,052 | 2,974,122 |
| Rental income | 3,304 | 3,484 | 10,060 |
| Other income | 4,596 | 5,255 | 5,611 |
| Total revenue (a) | 3,884,448 | 4,329,624 | 4,492,579 |
| Gross profit: | | | |
| Motor fuel sales to third parties | 17,579 | 20,957 | 26,307 |
| Motor fuel to affiliates | 26,956 | 29,206 | 31,597 |
| Rental income | 3,304 | 3,484 | 10,060 |
| Other | 2,474 | 3,125 | 3,000 |
| Total gross profit | $ 50,313 | $ 56,772 | $ 70,964 |
| Operating Data: | | | |
| Motor fuel gallons sold: | | | |
| Third−party dealers and other commercial customers | 413,888 | 475,507 | 517,775 |
| Affiliated gallons | 898,522 | 974,439 | 1,053,259 |
| Total gallons sold | 1,312,410 | 1,449,946 | 1,571,034 |
| Motor fuel gross profit cents per gallon: | | | |
| Third−party | 4.2¢ | 4.4¢ | 5.1¢ |
| Affiliated | 3.0¢ | 3.0¢ | 3.0¢ |
| Volume−weighted average for all gallons | 3.4¢ | 3.5¢ | 3.7¢ |

(a) In 2013, we revised our presentation of fuel taxes on motor fuel sales at consignment locations to include such fuel taxes on a gross basis in motor fuel sales. Prior years' motor fuel sales have been adjusted to reflect this revision.

***Actual Year Ended December 31, 2013 Compared to Pro Forma Year Ended December 31, 2012***

***Pro Forma Revenue*** . Total revenue for 2013 was $4.5 billion , an increase of $163.0 million , or 3.8% , over pro forma 2012 revenue. Motor fuel sales to third parties increased by $35.0 million compared to pro forma 2012, or 2.4% , due to an 8.9% increase in gallons sold and partially offset by a 6.0% reduction in the selling price per gallon. 2013 motor fuel sales to affiliates increased $121.1 million , or 4.2% , compared to pro forma 2012, due to an increase in gallons sold to affiliates of 78.8 million or 8.1%, partly offset by a 3.6% decrease in the selling price of fuel. Rental revenue was $10.1 million, an increase of 188.7% over the same pro forma period last year. Most of the increase was due to rental revenue from SUSS in the purchase and leaseback of 33 Stripes stores since the IPO.

***Pro Forma Cost of Sales and Gross Profit*** . Total gross profit increased by $14.2 million, or 25.0% compared to pro forma 2012. Motor fuel gross profit from third-party sales for the year was $26.3 million , an increase of $5.4 million , or 25.5% , over pro forma 2012. This increase can be attributed to an increase of 15.3% in third-party gross profit cents per gallon or $3.2 million . The sales price of motor fuel sold to third parties decreased by 18.5 cents per gallon, while the cost of fuel decreased by 19.1 cents per gallon, resulting in a 0.6 cent per gallon increase in gross profit. Motor fuel gross profit from sales to affiliates for the year was $31.6 million , an 8.2% increase over pro forma 2012. The increase was mostly due to an 8.1% increase in gallons sold to affiliates. Cost of sales per gallon increased commensurate with revenue per gallon, which resulted in a 3.0 cents per gallon gross profit for the year compared to pro forma 2012. Gross profit from rental income was $10.1 million , an increase of $6.6 million over the pro forma 2012 results, related to the new properties we purchased and are leasing to affiliated and third-party customers.

***Pro Forma Year Ended December 31, 2012 Compared to Pro Forma Year Ended December 31, 2011***

***Pro Forma Revenue*** . Pro forma revenue for 2012 would have been $4.3 billion, an increase of $455.2 million, or 11.5%, from 2011. Pro forma motor fuel sales to third parties would have increased $196.3 million, or 15.4%. Of this increase, $7.0 million would have been driven by a 0.5% increase in the wholesale selling price per gallon of motor fuel, and $61.6 million would have been due to a 14.9% increase in gallons sold to third parties. Pro forma motor fuel sales to affiliates would have increased $248.0 million, or 9.5%, from 2011. This increase would have consisted of $220.1 million related to an 8.4% increase in gallons sold to affiliates and an increase of $27.9 million related to a 1.0% increase in the wholesale selling price of motor fuel.

***Pro Forma Cost of Sales and Gross Profit*** . Pro forma motor fuel gross profit from third-party sales for 2012 would have been $21.0 million, an increase of $3.4 million, or 19.2%, over 2011. This increase would have been attributable to the 14.9% increase in gallons sold to third parties, increasing gross profit by $2.7 million and an increase of 3.8% in third-party gross profit cents per gallon or $0.7 million. The sales price of motor fuel sold to third parties increased by 1.5 cents per gallon, while the cost of fuel increased by 1.3 cents per gallon, resulting in a 0.2 cents per gallon increase in gross profit. Pro forma motor fuel gross profit from sales to affiliates for 2012 would have been $29.2 million, an 8.3% increase over 2011. The increase would have been entirely due to the increase in gallons sold to affiliates. Cost of sales per gallon would have increased commensurate with revenue per gallon, which would have resulted in a flat 3.0 cents per gallon gross profit for each period. Gross profit from rental income and other income on a pro forma basis during 2012 would have been $6.6 million, an increase of $0.8 million over the prior year period.

**Liquidity and Capital Resources**

***Liquidity***

Our principal liquidity requirements are to finance current operations, fund capital expenditures, including acquisitions from time to time, to service our debt and to make distributions. Historically, our Predecessor's operations were financed as part of SUSS' integrated operations and our Predecessor did not record any significant costs associated with financing its operations. Additionally, our Predecessor largely relied on internally generated cash flows to satisfy its capital expenditure requirements. We expect our ongoing sources of liquidity to include cash generated from operations, liquidation of our marketable securities, borrowings under our revolving credit facility and the issuance of long-term debt or additional partnership units as appropriate given market conditions. We expect that these sources of funds will be adequate to provide for our short-term and long-term liquidity needs.

Our ability to meet our debt service obligations and other capital requirements, including capital expenditures, as well as make acquisitions, will depend on our future operating performance which, in turn, will be subject to general economic, financial, business, competitive, legislative, regulatory and other conditions, many of which are beyond our control. As a normal part of our business, depending on market conditions, we will from time to time consider opportunities to repay, redeem, repurchase or refinance our indebtedness. Changes in our operating plans, lower than anticipated sales, increased expenses, acquisitions or other events may cause us to seek additional debt or equity financing in future periods. There can be no guarantee that financing will be available on acceptable terms or at all. Debt financing, if available, could impose additional cash payment obligations and additional covenants and operating restrictions. In addition, any of the items discussed in detail under "Item 1A. Risk Factors" may also significantly impact our liquidity.

We had $6.8 million and $8.2 million of cash and cash equivalents on hand as of December 31, 2012 and 2013, respectively, all of which were unrestricted. We also had marketable securities of $148.3 million and $26.0 million available for capital expenditures as of December 31, 2012 and 2013, respectively.

***Cash Flows Provided by Operations***

Cash flows provided by operations are our main source of liquidity. Our Predecessor historically relied primarily on cash provided by operating activities, supplemented as necessary from time to time by borrowings under the SUSS credit facility and other debt or equity transactions to finance its operations and to fund its capital expenditures. Concurrent with our IPO, we entered into a $250 million revolving credit facility, described below, to provide liquidity as needed to meet changes in working capital requirements. The revolving credit facility was expanded to $400 million on December 17, 2013. Our daily working capital requirements fluctuate within each month, primarily in response to the timing of payments for motor fuel, motor fuel tax and rent. The Partnership has entered into several commercial agreements with SUSS. Read Note 12 for a detailed discussion of these agreements.

Cash flows from operations were $14.7 million , $16.5 million and $50.7 million for the years ended December 31, 2011, 2012 and 2013, respectively. Changes in our Predecessor's cash flows from operations were primarily driven by increases or

decreases in accounts receivable and accounts payable which are impacted by increasing or decreasing motor fuel prices and costs, as well as growth in volumes sold. Following the IPO, increases in accounts receivable from affiliates and accounts payable were a result of the Partnership building these account balances as it commenced operations during 2012. In addition, we purchased additional fuel inventory during 2013. We also began receiving gross profit mark-up in affiliated sales subsequent to our IPO, which we did not receive prior to September 25, 2012.

***Capital Expenditures***

Capital expenditures, including purchase of intangibles were $19.4 million , $44.0 million , and $116.3 million for the years ended December 31, 2011, 2012 and 2013, respectively. Included in the 2012 amount is $15.0 million incurred by our Predecessor and $29.0 million related to new stores purchased following our IPO through a sale and leaseback transaction with SUSS. Included in our capital expenditures for the year ended December 31, 2013, was $115.5 million in expansion capital of which $104.2 million relates to the purchase and leaseback transactions with SUSS, $11.3 million relates to four purchased dealer locations and other growth capital projects, including new dealer supply contracts, and $0.8 million in maintenance capital. Our capital spending program is focused on expanding our wholesale distribution network and maintaining our owned properties and equipment. Capital expenditure plans are generally evaluated based on return on investment and estimated incremental cash flow. We develop annual capital spending plans based on historical trends for maintenance capital, plus identified projects for new sites and revenue-generating capital. In addition to the annually recurring capital expenditures, potential acquisition opportunities are evaluated based on their anticipated return on invested capital, accretive impact to operating results, and strategic fit.

Subsequent to our IPO, our capital expenditures no longer include the acquisition, replacement and maintenance of certain transportation, fuel and other equipment and facilities that were not contributed to us, but historically required capital expenditures by our Predecessor.

***Other Investing Activities***

During the year ended December 31, 2013, we financed the $104.2 million purchase of 25 retail stores from SUSS (including final true-up adjustments on previously purchased stores) and $18.4 million of other growth investment with proceeds from liquidating a portion of our marketable securities. The marketable securities also serve as collateral for the SUSP Term Loan described below.

***Cash Flows from Financing Activities***

In September 2012, we completed our IPO of 49.9% of our limited partner interests, receiving net proceeds of approximately $206 million, after deducting fees and expenses. Approximately $25 million of the proceeds were distributed to SUSS for reimbursement of capital expenditures in our Predecessor for the prior 24 months, and the balance of $180.7 million was invested in marketable securities. SUSP entered into a Term Loan and Security Agreement (the “SUSP Term Loan”) under which we borrowed $180.7 million, and pledged the marketable securities to obtain better terms. The SUSP Term Loan bears interest at a rate equal to LIBOR plus 0.25%, and matures on September 25, 2015, although it may be prepaid without penalty at any time. Proceeds from the SUSP Term Loan were distributed to SUSS.

Additionally, we entered into a $250 million revolving credit facility, which expires on September 25, 2017 (the “SUSP Revolver”). On December 17, 2013, we entered into Amendment No. 1 to the SUSP Revolver which increased the aggregate commitments under the SUSP revolver from $250 million to $400 million. Commitments under the SUSP Revolver can be increased by up to an additional $100 million upon our written request, subject to certain conditions. Interest under the SUSP Revolver is calculated on either a base rate or LIBOR plus a margin, which ranges from 1.00% to 2.25% in case of a base rate and 2.00% to 3.25% in case of a LIBOR rate, based on a total leverage ratio. The initial interest rate was set at LIBOR plus 2.00%. We plan to use the SUSP Revolver and our marketable securities to fund growth capital, which may include purchase and leaseback transactions with SUSS convenience store properties. The SUSP Revolver requires us to maintain a minimum consolidated interest coverage ratio of not less than 2.50 to 1.00 , and a consolidated total leverage ratio of not more than 4.50 to 1.00 , subject to certain adjustments. Indebtedness under the SUSP Revolver is secured by a security interest in, among other things, all of our present and future personal property and all of the personal property of our guarantors, the capital stock of our subsidiaries, and any intercompany debt. Additionally, if our consolidated total leverage ratio exceeds 3.00 to 1.00 at the end of any fiscal quarter, we will be required, upon request of the lenders, to grant mortgage liens on all real property owned by the Partnership and its subsidiary guarantors.

As of December 31, 2013 , the balance outstanding on the SUSP Term Loan was $26 million , which was fully collateralized by marketable securities. Additionally, there were $156.2 million outstanding borrowings under the SUSP

Revolver, an increase of $120.6 million compared to December 31, 2012, and $10.0 million in standby letters of credit. Of the amount borrowed in 2013 on the SUSP revolver, $122.3 million was used to pay down the SUSP Term Loan. The unused availability on the SUSP Revolver at December 31, 2013 was $233.8 million , and we were in compliance with all covenants.

We intend to pay a cash distribution to the holders of our common and subordinated units on a quarterly basis, to the extent we have sufficient cash from our operations after establishment of cash reserves and payment of fees and expenses, including payments to our general partners and its affiliates. We do not have a legal obligation to pay this distribution. Our minimum quarterly distribution of $0.4375 per common and subordinated unit equates to approximately $9.6 million per quarter, or $38.4 million per year, based on the number of common and subordinates units currently outstanding. During the year ended December 31, 2013, we paid the fourth quarter 2012 and first, second and third quarters of 2013 distributions totaling $39.3 million. On January 29, 2014, we declared a quarterly distribution totaling $10.7 million, based on the results for the three months ended December 31, 2013, or $0.4851 per unit. The distribution was paid on February 28, 2014 to unitholders of record on February 18, 2014.

**Contractual Obligations and Commitments**

***Contractual Obligations*** . We have contractual obligations which are required to be settled in cash. Our contractual obligations as of December 31, 2013 were as follows:

| | Payments Due by Period | | | | |
|---|---|---|---|---|---|
| | Total | Less than 1 Year | 1-3 Years | 4-5 Years | More than 5 Years |
| | | | (in thousands) | | |
| Long-term debt obligations (1) | $ 186,151 | $ 525 | $ 27,916 | $ 157,710 | $ — |
| Interest payments (2) | 17,285 | 4,596 | 9,404 | 3,285 | — |
| Operating lease obligations | 9,431 | 847 | 1,741 | 1,784 | 5,059 |
| Total | $ 212,867 | $ 5,968 | $ 39,061 | $ 162,779 | $ 5,059 |

(1) Payments for 2014 through 2018 reflect required principal payments on our promissory and term notes. No principal amounts are due on our term notes until September 2015. Assumes the balance of our revolving credit facility, of which the balance at December 31, 2013 was $156.2 million , remains outstanding until the revolver maturity in September 2017.

(2) Includes interest on term and promissory notes. Includes interest on revolving credit facility balance as of December 31, 2013 and commitment fees on the unused portion of the facility through September 2017 using rates in effect at December 31, 2013.

We also make various other commitments and become subject to various other contractual obligations that we believe to be routine in nature and incidental to the operation of our business, such as fuel supply commitments which we believe do not have a material impact on our business, financial condition or results of operations.

We periodically enter into derivatives, such as futures and options, to manage our fuel price risk on inventory in the distribution system. Fuel hedging positions are not significant to our operations. We had 66 positions, representing 2.8 million gallons, outstanding at December 31, 2013 with a negative fair value of $68,200 .

**Off-Balance Sheet Arrangements**

We do not maintain any off-balance sheet arrangements for the purpose of credit enhancement, hedging transactions or other financial or investment purposes.

**Impact of Inflation**

The impact of inflation has minimal impact on our results of operations, as we generally are able to pass along energy cost increases in the form of increased sales prices to our customers. Inflation in energy prices impacts our sales and cost of motor fuel products and working capital requirements. Increased fuel prices may also require us to post additional letters of credit or other collateral if our fuel purchases exceed unsecured credit limits extended to us by our suppliers. Although we believe we have historically been able to pass on increased costs through price increases and maintain adequate liquidity to support any increased collateral requirements, there can be no assurance that we will be able to do so in the future.

**Quarterly Results of Operations**

See "Item 8. Financial Statements and Supplementary Data - Notes to Financial Statements - Note 20. Quarterly Results of Operations" for financial and operating quarterly data for each quarter of 2012 and 2013.

**Application of Critical Accounting Policies**

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

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

***Business Combinations and Intangible Assets Including Goodwill.*** We account for acquisitions using the purchase method of accounting. Accordingly, assets acquired and liabilities assumed are recorded at their estimated fair values at the acquisition date. The excess of purchase price over fair value of net assets acquired, including the amount assigned to identifiable intangible assets, is recorded as goodwill. Given the time it takes to obtain pertinent information to finalize the acquired company's balance sheet, it may be several quarters before we are able to finalize those initial fair value estimates. Accordingly, it is not uncommon for the initial estimates to be subsequently revised. The results of operations of acquired businesses are included in the consolidated financial statements from the acquisition date.

Our recorded identifiable intangible assets primarily include the estimated value assigned to certain customer related and contract−based assets. Identifiable intangible assets with finite lives are amortized over their estimated useful lives, which is the period over which the asset is expected to contribute directly or indirectly to our future cash flows. Supply agreements are amortized on a straight-line basis over the remaining terms of the agreements, which generally range from five to fifteen years. Favorable/unfavorable lease arrangements are amortized on a straight-line basis over the remaining lease terms. The determination of the fair market value of the intangible asset and the estimated useful life are based on an analysis of all pertinent factors including (1) the use of widely−accepted valuation approaches, the income approach or the cost approach, (2) the expected use of the asset by us, (3) the expected useful life of related assets, (4) any legal, regulatory or contractual provisions, including renewal or extension periods that would cause substantial costs or modifications to existing agreements, and (5) the effects of obsolescence, demand, competition, and other economic factors. Should any of the underlying assumptions indicate that the value of the intangible assets might be impaired, we may be required to reduce the carrying value and subsequent useful life of the asset. If the underlying assumptions governing the amortization of an intangible asset were later determined to have significantly changed, we may be required to adjust the amortization period of such asset to reflect any new estimate of its useful life. Any write-down of the value or unfavorable change in the useful life of an intangible asset would increase expense at that time.

At December 31, 2013, we had goodwill recorded in conjunction with past business combinations of $22.8 million , including $9.9 million of goodwill related to the GFI Contribution. Under the accounting rules, goodwill is not amortized. Instead, goodwill is subject to annual reviews on the first day of the fourth fiscal quarter for impairment at a reporting unit level. The reporting unit or units used to evaluate and measure goodwill for impairment are determined primarily from the manner in which the business is managed or operated. A reporting unit is an operating segment or a component that is one level below an operating segment. We have assessed the reporting unit definitions and determined that we have one operating segment that is appropriate for testing goodwill impairment.

The impairment analysis performed in the fourth quarter of 2013, which considered only qualitative factors, indicated no impairment of goodwill. The impairment analysis performed in the fourth quarter of 2012 indicated fair value that was in excess of carrying amount of net assets by 176%. When this margin was considered, along with the qualitative screening factors, the Partnership determined that it is more likely than not that the fair value exceeded the carrying amount of net assets. As a result, a step one test was deemed unnecessary.

Some of the factors considered in applying the qualitative test include the consideration of macroeconomic conditions, industry and market considerations, cost factors affecting the business, and the overall financial performance of the business. In

addition, the key inputs used to determine fair value were considered, including industry multiples, the weighted average cost of capital, and the cash flow.

***Long-Lived Assets and Assets Held for Sale.*** Long-lived assets at the individual site level are reviewed for impairment whenever events or changes in circumstances indicate the carrying amount of the asset may not be recoverable. If indicators exist, we compare the estimated discounted future cash flows related to the asset to the carrying value of the asset. If impairment is indicated, we then would write down the asset to its net realizable value (fair value less cost to sell). Assumptions are made with respect to cash flows expected to be generated by the related assets based upon management projections. Any changes in key assumptions used to compile these projections, particularly site level performance or market conditions, could result in an unanticipated impairment charge. For instance, changes in market demographics, traffic patterns, competition and other factors may impact the overall operations of certain individual locations and may require us to record impairment charges in the future.

Properties that have been closed and other excess real property are recorded as assets held and used, and are written down to the lower of cost or estimated net realizable value at the time we close such stores or determine that these properties are in excess and intend to offer them for sale. We estimate the net realizable value based on our experience in utilizing or disposing of similar assets and on estimates provided by our own and third−party real estate experts. Although we have not experienced significant changes in our estimate of net realizable value, changes in real estate markets could significantly impact the net values realized from the sale of assets. When we have determined that an asset is more likely than not to be sold in the next twelve months, that asset is classified as assets held for sale and reflected in other current assets.

***Insurance Liabilities.*** We use a combination of self-insurance and third−party insurance with predetermined deductibles that cover certain insurable risks. Our costs are allocated from SUSS, and SUSS carries a liability which represents an estimate of the ultimate cost of claims incurred as of the balance sheet dates. The estimated undiscounted liability is established based upon analysis of historical data and includes judgments and actuarial assumptions regarding economic conditions, the frequency and severity of claims, claim development patterns and claim management and settlement practices. Although we have not experienced significant changes in actual expenditures compared to actuarial assumptions as a result of increased costs or incidence rates, such changes could occur in the future and could significantly impact our results of operations and financial position.

***Stock and Unit−Based Compensation.*** Certain employees supporting our operations were historically granted long-term incentive compensation awards under SUSS' stock−based compensation programs, which consist of stock options and restricted common stock. We were allocated expenses for such stock−based compensation costs. These costs are included in our general and administrative expenses. Our allocated expense was $0.7 million , $0.8 million and $1.4 million for the years ended December 31, 2011, 2012 and 2013, respectively. In addition we recognized $0.1 million and $0.5 million of unit compensation expense related to SUSP unit awards for the years ended December 31, 2012 and 2013.

***Income Taxes.*** As a limited partnership we are generally not subject to state and federal income tax and would therefore not recognize deferred income tax liabilities and assets for the expected future income tax consequences of temporary differences between financial statement carrying amounts and the related income tax basis. We are, however, subject to a statutory requirement that our non-qualifying income cannot exceed 10% of our total gross income, determined on a calendar year basis under the applicable income tax provisions. If the amount of our non-qualifying income exceeds this statutory limit, we would be taxed as a corporation. Accordingly, certain activities that generate non-qualifying income are conducted through our wholly owned taxable corporate subsidiary for which we have recognized deferred income tax liabilities and assets at December 31, 2013. These balances, as well as income tax expense, are determined through management's estimations, interpretation of tax law for multiple jurisdictions and tax planning. If our actual results differ from estimated results due to changes in tax laws, our effective tax rate and tax balances could be affected. As such, these estimates may require adjustments in the future as additional facts become known or as circumstances change.

The benefit of an uncertain tax position can only be recognized in the financial statements if management concludes that it is more likely than not that the position will be sustained with the tax authorities. For a position that is likely to be sustained, the benefit recognized in the financial statements is measured at the largest amount that is greater than 50 percent likely of being realized. In determining the future tax consequences of events that have been recognized in our financial statements or tax returns, judgment is required. Differences between the anticipated and actual outcomes of these future tax consequences could have a material impact on our consolidated results of operations or financial position.

**Item 7A. Quantitative and Qualitative Disclosures about Market Risk**

**Interest Rate Risk**

We are subject to market risk from exposure to changes in interest rates based on our financing, investing and cash management activities. We currently have a $400 million revolving credit facility and a term loan which bear interest at variable rates. We had $156.2 million outstanding borrowings on the SUSP Revolver and $25.9 million on the SUSP term loan at December 31, 2013 . The annualized effect of a one percentage point change in floating interest rates on our variable rate debt obligations outstanding at December 31, 2013 , would be to change interest expense by approximately $1.8 million . Our primary interest rate exposure relates to:

- Interest rate risk on short-term borrowings and
- The impact of interest rate movements on our ability to obtain adequate financing to fund future acquisitions.

While we cannot predict or manage our ability to refinance existing debt or the impact interest rate movements will have on our existing debt, management evaluates our financial position on an ongoing basis. From time to time, we may enter into interest rate swaps to reduce the impact of changes in interest rates on our floating rate debt. We had no interest rate swaps in effect during 2012 or 2013.

**Commodity Price Risk**

We have minimal commodity price risk as we purchase over 85% of our motor fuel only when we receive an order from one of our customers and take title to the motor fuel only for the short period of time (typically less than a day) between pick-up and delivery. In addition, a substantial majority of our gross profit is generated by fixed fees that we charge for each gallon sold and any transportation costs that we incur are passed through to our customers.

We periodically purchase motor fuel in bulk and hold in inventory. This commodity price risk is hedged through the use of fuel futures contracts which are matched in quantity and timing to the anticipated usage of the inventory. These fuel hedging positions have not historically been material to our operations. We had 66 positions with a negative fair value of $68,200 outstanding at December 31, 2013 . We began periodically buying bulk fuel and hedging the inventory risk in January 2013. For more information on our hedging activity, see Note 9 in the accompanying Notes to Consolidated Financial Statements.

**Item 8. Financial Statements and Supplementary Data**

See Index to Consolidated Financial Statements at Item 15.

**Item 9. Changes in and Disagreements With Accountants on Accounting and Financial Disclosure**

None.

**Item 9A. Controls and Procedures**

**Disclosure Controls and Procedures**

We maintain disclosure controls and procedures (as defined in Rule 13a-15(e) and Rule 15d-15(e) of the Exchange Act), that are designed to provide reasonable assurance that the information that we are required to disclose in the reports we file or submit under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms, and such information is accumulated and communicated to our management, including our Chief Executive Officer and Chief Financial Officer, as appropriate, to allow timely decisions regarding required disclosure. It should be noted that, because of inherent limitations, our disclosure controls and procedures, however well designed and operated, can provide only reasonable, and not absolute, assurance that the objectives of the disclosure controls and procedures are met.

As required by paragraph (b) of Rule 13a-15 under the Exchange Act, our Chief Executive Officer and our Chief Financial Officer have evaluated the effectiveness of our disclosure controls and procedures (as such term is defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act) as of the end of the period covered by this Form 10-K. Based on such evaluation, our Chief Executive Officer and our Chief Financial Officer have concluded, as of the end of the period covered by this Form 10-K, that our disclosure controls and procedures were effective at the reasonable assurance level for which they were designed in that the information required to be disclosed by the Partnership in the reports we file or submit under the Securities Exchange Act of 1934 is recorded, processed, summarized and reported within the time periods specified in SEC rules and forms and such information is accumulated and communicated to our management, including our Chief Executive Officer and Chief Financial Officer, as appropriate, to allow timely decisions regarding required disclosure.

**Management’s Report on Internal Controls over Financial Reporting**

Our management is responsible for establishing and maintaining adequate internal control over financial reporting as defined in Rule 13a-15 (f) and 15d-15(f) under the Securities Exchange Act. Our internal control over financial reporting is a process that is designed under the supervision of our Chief Executive Officer and Chief Financial Officer, and effected by our Board of Directors, management and other personnel, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with accounting principles generally accepted in the United States of America. Our internal control over financial reporting includes those policies and procedures that:

- Pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of our assets;
- Provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with accounting principles generally accepted in the United States of America, and that receipts and expenditures recorded by us are being made only in accordance with authorizations of our management and Board of Directors; and
- Provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of our assets that could have a material effect on our financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies and procedures may deteriorate.

Management has conducted its evaluation of the effectiveness of internal control over financial reporting as of December 31, 2013 , based on the framework in Internal Control-Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (1992 Framework). Management’s assessment included an evaluation of the design of our internal control over financial reporting and testing the operational effectiveness of our internal control over financial reporting. Management reviewed the results of the assessment with the Audit Committee of the Board of Directors. Based on its assessment, management determined that, as of December 31, 2013 , we maintained effective internal control over financial reporting.

Ernst & Young LLP, the independent registered public accounting firm that audited the consolidated financial statements of the Company included in this Annual Report on Form 10-K, has issued an attestation report on the effectiveness of the Company’s internal control over financial reporting as of December 31, 2013 . The report, which expresses an unqualified opinion on the effectiveness of the Company’s internal control over financial reporting as of December 31, 2013 , is included in this Item under the heading Report of Independent Registered Public Accounting Firm.

**Changes in Internal Control over Financial Reporting**

There have been no changes in our internal control over financial reporting during the fourth quarter of fiscal 2013 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

From time to time, we make changes to our internal control over financial reporting that are intended to enhance its effectiveness and which do not have a material effect on our overall internal control over financial reporting. We will continue to evaluate the effectiveness of our disclosure controls and procedures and internal control over financial reporting on an ongoing basis and will take action as appropriate.

**Report of Independent Registered Public Accounting Firm**

The Board of Directors of Susser Petroleum Partners GP LLC and Unitholders of Susser Petroleum Partners LP

We have audited Susser Petroleum Partners LP's internal control over financial reporting as of December 31, 2013, based on criteria established in Internal Control-Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (1992 framework) (the COSO criteria). Susser Petroleum Partners LP's management is responsible for maintaining effective internal control over financial reporting, and for its assessment of the effectiveness of internal control over financial reporting included in the accompanying Management's Report on Internal Controls over Financial Reporting. Our responsibility is to express an opinion on the Partnership's internal control over financial reporting based on our audit.

We conducted our audit in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects. Our audit included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, testing and evaluating the design and operating effectiveness of internal control based on the assessed risk, and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

A company's internal control over financial reporting is a process designed 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. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

In our opinion, Susser Petroleum Partners LP maintained, in all material respects, effective internal control over financial reporting as of December 31, 2013, based on the COSO criteria.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), the consolidated balance sheets of Susser Petroleum Partners LP as of December 31, 2013 and 2012, and the related consolidated statements of operations and comprehensive income, unitholders' equity and cash flows for the three years in the period ended December 31, 2013 and our report dated March 14, 2014 expressed an unqualified opinion thereon.

/s/ Ernst & Young LLP

Houston, Texas
March 14, 2014

**Item 9B. Other Information**

None.

## Part III

### Item 10. Directors, Executive Officers and Corporate Governance

**Executive Officers and Directors of our General Partner**

The following table shows information for the executive officers and directors of our general partner. References to "our officers," "our directors," or "our board" refer to the officers, directors, and board of directors of our general partner. Directors are appointed to hold office until their successors have been elected or qualified or until the earlier of their death, resignation, removal or disqualification. Executive officers serve at the discretion of the board.

| Name | Age | Position With Our General Partner |
|---|---|---|
| Sam L. Susser | 50 | Chairman of the Board |
| Rocky B. Dewbre | 48 | President and Chief Executive Officer |
| E.V. Bonner, Jr. | 58 | Executive Vice President, Secretary and General Counsel |
| Mary E. Sullivan | 57 | Executive Vice President, Chief Financial Officer and Treasurer |
| Gail S. Workman | 47 | Senior Vice President and Chief Operating Officer |
| David P. Engel | 63 | Director |
| Rob L. Jones | 55 | Lead Independent Director |
| Frank A. Risch | 71 | Director |
| Armand S. Shapiro | 72 | Director |
| Bryan F. Smith, Jr. | 61 | Director |
| Sam J. Susser | 74 | Director |

***Sam L. Susser- Chairman of the Board.*** Sam L. Susser has served as chairman of the board of directors of our general partner since June 2012 and was our Chief Executive Officer from June 2012 until September 2013, until Mr. Dewbre was promoted to that office. Mr. Susser has served as SUSS' President and Chief Executive Officer since 1992, and, since 2013, as the chairman of its board of directors. From 1988 to 1992, Mr. Susser served as SUSS' General Manager and Vice President of Operations. From 1985 through 1987, Mr. Susser served in the corporate finance division and the mergers and acquisitions group with Salomon Brothers Inc., an investment bank. Mr. Susser currently serves as a director of a number of charitable, educational and civic organizations. Sam L. Susser is the son of Sam J. Susser, who is also a member of Susser Holdings Corporation's Board of Directors and a director to our general partner's board of directors.

The Susser family has been in the fuel distribution business for over 70 years. Mr. Susser provides insight into all aspects of our business. We believe that his financial industry experience along with his in-depth knowledge of our business will greatly help the board of directors of our general partner in setting strategic, financial and operating strategies.

***E.V. Bonner, Jr.-Executive Vice President, Secretary and General Counsel.*** Mr. Bonner was appointed Executive Vice President, Secretary and General Counsel of our general partner in June 2012. Mr. Bonner has served as SUSS' Executive Vice President and General Counsel since March 2000 and prior to joining SUSS, Mr. Bonner was a stockholder in the law firm of Porter, Rogers, Dahlman & Gordon, P.C. from 1986 to 2000. He is board certified in commercial real estate law by the Texas Board of Legal Specialization. Mr. Bonner has been involved in numerous charitable, educational and civic organizations.

***Rocky B. Dewbre-President and Chief Operating Officer.*** Mr. Dewbre was appointed President and Chief Executive Officer of our general parter in September 2013, and, prior to that, was our President and Chief Operating Officer of our general partner since June 2012. Mr. Dewbre has served as SUSS' Executive Vice President and President/Chief Operating Officer−Wholesale since January 2005. Mr. Dewbre served as SUSS' Executive Vice President and Chief Operating Officer−Wholesale from 1999 to 2005, as Vice President from 1995 to 1999 and as Manager of Finance and Administration from 1992 to 1995. Before joining SUSS in 1992, Mr. Dewbre was a corporate internal auditor with Atlantic Richfield Corporation, a petroleum/chemical company, from 1991 to 1992 and an auditor and consultant at Deloitte & Touche LLP from 1988 to 1991. Mr. Dewbre serves as a director of Tank Owner Members Insurance Company.

***Mary E. Sullivan-Executive Vice President, Chief Financial Officer and Treasurer.*** Ms. Sullivan was appointed Executive Vice President, Chief Financial Officer and Treasurer of our general partner in June 2012. Ms. Sullivan has served as SUSS' Executive Vice President, Chief Financial Officer and Treasurer since November 2005 and as SUSS' Vice President of

Finance from February 2000 to 2005. Prior to joining SUSS in 2000, Ms. Sullivan served as Director of Finance for the City of Corpus Christi from 1999 to 2000. Ms. Sullivan's previous experience includes serving as the Controller and member of the board of directors of Elementis Chromium, a producer of chromium chemicals, from 1993 to 1999, and various positions with Central Power and Light Company, culminating in Treasurer, over the 13 year period from 1979 to 1992.

***Gail S. Workman-Senior Vice President and Chief Operating Officer.*** Ms. Workman was appointed Senior Vice President and Chief Operating Officer of our General Partner in September 2013. Prior to that, she served as Senior Vice President of Sales and Operations since joining our Predecessor, Susser Petroleum LLC, in May of 2011. Prior to that, she served as Regional Vice President of Sales for GDF Suez Energy from May 2006 to May 2011 where she led a multi-channel sales team focused on delivering energy solutions to retail, commercial, industrial, and government clients. Ms. Workman's prior experience includes over 15 years growing and developing sales organizations in regulated and deregulated US energy markets.

***Sam J. Susser-Director.*** Sam J. Susser joined our general partner's board of directors in August 2012 and has served as a member of SUSS' board of directors since 1988. He also served as chairman of SUSS' board of directors from 1988 to 1992. Mr. Susser was also the Chairman and Chief Executive Officer of Plexus Financial Services, a holding company based in Dallas, Texas, from 1987 through 1991. Mr. Susser's experience includes various positions with The Southland Corporation (7-Eleven, Inc.), Plexus Financial Services and CITGO Petroleum Corporation, where he served as President. Mr. Susser served as a director and member of the Audit Committee and Executive Committee of Alberto−Culver Company, a manufacturer and marketer of personal care and household brands, for ten years prior to its sale in 2011. Mr. Susser previously has served on the board of directors of Garden Ridge Pottery and Computer Craft, Inc. Sam J. Susser is the father of Sam L. Susser, the Chief Executive Officer and chairman of the board of directors of our general partner.

Mr. Susser's father founded the family's fuel distribution business in the 1930's. In addition to his entrepreneurial spirit and extensive experience with SUSS, Mr. Susser also has gained substantial executive experience in other companies and on other boards, which enhances the leadership he provides to our general partner's board, as well as his insights into corporate governance, risk management, strategic and financial planning, and operating strategy.

***David P. Engel-Director.*** Mr. Engel joined our general partner's board of directors in August 2012 and has served as a member of SUSS' board of directors since September 2007, and previously served on SUSS' predecessor's board of directors from 2000 to 2005. Mr. Engel has been the principal of Corpus Christi−based Engel and Associates, LLC since 1999, a company which provides business management consulting services to public and private companies in the areas of financial performance improvement, acquisitions and divestitures. Prior to joining Engel and Associates, LLC, Mr. Engel was president of Airgas Southwest, Inc. and he served as CEO, president and owner of Welders Equipment Company. Mr. Engel serves on the board of directors of several privately held companies. Mr. Engel serves on our general partner's audit committee since the date of his appointment to the board. Mr. Engel's service on SUSS' board of directors and executive management and consulting experience is valuable to the board of directors of our general partner in setting strategic direction, and developing and executing growth and compensation strategies.

***Armand S. Shapiro-Director.*** Mr. Shapiro joined our general partner's board of directors in August 2012 and has served as a member of SUSS' board of directors since 1997. Mr. Shapiro joined Newport Board Group as a Partner in October of 2011. Newport Board Group is a partnership of board directors and senior executive leaders that assist emerging growth and middle market companies improve their performance. Prior to that, Mr. Shapiro served as a business consultant and mentor to chief executive officers of private companies to develop strategies to improve growth and profitability of the company. He served from October 2001 through January 2006 on the board of directors of Bindview Development Corporation, then a publicly traded corporation that provided software for proactively managing information technology security compliance operations. Mr. Shapiro was the Chairman and Chief Executive Officer of Garden Ridge Corporation from 1990 until June 1999. During the 1980s, Mr. Shapiro also served as President, a member of the executive management team, and a director of Computer Craft, Inc., then a publicly traded retailer of computer products. He was also previously a partner and Chief Operating Officer of Modern Furniture Rentals, Inc., a family−owned and operated business. Mr. Shapiro is a graduate of Renesselaer Polytechnic Institute and has served as an officer in the United States Army. Mr. Shapiro serves as the chairman of our general partner's audit committee effective as of the date of his appointment. Mr. Shapiro's extensive corporate and financial management experience and tenure on SUSS' board of directors, as well as his specific background in technology and retail operations, provide valuable expertise to the board of our general partner in strategic planning, risk management, financial and accounting oversight.

***Bryan F. Smith, Jr.-Director.*** Mr. Smith joined our general partner's board of directors in August 2012. Mr. Smith's business experience includes over 25 years at 7-Eleven, Inc. (formerly the Southland Corporation), beginning in 1980 and culminating with his retirement in June 2006. During his tenure at 7-Eleven, Mr. Smith served in a variety of positions, most recently as Executive Vice President, Chief Administrative Officer and Secretary from 2005 to 2006 and Executive Vice President, General Counsel and Secretary from 2002 to 2005, having been first appointed to the position of General Counsel in 1993, as well as chief compliance officer under the 7-Eleven Code of Conduct from 1992 to 2006 and a member of the

executive committee from 1995 to 2006. Mr. Smith was also briefly engaged as a consultant to Blockbuster Inc. in late 2007, serving as its interim general counsel. Mr. Smith has served on our general partner's audit committee and as chairman our general partner's conflicts committee since the date of his appointment to the board. We believe that Mr. Smith's broad range of work for 7-Eleven and knowledge of the convenience store industry, apart from SUSS, will enable him to offer a unique perspective to our general partner's board of directors.

***Rob L. Jones-Lead Independent Director.*** Mr. Jones joined our general partner's board of directors in September 2012 and was appointed lead independent director in September 2013. Mr. Jones' experience includes an over twenty year career in investment banking at Merrill Lynch & Co. and The First Boston Corporation, most recently as co-head of Bank of America Merrill Lynch Commodities from 2007 until his retirement in June 2012, and prior to that, as co-head of Merrill Lynch's Global Energy and Power Investment Banking Group and founder of Merrill Lynch Commodity Partners. Mr. Jones is, since September 2012, an executive in residence at the McCombs School of Business at the University of Texas at Austin. Mr. Jones is a life member of the advisory council of the McCombs School of Business at the University of Texas at Austin and serves on the board of Climax Global Energy, Inc. Mr. Jones serves on our general partner's audit committee and conflicts committee since the date of his appointment to the board and was appointed as the board's lead director in 2013. We believe that Mr. Jones' extensive experience in finance and the energy industry will enable him to provide unique strategic and management insight to the board of directors.

***Frank A. Risch - Director.*** Mr. Risch has served as a member of our general partner's board of directors since September 2013. Mr. Risch is a member of the board of directors of Pioneer Natural Resources Co. Mr. Risch is the retired Vice President, Treasurer and Principal Financial Officer of Exxon Mobil Corporation, a position in which he served most recently from January 1, 1999 to June 30, 2004. Previously, he served as Vice President and Treasurer of Exxon Corporation. He is a member of the Business Board of Advisors of the Tepper School of Business at Carnegie Mellon University and is active in civic and community organizations, including the Dallas Theater Center, Communities Foundation of Texas, the ATT Performing Arts Center and Dallas CASA (Court Appointed Special Advocates). Mr. Risch has served on our general partner's audit committee since the date of his appointment to the board. Mr. Risch's extensive knowledge and experience across finance, planning and marketing within our industry is a valuable asset to our board of directors.

**Board of Directors**

Our general partner oversees our operations and activities on our behalf through its board of directors. The board of directors of our general partner appoints our officers, all of whom are employed by SUSS, and manages our day-to-day affairs. Neither our general partner, nor the board of directors of our general partner, are elected by our unitholders and neither will be subject to re-election in the future. Rather, the directors of our general partner are appointed by SUSS, which owns 100% of our general partner. Our board of directors met eight times during 2013 fiscal year and each of its directors, following their appointment, attended at least 75% of those meetings and 75% of the meetings of any committees on which they served.

**Director Independence**

NYSE rules generally do not require that the board of directors of our general partner be composed of a majority of independent directors. Nonetheless, the board of directors of our general partner has affirmatively determined that Messrs. Engel, Jones, Risch, Shapiro, and Smith who were appointed to the board of directors of our general partner in connection with our initial public offering, meet the independence standards established by the NYSE.

In accordance with our Corporate Governance Guidelines, the board of directors of our general partner holds executive seasons of non-management directors not less than twice annually and which are presided over by the lead director. Currently, Mr. Jones serves as our lead director. Interested parties may contact the lead independent director, or our independent or non-management directors individually or as a group, utilizing the contact information set forth on our website at *http://investor.susserpetroleumpartners.com* .

**Committees of the Board of Directors**

The board of directors of our general partner has an audit committee and a conflicts committee. Messrs. Engel, Jones, Risch, Shapiro, and Smith are members of the audit committee and Messrs. Jones, Risch, and Smith are the members of our conflicts committee. We do not have a compensation committee, but rather our general partner's board of directors approves equity grants to directors and employees and compensation of our directors, and the compensation committee of SUSS approves compensation of our officers. We do not have a nominating and corporate governance committee in view of the fact that SUSS, which owns our general partner, controls appointments to the board of directors of our general partner.

***Audit Committee***

We are required to have an audit committee of at least three members, and all its members are required to meet the independence and experience standards established by the NYSE and the Exchange Act. The board of directors of our general partner has determined that each director appointed to the audit committee is "financially literate," and Mr. Shapiro, who serves as chairman of the audit committee, has "accounting or related financial management expertise" and constitutes an audit committee financial expert in accordance with SEC and NYSE rules and regulations. The audit committee of the board of directors of our general partner serves as our audit committee and will assist the board in its oversight of the integrity of our consolidated financial statements and our compliance with legal and regulatory requirements and partnership policies and controls. The audit committee operates under a written charter that is publicly available on our website at *http://investor.susserpetroleumpartners.com* and has the sole authority to (1) retain and terminate our independent registered public accounting firm, (2) approve all auditing services and related fees and the terms thereof performed by our independent registered public accounting firm, and (3) pre-approve any non-audit services and tax services to be rendered by our independent registered public accounting firm. The audit committee is also responsible for confirming the independence and objectivity of our independent registered public accounting firm. Our independent registered public accounting firm has been given unrestricted access to the audit committee and our management, as necessary. The audit committee met eight times during 2013.

***Conflicts Committee***

The board of directors of our general partner has established a conflicts committee to review specific matters that the board believes may involve conflicts of interest (including certain transactions with Susser Holdings Corporation or its affiliates). The conflicts committee will determine if the resolution of any such conflict of interest is fair and reasonable to us. Our partnership agreement requires the conflicts committee to have at least one member. The members of the conflicts committee may not be officers or employees of our general partner or directors, officers, or employees of its affiliates, including SUSS, and must meet the independence standards established by the NYSE and the Exchange Act to serve on an audit committee of a board of directors, along with other requirements. Any matters approved by the conflicts committee will be conclusively deemed to be fair and reasonable to us, approved by all of our partners and not a breach by our general partner of any duties it may owe us or our unitholders. Mr. Smith chairs the conflicts committee.

**Section 16(a) Beneficial Ownership Reporting Compliance**

Each director, executive officer (and, for a specified period, certain former directors and executive officers) of our general partner and each holder of more than 10 percent of a class of our equity securities is required to report to the SEC his or her pertinent position or relationship, as well as transactions in those securities, by specified dates. Based solely upon a review of reports on Forms 3 and 4 (including any amendments) furnished to us during our most recent fiscal year and reports on Form 5 (including any amendments) furnished to us with respect to our most recent fiscal year, and written representations from officers and directors of our general partner that no Form 5 was required, we believe that all filings applicable to our general partner's officers and directors, and our beneficial owners, required by Section 16(a) of the Exchange Act were filed on a timely basis during 2012.

**Code of Ethics**

Our general partner's board of directors has approved a Code of Business Conduct and Ethics which is applicable to all directors, officers and employees of our general partner, including the principal executive officer and the principal financial officer. The Code of Business Conduct and Ethics is available on our website at *http://investor.susserpetroleumpartners.com* (under the 'Investor Relations/Corporate Governance' tab) and in print without charge to any unit holder who sends a written request to our secretary at our principal executive offices. We intend to post any amendments of this code, or waivers of its provisions applicable to directors or executive officers of our general partner, including its principal executive officer and principal financial officer, at this location on our website.

**Corporate Governance Guidelines**

The board of directors of our general partner has adopted a set of Corporate Governance Guidelines to promote a common set of expectations as to how the board and its committees should perform their functions. These principles are published on our website at *http://investor.susserpetroleumpartners.com* and reviewed by the board annually or more often as the board deems appropriate.

## Item 11. Executive Compensation

### Compensation Committee Report

As discussed below, the responsibility and authority for compensation related decisions for our executive officers resides with the compensation committee of the Susser Holdings Corporation Board of Directors. Neither we nor our general partner has a compensation committee. The board of directors of our general partner reviewed and discussed the section of this report entitled “Compensation Discussion and Analysis” and approved its inclusion herein.

**Board of Directors of Our General Partner**

David P. Engel
Rob L. Jones
Frank A. Risch
Armand S. Shapiro
Bryan F. Smith, Jr.
Sam J. Susser
Sam L. Susser

### Compensation Discussion and Analysis

Our general partner has the sole responsibility for conducting our business and for managing our operations, and its board of directors and officers make decisions on our behalf. References to “our officers” and “our directors” refer to the officers and directors of our general partner. For 2013, Sam L. Susser, our Chairman; Mary E. Sullivan, our Executive Vice President, Chief Financial Officer and Treasurer; Rocky B. Dewbre, our President and Chief Executive Officer; E.V. Bonner, Jr., our Executive Vice President, General Counsel and Secretary: and Gail S. Workman, our Senior Vice President and Chief Operating Officer, were our most highly compensated executive officers (“NEOs”). Each of our NEOs is also an officer of SUSS or one of its operating subsidiaries, and they allocate their time between managing our business and managing the business of SUSS.

We do not and will not directly employ any of the persons responsible for managing our business and we currently do not have a compensation committee. Our officers are employed and compensated by SUSS or a subsidiary of SUSS and the responsibility and authority for compensation−related decisions for our executive officers resides with the SUSS compensation committee (the “Committee”). For information regarding compensation decisions made by the Committee during 2013, see the proxy statement that is expected to be filed by SUSS in connection with its 2014 annual meeting of shareholders. In accordance with the terms of our partnership agreement and the Omnibus Agreement, we reimburse SUSS for compensation related expenses attributable to the portion of the executive's time dedicated to providing services to us. During 2013 Mr. Susser, Ms. Sullivan and Mr. Bonner each devoted approximately 15% of their total business time to our general partner and us and Mr. Dewbre and Ms. Workman each devoted approximately 60% of their total business time to our general partner and us; however, the NEOs allocation of time in future years and, in turn, our future compensation allocations may differ from the time and compensation allocated for each NEO in 2013. SUSS has the ultimate decision−making authority with respect to the total compensation of the NEOs that are employed by SUSS including, subject to the terms of the partnership agreement, determining the portion of that compensation that is allocated to us based on the time spent by such officers in managing our business and operations. Any such compensation decisions will not be subject to any approvals by the board of directors of our general partner or any committees thereof, provided that awards made under our long-term incentive plan to our executive officers, key employees, and independent directors must be approved by the board of directors of our general partner or a committee thereof that may be established for such purpose.

### Equity Plan Information

In connection with our 2012 initial public offering, we adopted the Susser Petroleum Partners LP 2012 Long Term Incentive Plan (the “Plan”). The Plan is intended to provide incentives that will attract, retain and motivate highly competent persons as directors and employees of, and consultants to, SUSS and its subsidiaries, by providing them with opportunities to acquire awards denominated in our common units or to receive monetary payments. Additionally, the Plan provides the Committee a means of directly tying executives' financial reward opportunities to unitholders' return on investment.

The Plan allows our general partner to grant common units representing limited partnership interests, as well as certain unit-based awards, to employees, consultants and directors who perform services for us. Each of our NEOs is eligible to participate in this plan. This plan initially limits the number of common units that may be delivered pursuant to vested awards

to 1,092,500 common units. Additionally, on January 1 of each calendar year occurring prior to the expiration of this plan, the total number of our common units reserved and available for issuance shall increase by 500,000 common units if, and only if, we have completed a qualifying sale or other disposition of our common units during the previous calendar year.

As of December 31, 2013, a total of 48,315 phantom units had been issued under our 2012 Long Term Incentive Plan. Total securities remaining available for issuance under this plan as of December 31, 2013 were as follows:

**Common Units Remaining Available for Issuance Under Our Equity Compensation Plans**

| Plan Category | Number of securities to be issued upon exercise of outstanding options, warrants and rights | Weighted-average exercise price of outstanding options, warrants and rights | Number of securities remaining available for future issuance under equity compensation plans |
|---|---|---|---|
| Equity compensation plans approved by security holders | — | $ — | 1,044,1 |
| Equity compensation plans not approved by security holders | — | — | |
| **Total** | — | $ — | 1,044,1 |

**Summary Compensation Table**

The following table provides a summary of total compensation allocated to us in connection with the services provided to us by the NEOs. For 2013, SUSS allocated to us (i) 15% of the cash compensation expense associated with the services provided by Mr. Susser, Ms. Sullivan and Mr. Bonner, (ii) 60% of the cash compensation expense associated with the services provided by Mr. Dewbre and Ms. Workman and (iii) 100% of the grant date fair value of phantom unit awards made under the Plan to the NEOs and directors in 2013. Cash compensation expenses for each NEO were allocated on the basis of total cash compensation earned by the NEO during the period subsequent to our IPO. For purposes of the summary compensation table presented below we have disaggregated that allocated expense ratably among the various components reflected in total compensation. SUSS did not allocate to us any amount of compensation attributable to SUSS equity awards.

| Name and Principal Position | Year | Salary ($) (1) | | Bonus ($) (2) | | Unit Awards ($) (3) | Option Awards ($) | All Other Compensation ($) (4) | Total ($) |
|---|---|---|---|---|---|---|---|---|---|
| Sam L. Susser | 2013 | 75,000 | (5) | 10,224 | | 188,521 | — | 7,074 | 280,819 |
| Chairman | 2012 | 19,726 | (5) | 16,320 | (6) | — | — | 3,849 | 39,895 |
| Rocky B. Dewbre | 2013 | 173,590 | | 58,829 | | — | — | 3,575 | 235,994 |
| President and Chief Executive Officer | 2012 | 41,728 | | 39,653 | | 92,110 | — | 4,928 | 178,419 |
| Mary E. Sullivan | 2013 | 43,040 | | 7,194 | | | — | 882 | 51,116 |
| Executive Vice President, Chief Financial Officer and Treasurer | 2012 | 10,259 | | 9,656 | | 92,110 | — | 1,214 | 113,239 |
| E.V. Bonner, Jr. | 2013 | 47,633 | | 7,875 | | — | — | 986 | 56,494 |
| Executive Vice President, Secretary and General Counsel | 2012 | 12,186 | | 11,223 | | 92,110 | — | 1,499 | 117,018 |
| Gail S. Workman (7) | 2013 | 142,634 | | 57,704 | | — | — | 2,379 | 202,717 |
| Senior Vice President and Chief Operating Officer | | | | | | | | | |

(1) Includes the portion of base salary paid by SUSS and allocated to work performed for us by each NEO during 2013 and 2012. 2012 is pro-rated for the period subsequent to September 24, 2012.

(2) Amounts included in the bonus column are the portion of the amounts earned for the 2013 and 2012 fiscal year and allocated to work performed for us by each NEO. Such amounts were paid in March of the following year. 2012 is pro-rated for the period subsequent to September 24, 2012. Mr. Susser's 2013 bonus includes only the allocated portion of cash bonus, as a portion of his bonus was awarded in shares of SUSS restricted stock, the cost of which is not allocated to SUSP.

(3) The amounts reported for stock awards represent the full grant date fair value of phantom units granted to each of our NEOs, calculated in accordance with the accounting guidance on share-based payments. We have adjusted our presentation of prior year amounts to be consistent with the current guidance.

(4) The details of amounts listed as “All Other Compensation” are presented in the “All Other Compensation” table below.

(5) Mr. Susser received $100,000 of his 2012 base salary and $150,000 of his 2013 base salary as shares of SUSS restricted stock instead of cash. The value of these restricted stock grants are not included in the salary column.

(6) Mr. Susser requested that he receive one-third of his bonus for 2012 in SUSP phantom units instead of cash, which were awarded in March 2013. The grant date fair values of those phantom units are reflected in the stock awards column for the year in which they were received (2013), rather than for the year they were earned (2012). Consequently, the 2012 bonus column for Mr. Susser does not give effect to this award.

(7) Ms. Workman became one of our named executive officers upon her promotion to Chief Operating Officer in 2013. Consequently, compensation information was not reported for the prior year.

**All Other Compensation**

| Name | Year | Perquisites and Other Personal Benefits ($) (1) | SUSS Contributions to 401(k) and Deferred Compensation Plans ($) (2) | Total |
|---|---|---|---|---|
| Sam L. Susser | 2013 | 5,429 | 1,645 | 7,074 |
| | 2012 | 1,356 | 2,493 | 3,849 |
| Rocky B. Dewbre | 2013 | — | 3,575 | 3,575 |
| | 2012 | — | 4,928 | 4,928 |
| Mary E. Sullivan | 2013 | — | 882 | 882 |
| | 2012 | — | 1,214 | 1,214 |
| E.V. Bonner, Jr. | 2013 | — | 986 | 986 |
| | 2012 | — | 1,499 | 1,499 |
| Gail S. Workman (3) | 2013 | — | 2,379 | 2,379 |

(1) For Sam L. Susser, perquisites consisted of the estimated value of personal bookkeeping and secretarial services provided by SUSS personnel. The above amounts reflect an allocation of the total "all other compensation" attributable to each NEO, based on the percent allocation of each NEO's time.

(2) Each of our NEOs is eligible to participate in a 401(k) plan that is generally available to all SUSS employees. Additionally, certain highly compensated employees, including our NEOs, are eligible to participate in the SUSS NQDC plan. The investment options in the NQDC plan mirror those available in the 401(k) plan, and do not contain any above-market or preferential earnings. SUSS' contributions to the 401(k) and NQDC plans accrued for 2012 included a discretionary match of 80% on the first 6% of salary deferred in addition to the 20% guaranteed match. No discretionary match was made for 2013. We were allocated a portion of this match for our NEOs based on the percent allocation of each NEO's time.

(3) Ms. Workman became one of our named executive officers upon her promotion to Chief Operating Officer in 2013. Consequently, compensation information was not reported for the prior year.

**Grants of Plan-Based Awards**
**For Fiscal Year Ended December 31, 2013**

The table below reflects awards granted to our NEOs under the Plan during 2013.

| Name | Type of Award (1) | Grant Date | Approval Date | Estimated Future Payouts Under Equity Incentive Plan Awards | | | All Other Stock Awards: Number of Shares of Stock (#) (1) | Grant Date Fair Value of Stock Awards ($) (1) |
|---|---|---|---|---|---|---|---|---|
| | | | | Threshold (#) | Target (#) | Maximum (#) | | |
| Sam L. Susser | Phantom Units | 3/1/2013 | 2/13/2013 | — | — | — | 7,037 | 188,521 |

(1) The above SUSP phantom units were awarded in lieu of a portion of Mr. Susser's cash bonus earned for 2012. The grant date value per unit was $26.79, and the units vest ratably on November 15, 2013 and 2014. The reported grant date fair value of stock awards was determined in compliance with FASB ASC Topic 718 and are more fully described in Note 18–Equity-Based Compensation in our Notes to Consolidated Financial Statements.

**Outstanding Equity Awards at December 31, 2013**

The following table reflects NEO equity awards granted under our 2012 Long Term Incentive Plan that were outstanding at December 31, 2013.

| | Unit Awards (1) | | | | |
|---|---|---|---|---|---|
| Name | Number of Shares or Units of Stock That Have Not Vested (#) | Market Value of Shares or Units That Have Not Vested ($) (2) | | Equity Incentive Plan Awards: Number of Unearned Shares, Units or Other Rights That Have Not Vested (#) | Equity Incentive Plan Awards: Market or Payout Value of Unearned Shares, Units or Other Rights That Have Not Vested ($) (2) |
| Sam L. Susser | 3,519 | 116,479 | (3) | — | — |
| Rocky B. Dewbre | 4,000 | 132,400 | (4) | — | — |
| Mary E. Sullivan | 4,000 | 132,400 | (4) | — | — |
| E.V. Bonner, Jr. | 4,000 | 132,400 | (4) | — | — |

(1) Reflects phantom units granted our 2012 Long-Term Incentive Plan. For additional information refer to Note 18–Equity-Based Compensation in our Notes to Consolidated Financial Statements.

(2) Based on the closing market price of SUSP common units of $33.10 on December 31, 2013.

(3) The unvested portion of these phantom units is scheduled to vest on November 15, 2014.

(4) The unvested portions of these phantom units are scheduled to vest in equal tranches on September 25, 2014, September 25, 2015, September 25, 2016 and September 25, 2017.

**Units Vested**

The following table provides information regarding the vesting of phantom units held by our NEOs during 2013. These are no options outstanding on SUSP units.

| | Unit Awards | |
|---|---|---|
| Name | Number of Shares Acquired on Vesting (#) | Value Realized on Vesting ($) (1) |
| Sam L. Susser | 3,518 | 113,708 |
| Rocky B. Dewbre | 1,000 | 30,330 |
| Mary E. Sullivan | 1,000 | 30,330 |
| E.V. Bonner, Jr. | 1,000 | 30,330 |

(1) The reported value for this column is determined by multiplying the number of vested units by closing price on date of vesting.

**Benefit Plans**

SUSS maintains a 401(k) benefit plan for the benefit of its employees. All full-time employees who are over 21 years of age and have greater than six months tenure are eligible to participate. Under the terms of the 401(k) plan, employees can contribute up to 100% of their wages, subject to IRS limitations, which, for 2013, were generally a maximum contribution amount of $17,500 on maximum compensation of $255,000. SUSS matches 20% of the first 6% of salary that the employee contributes as a “guaranteed” match. Additionally, SUSS may make a discretionary match, determined in the first quarter of each year, based on the prior year's financial performance against internal targets.

SUSS has also implemented a non-qualified deferred compensation (NQDC) plan for key executives, officers, and certain other employees to allow compensation deferrals in addition to that allowable under the 401(k) plan limitations, in that the contribution limits and compensation limits of the 401(k) plan do not apply to the NQDC plan. Participants in the NQDC plan may defer up to 75% of their salary. SUSS matches a portion of the participant's contribution each year on the first 6% of salary deferred, using the same percentage of guaranteed and discretionary matches that are used for its 401(k) plan. The investment options available in the NQDC plan are identical to those offered in the 401(k) plan. NQDC plan benefits are paid

from SUSS' assets upon termination or retirement, and the plan does not otherwise permit early withdrawals, distributions or loans, except for certain hardship withdrawals in the event of unforeseen emergencies.

Other than its 401(k) and non-qualified deferred compensation plans described elsewhere in this document, SUSS does not maintain any other plan that provides for payments or other benefits at, following or in connection with retirement.

**Non-Qualified Deferred Compensation**

The following table provides information regarding total contributions by SUSS and each NEO participating in its non-qualified deferred compensation plan during 2013. The table also presents each NEO's total earnings and year-end balances in the plan. The amounts included in the All Other Compensation table reflects the portion of SUSS contributions allocated to SUSP based on the allocation formulas described above.

| Name | Executive Contributions in 2013 ($) (1) | SUSS Contributions in 2013 ($) (2) | Aggregate Earnings in 2013 ($) (3) | Aggregate Balance at Last Fiscal Year-End ($) |
|---|---|---|---|---|
| Sam L. Susser | 228,414 | 9,349 | 885,767 | 4,648,913 |
| Rocky B. Dewbre | 21,624 | 3,655 | 61,511 | 499,285 |
| Mary E. Sullivan | 21,267 | 3,679 | 61,881 | 310,186 |
| E.V. Bonner, Jr. | 37,974 | 4,100 | 205,272 | 863,438 |
| Gail S. Workman | 11,555 | 1,208 | 5,541 | 28,204 |

(1) The amounts shown reflect the executive's contributions to the NQDC plan during the fiscal year, a portion of which are included in the salary and incentive compensation numbers shown in the Summary Compensation Table, based on the allocation formula.

(2) The amounts included in this column reflect SUSS' total matching contributions to the NQDC plan, and only the allocated portion of those amounts are included within the amounts reported in "All Other Compensation" for 2013 in the Summary Compensation Table. The allocated amounts for the NEOs were (in the order in which they appear) $1,402 , $552 , $615 , $2,193 and $725 , respectively.

(3) Reflects net earnings/(losses) in each participant's plan account. These amounts do not constitute above market interest or preferential earnings, and therefore are not included in the Summary Compensation Table above.

**Potential Payments Upon Termination or Change of Control**

Pursuant to the terms of the award agreements issued under the 2012 Long Term Incentive Plan, in the event of a (i) Change of Control or (ii) termination of employment due to death or disability, all phantom units shall vest. In the event of a termination of employment for any other reason, all phantom units that are still unvested shall be forfeited.

Under the Plan, a "Change of Control" means, and shall be deemed to have occurred upon one or more of the following events: (i) any "person" or "group" within the meaning of those terms as used in Sections 13(d) and 14(d)(2) of the Exchange Act, other than members of the General Partner, the Partnership, or an affiliate of either the General Partner or the Partnership, shall become the beneficial owner, by way of merger, consolidation, recapitalization, reorganization or otherwise, of 50% or more of the voting power of the voting securities of the General Partner or the Partnership; (ii) the limited partners of the General Partner or the Partnership approve, in one transaction or a series of transactions, a plan of complete liquidation of the General Partner or the Partnership; (iii) the sale or other disposition by either the General Partner or the Partnership of all or substantially all of its assets in one or more transactions to any Person other than an affiliate; (iv) the General Partner or an affiliate of the General Partner or the Partnership ceases to be the general partner of the Partnership; (v) any other event specified as a "Change of Control" in the equity incentive plan maintained by SUSS at the time of such "Change of Control;" or (vi) any other event specified as a "Change of Control" in an applicable award agreement. Notwithstanding the above, with respect to a 409A award, a "Change of Control" shall not occur unless that Change of Control also constitutes a "change in the ownership of a corporation," a "change in the effective control of a corporation," or a "change in the ownership of a substantial portion of a corporation's assets," in each case, within the meaning of 1.409A-3(i)(5) of the 409A regulations, as applied to non-corporate entities.

The following table shows the amount of incremental value that would have been received by each of the NEOs upon certain events of termination or a change of control resulting in the accelerated vesting of the SUSP phantom units held by our NEOs on December 31, 2013:

| Name | Benefit | Termination Due to Death or Disability ($) (1) | Termination for any other reason ($) | Change of Control with or without Continued Employment ($) |
|---|---|---|---|---|
| Sam L. Susser | *Stock Vesting* | 116,479 | — | 116,479 |
| Rocky B. Dewbre | *Stock Vesting* | 132,400 | — | 132,400 |
| Mary E. Sullivan | *Stock Vesting* | 132,400 | — | 132,400 |
| E.V. Bonner, Jr. | *Stock Vesting* | 132,400 | — | 132,400 |
| Gail S. Workman | *Stock Vesting* | — | — | — |

(1) The amounts reflected above represent the product of the number of phantom units that were subject to vesting/restrictions on December 31, 2013 multiplied by the closing price of our common units of $ 33.10 on that date.

**Compensation of Directors**

Directors who are also officers, directors or employees of SUSS receive no additional compensation for serving as directors of SUSP. Directors of our general partner who are not officers or employees of our general partner or SUSS, or directors of SUSS (i.e., non-employee directors, who do not also serve on SUSS' board of directors) receive a compensation package including an annual retainer of $60,000 and an annual grant of phantom units under the Susser Petroleum Partners LP Long-Term Incentive Plan (the “LTIP”).

Under the LTIP, the director will forfeit all unvested phantom units upon a termination of his duties as a director for any reason. If the director ceases providing services due to death or disability (as defined by the LTIP) prior to the date all phantom units have vested, then all restrictions lapse and all phantom units become immediately vested. If a Change of Control occurs (as defined under the LTIP), then all unvested phantom units become fully vested as of the date of the Change of Control. In addition, our directors will be reimbursed for out-of-pocket expenses incurred in connection with attending meetings of the board of directors or its committees.

The following table provides a summary of compensation paid to those directors for 2013:

| Name | Fees Earned or Paid in Cash ($) (1) | Unit Awards ($) (2) | Option Awards ($) | All Other Compensation ($) | Total ($) |
|---|---|---|---|---|---|
| Rob L. Jones | 60,000 | 69,440 | — | — | 129,440 |
| Frank A. Risch | 20,000 | 101,954 | — | — | 121,954 |
| Bryan F. Smith, Jr. | 60,000 | 69,440 | — | — | 129,440 |

(1) The amounts in this column reflect the aggregate dollar amount of fees earned or paid in cash including the prorated annual retainer fee.

(2) The amounts reported for unit awards represent the full grant date fair value of the awards granted in 2013, calculated in accordance with the accounting guidance on share-based payments. These amounts do not correspond to the actual value that may be recognized by the recipient upon any disposition of vested units and do not give effect to any decline or increase in the trading price of our common units since the date of grant. For a discussion of the assumptions and methodologies used in calculating the grant date fair value of the unit awards reported above, see Note 18–Equity-Based Compensation in our Notes to Consolidated Financial Statements.

The following table presents additional information regarding unit awards granted to our non-employee directors during 2013:

| Name | Grant Date | | Approval Date | Unit Awards: Number of Units (#) | Grant Date Fair Value of Unit and Option Awards ($) (1) |
|---|---|---|---|---|---|
| Rob L. Jones | 3/1/2013 | (2) | 2/13/2013 | 2,552 | 69,440 |
| Frank A. Risch | 9/11/2013 | (3) | 9/11/2013 | 3,674 | 101,954 |
| Bryan F. Smith, Jr. | 3/1/2013 | (2) | 2/13/2013 | 2,552 | 69,440 |

(1) The reported grant date fair value of the phantom unit awards was determined in compliance with FASB ASC Topic 718 and are more fully described in Note 18 Equity-Based Compensation in our Notes to Consolidated Financial Statements.
(2) The phantom units vest March 1, 2014.
(3) The phantom units vest ratably on September 11, 2014, September 11, 2015 and September 11, 2016.

The following table presents the outstanding equity awards held by our non-employee directors as of December 31, 2013:

| | Unit Awards (1) | | |
|---|---|---|---|
| Name | Number of Units that Have Not Vested (#) | | Market Value of Units that Have Not Vested ($)(2) |
| Rob L. Jones | 3,333 | (3) | 110,322 |
| | 2,552 | (4) | 84,471 |
| Frank A. Risch | 3,674 | (5) | 121,609 |
| Bryan F. Smith, Jr. | 3,333 | (3) | 110,322 |
| | 2,552 | (4) | 84,471 |

(1) Reflects phantom units granted under the Plan. For additional information refer to Note 18–Equity-Based Compensation in our Notes to Consolidated Financial Statements.
(2) Based on unit closing market price of $33.10 on December 31, 2013.
(3) The unvested portion of this award will vest in equal installments on September 25, 2014 and September 25, 2015.
(4) This award will vest on March 1, 2014.
(5) This award will vest in equal installments on September 11, 2014, September 11, 2015 and September 11, 2016.

## Item 12. Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters

### SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

The following table sets forth the beneficial ownership of common units and subordinated units of Susser Petroleum Partners LP that are issued and outstanding as of March 7, 2014 and held by:

- each person or group of persons known by us to be beneficial owners of 5% or more of our common units;
- each director, director nominee and named executive officer of our general partner; and
- all of our directors and executive officers of our general partner, as a group.

| Name of Beneficial Owner (1) | Common Units Beneficially Owned (9) | Percentage of Commons Units Beneficially Owned | Subordinated Units Beneficially Owned | Percentage of Subordinated Units Beneficially Owned | Percentage of Common and Subordinated Units Beneficially Owned |
|---|---|---|---|---|---|
| Baron Capital Group, Inc. (2) | 1,484,219 | 13.5% | — | * | 6.8% |
| Clearbridge Investments, LLC (3) | 976,439 | 8.9% | — | * | 4.4% |
| Goldman Sachs Asset Management LP (4) | 634,550 | 5.8% | — | * | 2.9% |
| SUSS (5) | 79,308 | * | 10,939,436 | 100.0% | 50.2% |
| Sam L. Susser (6) | 266,933 | 2.4% | — | * | 1.2% |
| E.V. Bonner, Jr. (7) | 113,805 | 1.0% | — | * | * |
| Rocky B. Dewbre | 16,000 | * | — | * | * |
| Mary E. Sullivan | 26,000 | * | — | * | * |
| Gail S. Workman | — | * | — | * | * |
| Sam J. Susser (8) | 11,000 | * | — | * | * |
| Armand S. Shapiro (8) | 5,000 | * | — | * | * |
| David P. Engel (8) | 21,940 | * | — | * | * |
| Bryan F. Smith, Jr. | 5,219 | * | — | * | * |
| Rob L. Jones | 29,219 | * | — | * | * |
| Frank A. Risch | — | * | — | * | * |
| All executive officers and directors as a group (eleven persons) | 495,116 | 4.5% | — | * | 2.3% |

* Represents less than 1%.

(1) As of the date set forth above, there are no arrangements for any listed beneficial owner to acquire within 60 days common units from options, warrants, rights, conversion privileges or similar obligations. Unless otherwise indicated, the address for all beneficial owners in this table is 555 East Airtex Drive, Houston, Texas 77073.

(2) The information contained in the table and this footnote with respect to Baron Capital Group, Inc. is based solely on a filing on Schedule 13G/A filed with the Securities and Exchange Commission on February 14, 2014. Amount represents units reported to be held by a group comprised of Baron Capital Group, Inc. (BCG), BAMCO, Inc., Baron Capital Management, Inc., Ronald Baron, and Baron Small Cap Fund. Ronald Baron owns a controlling interest in BCG. The business address of the reporting party is 767 Fifth Avenue, 49th Floor, New York, New York 10153.

(3) The information contained in the table and this footnote with respect to Clearbridge Investments, LLC is based solely on a filing on Schedule 13G/A filed with the Securities and Exchange Commission on February 14, 2014. The business address of the reporting party is 620 8th Avenue, New York, New York 10018.

(4) The information contained in the table and this footnote with respect to Goldman Sachs Asset Management LP is based solely on a filing on Schedule 13G/A filed with the Securities and Exchange Commission on February 13, 2014. The business address of the reporting party is 200 West Street, C/O Goldman Sachs & Co., New York, New York 10282.

(5) The address for SUSS, and unless otherwise noted, for each of the directors and executive officers of our general partner, is 4525 Ayers Street, Corpus Christi, Texas 78415.

(6) In addition to serving as the chairman of the board of directors of our general partner, Mr. Sam L. Susser is also chairman of the board of directors of SUSS, and as such, he is entitled to vote on decisions to vote, or to direct to vote, and to dispose, or to direct the disposition of, the common units and subordinated units held by SUSS or a wholly owned subsidiary of SUSS but he cannot individually control the outcome of such decisions. Mr. Sam L. Susser disclaims beneficial ownership of the common units and subordinated units held by SUSS or a wholly owned subsidiary of SUSS. The number of beneficially-owned units reflected for Mr. Sam L. Susser excludes 87,805 units conveyed to trusts for the benefit of his children and future grandchildren, of which Mr. Bonner serves as trustee.

(7) Includes 87,805 common units held in trusts for the benefit of Mr. Sam L. Susser's children and future grandchildren. Mr. Bonner acts as trustee of these trusts, and disclaims beneficial ownership of such units.

(8) In addition to serving on the board of directors of our general partner, Messrs. Sam J. Susser, Shapiro and Engel are also directors of SUSS, and as such, each is entitled to vote on decisions to vote, or to direct to vote, and to dispose, or to direct the disposition of, the common units and subordinated units held by SUSS or a wholly owned subsidiary of SUSS but each

cannot individually control the outcome of such decisions. Messrs. Sam J. Susser, Shapiro and Engel each disclaim beneficial ownership of the common units and subordinated units held by SUSS or a wholly owned subsidiary of SUSS.

(9) Does not include unvested phantom units that may not be voted or transferred prior to vesting. As of March 7, 2014, there were 11,020,764 common units deemed to be beneficially owned for purposes of the above table.

The following table sets forth, as of March 7, 2014, the number of shares of common stock of SUSS owned by each of the named directors of our general partner and all directors and executive officers of our general partner as a group.

| | Shares of SUSS Common Stock Beneficially Owned | |
|---|---|---|
| **Name of Beneficial Owner (1)** | **Number of Shares (2)** | **Percentage of Total Shares (3)** |
| Sam L. Susser (4) | 2,338,922 | 10.7% |
| E.V. Bonner, Jr. (5) | 325,987 | 1.5% |
| Rocky B. Dewbre | 136,179 | * |
| Mary E. Sullivan | 101,939 | * |
| Gail S. Workman | 24,509 | * |
| Sam J. Susser | 43,001 | * |
| Armand S. Shapiro | 34,175 | * |
| David P. Engel | 84,726 | * |
| Bryan F. Smith, Jr. | — | * |
| Rob L. Jones | — | * |
| Frank A. Risch | — | * |
| All executive officers and directors of SUSP as a group (eleven persons) | 3,089,438 | 14.1% |

* Less than 1.0%

(1) Unless otherwise indicated, the address for all beneficial owners in this table is 4525 Ayers Street, Corpus Christi, Texas 78415.

(2) Beneficial ownership for the purposes of the above table is determined in accordance with the rules and regulation of the Securities and Exchange Commission. These rules generally provide that a person is the beneficial owner of securities if they have or share the power to vote or direct the voting thereof, or to dispose or direct the disposition thereof, or have the right to acquire such powers with sixty (60) days. Accordingly, this table does not include options to purchase our shares of common stock which are not scheduled to vest and become exercisable within the next sixty (60) days, or shares of restricted stock or shares underlying restricted stock units unless any performance criteria have been satisfied and all time-based restrictions associated therewith will lapse within the next sixty (60) days.

(3) As of March 7, 2014, there were 21,849,675 shares of SUSS common stock deemed to be beneficially owned for purposes of the above table.

(4) The total number of shares of common stock includes shares held in a limited partnership, the general partner of which is controlled by Mr. Susser. Does not include 120,425 shares conveyed to a trust for his children and future grandchildren, of which Mr. Bonner serves as trustee.

(5) Includes 1,000 shares owned by Mr. Bonner's minor children. Includes 120,425 shares held in a trust for the benefit of Mr. Sam L. Susser's children and future grandchildren, for which Mr. Bonner acts as trustee and as to which he disclaims beneficial ownership.

## Item 13. Certain Relationships, Related Transactions and Director Independence

### Transactions with SUSS and its Subsidiaries

The following table summarizes the distributions and payments made by us to SUSS or its subsidiaries during 2013.

| Transaction | Explanation | Amount/Value |
|---|---|---|
| 2013 Quarterly distributions on limited partner interests held by affiliates. | Represents the aggregate amount of distributions made to affiliates of our general partner, including SUSS, in respect of common and subordinated units during 2013. | $20.0 million |
| Fuel sold to affiliates. | Total revenues we received under the SUSS Distribution Contract for fuel gallons sold by us to affiliates of our general partner, including SUSS, for 2013. | $3.0 billion |
| Payments to affiliates for transportation services. | Total payments we made to affiliates of our general partner, including SUSS, during 2013 for transportation services under the SUSS Transportation Contract. | $50.0 million |
| Reimbursement to our general partner for certain allocated overhead and other expenses. | Total payment to our general partner for reimbursement of overhead and other expenses, including employee compensation costs relating to employees supporting our operations, for 2013 pursuant to the Omnibus Agreement fiscal year. | $13.6 million |
| Sale and leaseback transactions with affiliates of our general partner. | Total amount paid by us to affiliates of our general partner, including SUSS, during 2013 for the 25 properties we acquired pursuant to the sale and leaseback option in our Omnibus Agreement. | $104.2 million |
| Rent from affiliates. | Total amount of rents we received from affiliates of our general partner, including SUSS, during 2013 for properties we lease to them. | $6.4 million |
| GFI Contribution | Represents the total amount of indebtedness (and other liabilities) assumed by us and the value of common units issued to SUSS in connection with the Gainesville Contribution. | $23.8 million |

**Other Transactions with Related Persons**

***Financing Transactions with Affiliates***

Our indebtedness under our revolving credit agreement and term loan agreement, which was $182.1 million in the aggregate at December 31, 2013, is guaranteed up to $180.7 million by SUSS. In addition, SUSS provides credit support to certain of our suppliers under certain of our supply contracts.

***Procedures for Review, Approval and Ratification of Transactions with Related Persons***

Our general partner's audit committee's written charter requires the audit committee to review and discuss with management and the independent auditor any transactions or courses of dealings with related parties that are significant in size or involve terms or other considerations that differ from those that would likely be negotiated with independent parties. Our Code of Business Conduct and Ethics, in turn, requires that all potential conflicts of interest (including related party transactions) be disclosed to our General Counsel. Payments to or from SUSS and its affiliates and the carrying out of our other performance obligations pursuant to the Omnibus Agreement, the SUSS Distribution Contract, the SUSS Transportation Agreement and the other agreements with SUSS and its affiliates entered into at the time of our IPO, including the majority of those described above, do not ordinarily require additional approval.

If a conflict or potential conflict of interest arises between our general partner or its affiliates, on the one hand, and us and our limited partners, on the other hand, the resolution of any such conflict or potential conflict will be addressed by the board in accordance with the provisions of our partnership agreement. At the discretion of the board in light of the circumstances, the resolution may be determined by the board in its entirety or by our conflicts committee.

In the case of any sale of equity by us in which an owner or affiliate of an owner of our general partner participates, we anticipate that our practice will be to obtain approval of the board for the transaction. We anticipate that the board will typically delegate authority to set the specific terms to a pricing committee, consisting of the chief executive officer and one independent director. Actions by the pricing committee will require unanimous approval.

For information regarding the independence of the members of the board of director of our general partner, see “Director Independence” under Item 10 of this annual report on Form 10-K.

**Item 14. Principal Accounting Fees and Services**

**PRINCIPAL ACCOUNTANT FEES AND SERVICES**

The Audit Committee has selected Ernst & Young LLP to serve as our independent auditor for the year ending December 31, 2014. The Audit Committee in its discretion may select a different registered public accounting firm at any time during the year if it determines that such a change will be in the best interests of us and our unitholders.

**Audit Fees**

The following table presents fees for audit services rendered by Ernst & Young LLP (“Ernst & Young”) for the audit of our annual consolidated financial statements for 2012 and 2013, and fees billed for services rendered by Ernst & Young during the same periods.

| | Fiscal 2012 | Fiscal 2013 |
|---|---|---|
| Audit Fees | $ 797,277 | $ 566,116 |
| Audit-Related Fees | — | — |
| Tax Fees | — | — |
| All Other Fees | — | — |
| Total | $ 797,277 | $ 566,116 |

Fees for audit services billed or expected to be billed consisted of the audit of our annual financial statements, reviews of our interim financial statements and services associated with SEC registration statements and other SEC matters, including those related to our IPO in 2012.

In considering the nature of services provided by Ernst & Young, the audit committee determined that such services are compatible with the provisions of independent audit services. The audit committee discussed these services with Ernst & Young and our management to determine that they are permitted under the rules and regulations concerning auditor independence promulgated by the SEC to implement the Sarbanes Oxley Act of 2002, as well as the American Institute of Certified Public Accountants.

**Policy for Approval of Audit and Non-Audit Services**

Our audit committee charter requires that all services provided by our independent public accountants, both audit and non-audit, must be pre-approved by the audit committee. The pre-approval of audit and non-audit services may be given at any time up to a year before commencement of the specified service.

In determining whether to approve a particular audit or permitted non-audit service, the audit committee will consider, among other things, whether such service is consistent with maintaining the independence of the independent public accountants. The audit committee will also consider whether the independent public accountants are best positioned to provide the most effective and efficient service to us and whether the service might be expected to enhance our ability to manage or control risk or improve audit quality.

**Item 15. Exhibits and Financial Statement Schedules**

(a) **Financial Statements, Financial Statement Schedules and Exhibits - The following documents are filed as part of this Annual Report on Form 10-K for the year ended December 31, 2013.**

1. Susser Petroleum Partners LP Audited Consolidated Financial Statements:



2. Financial Statement Schedules - No schedules are included because the required information is inapplicable or is presented in the consolidated financial statements or related notes thereto.

3. Exhibits:

   The list of exhibits attached to this Annual Report on Form 10-K is incorporated herein by reference.

## SIGNATURE

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the Registrant has duly caused this Annual Report on Form 10-K to be signed on its behalf by the undersigned, thereunto duly authorized.

**Susser Petroleum Partners LP**

By: Susser Petroleum Partners GP LLC, its general partner

By: /s/ Rocky B. Dewbre

Rocky B. Dewbre
President and Chief Executive Officer
(On behalf of the registrant, and in his capacity as principal executive officer)

Date: March 14, 2014

Pursuant to the requirements of the Securities Exchange Act of 1934, this Annual Report on Form 10-K has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

| Signature | Title | Date |
|---|---|---|
| /s/ Rocky B. Dewbre<br>Rocky B. Dewbre | President and Chief Executive Officer<br>(Principal Executive Officer) | March 14, 2014 |
| /s/ Mary E. Sullivan<br>Mary E. Sullivan | Executive Vice President and Chief Financial Officer<br>(Principal Financial Officer and Principal Accounting Officer) | March 14, 2014 |
| /s/ Sam L. Susser<br>Sam L. Susser | Chairman of the Board and Director | March 14, 2014 |
| /s/ Rob L. Jones<br>Rob L. Jones | Lead Independent Director | March 14, 2014 |
| /s/ David P. Engel<br>David P. Engel | Director | March 14, 2014 |
| /s/ Frank A. Risch<br>Frank A. Risch | Director | March 14, 2014 |
| /s/ Armand S. Shapiro<br>Armand S. Shapiro | Director | March 14, 2014 |
| /s/ Bryan F. Smith Jr.<br>Bryan F. Smith Jr. | Director | March 14, 2014 |
| /s/ Sam J. Susser<br>Sam J. Susser | Director | March 14, 2014 |

## INDEX TO CONSOLIDATED FINANCIAL STATEMENTS

**Report of Independent Registered Public Accounting Firm**

The Board of Directors of Susser Petroleum Partners GP LLC and
Unitholders of Susser Petroleum Partners LP

We have audited the accompanying consolidated balance sheets of Susser Petroleum Partners LP (the Partnership) as of December 31, 2013 and 2012, and the related consolidated statements of operations and comprehensive income, unitholders' equity and cash flows for each of the three years in the period ended December 31, 2013. These financial statements are the responsibility of the Partnership's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the consolidated financial position of Susser Petroleum Partners LP at December 31, 2013 and 2012, and the consolidated results of its operations and its cash flows for each of the three years in the period ended December 31, 2013, in conformity with U.S. generally accepted accounting principles.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), the Partnership’s internal control over financial reporting as of December 31, 2013, based on criteria established in Internal Control-Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (1992 Framework) and our report dated March 14, 2014 expressed an unqualified opinion thereon.

/s/ ERNST & YOUNG LLP

Houston, Texas
March 14, 2014

**Susser Petroleum Partners LP**
**Consolidated Balance Sheets**

| | December 31, 2012 | December 31, 2013 |
|---|---|---|
| | *(in thousands, except units)* | |
| **Assets** | | |
| Current assets: | | |
| Cash and cash equivalents | $ 6,752 | $ 8,150 |
| Accounts receivable, net of allowance for doubtful accounts of $103 at December 31, 2012, and $323 at December 31, 2013 | 33,008 | 69,005 |
| Receivables from affiliates | 59,543 | 49,879 |
| Inventories, net | 2,981 | 11,122 |
| Other current assets | 821 | 66 |
| Total current assets | 103,105 | 138,222 |
| Property and equipment, net | 68,173 | 180,127 |
| Other assets: | | |
| Marketable securities | 148,264 | 25,952 |
| Goodwill | 12,936 | 22,823 |
| Intangible assets, net | 23,131 | 22,772 |
| Other noncurrent assets | 191 | 188 |
| Total assets | $ 355,800 | $ 390,084 |
| **Liabilities and equity** | | |
| Current liabilities: | | |
| Accounts payable | $ 88,884 | $ 110,432 |
| Accrued expenses and other current liabilities | 1,101 | 11,427 |
| Current maturities of long-term debt | 24 | 525 |
| Total current liabilities | 90,009 | 122,384 |
| Revolving line of credit | 35,590 | 156,210 |
| Long-term debt | 149,241 | 29,416 |
| Deferred tax liability, long-term portion | 152 | 222 |
| Other noncurrent liabilities | 2,476 | 2,159 |
| Total liabilities | 277,468 | 310,391 |
| Commitments and contingencies: | | |
| Partner's equity: | | |
| Limited partners: | | |
| Common unitholders - public (10,925,000 units issued and outstanding as of December 31, 2012 and 10,936,352 units issued and outstanding as of December 31, 2013) | 210,462 | 210,269 |
| Common unitholders - affiliated (14,436 units issued and outstanding as of December 31, 2012 and 79,308 units issued and outstanding as of December 31, 2013) | (175) | 1,562 |
| Subordinated unitholders - affiliated (10,939,436 units issued and outstanding) | (131,955) | (132,138) |
| Total equity | 78,332 | 79,693 |
| Total liabilities and equity | $ 355,800 | $ 390,084 |

*See accompanying notes*

**Susser Petroleum Partners LP**
**Consolidated Statements of Operations and Comprehensive Income**

| | Year Ended | | |
|---|---|---|---|
| | **December 31, 2011** | **December 31, 2012** | **December 31, 2013** |
| | **Predecessor** | | |
| | ***(dollars in thousands, except unit and per unit amounts)*** | | |
| Revenues: | | | |
| Motor fuel sales to third parties | $ 1,603,745 | $ 1,738,096 | $ 1,502,786 |
| Motor fuel sales to affiliates | 2,257,788 | 2,570,757 | 2,974,122 |
| Rental income | 5,467 | 5,045 | 10,060 |
| Other income | 7,980 | 7,514 | 5,611 |
| Total revenues | 3,874,980 | 4,321,412 | 4,492,579 |
| Cost of sales: | | | |
| Motor fuel cost of sales to third parties | 1,572,528 | 1,704,804 | 1,476,479 |
| Motor fuel cost of sales to affiliates | 2,257,788 | 2,562,976 | 2,942,525 |
| Other | 1,641 | 2,130 | 2,611 |
| Total cost of sales | 3,831,957 | 4,269,910 | 4,421,615 |
| Gross profit | 43,023 | 51,502 | 70,964 |
| Operating expenses: | | | |
| General and administrative | 10,559 | 12,013 | 16,814 |
| Other operating | 4,870 | 5,178 | 3,187 |
| Rent | 4,322 | 3,527 | 1,014 |
| Loss on disposal of assets | 221 | 341 | 324 |
| Depreciation, amortization and accretion | 6,090 | 7,031 | 8,687 |
| Total operating expenses | 26,062 | 28,090 | 30,026 |
| Income from operations | 16,961 | 23,412 | 40,938 |
| Interest expense, net | (324) | (809) | (3,471) |
| Income before income taxes | 16,637 | 22,603 | 37,467 |
| Income tax expense | (6,039) | (5,033) | (440) |
| Net income and comprehensive income | $ 10,598 | $ 17,570 | $ 37,027 |
| | | | |
| Less: Predecessor income prior to initial public offering on September 25, 2012 | | 8,420 | |
| Limited partners' interest in net income subsequent to initial public offering | | $ 9,150 | $ 37,027 |
| | | | |
| Net income per limited partner unit: | | | |
| Common - basic and diluted | | $ 0.42 | $ 1.69 |
| Subordinated - basic and diluted | | $ 0.42 | $ 1.69 |
| | | | |
| Weighted average limited partner units outstanding: | | | |
| Common units - public | | 10,925,000 | 10,928,198 |
| Common units - affiliated | | 14,436 | 36,060 |
| Subordinated units - affiliated | | 10,939,436 | 10,939,436 |
| | | | |
| Cash distribution per unit | | $ 0.47 | $ 1.84 |

*See accompanying notes*

**Susser Petroleum Partners LP**
**Consolidated Statements of Unitholders' Equity**

| | | Partnership | | | | |
|---|---|---|---|---|---|---|
| | | (in thousands) | | | | |
| | Susser Petroleum Company LLC Predecessor | Common-Public | Common-SUSS | Subordinated-SUSS | Total SUSP | Total |
| Balance at December 31, 2010 | $ 105,215 | $ — | $ — | $ — | $ — | $ 105,215 |
| Net income | 10,598 | — | — | — | — | 10,598 |
| Balance at December 31, 2011 | 115,813 | — | — | — | — | 115,813 |
| Predecessor net income through September 24, 2012 | 8,420 | — | — | — | — | 8,420 |
| Balance at September 24, 2012 | 124,233 | — | — | — | — | 124,233 |
| Net liabilities not assumed by the Partnership | (54,653) | — | — | — | — | (54,653) |
| Allocation of net Parent investment to unitholders | (69,580) | — | 91 | 69,489 | 69,580 | — |
| Proceeds from initial public offering, net of underwriters' discount | — | 210,647 | — | — | 210,647 | 210,647 |
| Offering costs | — | (4,493) | — | — | (4,493) | (4,493) |
| Cash distributions to Parent | — | | (273) | (206,069) | (206,342) | (206,342) |
| Cash distributions to Unitholders | — | (311) | — | — | (311) | (311) |
| Unit-based compensation | — | 51 | — | 50 | 101 | 101 |
| Partnership net income September 25, 2012 through December 31, 2012 | — | 4,568 | 7 | 4,575 | 9,150 | 9,150 |
| Balance at December 31, 2012 | — | 210,462 | (175) | (131,955) | 78,332 | 78,332 |
| Equity issued to parent | — | — | 2,000 | — | 2,000 | 2,000 |
| Cash distributions to Parent | — | — | (316) | (19,653) | (19,969) | (19,969) |
| Cash distributions to Unitholders | — | (19,632) | — | — | (19,632) | (19,632) |
| Unit-based compensation | — | 965 | 3 | 967 | 1,935 | 1,935 |
| Partnership net income | — | 18,474 | 50 | 18,503 | 37,027 | 37,027 |
| Balance at December 31, 2013 | $ — | $ 210,269 | $ 1,562 | $ (132,138) | $ 79,693 | $ 79,693 |

*See accompanying notes*

**Susser Petroleum Partners LP**
**Consolidated Statements of Cash Flows**

| | Year Ended | | |
|---|---|---|---|
| | December 31, 2011 | December 31, 2012 | December 31, 2013 |
| | Predecessor | | |
| | | (in thousands) | |
| **Cash flows from operating activities:** | | | |
| Net income | $ 10,598 | $ 17,570 | $ 37,027 |
| Adjustments to reconcile net income to net cash provided by operating activities: | | | |
| Depreciation, amortization and accretion | 6,090 | 7,031 | 8,687 |
| Amortization of deferred financing fees | — | 102 | 381 |
| Loss on disposal of assets and impairment charge | 221 | 341 | 324 |
| Non-cash stock based compensation | 707 | 911 | 1,935 |
| Deferred income tax | 1,250 | 2,428 | 70 |
| Changes in operating assets and liabilities, net of acquisitions: | | | |
| Accounts receivable | (12,512) | (57,745) | (16,087) |
| Accounts receivable from affiliates | (8,198) | (36,366) | 9,664 |
| Inventories | (1,091) | (7,912) | (7,777) |
| Other assets | 1,295 | (63) | 757 |
| Accounts payable | 18,474 | 93,193 | 9,691 |
| Accrued liabilities | (1,708) | (2,272) | 6,326 |
| Other noncurrent liabilities | (461) | (730) | (318) |
| Net cash provided by operating activities | 14,665 | 16,488 | 50,680 |
| **Cash flows from investing activities:** | | | |
| Capital expenditures | (7,388) | (41,493) | (113,590) |
| Purchase of intangibles | (12,050) | (2,513) | (2,661) |
| Purchase of marketable securities | — | (497,426) | (844,359) |
| Redemption of marketable securities | — | 349,162 | 966,671 |
| Proceeds from disposal of property and equipment | 285 | 1,321 | 297 |
| Net cash provided by (used in) investing activities | (19,153) | (190,949) | 6,358 |
| **Cash flows from financing activities:** | | | |
| Cash from GFI contribution | — | — | 784 |
| Proceeds from issuance of long-term debt | — | 180,666 | — |
| Revolving line of credit, net | — | 35,590 | 120,620 |
| Loan origination costs | — | (1,907) | (270) |
| Payments on long-term debt | (21) | (32,523) | (137,173) |
| Proceeds from issuance of common units, net of offering costs | — | 206,154 | — |
| Distributions to Parent | — | (206,342) | (19,969) |
| Predecessor cash retained by Parent | — | (354) | — |
| Distributions to Unitholders | — | (311) | (19,632) |
| Net cash provided by (used in) financing activities | (21) | 180,973 | (55,640) |
| Net increase (decrease) in cash | (4,509) | 6,512 | 1,398 |
| Cash and cash equivalents at beginning of year | 4,749 | 240 | 6,752 |
| Cash and cash equivalents at end of period | $ 240 | $ 6,752 | $ 8,150 |

| | Year Ended | | |
|---|---|---|---|
| | December 31, 2011 | December 31, 2012 | December 31, 2013 |
| | Predecessor | | |
| | | (in thousands) | |
| **Supplemental disclosure of non-cash activities:** | | | |
| Contribution of net assets from Parent | $ — | $ (69,580) | $ — |
| Contribution of debt from Parent | $ — | $ — | $ (21,850) |
| Issuance of units to Parent for net assets | $ — | $ — | $ (2,000) |
| **Supplemental disclosure of cash flow information:** | | | |
| Interest paid | $ 412 | $ 940 | $ 3,356 |
| Income taxes paid | $ — | $ — | $ 18 |

*See accompanying notes*

## 1. Organization and Principles of Consolidation

The consolidated financial statements are composed of Susser Petroleum Partners LP (the "Partnership", "SUSP", "we", "us" or "our"), a publicly traded Delaware limited partnership, and its consolidated subsidiaries, which distribute motor fuels in Texas, New Mexico, Oklahoma and Louisiana. SUSP was formed in June 2012 by Susser Holdings Corporation (“SUSS” or the “Parent”) and its wholly owned subsidiary, Susser Petroleum Partners GP LLC, our general partner. On September 25, 2012 , we completed our initial public offering (“IPO”) of 10,925,000 common units representing limited partner interests.

The information presented in this annual report contains the audited consolidated financial results of Susser Petroleum Company LLC (“Predecessor” or "SPC"), our Predecessor for accounting purposes, for periods presented through September 24, 2012. The consolidated financial results for the year ended December 31, 2012 also include the results of operations for SUSP for the period beginning September 25, 2012, the date the Partnership commenced operations.

In connection with the IPO and pursuant to the Contribution Agreement between the Partnership, the general partner, SUSS, Stripes LLC, Susser Holdings, L.L.C. and SPC (the "Contribution Agreement"), the following transactions occurred:

- SUSS contributed to Susser Petroleum Operating Company LLC (“SPOC”) substantially all of its wholesale motor fuel distribution business, other than its motor fuel consignment business and transportation assets, which included:
  - marketer, distributor and supply agreements,
  - fuel supply agreements to distribute motor fuel to convenience stores and other retail fuel outlets,
  - real property owned in fee and personal property,
  - leases and subleases under which it was a tenant, and
  - leases and subleases under which it was a landlord.
- SPC contributed its membership interests in T&C Wholesale LLC ("TCW") to SPOC.
- SPC contributed its interest in SPOC to the Partnership in exchange for 14,436 common units representing a 0.07% limited partner interest in the Partnership, 10,939,436 subordinated units representing a 50.0% limited partner interest in the Partnership and all of the incentive distribution rights of the Partnership.

All of the contributed Predecessor assets and liabilities were recorded at historical cost as this transaction was considered to be a reorganization of entities under common control.

In September 2013, SUSS acquired Gainesville Fuel, Inc., a wholesale fuel and lubricants business that it subsequently contributed to SUSP ("GFI Contribution"). The contribution was accounted for as a transfer of net assets between entities under common control. Specifically, SUSP recognized the acquired assets and assumed liabilities at SUSS’ carrying value, including the preliminary estimated purchase accounting adjustments, as of the acquisition date. In connection with the contribution, SUSP obtained working capital of $9.2 million , property and equipment of $4.5 million , goodwill of $9.9 million , assumed certain indebtedness and other liabilities totaling $21.8 million and issued 64,872 additional SUSP common units to SUSS. The final working capital true-up of $4.5 million was paid directly by SUSP during the fourth quarter of 2013. Following this transaction, SUSS owns 50.2% of the SUSP limited partner units, all of the incentive distribution rights and 100.0% of the general partner, which has a 0.0% noneconomic general partner interest in SUSP.

SUSS is the primary beneficiary of our earnings and cash flows and therefore SUSS consolidates us into their financial results.

The consolidated financial statements include the accounts of the Partnership and all of its subsidiaries. The Partnership operates in one operating segment, with primary operations conducted by the following consolidated wholly owned subsidiaries:

- Susser Petroleum Operating Company LLC, a Delaware limited liability company, distributes motor fuel to SUSS' retail and consignment locations, as well as third party customers in Texas, New Mexico, Oklahoma and Louisiana.
- T&C Wholesale LLC and Susser Energy Services LLC, both Texas limited liability companies, distribute motor fuels, propane and lubricating oils, primarily in Texas and Oklahoma.
- Susser Petroleum Property Company LLC (“PropCo”), a Delaware limited liability company, primarily owns and leases convenience store properties.

All significant intercompany accounts and transactions have been eliminated in consolidation.

## 2. Initial Public Offering

On September 20, 2012 , the Partnership's public common units began trading on the New York Stock Exchange under the symbol "SUSP". On September 25, 2012 , we completed the IPO of 10,925,000 common units at a price of $20.50 per unit, which included a 1,425,000 unit over-allotment option that was exercised by the underwriters.

Property and equipment was contributed by SUSS and its subsidiaries in exchange for:

- 14,436 common units and 10,939,436 subordinated units, representing an aggregate 50.1% limited partner interest in SUSP;
- All of the incentive distribution rights (as discussed in SUSP's partnership agreement); and
- An aggregate cash distribution of $206.0 million .

We received net proceeds of $206.2 million from the sale of 10,925,000 units, net of related offering expenses. Additionally, we entered into a term loan and security agreement ("SUSP Term Loan") in which we borrowed $180.7 million and entered into a $250.0 million revolving credit agreement ("SUSP Revolver"), which together are guaranteed by SUSS in a maximum aggregate amount of $180.7 million . See Note 9 for additional information regarding our credit and term loan facilities.

The following is a summary of net income for the year ended December 31, 2012 disaggregated between Predecessor and the Partnership:

| | Susser Petroleum Company LLC Predecessor | Susser Petroleum Partners LP | Year Ended December 31, 2012 |
|---|---|---|---|
| | *Through September 24, 2012* | *From September 25, 2012* | |
| | | *(in thousands)* | |
| Revenues (a) | $ 3,240,271 | $ 1,081,141 | $ 4,321,412 |
| Cost of sales (a) | 3,204,277 | 1,065,633 | 4,269,910 |
| Gross profit | 35,994 | 15,508 | 51,502 |
| Total operating expenses | 22,496 | 5,594 | 28,090 |
| Income from operations | 13,498 | 9,914 | 23,412 |
| Interest expense, net | (269) | (540) | (809) |
| Income before income taxes | 13,229 | 9,374 | 22,603 |
| Income tax expense | (4,809) | (224) | (5,033) |
| Net income | $ 8,420 | $ 9,150 | $ 17,570 |

(a) In 2013, we revised our presentation of fuel taxes on motor fuel sales at our consignment locations to present such fuel taxes gross in motor fuel sales. Prior years' motor fuel sales and cost of sales have been adjusted to reflect this revision.

The following is a summary of cash flow for the year ended December 31, 2012 disaggregated between Predecessor and the Partnership:

| | Susser Petroleum Company LLC Predecessor | Susser Petroleum Partners LP | Year Ended December 31, 2012 |
|---|---|---|---|
| | *Through September 24, 2012* | *From September 25, 2012* | |
| | | *(in thousands)* | |
| **Cash flows from operating activities:** | | | |
| Net cash provided by operating activities | $ 9,183 | $ 7,305 | $ 16,488 |
| **Cash flows from investing activities:** | | | |
| Purchase of intangibles and capital expenditures | (9,806) | (34,200) | (44,006) |
| Purchase of marketable securities | — | (497,426) | (497,426) |
| Redemption of marketable securities | — | 349,162 | 349,162 |
| Proceeds from disposal of property and equipment | 754 | 567 | 1,321 |
| Net cash used in investing activities | (9,052) | (181,897) | (190,949) |
| **Cash flows from financing activities:** | | | |
| Proceeds from issuance of long-term debt | — | 216,256 | 216,256 |
| Loan origination costs | — | (1,907) | (1,907) |
| Payments on long-term debt | (17) | (32,506) | (32,523) |
| Proceeds from issuance of common units, net of offering costs | — | 206,154 | 206,154 |
| Distributions to Parent | — | (206,342) | (206,342) |
| Predecessor cash retained by Parent | (354) | | (354) |
| Distributions to Unitholders | — | (311) | (311) |
| Net cash provided by (used in) financing activities | (371) | 181,344 | 180,973 |
| Net increase (decrease) in cash | (240) | 6,752 | 6,512 |
| Cash and cash equivalents at beginning of year | 240 | — | 240 |
| Cash and cash equivalents at end of period | $ — | $ 6,752 | $ 6,752 |

## 3. Summary of Significant Accounting Policies

***Fiscal Year***

The Partnership uses calendar month accounting periods, and ends its fiscal year on December 31.

***Use of Estimates***

The preparation of financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

***Fair Value Measurements***

We use fair value measurements to measure, among other items, purchased assets and investments, leases and derivative contracts. We also use them to assess impairment of properties, equipment, intangible assets, and goodwill.

Where available, fair value is based on observable market prices or parameters, or is derived from such prices or parameters. Where observable prices or inputs are not available, use of unobservable prices or inputs are used to estimate the current fair value, often using an internal valuation model. These valuation techniques involve some level of management estimation and judgment, the degree of which is dependent on the item being valued.

***Acquisition Accounting***

Acquisitions of assets or entities that include inputs and processes and have the ability to create outputs are accounted for as business combinations. The purchase price is recorded for tangible and intangible assets acquired and liabilities assumed based on fair value. The excess of fair value of the consideration conveyed over the fair value of the net assets acquired is recorded as goodwill. The Consolidated Statements of Operations and Comprehensive Income for the years presented include the results of operations for each acquisition from their respective date of acquisition.

***Cash and Cash Equivalents***

Cash and cash equivalents include cash on hand, demand deposits, and short-term investments with original maturities of three months or less, but exclude debt or equity securities classified as marketable securities.

***Marketable Securities***

Debt or equity securities are classified into the following reporting categories: held-to-maturity, trading or available-for-sale securities. The investments in debt securities, which typically mature in one year or less, are currently classified as held-to-maturity and valued at amortized cost, which approximates fair value. The fair value of marketable securities is measured using Level 1 inputs (See Note 9 for more information concerning fair value measurements). The marketable securities matured on January 10, 2014 and are classified on the balance sheet in other assets. Included in the marketable securities classification on the Consolidated Balance Sheets are approximately $3.4 million and $16.0 million in money market funds at December 31, 2012 and 2013, respectively. The carrying value of these money market funds approximate fair value and are measured using Level 1 inputs. The gross unrecognized holding gains and losses as of December 31, 2012 and December 31, 2013 were not material. These investments are used as collateral to secure the SUSP term loan and are intended to be used only for future capital expenditures.

***Accounts Receivable***

The majority of the trade receivables are from wholesale fuel customers. Credit is extended based on evaluation of the customer's financial condition. Receivables are recorded at face value, without interest or discount. The Partnership provides an allowance for doubtful accounts based on historical experience and on a specific identification basis. Credit losses are recorded when accounts are deemed uncollectible.

Receivables from affiliates have risen from transactions with non-consolidated affiliates and are primarily due to the sale of fuel and other miscellaneous transactions with SUSS. These receivables are recorded at face value, without interest or discount.

***Inventories***

Fuel inventories are stated at the lower of average cost or market. Shipping and handling costs and motor fuel taxes are included in the cost of inventories.

***Property and Equipment***

Property and equipment are recorded at cost. Depreciation is computed on a straight-line basis over the useful lives of the assets, estimated to be forty years for buildings, three to fifteen years for equipment and thirty years for underground storage tanks.

Amortization of leasehold improvements is based upon the shorter of the remaining terms of the leases including renewal periods that are reasonably assured, or the estimated useful lives, which approximate twenty years. Expenditures for major renewals and betterments that extend the useful lives of property and equipment are capitalized. Maintenance and repairs are charged to operations as incurred. Gains or losses on the disposition of property and equipment are recorded in the period incurred.

***Long-Lived Assets***

Long-lived assets (including intangible assets) are tested for possible impairment whenever events or changes in circumstances indicate the carrying amount of the asset may not be recoverable. If indicators exist, the estimated undiscounted future cash flows related to the asset are compared to the carrying value of the asset. If the carrying value is greater than the

estimated undiscounted future cash flow amount, an impairment charge is recorded within loss on disposal of assets and impairment charge in the statement of operations for amounts necessary to reduce the corresponding carrying value of the asset to fair value. The impairment loss calculations require management to apply judgment in estimating future cash flows and the discount rates that reflect the risk inherent in future cash flows.

***Goodwill***

Goodwill represents the excess of cost over fair value of assets of businesses acquired. Goodwill and intangible assets acquired in a purchase business combination are recorded at fair value as of the date acquired. Acquired intangibles determined to have an indefinite useful life are not amortized, but are instead tested for impairment at least annually, and are tested for impairment more frequently if events and circumstances indicate that the asset might be impaired. The annual impairment test of goodwill is performed as of the first day of the fourth quarter of the fiscal year.

The Partnership uses qualitative factors to determine whether it is more likely than not (likelihood of more than 50%) that the fair value of a reporting unit is less than its carrying amount, including goodwill.

Based upon the analysis of qualitative factors, the Partnership determined that it is more likely than not that the reporting unit had a fair value which exceeded the carrying value. Some of the qualitative factors considered in applying this test include the consideration of macroeconomic conditions, industry and market considerations, cost factors affecting the business, the overall financial performance of the business and the performance of the unit price of the Partnership.

If qualitative factors were not deemed sufficient to conclude that the fair value of the reporting unit more likely than not exceeded the carrying value of the reporting unit, then the two-step approach would be applied in making an evaluation. In step one, multiple valuation methodologies, including a market approach (market price multiples of comparable companies) and an income approach (discounted cash flow analysis) would be used. The computations require management to make significant estimates and assumptions. Critical estimates and assumptions that are used as part of these evaluations would include, among other things, selection of comparable publicly traded companies, the discount rate applied to future earnings reflecting a weighted average cost of capital rate, and earnings growth assumptions. A discounted cash flow analysis requires management to make various judgmental assumptions about sales, operating margins, capital expenditures, working capital and growth rates.

If after assessing the totality of events or circumstances an entity determines that it is more likely than not that the fair value of a reporting unit is greater than its carrying amount then performing the two-step test is unnecessary.

If the estimated fair value of a reporting unit is less than the carrying value, a second step is performed to compute the amount of the impairment by determining an “implied fair value” of goodwill. The determination of the Partnership's “implied fair value” requires the Partnership to allocate the estimated fair value of the reporting unit to the assets and liabilities of the reporting unit. Any unallocated fair value represents the “implied fair value” of goodwill, which is compared to the corresponding carrying value. If the "implied fair value" is less than the carrying value, an impairment charge would be recorded.

***Other Intangible Assets***

Other intangible assets consist of supply agreements with customers, customer intangibles and favorable/unfavorable lease arrangements. Separable intangible assets that are not determined to have an indefinite life are amortized over their useful lives and assessed for impairment. The determination of the fair market value of the intangible asset and the estimated useful life are based on an analysis of all pertinent factors including (1) the use of widely−accepted valuation approaches, the income approach or the cost approach, (2) the expected use of the asset by the Partnership, (3) the expected useful life of related assets, (4) any legal, regulatory or contractual provisions, including renewal or extension period that would cause substantial costs or modifications to existing agreements, and (5) the effects of obsolescence, demand, competition, and other economic factors. Should any of the underlying assumptions indicate that the value of the intangible assets might be impaired, we may be required to reduce the carrying value and subsequent useful life of the asset. If the underlying assumptions governing the amortization of an intangible asset were later determined to have significantly changed, we may be required to adjust the amortization period of such asset to reflect any new estimate of its useful life. Any write-down of the value or unfavorable change in the useful life of an intangible asset would increase expense at that time.

Debt issuance costs are being amortized using the straight-line method, over the term of the debt. Supply agreements are being amortized on a straight-line basis over the remaining terms of the agreements, which generally range from five to fifteen years. Favorable/unfavorable lease arrangements are amortized on a straight-line basis over the remaining lease terms.

***Environmental Liabilities***

Environmental expenditures related to existing conditions, resulting from past or current operations and from which no current or future benefit is discernible, are expensed by the Partnership. Expenditures that extend the life of the related property or prevent future environmental contamination are capitalized.

***Revenue Recognition***

Revenues from motor fuel sales are recognized at the time that fuel is delivered to the customer, with the exception of consignment sales, which are discussed in greater detail below. Shipment and delivery of motor fuel generally occurs on the same day. The Partnership charges its wholesale customers for third−party transportation costs, which are recorded net in cost of sales. Through PropCo, our wholly owned corporate subsidiary, we may sell motor fuel to wholesale customers on a consignment basis, in which we retain title to inventory, control access to and sale of fuel inventory, and recognize revenue at the time the fuel is sold to the ultimate customer. We derive other income from rental income, propane and lubricating oils and other ancillary product and service offerings.

***Rental Income***

Rental income from operating leases is recognized over the term of the lease on a straight line basis.

***Cost of Sales***

We include in “Cost of Sales” all costs we incur to acquire wholesale fuel, including the costs of purchasing, storing and transporting inventory prior to delivery to our wholesale customers. Items are removed from inventory and are included in cost of sales based on average cost. Cost of sales does not include any depreciation of our property, plant and equipment, as any amounts attributed to cost of sales would not be significant. Depreciation is separately classified in our Consolidated Statements of Operations and Comprehensive Income. The portion of fuel volumes purchased from suppliers who accounted for 10% or more of our total combined volume during the years ended December 31 are as follows:

| | 2011 | 2012 | 2013 |
|---|---|---|---|
| Valero | 37% | 36% | 34% |
| Chevron | 20% | 19% | 17% |

***Motor Fuel Taxes***

Certain motor fuel and sales taxes are collected from customers and remitted to governmental agencies either directly or through suppliers by the Partnership. The Partnership's accounting policy for direct sales to dealer and commercial customers is to exclude the motor fuel tax collected from motor fuel sales and motor fuel cost of sales. For locations where the Partnership holds inventory, including consignment arrangements, motor fuel sales and motor fuel cost of sales include motor fuel taxes and such amounts for 2011, 2012 and 2013 were $54.6 million , $44.1 million and $18.3 million , respectively.

***Deferred Branding Incentives***

We receive payments for deferred branding incentives related to our fuel supply contracts. Unearned branding incentives are deferred and amortized as earned over the term of the respective agreement. Deferred branding incentives are amortized on a straight line basis over the term of the agreement as a credit to cost of sales.

***Lease Accounting***

The Partnership leases a portion of its properties under non-cancelable operating leases, whose initial terms are typically five to fifteen years, along with options that permit renewals for additional periods. Minimum rent is expensed on a straight-line basis over the term of the lease including renewal periods that are reasonably assured at the inception of the lease. The Partnership is typically responsible for payment of real estate taxes, maintenance expenses and insurance. The Partnership also leases certain vehicles, which are typically less than five years.

***Fair Value of Financial Instruments***

Cash, accounts receivable, certain other current assets, marketable securities, accounts payable, accrued expenses and other current liabilities are reflected in the consolidated financial statements at fair value because of the short-term maturity of the instruments.

***Concentration Risk***

Motor fuel sold to SUSS, mostly in Texas, represented approximately 60% of the total motor fuel sales for the years ended December 31, 2011 and 2012 and 67% for 2013 . Prior to the IPO, these sales included only SUSS' retail locations and were at cost and no profit was reflected on these sales. Subsequent to the IPO, these sales include both SUSS' retail locations and consignment locations. Pursuant to the Distribution Contract, sales subsequent to the IPO reflect a margin of approximately three cents per gallon.

The Partnership has contracts with Valero and Chevron that expire in July 2018 and August 2014, respectively.

***Earnings Per Unit***

In addition to the common and subordinated units, we have identified the incentive distribution rights ("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 specified in the partnership agreement. Net income per unit applicable to limited partners (including common and subordinated unitholders) is computed by dividing limited partners' interest in net income, after deducting any incentive distributions, by the weighted-average number of outstanding common and subordinated units.

Prior to September 25, 2012, we were wholly owned by SUSS and, accordingly, we did not calculate or report earnings per unit.

***Stock and Unit-based Compensation***

Certain employees supporting our Predecessor's operations were historically granted long-term incentive compensation awards under the SUSS stock-based compensation programs, which primarily consist of stock options and restricted common stock. Our Predecessor was allocated expenses for stock-based compensation costs, which are included in general and administrative expenses. The allocated expense was $0.7 million , $0.8 million and $1.4 million for the years ended December 31, 2011 , 2012 and 2013 , respectively.

In connection with our IPO, our general partner adopted the Susser Petroleum Partners LP 2012 Long-Term Incentive Plan (“2012 LTIP"), under which various types of awards may be granted to employees, consultants and directors of our general partner who provide services for us. We amortize the grant-date fair value of these awards over the vesting period using the straight-line method. Expenses related to unit-based compensation are included in general and administrative expenses. During the years ended December 31, 2012 and 2013 we recognized $0.1 million and $0.5 million , respectively, of stock compensation expense related to SUSP unit awards.

***Income Tax***

We are organized as a pass-through for federal income tax purposes. As a result, our partners are responsible for federal income taxes based on their respective share of taxable income. Net income for financial statement purposes may differ significantly from taxable income reportable to unitholders as a result of differences between the tax bases and financial reporting bases of assets and liabilities and the taxable income allocation requirements under the partnership agreement. We are subject to the Texas franchise tax that is based on our Texas sourced taxable gross margin for federal income tax purposes.

Our Predecessor recognized deferred income tax liabilities and assets for the expected future income tax consequences of temporary differences between financial statement carrying amounts and the related income tax basis. The Partnership recognizes deferred income tax liabilities and assets related to its subsidiary, PropCo.

Our Predecessor recognized the impact of a tax position in the financial statements, if that position is not more likely than not of being sustained, based on the technical merits of the position. See Note 16 for additional information regarding de-recognition, classification, interest and penalties, accounting in interim periods and disclosure.

***Reclassifications of Prior Year Amounts***

Certain line items have been reclassified for presentation purposes. Predecessor non-cash stock based compensation on the 2011 and 2012 Consolidated Statements of Cash flows has been reclassified from changes in accounts receivable to non-cash stock based compensation to include all non-cash stock based compensation together and be consistent with the presentation in Note 18.

In 2013, the Partnership revised its presentation of fuel taxes on motor fuel sales at its consignment locations to present such fuel taxes gross in motor fuel sales and motor fuel cost of sales to be consistent with its Parent's presentation of retail motor fuel sales. The effect of this immaterial error was to increase motor fuel sales and motor fuel cost of sales by $54.6 million and $44.1 million for 2011 and 2012, respectively. This revision had no impact on gross profit, income from operations, net income and comprehensive income, the balance sheets, or statements of cash flows.

***New Accounting Pronouncements***

***FASB ASU No. 2013-11.*** In July 2013, the FASB issued ASU No. 2013-11, " *Income Taxes - Presentation of an Unrecognized Tax Benefit When a Net Operating Loss Carryforward, a Similar Tax Loss, or a Tax Credit Carryforward Exists- Subtopic 740-10."* An unrecognized tax benefit, or a portion of an unrecognized tax benefit, shall be presented in the financial statements as a reduction to a deferred tax asset for a net operating loss carryforward, a similar tax loss, or a tax credit carryforward. To the extent a net operating loss carryforward, a similar tax loss, or a tax credit carryforward is not available at the reporting date, the unrecognized tax benefit should be presented in the financial statements as a liability and should not be combined with deferred tax assets. The ASU is effective for annual and interim periods beginning after December 15, 2013 but early adoption is permitted. The adoption of this guidance is not expected to have an impact on the presentation of our financial statements.

***FASB ASU No. 2012-02*** . In July 2012, the FASB issued ASU No. 2012-02, *"Intangibles—Goodwill and Other."* This guidance permits an entity to first assess qualitative factors to determine whether it is more likely than not that an indefinite-lived intangible asset is impaired as a basis for determining whether it is necessary to perform the quantitative impairment test in accordance with Subtopic 350. The ASU is effective for annual and interim impairment tests performed for fiscal years beginning after September 15, 2012. The adoption of this guidance affected our impairment steps only but did not have an effect on our results of operations, cash flows or related disclosures.

## 4. Accounts Receivable

Accounts receivable, excluding receivables from affiliates, consisted of the following:

| | December 31, 2012 | December 31, 2013 |
|---|---|---|
| | *(in thousands)* | |
| Accounts receivable, trade | $ 32,906 | $ 68,473 |
| Other receivables | 205 | 855 |
| Allowance for uncollectible accounts, trade | (103) | (323) |
| Accounts receivable, net | $ 33,008 | $ 69,005 |

Accounts receivable from affiliates are $59.5 million and $49.9 million as of December 31, 2012 and 2013, respectively. For additional information regarding our affiliated receivables, see Note 12.

An allowance for uncollectible accounts is provided based on management's evaluation of outstanding accounts receivable. Following is a summary of the valuation accounts related to accounts and notes receivable (balances for 2011 are for our Predecessor):

| | Balance at Beginning of Period | Additions Charged to Costs and Expenses | Amounts Written Off, Net of Recoveries | Allowance Retained by Parent | Balance at End of Period |
|---|---|---|---|---|---|
| | | | *(in thousands)* | | |
| **Allowance for doubtful accounts:** | | | | | |
| December 31, 2011 | $ 346 | $ (58) | $ 121 | $ — | $ 167 |
| December 31, 2012 | 167 | 103 | — | 167 | 103 |
| December 31, 2013 | 103 | 360 | 140 | — | 323 |

## 5. Inventories

Inventories consisted of the following:

| | December 31, 2012 | December 31, 2013 |
|---|---|---|
| | *(in thousands)* | |
| Fuel-consignment | $ 1,960 | $ 2,103 |
| Fuel-other wholesale | 340 | 8,160 |
| Other | 681 | 859 |
| Inventories, net | $ 2,981 | $ 11,122 |

## 6. Property and Equipment

Property and equipment consisted of the following:

| | December 31, 2012 | December 31, 2013 |
|---|---|---|
| | *(in thousands)* | |
| Land | $ 34,122 | $ 68,213 |
| Buildings and leasehold improvements | 23,589 | 83,328 |
| Equipment | 16,049 | 34,703 |
| Construction in progress | 2,905 | 7,322 |
| Total property and equipment | 76,665 | 193,566 |
| Less: Accumulated depreciation | (8,492) | (13,439) |
| Property and equipment, net | $ 68,173 | $ 180,127 |

Depreciation expense on property and equipment was $3.9 million , $3.7 million and $5.3 million for 2011 , 2012 and 2013 , respectively.

During 2011 , our Predecessor recorded a net loss of $0.2 million on disposal of assets. During 2012 , our Predecessor prior to the IPO and the Partnership post IPO recorded a net loss of $0.3 million on disposal of assets. During 2013 , the Partnership recorded a net loss of $0.3 million on disposal of assets.

## 7. Intangible Assets

***Goodwill***

The following table reflects goodwill balances and activity for the years ended December 31, 2012 and 2013:

| | Susser Petroleum Company LLC Predecessor | Susser Petroleum Partners LP | Total |
|---|---|---|---|
| | | *(in thousands)* | |
| Balance at December 31, 2011 | $ 20,661 | $ — | $ 20,661 |
| Goodwill contributed to the Partnership | (12,936) | 12,936 | — |
| Goodwill retained by the Parent | (7,725) | — | (7,725) |
| Balance at December 31, 2012 | — | 12,936 | 12,936 |
| Goodwill related to GFI Contribution | — | 9,887 | 9,887 |
| Balance at December 31, 2013 | $ — | $ 22,823 | $ 22,823 |

***Other Intangibles***

In accordance with ASC 350 *"Intangibles-Goodwill and Other"* , the Partnership has finite−lived intangible assets recorded that are amortized. The finite−lived assets consist of supply agreements, favorable/unfavorable leasehold arrangements, noncompetes and loan origination costs, all of which are amortized over the respective lives of the agreements or over the period of time the assets are expected to contribute directly or indirectly to the Partnership's future cash flows. Supply agreements are being amortized over a weighted average period of approximately five years. Favorable/unfavorable leasehold arrangements are being amortized over an average period of approximately ten years. Noncompetes are being amortized over the terms of the agreement and are included in other intangibles below. Loan origination costs are amortized over the life of the underlying debt as an increase to interest expense.

The following table presents the gross carrying amount and accumulated amortization for each major class of intangible assets, excluding goodwill, at December 31, 2012 and 2013:

| | December 31, 2012 | | | December 31, 2013 | | |
|---|---|---|---|---|---|---|
| | Gross Carrying Amount | Accumulated Amortization | Net Amount | Gross Carrying Amount | Accumulated Amortization | Net Amount |
| | | | *(in thousands)* | | | |
| **Finite Lived** | | | | | | |
| Supply agreements | $ 29,803 | $ 8,674 | $ 21,129 | $ 31,982 | $ 11,705 | $ 20,277 |
| Favorable leasehold arrangements, net | 236 | 39 | 197 | 236 | 51 | 185 |
| Loan origination costs | 1,907 | 102 | 1,805 | 2,437 | 483 | 1,954 |
| Other intangibles | 63 | 63 | — | 389 | 33 | 356 |
| Intangible assets, net | $ 32,009 | $ 8,878 | $ 23,131 | $ 35,044 | $ 12,272 | $ 22,772 |

Total amortization expense on finite−lived intangibles included in depreciation, amortization and accretion for 2011 , 2012 and 2013 was $2.2 million , $3.3 million and $3.4 million , respectively. The amortization of deferred financing fees included in interest expense for 2012 and 2013 was $0.1 million and $0.4 million , respectively. We had no amortization of deferred financing fees in 2011. The following table presents the Partnership's estimate of amortization includable in amortization expense and interest expense for each of the five succeeding fiscal years for finite−lived intangibles as of December 31, 2013 (in thousands):

| | Amortization | Interest |
|---|---|---|
| 2014 | $ 3,126 | $ 523 |
| 2015 | 2,943 | 523 |
| 2016 | 2,611 | 523 |
| 2017 | 2,275 | 386 |
| 2018 | 1,907 | — |

**8. Accrued Expenses and Other Current Liabilities**

Current accrued expenses and other current liabilities consisted of the following:

| | December 31, 2012 | December 31, 2013 |
|---|---|---|
| | *(in thousands)* | |
| Accrued taxes | $ 370 | $ 5,817 |
| Deposits and other | 731 | 5,610 |
| Total | $ 1,101 | $ 11,427 |

At December 31, 2012 and 2013, the Partnership had approximately $2.4 million and $2.0 million , respectively, of deferred incentives related to branding agreements with fuel suppliers, of which $2.4 million and $2.0 million , respectively, are included in deferred branding incentives, long-term portion in the accompanying consolidated balance sheets. The Partnership is recognizing the income on a straight-line basis over the agreement periods, which range from four to ten years.

**9. Long-Term Debt**

Long-term debt consisted of the following:

| | December 31, 2012 | December 31, 2013 |
|---|---|---|
| | *(in thousands)* | |
| SUSP Term loan, bearing interest at Prime or LIBOR plus an applicable margin | $ 148,166 | $ 25,866 |
| SUSP Revolver, bearing interest at Prime or LIBOR plus an applicable margin | 35,590 | 156,210 |
| Notes payable, bearing interest at 6% and 4% | 1,099 | 4,075 |
| Total debt | 184,855 | 186,151 |
| Less: current maturities | 24 | 525 |
| Long-term debt, net of current maturities | $ 184,831 | $ 185,626 |

At December 31, 2013, scheduled future debt maturities are as follows (in thousands):

| | |
|---|---|
| 2014 | $ 525 |
| 2015 | 26,393 |
| 2016 | 1,523 |
| 2017 | 157,710 |
| Total | $ 186,151 |

***Term Loan and Security Agreement***

On September 25, 2012, in connection with the IPO, we entered into a Term Loan and Security Agreement with Bank of America, N.A. for a $180.7 million term loan facility, expiring September 25, 2015 (the “SUSP Term Loan”). Borrowings under the SUSP Term Loan bear interest at (i) a base rate (a rate based off of the higher of (a) the Federal Funds Rate plus

0.5% , (b) Bank of America's prime rate or (c) LIBOR plus 1.00% ) or (ii) LIBOR plus 0.25% . At December 31, 2013, the interest rate on the SUSP Term Loan was 0.42% .

In order to obtain the SUSP Term Loan on more favorable terms, SUSP pledged investment grade securities in an amount equal to or greater than 98% of the outstanding principal amount of the SUSP Term Loan (the "Collateral Account"). As of December 31, 2013 , $26.0 million of commercial paper and money market fund investments collateralized the SUSP Term Loan. These investments are intended to be used to fund future capital expenditures. The SUSP Term Loan requires SUSP to, among other things (i) deliver certain financial statements, certificates and notices to Bank of America at specified times and (ii) maintain the required collateral and the liens thereon (subject to SUSP's ability to withdraw certain amounts of the collateral, as permitted under the SUSP Term Loan).

***Revolving Credit Agreement***

On September 25, 2012, in connection with the IPO, we entered into a $250.0 million revolving credit agreement with a syndicate of banks (the "SUSP Revolver") expiring September 25, 2017. The facility can be increased from time to time upon our written request, subject to certain conditions, up to an additional $100 million . Borrowings under the revolving credit facility bear interest at (i) a base rate plus an applicable margin ranging from 1.00% to 2.25% or (ii) LIBOR plus an applicable margin ranging from 2.00% to 3.25% , (determined with reference to our consolidated total leverage ratio). In addition, the unused portion of our revolving credit facility is subject to a commitment fee ranging from 0.375% to 0.50% , based on our consolidated total leverage ratio. At December 31, 2013, the interest rate on the SUSP Revolver was 2.17% .

The SUSP Revolver requires us to maintain a minimum consolidated interest coverage ratio of not less than 2.50 to 1.00 , and a consolidated total leverage ratio of not more than 4.50 to 1.00 , subject to certain adjustments. Indebtedness under the SUSP Revolver is secured by a security interest in, among other things, all of our present and future personal property and all of the personal property of our guarantors, the capital stock of our subsidiaries, and any intercompany debt. Additionally, if our consolidated total leverage ratio exceeds 3.00 to 1.00 at the end of any fiscal quarter, we will be required, upon request of the lenders, to grant mortgage liens on all real property owned by the Partnership and its subsidiary guarantors.

In December 2013, the SUSP Revolver commitments were increased by $150 million to a total of $400 million while retaining the ability to increase the SUSP Revolver by an additional $100 million . As of December 31, 2013 , the balance on the SUSP Revolver was $156.2 million , and $10.0 million in standby letters of credit were outstanding. The unused availability on the SUSP Revolver at December 31, 2013 was $233.8 million . SUSP was in compliance with all financial covenants at December 31, 2013.

***Guaranty by SUSS of SUSP Term Loan and SUSP Revolver***

SUSS entered into a Guaranty of Collection (the "Guaranty") in connection with the SUSP Term Loan and the SUSP Revolver. Pursuant to the Guaranty, SUSS guarantees the collection of (i) the principal amount outstanding under the SUSP Term Loan and (ii) the SUSP Revolver. SUSS' obligation under the Guaranty is limited to $180.7 million . SUSS is not required to make payments under the Guaranty unless and until (a) SUSP has failed to make a payment on the SUSP Term Loan or SUSP Revolver, (b) the obligations under such facilities have been accelerated, (c) all remedies of the applicable lenders to collect the unpaid amounts due under such facilities, whether at law or equity, have been exhausted and (d) the applicable lenders have failed to collect the full amount owing on such facilities. In addition, SUSS entered into a Reimbursement Agreement with PropCo, whereby SUSS is obligated to reimburse PropCo for any amounts paid by PropCo under the guaranty of the SUSP Revolver executed by SUSP's subsidiaries. SUSS' exposure under this reimbursement agreement is limited, when aggregated with its obligation under the Guaranty, to $180.7 million .

***Other Debt***

In August 2010 our Predecessor entered into a mortgage note for an aggregate initial borrowing amount of $1.2 million . Pursuant to the terms of the mortgage note, we make monthly installment payments that are comprised of principal and interest through the maturity date of July 1, 2016. The balance outstanding at December 31, 2012 and 2013 was $1.1 million . The mortgage note bears interest at a fixed rate of 6.0% . The mortgage note is secured by a first priority security interest in a property owned by the Partnership.

In September 2013, as part of the GFI Contribution, SUSS entered into two term loans of $14.9 million and $3.0 million . We assumed the term loan obligations from SUSS as part of the net asset transfer for equity as part of the GFI Contribution. The $14.9 million term loan had an interest rate of 3.25% and was paid off prior to December 31, 2013 . The $3.0 million term loan had an outstanding balance of $3.0 million as of December 31, 2013 and bears a 4.0% fixed rate.

The estimated fair value of long-term debt is calculated using Level 3 inputs. The fair value of debt as of December 31, 2013 , is estimated to be approximately $186.6 million , based on the current balance of the SUSP Term Loan, the current balance of the SUSP Revolver and an analysis of the net present value of remaining payments on the other notes payable at a rate calculated off U.S. Treasury Securities.

***Fair Value Measurements***

We use fair value measurements to measure, among other items, purchased assets and investments, leases and derivative contracts. We also use them to assess impairment of properties, equipment, intangible assets and goodwill. Fair value is defined as the price at which an asset could be exchanged in a current transaction between knowledgeable, willing parties. A liability's fair value is defined as the amount that would be paid to transfer the liability to a new obligor, not the amount that would be paid to settle the liability with the creditor. Where available, fair value is based on observable market prices or parameters, or is derived from such prices or parameters. Where observable prices or inputs are not available, use of unobservable prices or inputs is used to estimate the current fair value, often using an internal valuation model. These valuation techniques involve some level of management estimation and judgment, the degree of which is dependent on the item being valued.

ASC 820 " *Fair Value Measurements and Disclosures"* prioritizes the inputs used in measuring fair value into the following hierarchy:

Level 1 Quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2 Inputs other than quoted prices included within Level 1 that are either directly or indirectly observable;

Level 3 Unobservable inputs in which little or no market activity exists, therefore requiring an entity to develop its own assumptions about the assumptions that market participants would use in pricing.

Debt or equity securities are classified into the following reporting categories: held-to-maturity, trading or available-for-sale securities. The investments in debt securities, which typically mature in one year or less, are currently classified as held-to-maturity and valued at amortized cost, which approximates fair value. The fair value of marketable securities is measured using Level 1 inputs. Included in the marketable securities classification on the Consolidated Balance Sheets are approximately $16.0 million in money market funds as of December 31, 2013 . The carrying value of these money market funds approximates fair value and are measured using Level 1 inputs. The gross unrecognized holding gains and losses as of December 31, 2012 and December 31, 2013 were not material. These investments are used as collateral to secure the SUSP Term Loan and are intended to be used only for funding future capital expenditures.

## 10. Other Noncurrent Liabilities

Other noncurrent liabilities consisted of the following:

| | December 31, 2012 | December 31, 2013 |
|---|---|---|
| | *(in thousands)* | |
| Deferred branding incentives, long-term portion | $ 2,442 | $ 2,017 |
| Reserve for underground storage tank removal | 34 | 37 |
| Reserve for environmental remediation, long-term | — | 105 |
| Total | $ 2,476 | $ 2,159 |

## 11. Benefit Plans

Employees supporting our operations participate in the SUSS benefit plans: the 401(k) benefit plan and the Non-Qualified Deferred Compensation Plan. Subsequent to the IPO, SUSS allocates expense related to the benefit plans as part of the allocation of oversight charges as described in Note 12.

The net expense incurred for these plans for 2011 , 2012 and 2013 , was approximately $0.2 million , $0.7 million and $0.7 million , respectively.

**12. Related-Party Transactions**

We entered into two long-term, fee-based commercial agreements with SUSS effective upon our IPO, summarized as follows:

- Distribution Contract - a 10 -year agreement under which we are the exclusive distributor of motor fuel to SUSS' existing *Stripes* ® convenience stores and independently operated consignment locations, and to all future sites purchased by SUSP pursuant to the sale and leaseback option under the Omnibus Agreement, at cost, including tax and transportation costs, plus a fixed profit margin of three cents per gallon. In addition, all future motor fuel volumes purchased by SUSS for its own account will be added to the distribution contract pursuant to the terms of the Omnibus Agreement.
- Transportation Contract - a 10 -year transportation logistics agreement, pursuant to which SUSS will arrange for motor fuel to be delivered from our suppliers to our customers at rates consistent with those charged by SUSS to third parties for the delivery of motor fuel.

***Omnibus Agreement***

In addition to the commercial agreements described above, we also entered into an Omnibus Agreement with SUSS pursuant to which, among other things, we received a three -year option to purchase from SUSS up to 75 of SUSS' new or recently constructed *Stripes* ® convenience stores at their cost and lease the stores back to them at a specified rate for a 15 -year initial term, and SUSP will be the exclusive distributor of motor fuel to such stores for a period of ten years from the date of purchase. We also received a ten -year right to participate in acquisition opportunities with SUSS, to the extent SUSP and SUSS are able to reach an agreement on terms, and the exclusive right to distribute motor fuel to certain of SUSS' newly constructed convenience stores and independently operated consignment locations. In addition, we agreed to reimburse our general partner and its affiliates for the costs incurred in managing and operating SUSP. The Omnibus Agreement also provides for certain indemnification obligations between SUSS and SUSP.

***Contribution Agreement***

On September 25, 2012, in connection with the closing of the Offering, the following transactions, among others, occurred pursuant to the Contribution Agreement:

- SUSS contributed to SPOC substantially all of its wholesale motor fuel distribution business, other than its motor fuel consignment business and transportation assets, which included:
  - marketer, distributor and supply agreements,
  - fuel supply agreements to distribute motor fuel to convenience stores and other retail fuel outlets,
  - real property owned in fee and personal property,
  - leases and subleases under which it was a tenant, and
  - leases and subleases under which it was a landlord.
- SPC contributed its membership interests in T&C Wholesale LLC to SPOC.
- SPC contributed its interest in SPOC to the Partnership in exchange for 14,436 common units representing a 0.07% limited partner interest in the Partnership, 10,939,436 subordinated units representing a 50.0% limited partner interest in the Partnership and all of the IDRs of the Partnership.

***Summary of Transactions***

Related party transactions with SUSS are as follows:

- The Partnership sells motor fuel to SUSS for resale at its *Stripes* ® convenience stores and independently operated consignment locations. Motor fuel sales to affiliates for the period ended December 31, 2012 , subsequent to the IPO, were $722.1 million and resulted in gross profit of $7.8 million . Prior to September 25, 2012 , our Predecessor sold motor fuel to affiliates at zero gross profit. Motor fuel sales to affiliates for the year ended December 31, 2013 were $3.0 billion and resulted in a gross profit of $31.6 million . Additionally, we collect credit card receipts from the motor fuel suppliers on SUSS' behalf.
- SUSS charged us for general and administrative services under the Omnibus Agreement for oversight of the Partnership and its Predecessor. Such amounts include certain expenses allocated by SUSS for general corporate services, such as

finance, internal audit and legal services, which are included in general and administrative expenses. These expenses were charged or allocated to the Partnership based on the nature of the expenses and our proportionate share of employee time and headcount, which management believes to be reasonable. SUSS charged $1.6 million , $1.6 million and $2.2 million for the years ended December 31, 2011 , 2012 and 2013, respectively, including non-cash stock based compensation. SUSS allocated to our Predecessor non-cash stock based compensation of $0.7 million and $0.8 million for December 31, 2011 and 2012, respectively.

- We reimbursed SUSS for costs of employees supporting our operations of $2.9 million and $11.4 million for the years ended December 31, 2012 and 2013, respectively. Prior to the IPO, these expenses were incurred directly by our Predecessor.
- We distributed $0.3 million and $20.0 million for the years ended December 31, 2012 and 2013, respectively, to SUSS as distributions on its common and subordinated units.
- SUSS charged us for transportation services under the Transportation Contract for delivery of motor fuel to our customers of $11.9 million and $50.0 million for the years ended December 31, 2012 and 2013. Prior to the IPO, these expenses were incurred directly by our Predecessor.
- SUSS charged our Predecessor for rent expense on certain real estate, which was in turn subleased by our Predecessor to dealers, of $1.1 million and $0.8 million for each of the years ended December 31, 2011 and 2012, respectively. No rent expense was incurred subsequent to the IPO.
- We acquired 25 convenience store properties from SUSS for $104.2 million , including final true-ups, during the year ended December 31, 2013. Since our IPO through the end of 2013, we have acquired a total of 33 convenience store properties from SUSS for a total cost of $133.2 million , which also includes final true-up adjustments. These stores were leased back to SUSS.
- We charged SUSS rent on the convenience store properties which were purchased by us and leased back to them. For the years ended December 31, 2012 and 2013, we charged $0.1 million and $6.4 million , respectively, to SUSS on these leases.
- Net accounts receivable from SUSS were $59.5 million and $49.9 million at December 31, 2012 and December 31, 2013 , respectively, which are primarily related to fuel purchases from us.
- In connection with the GFI Contribution, SUSP issued 64,872 additional SUSP common units to SUSS with a value of $2.0 million and indirectly assumed $21.8 million of indebtedness and other liabilities.

## 13. Commitments and Contingencies

***Leases***

The Partnership leases certain convenience store and other properties under non-cancellable operating leases whose initial terms are typically 5 to 15 years , along with options that permit renewals for additional periods. Minimum rent is typically expensed on a straight-line basis over the term of the lease. We typically are responsible for payment of real estate taxes, maintenance expenses and insurance. These properties are primarily sublet to third parties.

The components of net rent expense are as follows:

| | Year Ended | | |
|---|---|---|---|
| | December 31, 2011 | December 31, 2012 | December 31, 2013 |
| | Predecessor | | |
| | *(in thousands)* | | |
| Cash rent: | | | |
| Store base rent | $ 3,729 | $ 3,074 | $ 819 |
| Equipment rent | 593 | 453 | 175 |
| Total cash rent | 4,322 | 3,527 | 994 |
| Non-cash rent: | | | |
| Straight-line rent | — | — | 20 |
| Net rent expense | $ 4,322 | $ 3,527 | $ 1,014 |

Equipment rent consists primarily of store equipment and vehicles. Sublease rental income for 2011 , 2012 and 2013 was $2.5 million , $2.1 million and $0.9 million , respectively, and is included in other income.

Future minimum lease payments for future fiscal years are as follows (in thousands):

| | | |
|---|---|---|
| 2014 | $ | 847 |
| 2015 | | 866 |
| 2016 | | 875 |
| 2017 | | 886 |
| 2018 | | 898 |
| Thereafter | | 5,059 |
| Total | $ | 9,431 |

***Environmental Remediation***

We are subject to various federal, state and local environmental laws and make financial expenditures in order to comply with regulations governing underground storage tanks adopted by federal, state and local regulatory agencies. In particular, at the federal level, the Resource Conservation and Recovery Act of 1976, as amended, requires the EPA to establish a comprehensive regulatory program for the detection, prevention and cleanup of leaking underground storage tanks (e.g. overfills, spills and underground storage tank releases).

Federal and state regulations require us to provide and maintain evidence that we are taking financial responsibility for corrective action and compensating third parties in the event of a release from our underground storage tank systems. In order to comply with these requirements, we, through our Predecessor, have historically obtained private insurance for Texas, New Mexico and Oklahoma. These policies provide protection from third−party liability claims. For 2013 , our coverage was $1.0 million per occurrence, with a $2.0 million aggregate and $0.5 million self-insured retention. Our sites continue to be covered by this policy.

We are not currently involved in the remediation of motor fuel storage sites. We had no accrued liabilities for remediation activities as of December 31, 2012 and 2013. SUSS has agreed to indemnify us for any environmental costs that are determined to have been in existence at the time the properties were contributed to us. This indemnity expires September 2015. Any new releases will be our responsibility.

We have additional reserves of less than $0.1 million at December 31, 2012 and 2013 that represent our estimate for future asset retirement obligations for underground storage tanks.

***Deferred Branding Incentives***

We receive deferred branding incentives and other incentive payments from a number of our fuel suppliers. A portion of the deferred branding incentives may be passed on to our wholesale branded dealers under the same terms as required by our fuel suppliers. Many of the agreements require repayment of all or a portion of the amount received if we (or our branded dealers) elect to discontinue selling the specified brand of fuel at certain locations. As of December 31, 2013 , the estimated amount of deferred branding incentives that would have to be repaid upon de-branding at these locations was $16.8 million . Of this amount, approximately $11.4 million would be the responsibility of the Partnership's branded dealers under reimbursement agreements with the dealers. In the event a dealer were to default on this reimbursement obligation, SUSP would be required to make this payment. No liability is recorded for the amount of dealer obligations which would become payable upon de-branding as no such dealer default is considered probable at December 31, 2013. We have $2.0 million recorded for deferred branding incentives, net of accumulated amortization, on the balance sheet as of December 31, 2013 , which is included in other noncurrent liabilities. The Partnership amortizes its retained portion of the incentives to income on a straight-line basis over the term of the agreements.

**14. Rental Income under Operating Leases**

The following schedule details our investment in property under operating leases:

| | December 31, 2012 | December 31, 2013 |
|---|---|---|
| | *(in thousands)* | |
| Land | $ 33,646 | $ 66,931 |
| Buildings and improvements | 18,282 | 69,313 |
| Equipment | 14,691 | 38,644 |
| Total property and equipment | 66,619 | 174,888 |
| Less: Accumulated depreciation | 4,344 | 8,872 |
| Property and equipment, net | $ 62,275 | $ 166,016 |

Rental income for 2011, 2012 and 2013 was $5.5 million , $5.0 million and $10.1 million , respectively.

The following is a schedule by years of minimum future rental income under noncancelable operating leases as of December 31, 2013 (in thousands):

| | |
|---|---|
| 2014 | $ 13,451 |
| 2015 | 12,625 |
| 2016 | 11,918 |
| 2017 | 11,319 |
| 2018 | 10,668 |
| Thereafter | 96,629 |
| Total minimum future rentals | $ 156,610 |

See Note 12 for information regarding rental income and operating leases with SUSS.

## 15. Interest Expense and Interest Income

The components of net interest expense are as follows:

| | Year Ended | | |
|---|---|---|---|
| | December 31, 2011 | December 31, 2012 | December 31, 2013 |
| | Predecessor | | |
| | | *(in thousands)* | |
| Cash interest expense | $ 412 | $ 940 | $ 3,356 |
| Amortization of loan costs | — | 102 | 381 |
| Cash interest income | (88) | (233) | (266) |
| Interest expense, net | $ 324 | $ 809 | $ 3,471 |

## 16. Income Tax

As a limited partnership, we are generally not subject to state and federal income tax, with the exception of the state of Texas. Included in our provision for income tax is a tax imposed by the state of Texas of 0.5% of gross margin in Texas (“franchise tax”). Our taxable income or loss, which may vary substantially from the net income or net loss reported in the Consolidated Statements of Operations and Comprehensive Income, is includable in the federal and state income tax returns of each unitholder. We are, however, subject to a statutory requirement that our non-qualifying income cannot exceed 10% of our total gross income, determined on a calendar year basis under the applicable income tax provisions. If the amount of our non-qualifying income exceeds this statutory limit, we would be taxed as a corporation. Accordingly, certain activities that generate non-qualifying income are conducted through a taxable corporate subsidiary, PropCo. PropCo is subject to federal and state income tax and pays any income taxes related to the results of its operations. For the year ended December 31, 2013, our non-qualifying income did not exceed the statutory limit.

The net federal tax basis of the non-taxable Partnership's assets and liabilities is less than the reported amounts on the financial statements by approximately $16.0 million and $10.0 million as of December 31, 2012 and 2013 respectively.

Our Predecessor was subject to income tax and was included in the consolidated income tax returns of SUSS. Income taxes were allocated to our Predecessor based on separate-company computations of income or loss. The income tax expense for fiscal year ended December 31, 2011 are those of our Predecessor. For the fiscal year ended December 31, 2012, included in income tax expense is the expense of our Predecessor through September 24, 2012. Subsequent to the IPO, income tax expense consists of the franchise tax and the income tax expense of PropCo.

Components of income tax expense for fiscal years ended December 31, 2011 , 2012, and 2013 are as follows:

| | Year Ended | | |
|---|---|---|---|
| | December 31, 2011 | December 31, 2012 | December 31, 2013 |
| | Predecessor | | |
| | | *(in thousands)* | |
| Current: | | | |
| Federal | $ 4,524 | $ 2,321 | $ 68 |
| State | 265 | 284 | 302 |
| Total current income tax expense | 4,789 | 2,605 | 370 |
| Deferred: | | | |
| Federal | 1,245 | 2,416 | 70 |
| State | 5 | 12 | — |
| Total deferred tax expense | 1,250 | 2,428 | 70 |
| Net income tax expense | $ 6,039 | $ 5,033 | $ 440 |

A reconciliation of the statutory federal income tax rate to the effective tax rate for the fiscal years ended December 31, 2011 , 2012, and 2013 are as follows:

| | Year Ended | | | | | |
|---|---|---|---|---|---|---|
| | December 31, 2011 | | December 31, 2012 | | December 31, 2013 | |
| | Predecessor | | | | | |
| | (in thousands) | Tax Rate % | (in thousands) | Tax Rate % | (in thousands) | Tax Rate % |
| Tax at statutory federal rate | $ 5,823 | 35.0% | $ 7,911 | 35.0% | $ 13,113 | 35.0 % |
| Partnership earnings not subject to tax | — | —% | (3,128) | (13.8%) | (13,028) | (34.8)% |
| State and local tax, net of federal benefit | 176 | 1.0% | 217 | 1.0% | 301 | 0.8 % |
| Other | 40 | 0.3% | 33 | 0.1% | 54 | 0.2 % |
| Net income tax expense | $ 6,039 | 36.3% | $ 5,033 | 22.3% | $ 440 | 1.2% |

Components of deferred tax assets and liabilities are as follows:

| | December 31, 2012 | December 31, 2013 |
|---|---|---|
| | (in thousands) | |
| Deferred tax assets: | | |
| Net operating loss carry forwards | $ 35 | $ 1,174 |
| Total deferred tax assets | 35 | 1,174 |
| Deferred tax liabilities: | | |
| Fixed assets | 187 | 1,381 |
| Intangible assets | — | 15 |
| Total deferred tax liabilities | 187 | 1,396 |
| Net deferred income tax assets (liabilities) | $ (152) | $ (222) |
| Current net deferred tax assets (liabilities) | $ — | $ — |
| Noncurrent net deferred tax assets (liabilities) | $ (152) | $ (222) |

PropCo has net operating losses of $3.4 million as of December 31, 2013 . These losses expire as of 2033. We have determined that it is more likely than not that all deferred tax assets will be realized, and have therefore determined that no valuation allowance is needed as of December 31, 2012 or 2013.

**Uncertain Tax Positions**

It is our policy to recognize interest and penalties related to uncertain tax positions in general and administrative expense. Interest and penalties incurred by us have not been material in 2011 , 2012 or 2013 . Our Parent files income tax returns in the U.S. federal jurisdiction, Texas, Oklahoma, Louisiana and New Mexico. These returns are subject to examinations in all jurisdictions for all returns for the 2009 through 2013 tax years.

As of December 31, 2013 , all tax positions taken by us are considered highly certain. There are no positions we reasonably anticipate will significantly increase or decrease within 12 months of the reporting date, and therefore no adjustments have been recorded related to unrecognized tax benefits.

## 17. Equity

As of December 31, 2013 , SUSS owned 79,308 common units and 10,939,436 subordinated units, which together constitute a 50.2% ownership interest in us. In September 2013, in conjunction with the GFI Contribution and related transfer, we issued 64,872 common units to SUSS. As of December 31, 2013, the public owned 10,936,352 units.

***Allocations of Net Income***

Our partnership agreement contains provisions for the allocation of net income and loss to the unitholders. For purposes of maintaining partner capital accounts, the partnership agreement specifies that items of income and loss shall be allocated among the partners in accordance with their respective percentage interest. Normal allocations according to percentage interests are made after giving effect, if any, to priority income allocations in an amount equal to incentive cash distributions allocated 100% to SUSS.

The calculation of net income allocated to the partners is as follows (in thousands, except per unit amounts):

**Attributable to Common Units**

| | Year Ended | |
|---|---|---|
| | December 31, 2012 | December 31, 2013 |
| Distributions (a) | $ 5,098 | $ 20,251 |
| Distributions in excess of net income | (523) | (1,717) |
| Limited partners' interest in net income subsequent to initial public offering | $ 4,575 | $ 18,534 |

**Attributable to Subordinated Units**

| | Year Ended | |
|---|---|---|
| | December 31, 2012 | December 31, 2013 |
| Distributions (a) | $ 5,098 | $ 20,167 |
| Distributions in excess of net income | (523) | (1,674) |
| Limited partners' interest in net income subsequent to initial public offering | $ 4,575 | $ 18,493 |

| | | |
|---|---|---|
| (a) Distributions declared per unit to unitholders as of record date | $0.4660 | $1.8441 |

***Incentive Distribution Rights***

The following table illustrates the percentage allocations of available cash from operating surplus between the unitholders and SUSS (in its capacity as the holder of our incentive distribution rights or "IDRs") based on the specified target distribution levels. The amounts set forth under “marginal percentage interest in distributions” are the percentage interests of SUSS and the unitholders in any available cash from operating surplus we distribute up to and including the corresponding amount in the column “total quarterly distribution per unit target amount”. The percentage interests shown for our unitholders and SUSS for the minimum quarterly distribution are also applicable to quarterly distribution amounts that are less than the minimum quarterly distribution. The percentage interests set forth below for SUSS assume that there are no arrearages on common units and that SUSS continues to own all of the IDRs.

| | | Marginal percentage interest in distributions | |
|---|---|---|---|
| | Total quarterly distribution per unit target amount | Unitholders | SUSS |
| Minimum Quarterly Distribution | $ 0.4375 | 100% | — |
| First Target Distribution | Above $0.4375 up to $0.503125 | 100% | — |
| Second Target Distribution | Above $0.503125 up to $0.546875 | 85% | 15% |
| Third Target Distribution | Above $0.546875 up to $0.656250 | 75% | 25% |
| Thereafter | Above $0.656250 | 50% | 50% |

***Cash Distributions***

Our partnership agreement, as amended, sets forth the calculation to be used to determine the amount and priority of cash distributions that the common and subordinated unitholders will receive.

The following table presents our cash distributions paid in 2013 and 2012:

| Payment Date | Per Unit Distribution | Total Cash Distribution |
|---|---|---|
| | | ( in thousands) |
| November 29, 2013 | $ 0.4687 | $ 10,290 |
| August 29, 2013 | $ 0.4528 | $ 9,907 |
| May 30, 2013 | $ 0.4375 | $ 9,572 |
| March 1, 2013 | $ 0.4375 | $ 9,572 |
| November 29, 2012 | $ 0.0285 | $ 624 |

## 18. Equity-Based Compensation

Unit-based compensation expense related to the Partnership and stock-based compensation expense allocated to our Predecessor that was included in our Condensed Consolidated Statements of Operations and Comprehensive Income was as follows (in thousands):

| | Year Ended December 31, | | |
|---|---|---|---|
| | 2011 | 2012 | 2013 |
| | Predecessor | | |
| Phantom common units | $ — | $ 101 | $ 530 |
| Predecessor allocated expense | 707 | 810 | — |
| SUSS allocated expense | — | — | 1,406 |
| Total equity-based compensation expense | $ 707 | $ 911 | $ 1,936 |

***Phantom Common Unit Awards***

During 2012, our general partner issued a total of 32,500 phantom unit awards to certain directors and employees under the 2012 LTIP in connection with the closing of the IPO. During 2013, our general partner issued a total of 15,815 phantom award units to certain directors and employees. Recipients have no distribution or voting rights on these awards until they vest, and are settled in common units representing limited partner interests. The fair value of each phantom unit on the grant date is equal to the market price of our common unit on that date. The estimated fair value of our phantom units is amortized over the vesting period using the straight-line method. Non-employee director awards vest at the end of a one -to- three year period and employee awards vest ratably over a two -to- five year service period. Total unrecognized compensation cost related to our nonvested phantom units totaled $0.4 million as of December 31, 2013 , which is expected to be recognized over a weighted-average period of three years. The fair value of nonvested service phantom units outstanding as of December 31, 2013 , totaled $0.8 million . The fair value of phantom units which vested during 2013 was $0.2 million .

A summary of our phantom unit award activity for the years ended December 31, 2012 and 2013, is set forth below:

| | Number of Phantom Common Units | Weighted-Average Grant Date Fair Value |
|---|---|---|
| Nonvested at January 1, 2012 | — | $ — |
| Granted | 32,500 | 18.93 |
| Nonvested at December 31, 2012 | 32,500 | 18.93 |
| Granted | 15,815 | 27.15 |
| Vested | (11,352) | 21.50 |
| Nonvested at December 31, 2013 | 36,963 | $ 21.66 |

## 19. Net Income per Unit

Net income per unit applicable to limited partners (including subordinated unitholders) is computed by dividing limited partners' interest in net income, after deducting any incentive distributions, by the weighted-average number of outstanding common and subordinated units. Our net income is allocated to the limited partners in accordance with their respective partnership percentages, after giving effect to priority income allocations for incentive distributions, if any, to SUSS, the holder of the IDRs, pursuant to our partnership agreement, which are declared and paid following the close of each quarter. Net income per unit is only calculated for the Partnership after the IPO as no units were outstanding prior to September 25, 2012 . Earnings in excess of distributions are allocated to the limited partners based on their respective ownership interests. Payments made to our unitholders are determined in relation to actual distributions declared and are not based on the net income allocations used in the calculation of net income per unit.

In addition to the common and subordinated units, we have also identified the IDRs as participating securities and use the two-class method when calculating the net income per unit applicable to limited partners, which is based on the weighted-average number of common units outstanding during the period. Diluted net income per unit includes the effects of potentially dilutive units on our common units, consisting of unvested phantom units. Basic and diluted net income per unit applicable to subordinated limited partners are the same because there are no potentially dilutive subordinated units outstanding.

We also disclose limited partner units issued and outstanding. A reconciliation of the numerators and denominators of the basic and diluted per unit computations as follows:

| | Year Ended | |
|---|---|---|
| | **December 31, 2012** | **December 31, 2013** |
| | (dollars in thousands, except units and per unit amounts) | |
| Net income subsequent to initial public offering | $ 9,150 | $ 37,027 |
| Less: General partner's interest in net income subsequent to initial public offering | — | — |
| Limited partners' interest in net income subsequent to initial public offering | $ 9,150 | $ 37,027 |
| | | |
| Weighted average limited partner units outstanding: | | |
| Common - basic | 10,939,436 | 10,964,258 |
| Common - equivalents | 3,723 | 21,844 |
| Common - diluted | 10,943,159 | 10,986,102 |
| | | |
| Subordinated - SUSS (basic and diluted) | 10,939,436 | 10,939,436 |
| | | |
| Net income per limited partner unit: | | |
| Common - basic and diluted | $ 0.42 | $ 1.69 |
| Subordinated - SUSS (basic and diluted) | $ 0.42 | $ 1.69 |

## 20. Quarterly Results of Operations (unaudited)

The following table sets forth certain unaudited financial and operating data for each quarter during 2012 and 2013 . The unaudited quarterly information includes all normal recurring adjustments that we consider necessary for a fair presentation of the information shown.

| | 2012 (a) | | | | 2013 | | | |
|---|---|---|---|---|---|---|---|---|
| | 1st QTR | 2nd QTR | 3rd QTR | 4th QTR | 1st QTR | 2nd QTR | 3rd QTR | 4th QTR |
| | | Predecessor | | | | | | |
| | (dollars and gallons in thousands) | | | | | | | |
| Motor fuel sales (b) | $ 1,082,996 | $ 1,097,534 | $ 1,120,298 | $ 1,008,025 | $ 1,087,489 | $ 1,117,414 | $ 1,162,746 | $ 1,109,259 |
| Rental and other income | 3,409 | 3,041 | 3,499 | 2,610 | 2,928 | 3,483 | 4,051 | 5,209 |
| Total revenue (b) | 1,086,405 | 1,100,575 | 1,123,797 | 1,010,635 | 1,090,417 | 1,120,897 | 1,166,797 | 1,114,468 |
| | | | | | | | | |
| Motor fuel gross profit | 7,112 | 11,570 | 9,799 | 12,592 | 13,215 | 14,012 | 14,903 | 15,774 |
| Other gross profit | 2,771 | 2,610 | 3,029 | 2,019 | 2,341 | 2,944 | 3,500 | 4,275 |
| Total gross profit | 9,883 | 14,180 | 12,828 | 14,611 | 15,556 | 16,956 | 18,403 | 20,049 |
| | | | | | | | | |
| Income from operations | 2,734 | 5,897 | 5,469 | 9,312 | 8,979 | 10,530 | 10,663 | 10,766 |
| | | | | | | | | |
| Net income | $ 1,674 | $ 3,703 | $ 3,617 | $ 8,576 | $ 8,227 | $ 9,680 | $ 9,597 | $ 9,523 |
| | | | | | | | | |
| Limited partners interest in net income subsequent to IPO: | | | 574 | 8,576 | 8,227 | 9,680 | 9,597 | 9,523 |
| Net income per limited Partner unit: (c) | | | | | | | | |
| Common (basic) | | | $ 0.03 | $ 0.39 | $ 0.38 | $ 0.44 | $ 0.44 | $ 0.43 |
| Common (diluted) | | | $ 0.03 | $ 0.39 | $ 0.38 | $ 0.44 | $ 0.44 | $ 0.43 |
| Subordinated (basic and diluted) | | | $ 0.03 | $ 0.39 | $ 0.38 | $ 0.44 | $ 0.44 | $ 0.43 |
| | | | | | | | | |
| Fuel gallons | 351,368 | 369,027 | 367,362 | 362,189 | 366,882 | 389,041 | 399,524 | 415,587 |
| | | | | | | | | |
| Motor fuel margin - third party (d) | 5.0¢ | 7.5¢ | 6.3¢ | 4.5¢ | 5.0¢ | 4.9¢ | 5.2¢ | 5.2¢ |
| Motor fuel margin - affiliated (e) | | | 3.0¢ | 3.0¢ | 3.0¢ | 3.0¢ | 3.0¢ | 3.0¢ |

(a) The information presented includes the results of operations of Predecessor for periods presented through September 24, 2012 and of SUSP for the period beginning September 25, 2012, the date SUSP commenced operations.

(b) In 2013, we revised our presentation of fuel taxes on motor fuel sales at our consignment locations to present such fuel taxes gross in motor fuel sales. Prior years' motor fuel sales have been adjusted to reflect this revision.

(c) Net income per unit is only calculated for the Partnership after the IPO as no units were outstanding prior to September 25, 2012.

(d) Excludes the impact of motor fuel sold to affiliates.

(e) Prior to September 25, 2012, there was no mark-up on gallons sold to affiliates. This only includes mark-up on gallons sold after September 24, 2012.

**EXHIBIT INDEX**

| Exhibit No. | | Description |
|---|---|---|
| 3.1 | | First Amended and Restated Agreement of Limited Partnership of Susser Petroleum Partners LP, dated September 25, 2012 (1) |
| 3.2 | | Amended and Restated Limited Liability Company Agreement of Susser Petroleum Partners GP LLC, dated September 25, 2012 (1) |
| 10.1 | | Omnibus Agreement by and among Susser Petroleum Partners LP, Susser Petroleum Partners GP LLC and Susser Holdings Corporation, dated September 25, 2012 (1) |
| 10.2 | | Revolving Credit Agreement among Susser Petroleum Partners LP, as Borrower, the lenders from time to time party thereto and Bank of America, N.A., as Administrative Agent, Swing Line Lender and L/C Issuer, dated September 25, 2012 (1) |
| 10.3 | | Amendment No.1 and Joinder to Credit Agreement among Susser Petroleum Partners LP, as Borrower, the lenders from time to time party thereto and Bank of America, N.A., as Administrative Agent, Swing Line Lender and L/C Issuer, dated December 17, 2013 * |
| 10.4 | | Term Loan and Security Agreement between Susser Petroleum Partners LP, as Borrower, and Bank of America, N.A., as Lender, dated September 25, 2012 (1) |
| 10.5 | | Transportation Agreement between Susser Petroleum Operating Company LLC and Susser Petroleum Company LLC, dated September 25, 2012 (1) |
| 10.6 | | Fuel Distribution Agreement by and among Susser Petroleum Operating Company LLC, Susser Holdings Corporation, Stripes LLC and Susser Petroleum Company LLC, dated September 25, 2012 (1) |
| 10.7 | | Contribution Agreement by and among Susser Petroleum Partners LP, Susser Petroleum Partners GP LLC, Susser Holdings Corporation, Susser Holdings, L.L.C., Stripes LLC and Susser Petroleum Company LLC, dated September 25, 2012 (1) |
| 10.8 | | Susser Petroleum Partners LP 2012 Long-Term Incentive Plan (2) |
| 10.9 | | Form of Director Indemnification Agreement (2) |
| 10.10 | | Revised Form of Director Indemnification Agreement * |
| 10.11 | | Form of Phantom Unit Award Agreement (2) |
| 10.12 | | Form of Lease Agreement (Stripes LLC) (3) |
| 10.13 | + | Branded Marketer Agreement between Susser Petroleum Company LLC and Chevron Products Company effective September 1, 2011, as assigned to Susser Petroleum Operating Company LLC on September 25, 2012 (2) |
| 10.14 | + | Unbranded Supply Agreement, dated July 28, 2006, by and between Susser Petroleum Company, LP and Valero Marketing and Supply Company, L.P., and assigned to Susser Petroleum Operating Company LLC on September 25, 2012 (2) |
| 10.15 | + | Branded Distributor Marketing Agreement (Valero Brand) dated July 28, 2006, by and between Valero Marketing and Supply Company and Susser Petroleum Company, LP, and assigned to Susser Petroleum Operating Company LLC on September 25, 2012 (2) |
| 10.16 | + | Branded Distributor Marketing Agreement (Shamrock Brand) dated July 28, 2006, by and between Valero Marketing and Supply Company and Susser Petroleum Company, LP, and assigned to Susser Petroleum Operating Company LLC on September 25, 2012 (2) |
| 10.17 | + | Master Agreement, dated July 28, 2006, by and between Valero Marketing and Supply Company and Susser Petroleum Company, LP, and assigned to Susser Petroleum Operating Company LLC on September 25, 2012 ,as amended (2) |
| 21.1 | | List of Subsidiaries of the Registrant * |
| 23.1 | | Consent of Ernst & Young LLP, independent registered public accounting firm * |
| 31.1 | | Certification of the Chief Executive Officer pursuant to Rule 13a-14(a) of the Securities Exchange Act, as amended * |
| 31.2 | | Certification of the Chief Financial Officer pursuant to Rule 13a-14(a) of the Securities Exchange Act, as amended * |
| 32.1 | | Certification of the Chief Executive Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes - Oxley Act of 2002 ** |
| 32.2 | | Certification of the Chief Financial Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes - Oxley Act of 2002 ** |
| 101 | | Interactive data files |

* Filed herewith.

** Filed herewith. Pursuant to SEC Release No. 33-8212, this certification will be treated as "accompanying" this Annual Report on Form 10-K and not "filed" as part of such report for purposes of Section 18 of the Securities Exchange Act, as amended, or otherwise subject to the liability of Section 18 of the Securities Exchange Act, as amended, and this certification will not be deemed to be incorporated by reference into any filing under the Securities Exchange Act of 1933, as amended, except to the extent that the registrant specifically incorporates it by reference.

\+ Confidential treatment has been granted with respect to portions of this exhibit.

(1) Incorporated by reference to the current report on Form 8-K filed by the registrant on September 25, 2012.

(2) Incorporated by reference to the registration statement on Form S-1 (Registration Number 333-182276), as amended, originally filed by the registrant on June 22, 2012.

(3) Incorporated by reference to the annual report on Form 10-K filed by the registrant on March 15, 2013.

# AMENDMENT NO. 1 AND JOINDER TO CREDIT AGREEMENT

This Amendment No. 1 and Joinder to Credit Agreement (this " Amendment "), dated as of December 17, 2013 (the " Amendment Effective Date "), is entered into by **SUSSER PETROLEUM PARTNERS LP** , a Delaware limited partnership (the " Borrower "), the lenders party hereto, **BANK OF AMERICA, N.A.** , as Administrative Agent (in such capacity, the " Administrative Agent "), Swing Line Lender and L/C Issuer, and solely for purposes of Section 8 hereof, the Guarantors (as defined in the Credit Agreement defined below).

## INTRODUCTION

Reference is made to the Credit Agreement dated as of September 25, 2012 (as modified from time to time, the " Credit Agreement "), among the Borrower, the lenders from time to time party thereto (collectively, the " Lenders " and individually, a " Lender "), and the Administrative Agent.

The Borrower has requested, and the Administrative Agent and the Lenders have agreed, to make certain amendments to the Credit Agreement, to increase the Aggregate Commitments under the Credit Agreement and to add new Lenders to the Credit Agreement. Furthermore, certain of the Lenders have severally agreed to increase their respective Commitments on the terms and conditions set forth herein.

**THEREFORE** , in connection with the foregoing and for other good and valuable consideration, the Borrower, the Lenders, and the Administrative Agent hereby agree as follows:

Section 1. Definitions; References . Unless otherwise defined in this Amendment, each term used in this Amendment that is defined in the Credit Agreement has the meaning assigned to such term in the Credit Agreement.

Section 2. Amendment of Credit Agreement .

(a) Section 1.01 of the Credit Agreement is hereby amended by inserting the following definitions in appropriate alphabetical order:

" First Amendment " means the Amendment No. 1 and Joinder to Credit Agreement, dated as of December 17, 2013 by and between the Borrower, the Guarantors, the Lenders party thereto, and the Administrative Agent.

" First Amendment Effective Date " means the first date all the conditions precedent in Section 7 of the First Amendment are satisfied.

(b) Section 1.01 of the Credit Agreement is hereby amended by replacing the definition of " Aggregate Commitments " in its entirely with the following:

" Aggregate Commitments " means the Commitments of all the Lenders. As of the First Amendment Effective Date, the Aggregate Commitments are $400,000,000.

(c) Section 1.01 of the Credit Agreement is hereby amended by inserting the following sentence at the end of the definition of " Pro Forma Basis ":

"With respect to any Acquisition, to the extent a Specified Acquisition Period then exists or is concurrently elected, or a Qualified Offering has occurred or will occur concurrently with such Acquisition, pro forma compliance with Section 7.11 shall be determined giving effect to such election or incurrence and as if such Qualified Offering has been consummated."

(d) Section 1.01 of the Credit Agreement is hereby amended by replacing the value "$25,000,000" in the definition of " Swing Line Sublimit " with the value "$40,000,000".

(e) Section 6.02(l) of the Credit Agreement is hereby amended by inserting "no later than" immediately after "written notice of such election".

(f) The Credit Agreement is hereby amended by replacing Schedule 2.01 in its entirety with Schedule 2.01 attached hereto. Upon effectiveness of this Amendment each Lender shall have the Commitment set forth opposite such Lender's name on Schedule 2.01 attached hereto under the caption " Revolving Credit Commitment ".

Section 3. Increase of Commitments and Addition of New Lenders . To effectuate the increase in the Aggregate Commitments under the Credit Agreement, certain Lenders have severally agreed to increase their respective Commitments (collectively, the " Increasing Lenders "). Effective on the Amendment Effective Date, the Commitment of each such Increasing Lender is increased to the respective Commitment set forth opposite its name on Schedule 2.01 attached hereto under the caption " Revolving Credit Commitment ". Effective on the Amendment Effective Date, each of Branch Banking and Trust Company, Capital One, N.A., US Bank National Association, Trustmark National Bank, American Bank N.A., and Kleberg First National Bank (collectively, the " New Lenders ") is hereby added to the Credit Agreement as a Lender, with a Commitment as provided on Schedule 2.01 attached hereto, and each such New Lender agrees to be bound by all of the terms and provisions of the Credit Agreement binding on each Lender.

Section 4. Lender Credit Decision . Each Lender acknowledges that it has, independently and without reliance upon the Administrative Agent or any other Lender and based on the financial statements referred to in Section 6.01 of the Credit Agreement and such other documents and information as it has deemed appropriate, made its own credit analysis and decision to enter into this Amendment and to agree to the various matters set forth herein. Each Lender also acknowledges that it will, independently and without reliance upon the Administrative Agent or any other Lender and based on such documents and information as it shall deem appropriate at the time, continue to make its own credit decisions in taking or not taking action under the Credit Agreement.

Section 5. Representations and Warranties . The Borrower represents and warrants that (a) the execution, delivery, and performance by each Loan Party and Holdings of this Amendment and the consummation of the transactions contemplated thereby (i) do not contravene the organizational documents of such Loan Party or Holdings, (ii) have been duly

authorized by all necessary partnership, limited liability company or corporate action of each Loan Party and corporate action of Holdings, and (iii) are within each Loan Party's partnership, limited liability company or corporate powers and Holdings' corporate powers; (b) the Liens under the Collateral Documents are valid and subsisting and secure the Obligations; (c) this Amendment constitutes the legal, valid and binding obligation of each Loan Party and Holdings, enforceable in accordance with its terms, except as limited by applicable bankruptcy, insolvency, reorganization, moratorium, or similar laws at the time in effect affecting the rights of creditors generally and subject to the availability of equitable remedies; (d) the representations and warranties contained in each Loan Document, after giving effect to this Amendment, are true and correct in all material respects, (except for such representations and warranties that have a materiality or Material Adverse Effect qualification, which shall be true and correct in all respects) on and as of the Amendment Effective Date, except to the extent that such representations and warranties specifically refer to an earlier date, in which case they shall be true and correct in all material respects (except for such representations and warranties that have a materiality or Material Adverse Effect qualification, which shall be true and correct in all respects) as of such earlier date, and except that for purposes of this Section 5(d) the representations and warranties contained in Sections 5.05 (a) and (b) of the Credit Agreement are deemed to refer to the most recent statements furnished pursuant to Sections 6.01 (a) and (b) of the Credit Agreement, respectively; and (e) no Default exists or will result from this Amendment.

Section 6. Effect on Loan Documents . (a) Except as amended herein, the Credit Agreement and all other Loan Documents remain in full force and effect as originally executed. Nothing herein shall act as a waiver of any of the Administrative Agent's or any Lender's rights under the Loan Documents as amended, including the waiver of any default or event of default, however denominated. The Borrower acknowledges and agrees that this Amendment shall in no manner impair or affect the validity or enforceability of the Credit Agreement or any other Loan Document. This Amendment is a Loan Document for the purposes of the provisions of the other Loan Documents. Without limiting the foregoing, any breach of representations, warranties, and covenants under this Amendment may be a default or event of default under the other Loan Documents.

(b) Any Loans outstanding on the Amendment Effective Date shall be re-allocated among the Lenders so that the Loans outstanding immediately following the increase in the Aggregate Commitments under this Amendment are held by the Lenders in proportion to the Lenders' respective Applicable Percentages (giving effect to such increase). The Borrower shall prepay any Revolving Credit Loans outstanding on the Amendment Effective Date (and pay any additional amounts required pursuant to Section 3.06 of the Credit Agreement) to the extent necessary to keep the outstanding Revolving Credit Loans ratable with any revised Applicable Percentages arising from any nonratable increase in the Commitments in connection with this Amendment.

Section 7. Effectiveness . This Amendment shall become effective, and the Credit Agreement shall be amended as provided for herein as of the Amendment Effective Date, upon the satisfaction of the following conditions:

(a) the Administrative Agent (or its counsel) shall have received counterparts hereof duly executed and delivered by a duly authorized officer of the Borrower, each Guarantor, and by the Lenders whose consent is required to effect the amendments contemplated hereby;

(b) the Administrative Agent (or its counsel) shall have received each of the following items, each in form and substance reasonably acceptable to the Administrative Agent and, where applicable, duly executed and delivered by a duly authorized officer of each applicable Loan Party:

(i) to the extent requested, a Note for each New Lender requesting a Note;

(ii) a certificate for each Loan Party dated as of the Amendment Effective Date and signed by a Responsible Officer of such Loan Party, (w) certifying such Loan Party's existence and good standing in its state of organization, (x) certifying and attaching a true and correct copy of the governing documents of such Loan Party as in full force and effect on the Amendment Effective Date, or certifying that the governing documents of such Loan Party have not been modified since previously certified to the Administrative Agent and remain in full force and effect, (y) certifying and attaching the resolutions adopted by such Loan Party approving or consenting to this Amendment and the increase to the Commitments hereunder, and (z) certifying the incumbency and signatures of each Responsible Officer of such Loan Party authorized to act as a Responsible Officer in connection with this Amendment, the increase to the Commitments hereunder, and the other Loan Documents to which such Loan Party is to be a party in connection herewith;

(iii) a certificate dated as of the Amendment Effective Date signed by a Responsible Officer of the Borrower certifying that, before and after giving effect to this Amendment and the increase to the Commitments hereunder, (A) the representations and warranties of the Borrower and each other Loan Party contained in Article V of the Credit Agreement or any other Loan Document, or which are contained in any document furnished at any time under or in connection therewith, are true and correct in all material respects (except for such representations and warranties that have a materiality or Material Adverse Effect qualification, which shall be true and correct in all respects) on and as of the Amendment Effective Date, except to the extent that such representations and warranties specifically refer to an earlier date, in which case they shall be true and correct in all material respects (except for such representations and warranties that have a materiality or Material Adverse Effect qualification, which shall be true and correct in all respects) as of such earlier date, and except that for purposes of this Section 7(b) the representations and warranties contained in Sections 5.05(a) and (b) of the Credit Agreement are deemed to refer to the most recent statements furnished pursuant to Sections 6.01(a) and (b) of the Credit Agreement, respectively, and (B) no Default exists or will result from this Amendment, the increase to the Commitments hereunder, or the application of the proceeds thereof; and

(c) the Administrative Agent shall have received, or shall concurrently receive (i) for the account of each New Lender and each Increasing Lender, an upfront fee in an amount to be agreed, currently expected to be 25 basis points on the final allocated principal amount of such New Lender's Commitment as set forth opposite such New Lender's name on Schedule 2.01 attached hereto and on the final allocated principal amount by which such Increasing Lender's Commitment is increased hereunder, respectively and (ii) for the account of the applicable Person, payment of all other fees payable in connection with this Amendment.

Section 8. Reaffirmation of Guaranties and Collateral Documents . By its signature hereto, each Guarantor represents and warrants that (a) such Guarantor has no defense to the enforcement of the Subsidiary Guaranty or the Holdings Guaranty, as applicable, and that according to its terms the Subsidiary Guaranty and Holdings Guaranty will continue in full force and effect to guaranty the Borrower's obligations under the Credit Agreement and the other amounts described in the Subsidiary Guaranty and Holdings Guaranty following the execution of this Amendment and (b) the Liens created under the Collateral Documents to which such Guarantor is a party are valid and subsisting and will continue in full force and effect to secure the Borrower's obligations under the Credit Agreement and the other amounts described in such Collateral Documents following the execution of this Amendment.

Section 9. Governing Law . THIS AMENDMENT SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAW OF THE STATE OF NEW YORK.

Section 10. Miscellaneous . The miscellaneous provisions set forth in Article X of the Credit Agreement apply to this Amendment. This Amendment may be signed in any number of counterparts, each of which shall be an original, and may be executed and delivered by telecopier or other electronic imaging means.

Section 11. **ENTIRE AGREEMENT . THIS AMENDMENT AND THE OTHER LOAN DOCUMENTS REPRESENT THE FINAL AGREEMENT AMONG THE PARTIES AND MAY NOT BE CONTRADICTED BY EVIDENCE OF PRIOR, CONTEMPORANEOUS, OR SUBSEQUENT ORAL AGREEMENTS OF THE PARTIES. THERE ARE NO UNWRITTEN ORAL AGREEMENTS AMONG THE PARTIES.**

[Signature pages follows.]

**EXECUTED** as of the first date above written.

**SUSSER PETROLEUM PARTNERS LP**

By: Susser Petroleum Partners GP LLC, its general partner

By: /s/ E.V. Bonner, Jr.

E.V. Bonner, Jr.

Executive Vice President, Secretary and General Counsel

**SUSSER HOLDINGS CORPORATION**

By: /s/ E.V. Bonner, Jr.

E.V. Bonner, Jr.

Executive Vice President, Secretary and General Counsel

**SUSSER PETROLEUM OPERATING COMPANY LLC**

By: /s/ E.V. Bonner, Jr.

E.V. Bonner, Jr.

Executive Vice President, Secretary and General Counsel

**SUSSER PETROLEUM PROPERTY COMPANY LLC**

By: /s/ E.V. Bonner, Jr.

E.V. Bonner, Jr.

Executive Vice President, Secretary and General Counsel

**T&C WHOLESALE, LLC**

By: /s/ E.V. Bonner, Jr.

E.V. Bonner, Jr.

Executive Vice President, Secretary and General Counsel

**SUSSER ENERGY SERVICES LLC**

By: /s/ E.V. Bonner, Jr.

E.V. Bonner, Jr.

Executive Vice President, Secretary and General Counsel

**BANK OF AMERICAN, N.A.,**
as Administrative Agent
By: /s/ Denise Jones
Denise Jones
Assistant Vice President

**BANK OF AMERICAN, N.A.,**
as Lender, Swing Line Lender and L/C Issuer
By: /s/ Gary L. Mingle
Gary L. Mingle
Senior Vice President

**BARCLAYS BANK PLC,** as a Lender

By: /s/ Vanessa A. Kurbatskiy

Name: Vanessa A. Kurbatskiy

Title: Vice President

**WELLS FARGO BANK, NATIONAL ASSOCIATION** , as a Lender

By: /s/ Stephen A. Leon

Name: Stephen A. Leon

Title: Managing Director

**BMO Harris Financing, Inc** , as a Lender

By: /s/ Thomas Hasenauer

Name: Thomas Hasenauer

Title: Vice President

**Royal Bank of Canada** , as a Lender

By: /s/ Jason S. York

Name: Jason S. York

Title: Authorized Signatory

**Regions Bank** , as a Lender

By: /s/ James Watkins

Name: James Watkins

Title: Senior Vice President

**AMEGY BANK NATIONAL ASSOCIATION** , as a Lender

By: /s/ Jeremy A. Newsom

Name: Jeremy A. Newsom

Title: Senior Vice President

**Cadence Bank, N.A.** , as a Lender

By: /s/ Mike Ross

Name: Mike Ross

Title: Executive Vice President

Compass Bank, as a Lender

By: /s/ Adrayll Askew

Name: Adrayll Askew

Title: Senior Vice President

Branch Banking & Trust Company, as a Lender

By: /s/ Matt McCain

Name: Matt McCain

Title: Senior Vice President

Capital One, NA, as a Lender

By: /s/ Jack Legendre

Name: Jack Legendre

Title: Sr. Vice President

**RAYMOND JAMES BANK, N.A** ., as a Lender

By: /s/ Michael G. Pelletier

Name: Michael G. Pelletier

Title: Vice President

**Frost Bank** ., as a Lender

By: /s/ Ralph E. Tapscott

Name: Ralph E. Tapscott

Title: Senior Vice President

**US BANK NATIONAL ASSOCIATION** ., as a Lender

By: /s/ Steven L. Sawyer

Name: Steven L. Sawyer

Title: Senior Vice President

Trustmark National Bank, as a Lender

By: /s/ Michael N. Oakes

Name: Michael N. Oakes

Title: Senior Vice President

**AMERICAN BANK, N.A.** ,
as a Lender

By: /s/ Mark Meyer

Name: Mark Meyer

Title: Chief Lending Officer

**Kleberg First National Bank** , as a Lender

By: /s/ Chad D. Stary

Name: Chad D. Stary

Title: Executive VP & Chief Credit Officer

*SCHEDULE 2.01*

**COMMITMENTS**
**AND APPLICABLE PERCENTAGES**

| Lender | Revolving Credit Commitment | Applicable Percentage |
|---|---|---|
| Bank of America, N.A. | $60,000,000.00 | 15.000000000% |
| Barclays Bank PLC | $38,000,000.00 | 9.500000000% |
| Wells Fargo Bank, National Association | $33,000,000.00 | 8.250000000% |
| BMO Harris Financing, Inc. | $29,000,000.00 | 7.250000000% |
| Royal Bank of Canada | $29,000,000.00 | 7.250000000% |
| Regions Bank | $28,000,000.00 | 7.000000000% |
| Amegy Bank National Association | $28,000,000.00 | 7.000000000% |
| Cadence Bank, N.A. | $24,000,000.00 | 6.000000000% |
| Compass Bank | $21,000,000.00 | 5.250000000% |
| Branch Banking and Trust Company | $20,000,000.00 | 5.000000000% |
| Capital One, N.A. | $20,000,000.00 | 5.000000000% |
| Frost Bank | $18,000,000.00 | 4.500000000% |
| Raymond James Bank, N.A. | $18,000,000.00 | 4.500000000% |
| US Bank National Association | $16,000,000.00 | 4.000000000% |
| Trustmark National Bank | $8,000,000.00 | 2.000000000% |
| American Bank N.A. | $5,000,000.00 | 1.250000000% |
| Kleberg First National Bank | $5,000,000.00 | 1.250000000% |
| **TOTAL** | **$400,000,000.00** | **100.000000000%** |

# DIRECTOR INDEMNIFICATION AGREEMENT

This Indemnification Agreement (this " Agreement ") is made and entered into as of this ____ day of ____, ____, by and among Susser Petroleum Partners GP LLC, a Delaware limited liability company (the " General Partner "); Susser Petroleum Partners LP, a Delaware limited partnership (the " Partnership ," and together with the General Partner, the " Companies " and each a " Company "); and _____ (" Indemnitee "). Each of the defined terms used in this Agreement shall have the definition set forth in Section 14 of this Agreement.

**WHEREAS** , in light of the litigation costs and risks to directors and officers resulting from their service to companies and the desire of the Companies to attract and retain qualified individuals to serve as directors and officers, it is reasonable, prudent and necessary for the Companies to indemnify and advance expenses on behalf of the directors (including directors that also serve as officers) of the General Partner to the extent permitted by applicable law so that they will serve or continue to serve the Companies free from undue concern regarding such risks;

**WHEREAS** , the Companies have requested that Indemnitee serve or continue to serve as a director (and officer, as applicable) of the General Partner and may have requested or may in the future request that Indemnitee serve one or more Enterprises as a director or in other capacities;

**WHEREAS,** in order to induce Indemnitee to serve, or to continue to serve, as a director of the General Partner, and to agree to serve, from time to time, as any Company may request, in any other Corporate Status, the Companies are executing this Agreement;

**WHEREAS** , Indemnitee is willing to serve as a director of the General Partner or in any other Corporate Status on the condition that Indemnitee be so indemnified;

**WHEREAS** , the indemnification provisions of this Agreement are a supplement to and in furtherance of the Certificate of Limited Partnership of the Partnership, as amended from time to time after the date hereof (the " Partnership Certificate "), the First Amended and Restated Agreement of Limited Partnership of the Partnership, as amended from time to time after the date hereof in accordance with the terms thereof (the " Partnership Agreement "), the Certificate of Formation of the General Partner, as amended from time to time after the date hereof (the " General Partner Certificate "), and the Amended and Restated Limited Liability Company Agreement of the General Partner, as amended from time to time after the date hereof in accordance with the terms thereof (the " General Partner Agreement " and, together with the Partnership Certificate, the Partnership Agreement and the General Partner Certificate, the " Company Organizational Documents "), any organizational documents of any other Enterprise (collectively, the " Enterprise Organizational Documents ") and any resolutions adopted by the Board of Directors (pursuant to the General Partner Agreement or the Partnership Agreement) or similar governing body of any other Enterprise, and shall not be deemed to be a substitute therefor nor to diminish or abrogate any rights of Indemnitee thereunder; and

**WHEREAS** , to the extent Indemnitee is employed by a Sponsor Company, Indemnitee may have certain rights to indemnification, advancement of expenses or insurance provided by

the Designating Partners (or their affiliates), which Indemnitee, the Companies and the Designating Partners (or their affiliates) intend to be secondary to the primary obligation of the Enterprise Entities to indemnify Indemnitee as provided herein or as provided in the Company Organizational Documents or other Enterprise Organizational Documents, with the Companies' acknowledgement of and agreement to the foregoing being a material condition to Indemnitee's willingness to serve as a director of the General Partner or in any other Corporate Status.

**NOW, THEREFORE** , in consideration of the premises and the covenants contained herein, the Companies and Indemnitee do hereby covenant and agree as follows:

1. Services by Indemnitee . Indemnitee will serve or continue to serve as a director of the General Partner (and an officer, if applicable), for so long as Indemnitee is duly elected or appointed or until Indemnitee tenders Indemnitee's resignation or is removed in accordance with the General Partner Agreement. Indemnitee may from time to time also agree to serve, as any Company may request from time to time, in any other Corporate Status. Indemnitee and each Company each acknowledge that they have entered into this Agreement as a means of inducing Indemnitee to serve, or continue to serve, the Companies and any Enterprise in such capacities. Indemnitee may at any time and for any reason resign from such position or positions (subject to any other contractual obligation or any obligation imposed by operation of law).

2. Indemnification—General . On the terms and subject to the conditions of this Agreement, the Companies shall, to the fullest extent permitted under applicable law and so long as Indemnitee has not engaged in Disabling Conduct, indemnify Indemnitee with respect to, and hold Indemnitee harmless from and against, all losses, liabilities, judgments, fines, penalties, costs, Expenses and other amounts that Indemnitee reasonably incurs and that result from, arise in connection with or are by reason of Indemnitee's Corporate Status and shall advance Expenses to Indemnitee. The obligations of the Companies under this Agreement (a) are joint and several obligations of each Company, (b) shall continue after such time as Indemnitee ceases to serve as a director of the General Partner or in any other Corporate Status and (c) include, without limitation, claims for monetary damages against Indemnitee in respect of any actual or alleged liability or other loss of Indemnitee, to the fullest extent permitted under applicable law as in existence on the date hereof (and to such greater extent as applicable law may hereafter from time to time permit) provided that Indemnitee has not engaged in Disabling Conduct. The other provisions in this Agreement are provided in addition to and as a means of furtherance and implementation of, and not in limitation of, the obligations expressed in this Section 2.

3. Proceedings Other Than Proceedings by or in the Right of the Companies . If, in connection with or by reason of Indemnitee's Corporate Status, Indemnitee was, is, or is threatened to be made, a party to or a participant in any Proceeding, other than a Proceeding by or in the right of any of the Companies to procure a judgment in its favor, the Companies shall, to the fullest extent permitted under applicable law and so long as Indemnitee has not engaged in Disabling Conduct, indemnify Indemnitee with respect to, and hold Indemnitee harmless from and against, all Expenses, liabilities, judgments, penalties, fines and amounts paid in settlement (including all interest, assessments and other charges paid or payable in connection with or in respect of such liabilities, judgments, penalties, fines and amounts paid in settlement) reasonably

incurred by Indemnitee or on behalf of Indemnitee in connection with such Proceeding or any claim, issue or matter therein.

4. Proceedings by or in the Right of the Companies . If, by reason of Indemnitee's Corporate Status, Indemnitee was, is, or is threatened to be made, a party to or a participant in any Proceeding by or in the right of any of the Companies to procure a judgment in its favor, the Companies shall, to the fullest extent permitted under applicable law and so long as Indemnitee has not engaged in Disabling Conduct, indemnify Indemnitee with respect to, and hold Indemnitee harmless from and against, all Expenses incurred by Indemnitee or on behalf of Indemnitee in connection with such Proceeding; provided , however , that indemnification against such Expenses shall be made in respect of any claim, issue or matter in such Proceeding as to which Indemnitee shall have been adjudged by a court of competent jurisdiction to be liable to the applicable Company only if (and only to the extent that) the court in which such Proceeding shall have been brought or is pending shall determine that, despite such adjudication of liability and in view of all circumstances, Indemnitee is fairly and reasonably entitled to indemnity for such Expenses which the court shall deem proper.

5. Mandatory Indemnification in Case of Successful Defense . Notwithstanding any other provision of this Agreement, to the extent that Indemnitee is, by reason of Indemnitee's Corporate Status, a party to (or a participant in) and is successful, on the merits or otherwise, in defense of any Proceeding (including, without limitation, any Proceeding brought by or in the right of any Company), the Companies shall, to the fullest extent permitted under applicable law and so long as Indemnitee has not engaged in Disabling Conduct, indemnify Indemnitee with respect to, and hold Indemnitee harmless from and against, all Expenses incurred by Indemnitee or on behalf of Indemnitee in connection therewith. If Indemnitee is not wholly successful in defense of such Proceeding but is successful, on the merits or otherwise, as to one or more but less than all claims, issues or matters in such Proceeding, the Companies shall, to the fullest extent permitted under applicable law and so long as Indemnitee has not engaged in Disabling Conduct, indemnify Indemnitee against all Expenses incurred by Indemnitee or on behalf of Indemnitee in connection with each successfully resolved claim, issue or matter. For purposes of this Section 5 and without limitation, the termination of any claim, issue or matter in such a Proceeding by dismissal, with or without prejudice, on substantive or procedural grounds, shall be deemed to be a successful result as to such claim, issue or matter.

6. Partial Indemnification . If Indemnitee is entitled under any provision of this Agreement or otherwise to indemnification by any of the Companies for some or a portion of the Expenses, liabilities, judgments, penalties, fines and amounts paid in settlement (including all interest, assessments and other charges paid or payable in connection with or in respect of such liabilities, judgments, penalties, fines and amounts paid in settlement) incurred by Indemnitee or on behalf of Indemnitee in connection with a Proceeding or any claim, issue or matter therein, in whole or in part, the Companies shall, to the fullest extent permitted under applicable law and so long as Indemnitee has not engaged in Disabling Conduct, indemnify Indemnitee to the fullest extent to which Indemnitee is entitled to such indemnification.

7. Indemnification for Additional Expenses Incurred to Secure Recovery or as Witness .

(a) The Companies shall, to the fullest extent permitted under applicable law and so long as Indemnitee has not engaged in Disabling Conduct, indemnify Indemnitee with respect to, and hold Indemnitee harmless from and against, any and all Expenses and, if requested by Indemnitee, shall advance on an as-incurred basis (as provided in Section 8 of this Agreement) such Expenses to Indemnitee, which are incurred by Indemnitee in connection with any action or proceeding or part thereof brought by Indemnitee for (i) indemnification, advance payment of Expenses or contribution by the Companies under this Agreement, the Company Organizational Documents or other Enterprise Organizational Document, or any other agreement; or (ii) recovery under any director and officer liability insurance policies maintained by any Company or other Enterprise.

(b) To the extent that Indemnitee is, by reason of Indemnitee's Corporate Status, a witness (or is forced or asked to respond to discovery requests) in any Proceeding to which Indemnitee is not a party, the Companies shall, to the fullest extent permitted under applicable law and so long as Indemnitee has not engaged in Disabling Conduct, indemnify Indemnitee with respect to, and hold Indemnitee harmless from and against, and the Companies will advance on an as-incurred basis (as provided in Section 8 of this Agreement), all Expenses incurred by Indemnitee or on behalf of Indemnitee in connection therewith.

8. Advancement of Expenses . The Companies shall, to the fullest extent permitted under applicable law, pay on a current and as-incurred basis all Expenses incurred by Indemnitee in connection with any Proceeding in any way connected with, resulting from or relating to Indemnitee's Corporate Status. The advancement of such Expenses shall be paid within ten (10) days after receipt by any Company of a properly submitted written request for advancement from Indemnitee pursuant to Section 9(c)(i) of this Agreement, without regard to whether an Adverse Determination has been or may be made, except as contemplated by the last sentence of Section 9(f) of this Agreement. Upon submission of a request for advancement of Expenses pursuant to Section 9(c) of this Agreement, Indemnitee shall be entitled to advancement of Expenses as provided in this Section 8 , and such advancement of Expenses shall continue until such time (if any) as there is a final non-appealable judicial determination that (i) Indemnitee is not entitled to indemnification or (ii) that Indemnitee engaged in Disabling Conduct. Indemnitee shall repay all such amounts advanced if and to the extent that it shall ultimately be determined in a decision by a court of competent jurisdiction from which no appeal can be taken that Indemnitee is not entitled to be indemnified by the Companies for such Expenses or that Indemnitee engaged in Disabling Conduct. Such repayment obligation shall be unsecured and shall not bear interest. The Companies shall not impose on Indemnitee additional conditions to advancement or require from Indemnitee additional undertakings regarding repayment, except as set forth in this Agreement.

9. Indemnification Procedures .

(a) *Notice of Proceeding* . Indemnitee agrees to notify the Companies promptly upon being served with any summons, citation, subpoena, complaint, indictment, information or other document relating to any Proceeding or matter which may be subject to indemnification or advancement of Expenses hereunder. Any failure by Indemnitee to notify any Company will relieve such Company of its advancement, indemnification or contribution obligations under this Agreement only to the extent such Company can establish that such omission to notify resulted in actual material prejudice to it, and the omission to notify such Company will, in any event, not relieve any Company from any liability which it may have to indemnify Indemnitee or advance Expenses to Indemnitee otherwise than under this Agreement. If, at the time of receipt of any such notice, the Companies have director and officer insurance policies in effect, the Companies will promptly notify the relevant insurers in accordance with the procedures and requirements of such policies.

(b) *Defense; Settlement* .

(i) The Companies shall not, without the prior written consent of Indemnitee, which may be provided or withheld in Indemnitee's sole discretion, effect any settlement of any Proceeding against Indemnitee, or any proceeding which could have been brought against Indemnitee or which potentially or actually imposes any cost, liability, exposure or burden on Indemnitee, unless such settlement solely involves the payment of money or performance of any obligation by Persons other than Indemnitee and includes an unconditional release of Indemnitee from all liability on any matters that are the subject of such Proceeding and an acknowledgment that Indemnitee denies all wrongdoing in connection with such matters. The Companies shall not be obligated to indemnify Indemnitee for amounts paid in settlement of a Proceeding against Indemnitee if such settlement is effected by Indemnitee without the Companies' prior written consent, which consent shall not be unreasonably withheld.

(ii) In any Proceeding in connection with which Indemnitee has submitted a Company with a written request for advancement and/or indemnification of Expenses pursuant to Section 9(c) of this Agreement, such Company shall be entitled to assume the defense of such Proceeding, with counsel approved by Indemnitee, which approval shall not be unreasonably withheld, upon the delivery to Indemnitee of written notice of such Company's election to do so. After delivery of such notice, approval of such counsel by Indemnitee, and retention of such counsel by such Company, Indemnitee shall nevertheless be entitled to employ or continue to employ his own counsel in such Proceeding. Employment of such counsel by Indemnitee shall be at the cost and expense of the Companies

unless and until the Companies shall have demonstrated to the reasonable satisfaction of Indemnitee and Indemnitee's counsel that there is no conflict of interest between the Company and Indemnitee in such Proceeding, after which time, further employment of such counsel by the Indemnitee shall be at the cost and expense of Indemnitee.

(c) *Request for Advancement; Request for Indemnification* .

(i) To obtain advancement of Expenses under this Agreement, Indemnitee shall submit to the Companies a written request therefor, together with such invoices or other supporting information as may be reasonably requested by the Companies and reasonably available to Indemnitee, and, only to the extent required by applicable law which cannot be waived, an unsecured written undertaking to repay amounts advanced to the extent that Indemnitee is obligated to repay such amounts pursuant to Section 8 of this Agreement. The Companies shall make advance payment of Expenses to Indemnitee no later than ten (10) days after receipt of the written request for advancement (and each subsequent request for advancement) by Indemnitee. If, at the time of receipt of any such written request for advancement of Expenses, the Companies have director and officer insurance policies in effect, the Companies will promptly notify the relevant insurers in accordance with the procedures and requirements of such policies.

(ii) To obtain indemnification under this Agreement, Indemnitee shall submit a written request therefor. The time at which Indemnitee submits a written request for indemnification shall be determined by the Indemnitee in the Indemnitee's sole discretion. Once Indemnitee submits such a written request for indemnification (and only at such time that Indemnitee submits such a written request for indemnification), a Determination shall thereafter be made, as provided in and only to the extent required by Section 9(d) of this Agreement. In no event shall a Determination be made, or required to be made, as a condition to or otherwise in connection with any advancement of Expenses pursuant to Section 8 and Section 9(c)(i) of this Agreement. If, at the time of receipt of any such request for indemnification, the Companies have director and officer insurance policies in effect, the Companies will promptly notify the relevant insurers in accordance with the procedures and requirements of such policies.

(d) *Determination* . Any Determination shall be made within thirty (30) days after receipt of Indemnitee's written request for indemnification pursuant to Section 9(c)(ii) (or in the case of a Determination to be made by Independent Counsel within thirty (30) days of the selection of Independent Counsel) and such

Determination shall be made, subject to Section 9(g), in the specific case as follows:

(i) If a Potential Change in Control or a Change in Control shall have occurred, by Independent Counsel (selected in accordance with Section 9(e)) in a written opinion to the Board of Directors, a copy of which opinion shall be delivered to Indemnitee, unless Indemnitee shall request that such Determination be made by the Board of Directors, or a committee of the Board of Directors, in which case the Determination shall be made by the Persons and in the manners provided for in clauses (x) or (y) of Section 9(d)(ii) below; or

(ii) If a Potential Change in Control or a Change in Control shall not have occurred, (x) by the Board of Directors by a majority vote of the Disinterested Directors even though less than a quorum of the Board of Directors, (y) by a majority vote of a committee consisting solely of one or more Disinterested Directors designated to act in the matter by a majority vote of all Disinterested Directors, even though less than a quorum of the Board of Directors, or (z) if there are no Disinterested Directors or, if such Disinterested Directors so direct, by Independent Counsel in a written opinion to the Board of Directors, a copy of which shall be delivered to Indemnitee, with Independent Counsel being selected by a vote of the Disinterested Directors as set forth in clauses (x) or (y) of this Section 9(d)(ii), or if such vote is not obtainable or such a committee of Disinterested Directors cannot be established, by a majority vote of the Board of Directors.

If a Determination is made that Indemnitee is entitled to indemnification, payment to Indemnitee shall be made within ten (10) days after such Determination. Indemnitee shall reasonably cooperate with the Persons making such Determination, including providing to such Persons upon reasonable advance request any documentation or information which is not privileged or otherwise protected from disclosure and which is reasonably available to Indemnitee and reasonably necessary to the making of such Determination. Any Expenses incurred by Indemnitee in so cooperating with the Persons making such Determination shall be advanced and borne by the Companies (irrespective of the Determination as to Indemnitee's entitlement to indemnification), and each Company shall indemnify and hold Indemnitee harmless therefrom.

(e) *Independent Counsel* . If a Potential Change in Control or a Change in Control shall not have occurred and the Determination is to be made by Independent Counsel, the Independent Counsel shall be selected by (i) a majority vote of the Disinterested Directors, even though less than a quorum of the Board or (ii) if there are no Disinterested Directors, a majority vote of the Board, and the General Partner shall give written notice to Indemnitee, within ten (10) days after receipt

by the General Partner of Indemnitee's request for indemnification, specifying the identity and address of the Independent Counsel so selected. If a Potential Change in Control or a Change in Control shall have occurred and the Determination is to be made by Independent Counsel, the Independent Counsel shall be selected by Indemnitee, and Indemnitee shall give written notice to the General Partner, within ten (10) days after submission of Indemnitee's request for indemnification, specifying the identity and address of the Independent Counsel so selected (unless Indemnitee shall request that such selection be made by (i) a majority vote of the Disinterested Directors, even though less than a quorum of the Board, or (ii) if there are no Disinterested Directors, a majority vote of the Board, in which event the General Partner shall give written notice to Indemnitee within ten (10) days after receipt of Indemnitee's request that such selection be made by a majority vote of the Disinterested Directors or the Board, as applicable, specifying the identity and address of the Independent Counsel so selected). In either event, (A) such notice to Indemnitee or the General Partner, as the case may be, shall be accompanied by a written affirmation of the Independent Counsel so selected that it satisfies the requirements of the definition of "Independent Counsel" in Section 14 of this Agreement and that it agrees to serve in such capacity and (B) Indemnitee or the General Partner, as the case may be, may, within seven (7) days after such written notice of selection shall have been given, deliver to the General Partner or to Indemnitee, as the case may be, a written objection to such selection. Any objection to the selection of Independent Counsel pursuant to this Section 9(e) may be asserted only on the ground that the Independent Counsel so selected does not meet the requirements of the definition of "Independent Counsel" in Section 14 of this Agreement, and the objection shall set forth with particularity the factual basis of such assertion. If such written objection is timely made, the Independent Counsel so selected may not serve as Independent Counsel unless and until a court of competent jurisdiction (a "Court") has determined that such objection is without merit. In the event of a timely written objection to a choice of Independent Counsel, the party originally selecting the Independent Counsel shall have seven (7) days to make an alternate selection of Independent Counsel and to give written notice of such selection to the other party, after which time such other party shall have five (5) days to make a written objection to such alternate selection. If, within thirty (30) days after submission of Indemnitee's request for indemnification pursuant to Section 9(c)(ii), no Independent Counsel shall have been selected and not objected to, either the General Partner or Indemnitee may petition the Court for resolution of any objection that shall have been made by the General Partner or Indemnitee to the other's selection of Independent Counsel or for the appointment as Independent Counsel of a Person selected by the Court or by such other Person as the Court shall designate, and the Person with respect to whom an objection is so resolved or the Person so appointed shall act as Independent Counsel under Section 9(d). The Companies shall pay any and all fees and expenses reasonably incurred by such Independent Counsel in connection with acting pursuant to Section 9(d), and the Companies shall pay all fees and expenses reasonably incurred incident to the

procedures of this Section 9(e), regardless of the manner in which such Independent Counsel was selected or appointed. Upon the due commencement of any Proceeding or arbitration pursuant to Section 9(f) of this Agreement, Independent Counsel shall be discharged and relieved of any further responsibility in such capacity, pending final disposition of such Proceeding or arbitration and subject to the applicable standards of professional conduct then prevailing.

(f) *Consequences of Determination; Remedies of Indemnitee* . The Companies shall be bound by and shall have no right to challenge a Favorable Determination. If an Adverse Determination is made, or if for any other reason the Companies do not make timely indemnification payments or advances of Expenses, Indemnitee shall have the right to commence a Proceeding before a Court to challenge such Adverse Determination or to require the Companies to make such payments or advances (and the Companies shall have the right to defend their position in such Proceeding and to appeal any adverse judgment in such Proceeding). Indemnitee shall be entitled to be indemnified for all Expenses incurred in connection with such a Proceeding and to have such Expenses advanced by the Companies in accordance with Section 8 of this Agreement. If Indemnitee fails to challenge an Adverse Determination, or if Indemnitee challenges an Adverse Determination and such Adverse Determination has been upheld by a final judgment of a Court from which no appeal can be taken, then, to the extent and only to the extent required by such Adverse Determination or final judgment, the Companies shall not be obligated to indemnify Indemnitee under this Agreement.

(g) *Presumptions; Burden and Standard of Proof* . The parties intend and agree that, to the extent permitted by law, in connection with any Determination by any Person, including a Court:

(i) it will be presumed that Indemnitee is entitled to indemnification under this Agreement, and the Enterprise or any other Person challenging such right will have the burden of proof to overcome that presumption in connection with any Determination contrary to that presumption;

(ii) the termination of any action, suit or proceeding by judgment, order, settlement, conviction, or upon a plea of nolo contendere or its equivalent, shall not, of itself, create a presumption that Indemnitee did not act in good faith and in a manner which Indemnitee reasonably believed to be in or not opposed to the best interests of the applicable Enterprise, or, with respect to any criminal action or proceeding, that Indemnitee had reasonable cause to believe that Indemnitee’s conduct was unlawful, or that Indemnitee did not act in accordance with any other applicable standard of conduct imposed by contract, applicable law or otherwise;

(iii) Indemnitee will be deemed to have acted in good faith if it is determined by a majority of the board of directors or other governing body of the applicable Enterprise or by Independent Counsel, as applicable, that

Indemnitee's action is based on the records or books of account of the applicable Enterprise, including financial statements, or on information supplied to Indemnitee by the officers, employees, or committees of the board of directors or other governing body of the applicable Enterprise, or on the advice of legal counsel for the applicable Enterprise or on information or records given in reports made to the applicable Enterprise by an independent certified public accountant or by an appraiser or other expert or advisor selected by the applicable Enterprise; and

(iv) the knowledge and actions, or failure to act, of any director, officer, manager, representative, agent or employee of any Enterprise or other relevant enterprises will not be imputed to Indemnitee in a manner that limits or otherwise adversely affects Indemnitee's rights hereunder.

The provisions of this Section 9(g) shall not be deemed to be exclusive or to limit in any way the other circumstances in which Indemnitee may be deemed to have met the applicable standard of conduct set forth in this Agreement.

10. Insurance; Subrogation; Other Rights of Recovery, Etc .

(a) Each Company shall use its reasonable best efforts to purchase and maintain a policy or policies of insurance with reputable insurance companies with A.M. Best ratings of "A" or better, providing Indemnitee with coverage for any liability asserted against, and incurred by, Indemnitee or on Indemnitee's behalf by reason of Indemnitee's Corporate Status, or arising out of Indemnitee's status as such, whether or not any such Company would have the power to indemnify Indemnitee against such liability. Such insurance policies shall have coverage terms and policy limits at least as favorable to Indemnitee as the insurance coverage provided to any other current or former officer or director of the General Partner. If a Company has such insurance in effect at the time it receives from Indemnitee any notice of the commencement of an action, suit, proceeding or other claim, such Company shall give prompt notice of the commencement of such action, suit, proceeding or other claim to the insurers in accordance with the procedures set forth in the policy. The Companies shall thereafter take all necessary or desirable action to cause such insurers to pay, on behalf of Indemnitee, all amounts payable as a result of such action, suit, proceeding or other claim in accordance with the terms of such policy, provided that the Companies shall not be liable to pay or advance to Indemnitee any amounts otherwise indemnifiable under this Agreement or under any other indemnification agreement if and to the extent that Indemnitee has otherwise actually received such payment under any insurance policy, contract, agreement or otherwise. The Companies shall continue to provide such insurance coverage to Indemnitee for a period of at least six (6) years after Indemnitee ceases to serve as a director or any other Corporate Status.

(b) Subject to Section 10(d) , in the event of any payment by any Company under this Agreement, such Company shall be subrogated to the extent of such payment to

all of the rights of recovery of Indemnitee against any other Enterprise, and Indemnitee hereby agrees, as a condition to obtaining any advancement or indemnification from the Companies, to assign to such Company all of Indemnitee's rights to obtain from such other Enterprise such amounts to the extent that they have been paid by such Company to or for the benefit of Indemnitee as advancement or indemnification under this Agreement and are adequate to indemnify Indemnitee with respect to the costs, Expenses or other items to the full extent that Indemnitee is entitled to indemnification or other payment hereunder; and Indemnitee will (upon request by the Companies) execute all papers required and take all action necessary to secure such rights, including execution of such documents as are necessary to enable such Company to bring suit or enforce such rights. In addition, if the General Partner, on behalf of itself, pays or causes to be paid (including advancement of Expenses), for any reason, any amounts otherwise indemnifiable or payable hereunder or under any other indemnification agreement or arrangement (whether pursuant to contract, Company Organizational Documents or other Enterprise Organizational Documents or otherwise) with Indemnitee, then the Partnership shall fully indemnify, reimburse and hold harmless the General Partner for all such payments actually made by the General Partner.

(c) Each of the Companies hereby unconditionally and irrevocably waives, relinquishes and releases, and covenants and agrees not to exercise (and to cause each of the other Enterprises not to exercise), any rights that such Company or other Enterprise, as the case may be, may now have or hereafter acquire against any Designating Partner (or former Designating Partner) or any of their respective affiliates that arise from or relate to the existence, payment, performance or enforcement of the Companies' obligations under this Agreement or under any other indemnification agreement or arrangement (whether pursuant to contract, Company Organizational Documents or other Enterprise Organizational Documents or otherwise) with any Person, including, without limitation, any right of subrogation (whether pursuant to contract or common law), reimbursement, exoneration, contribution or indemnification, or to be held harmless, and any right to participate in any claim or remedy of Indemnitee against any Designating Partner (or former Designating Partner) or any of their respective affiliates, whether or not such claim, remedy or right arises in equity or under contract, statute or common law, including, without limitation, the right to take or receive from any Designating Partner (or former Designating Partner) or any of their respective affiliates, directly or indirectly, in cash or other property or by set-off or in any other manner, payment or security on account of such claim, remedy or right.

(d) The Companies shall not be liable to pay or advance to Indemnitee any amounts otherwise indemnifiable under this Agreement or under any other indemnification agreement if and to the extent that Indemnitee has otherwise actually received such payment under any insurance policy, contract, agreement or otherwise;

provided , however , that (i) the Companies hereby agree on behalf of themselves and each other Enterprise Entity, that, irrespective of whether Indemnitee is employed by a Sponsor Company and therefore may have certain rights to indemnification, advancement of expenses or insurance provided by the Designating Partners or their affiliates, the Enterprise Entities are the indemnitors of first resort under this Agreement, the Company Organizational Documents or other Enterprise Organizational Documents or any other indemnification agreement, arrangement or undertaking ( i . e ., the Enterprise Entities' obligations to Indemnitee under this Agreement or any other agreement or undertaking to provide advancement of Expenses and indemnification to Indemnitee are primary without regard to any rights Indemnitee may have to seek or obtain indemnification or advancement of Expenses from any Designating Partner or any of its affiliates other than an Enterprise Entity (or any former Designating Partner or any of its affiliates other than an Enterprise Entity) or from any insurance policy for the benefit of such Indemnitee (other than any directors' and officers' insurance policy for the benefit of such Indemnitee maintained or paid for by any Enterprise), and any obligation of any Designating Partner (or any affiliate thereof other than any Enterprise) to provide advancement or indemnification for all or any portion of the same Expenses, liabilities, judgments, penalties, fines and amounts paid in settlement (including all interest, assessments and other charges paid or payable in connection with or in respect of such Expenses, liabilities, judgments, penalties, fines and amounts paid in settlement) incurred by Indemnitee and any rights of recovery of Indemnitee under any insurance policy for the benefit of such Indemnitee (other than any directors' and officers' insurance policy for the benefit of such Indemnitee maintained or paid for by any Enterprise) are secondary), and (ii) if any Designating Partner or any of its affiliates other than an Enterprise Entity (or any former Designating Partner or any of its affiliates other than an Enterprise Entity) pays or causes to be paid, for any reason, or if Indemnitee collects under any insurance policy for the benefit of such Indemnitee (other than any directors' and officers' insurance policy for the benefit of such Indemnitee maintained or paid for by any Enterprise), any amounts otherwise payable or indemnifiable hereunder or under any other indemnification agreement, arrangement or undertaking (whether pursuant to contract, organizational document or otherwise) with Indemnitee, then (x) such Designating Partner, former Designating Partner (or affiliate, as the case may be) or insurer, as applicable, shall be fully subrogated to all rights of Indemnitee with respect to such payment and (y) the Companies shall fully indemnify, reimburse and hold harmless such Designating Partner, former Designating Partner (or such affiliate) or insurer, as applicable, for all such payments actually made by such Designating Partner, former Designating Partner (or such affiliate) or insurer.

(e) Subject to Section 10(d) , the Companies' obligation to indemnify or advance Expenses hereunder to Indemnitee in respect of or relating to Indemnitee's Corporate Status shall be reduced by any amount Indemnitee has actually received as payment of indemnification or advancement of Expenses from such

other Enterprise, except to the extent that such indemnification payments and advance payment of Expenses when taken together with any such amount actually received from other Enterprises or under director and officer insurance policies maintained by one or more Enterprises are inadequate to fully pay all costs, Expenses or other items to the full extent that Indemnitee is otherwise entitled to indemnification or other payment hereunder.

(f) Except for the rights set forth in Sections 10(c) , 10(d) and 10(e) of this Agreement, the rights to indemnification and advancement of Expenses as provided by this Agreement shall not be deemed exclusive of any other rights to which Indemnitee may at any time, whenever conferred or arising, be entitled under applicable law, the Company Organizational Documents or other Enterprise Organizational Documents or any other agreement, resolution of directors (or similar governing body) of any Enterprise, or otherwise. Indemnitee's rights under this Agreement are present contractual rights that fully vest upon Indemnitee's first service as a director (and officer, if applicable) of the General Partner. The Parties hereby agree that Sections 10(c) , 10(d) and 10(e) of this Agreement shall be deemed exclusive and shall be deemed to modify, amend and clarify any right to indemnification or advancement provided to Indemnitee under any other contract, agreement or document with any Enterprise relating to advancement or indemnification.

(g) No amendment, alteration or repeal of this Agreement or of any provision hereof shall limit or restrict any right of Indemnitee under this Agreement in respect of any action taken or omitted by such Indemnitee in Indemnitee's Corporate Status prior to such amendment, alteration or repeal. The assertion or employment of any right or remedy hereunder, or otherwise, shall not prevent the concurrent assertion or employment of any other right or remedy.

11. Employment Rights; Successors; Third Party Beneficiaries .

(a) Nothing contained in this Agreement shall be construed as giving Indemnitee any right to be, or to be retained, in the employment of any of the Enterprise Entities. This Agreement shall continue in force as provided above after Indemnitee has ceased to serve as a director of the General Partner or in any other Corporate Status.

(b) This Agreement shall be binding on each Company and each successor to or assignee of each Company (including, without limitation, any direct or indirect successor or assignee by purchase, merger, consolidation or otherwise to all or substantially all of the business or assets of such Company); and, unless such succession or assignment occurs by operation of law, each Company shall require and cause any such successor or assignee to expressly assume and agree to perform this Agreement to the same extent that such Company would be required to perform if no such succession or assignment had occurred. This Agreement

shall also inure to the benefit of Indemnitee and Indemnitee's heirs, executors and administrators.

(c) The Designating Partners are express third party beneficiaries of this Agreement, are entitled to rely upon this Agreement, and may specifically enforce the Companies' obligations hereunder (including but not limited to the obligations specified in Section 10 of this Agreement) as though a party hereunder.

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

13. Exceptions to Right of Indemnification or Advancement of Expenses . Notwithstanding any other provision of this Agreement and except as provided in Section 7(a) of this Agreement or as may otherwise be agreed by any Company, Indemnitee shall not be entitled to indemnification or advancement of Expenses under this Agreement with respect to any Proceeding initiated by Indemnitee (other than a Proceeding by Indemnitee (i) to enforce Indemnitee's rights under this Agreement or (ii) to enforce any other rights of Indemnitee to indemnification, advancement or contribution from the Companies under any other contract, Company Organizational Document, Enterprise Organizational Document or under statute or other law), unless the initiation of such Proceeding or making of such claim shall have been approved by the Board of Directors of the General Partner. In addition, notwithstanding any other provision of this Agreement to the contrary, to the extent that Indemnitee is an officer of a Company or any Enterprise, Indemnitee shall not be entitled to indemnification or advancement of Expenses under this Agreement with respect to any Proceeding if it is determined by a majority of the board of directors or other governing body of the applicable Enterprise or by Independent Counsel, as applicable, that Indemnitee did not act in good faith and in a manner Indemnitee reasonably believed to be in, or not opposed to, the best interests of the Companies or any such Enterprise.

14. Definitions . For purposes of this Agreement:

(a) " Adverse Determination " shall have the meaning set forth in the definition of Determination.

(b) " Beneficial Owner " shall have the meaning set forth in Rule 13d-3 promulgated under the Exchange Act as in effect on the date hereof, and " Beneficially Owns " and " Beneficially Owned " shall have correlative meanings.

(c) " Board of Directors " or " Board " means the board of directors of the General Partner.

(d) " Change of Control " shall be deemed to have occurred with respect to the General Partner or the Partnership if any change in control or similar event, however denominated, shall occur under and as defined in the General Partner Agreement, provided , however , that if there is no such provision in the General Partner Agreement, a "Change of Control" shall occur for purposes of this Agreement when any Person, other than the Sponsor Companies, shall Beneficially Own, directly or indirectly, Equity Interests of the General Partner representing more than 35% of the aggregate ordinary voting power represented by the issued and outstanding Equity Interests of the General Partner and the percentage of the aggregate ordinary voting power represented by such Equity Interests Beneficially Owned by such Person exceeds the percentage of the aggregate ordinary voting power represented by Equity Interests of the General Partner then Beneficially Owned, directly or indirectly, by the Sponsor Companies (except if the General Partner shall cease to be the general partner of the Partnership solely as a result of the Partnership's conversion to, or its otherwise becoming, another type of business entity), unless (A) the Sponsor Companies have, at such time, the right or the ability, directly or indirectly, by voting power, contract or otherwise to elect or designate for election at least a majority of the board of directors of the General Partner, or (B) during any period of twelve (12) consecutive calendar months, a majority of the seats (other than vacant seats) on the board of directors of the General Partner shall be occupied by persons who were (x) members of the board of directors of the General Partner on the date of this Agreement or nominated by the board of directors (or similar governing body) of the General Partner or by the Sponsor Companies or Persons nominated by the Sponsor Companies or (y) appointed by directors so nominated.

(e) " Corporate Status " describes the status of a person by reason of such person's past, present or future service as a director or officer or in any capacity for any Enterprise at the request of the sole member of the General Partner.

(f) " Designating Partners " means any of the Sponsors Companies, in each case so long as an individual employed by a Sponsor Company, or any of their respective affiliates, serves as a director of the General Partner or in any other Corporate Status.

(g) " Determination " means a determination that either (x) indemnification of Indemnitee is proper in the circumstances because Indemnitee met a particular standard of conduct (a " Favorable Determination ") or (y) indemnification of Indemnitee is not proper in the circumstances because Indemnitee failed to meet a particular standard of conduct (an " Adverse Determination "). An Adverse Determination shall include the decision that a Determination was required in

connection with indemnification and the decision as to the applicable standard of conduct.

(h) " Disabling Conduct " means that, in respect of the particular claim, issue or matter in question or the particular Proceeding, there is a final non-appealable judicial determination that the Indemnitee acted in bad faith, engaged in fraud, willful misconduct or, in the case of a criminal matter, acted with knowledge that the Indemnitee's conduct was criminal.

(i) " Disinterested Director " means, with respect to any request by Indemnitee for indemnification hereunder, a director of the General Partner who at the time of the vote is not a party to the Proceeding in respect of which indemnification is sought by Indemnitee.

(j) " Enterprise " shall mean each of the Companies and their respective subsidiaries and any other entity, constituent entity (including any constituent of a constituent) absorbed in a consolidation or merger to which any Company (or any of its subsidiaries) is a party, limited liability company, partnership, joint venture, trust, employee benefit plan, or other enterprise of which Indemnitee is or was serving at the request of a Company as a director, officer, trustee, manager, venturer, proprietor, partner, member, employee, agent, fiduciary or similar functionary.

(k) " Enterprise Entity " means any Enterprise.

(l) " Equity Interests " means shares of capital stock, partnership interests, membership interests in a limited liability company, beneficial interests in a trust or other equity ownership interests in a Person, and any warrants, options or other rights entitling the holder thereof to purchase or acquire any such equity interest.

(m) " Exchange Act " means the Securities Exchange Act of 1934 and the rules and regulations promulgated thereunder.

(n) " Expenses " shall mean all reasonable direct and indirect costs, fees and expenses of any type or nature whatsoever and shall specifically include, without limitation, all reasonable attorneys' fees, retainers, court costs, transcript costs, fees and costs of experts, witness fees, travel expenses, duplicating costs, printing and binding costs, telephone charges, postage, delivery service fees, and all other disbursements or expenses of the types customarily incurred in connection with prosecuting, defending, preparing to prosecute or defend, investigating, being or preparing to be a witness in, or otherwise participating in, a Proceeding, including, but not limited to, the premium for appeal bonds, attachment bonds or similar bonds and all interest, assessments and other charges paid or payable in connection with or in respect of any such Expenses, and shall also specifically include, without limitation, all reasonable attorneys' fees and all other expenses incurred by or on behalf of Indemnitee in connection with preparing and submitting any requests or statements for indemnification, advancement,

contribution or any other right provided by this Agreement, as well as any taxes paid by the Indemnitee on receipt of indemnification, advancement of Expenses, or contribution under the Agreement. “Expenses,” however, shall not include amounts paid in settlement by Indemnitee or the amounts of judgments or fines against Indemnitee.

(o) “ Favorable Determination ” shall have the meaning set forth in the definition of Determination.

(p) “ Independent Counsel ” means, at any time, any law firm, or a member of a law firm, that (a) is experienced in matters of limited partnership, limited liability company or corporation law, as applicable, and (b) is not, at such time, or has not been in the three years prior to such time, retained to represent: (i) any Enterprise or Indemnitee in any matter material to either such party (other than with respect to matters concerning Indemnitee under this Agreement, or of other indemnities under similar indemnification agreements), (ii) any other party to the Proceeding giving rise to a claim for indemnification hereunder or (iii) the Beneficial Owner, directly or indirectly, of securities of any Company representing 5% or more of the ownership interests or the voting power of such Company’s then outstanding ownership interests or voting securities, respectively. Notwithstanding the foregoing, the term “Independent Counsel” shall not include any Person who, under the applicable standards of professional conduct then prevailing, would have a conflict of interest in representing any of the Companies or Indemnitee in an action to determine Indemnitee’s rights under this Agreement. The Companies agree to pay the reasonable fees and expenses of the Independent Counsel referred to above and to fully indemnify such counsel against any and all Expenses, claims, liabilities and damages arising out of or relating to this Agreement or its engagement pursuant hereto and to be jointly and severally liable therefor.

(q) “ Person ” means any individual, entity or group (within the meaning of Rule 13d-5 of the Exchange Act but excluding any employee benefit plan of such person and its subsidiaries, and any person or entity acting in its capacity as trustee, agent or other fiduciary or administrator of any such plan).

(r) “ Potential Change in Control ” shall be deemed to have occurred if (i) any Person shall have announced publicly an intention to take actions to effect a Change in Control, or commenced any action that, if successful, would reasonably be expected to result in the occurrence of a Change in Control; (ii) the General Partner enters into an agreement or arrangement on behalf of itself or the Partnership, the consummation of which would result in the occurrence of a Change in Control; or (iii) any other event occurs that the Board declares to be a Potential Change of Control.

(s) “ Proceeding ” includes any actual, threatened, pending or completed action, suit, arbitration, alternate dispute resolution mechanism, investigation, inquiry, administrative hearing or any other actual, threatened, pending or completed

proceeding, whether brought by or in the right of any Enterprise or otherwise and whether civil, criminal, administrative or investigative in nature, in which Indemnitee was, is, may be or will be involved as a party, witness or otherwise, by reason of Indemnitee's Corporate Status or by reason of any action taken by Indemnitee or of any inaction on Indemnitee's part while acting as director (or officer, as applicable) of the General Partner or serving any other Enterprise (in each case whether or not he is acting or serving in any such capacity or has such status at the time any liability or expense is incurred for which indemnification or advancement of Expenses can be provided under this Agreement).

(t) " Sponsor Companies " means Susser Holdings Corporation, a Delaware corporation, and any other entity that is an affiliate of Susser Holdings Corporation (other than the Companies).

15. Construction . Whenever required by the context, as used in this Agreement the singular number shall include the plural, the plural shall include the singular, and all words herein in any gender shall be deemed to include (as appropriate) the masculine, feminine and neuter genders.

16. Reliance . The Companies expressly confirm and agree that they have entered into this Agreement and assumed the obligations imposed on each of them hereby in order to induce Indemnitee to serve as a director (and officer, as applicable) of the General Partner, and the Companies acknowledge that Indemnitee is relying upon this Agreement in serving as a director (and officer, as applicable) of the General Partner or in any other Corporate Status.

17. Modification and Waiver . No supplement, modification or amendment of this Agreement shall be binding unless executed in a writing identified as such by all of the parties hereto. No waiver of any of the provisions of this Agreement shall be deemed or shall constitute a waiver of any other provisions hereof (whether or not similar) nor shall such waiver constitute a continuing waiver.

18. Notice Mechanics . All notices, requests, demands or other communications hereunder shall be in writing and shall be deemed to have been duly given if (i) delivered by hand and receipted for by the party to whom said notice or other communication shall have been direct, or (ii) mailed by certified or registered mail with postage prepaid, on the third business day after the date on which it is so mailed:

(a) If to Indemnitee to:

555 East Airtex Drive
Houston, Texas 77073

Attn: _____

(b) If to any Company, to:

Susser Petroleum Partners GP LLC
555 East Airtex Drive
Houston, Texas 77073

Attn: General Counsel

or to such other address as may have been furnished (in the manner prescribed above) as follows: (a) in the case of a change in address for notices to Indemnitee, furnished by Indemnitee to the Companies and (b) in the case of a change in address for notices to any Company, furnished by the Companies to Indemnitee.

19. Contribution . To the fullest extent permitted under applicable law and so long as Indemnitee has not engaged in Disabling Conduct, if the indemnification provided for in this Agreement is unavailable to Indemnitee for any reason whatsoever, the Companies, in lieu of indemnifying Indemnitee, shall contribute to the amount incurred by Indemnitee, whether for judgments, fines, penalties, excise taxes, amounts paid or to be paid in settlement or for reasonably incurred Expenses, in connection with any claim relating to an indemnifiable event under this Agreement, in such proportion as is deemed fair and reasonable in light of all of the circumstances of such Proceeding in order to reflect (i) the relative benefits received by the Companies and Indemnitee as a result of the event(s) or transaction(s) giving cause to such Proceeding; or (ii) the relative fault of the Companies (and their other directors, officers, employees and agents) and Indemnitee in connection with such event(s) or transaction(s).

20. Governing Law; Submission to Jurisdiction; Appointment of Agent for Service of Process . This Agreement and the legal relations among the parties shall, to the fullest extent permitted by law, be governed by, and construed and enforced in accordance with, the laws of the State of Delaware, without regard to its conflict of laws rules. The Companies and Indemnitee hereby irrevocably and unconditionally (i) agree that any action or proceeding arising out of or in connection with this Agreement shall be brought only in the Court of Chancery of the State of Delaware (the " Trial Court "), and not in any other state or federal court in the United States of America or any court in any other country, (ii) consent to submit to the exclusive jurisdiction of the Trial Court for purposes of any action or proceeding arising out of or in connection with this Agreement, (iii) waive any objection to the laying of venue of any such action or proceeding in the Trial Court and (iv) waive, and agree not to plead or to make, any claim that any such action or proceeding brought in the Trial Court has been brought in an improper or otherwise inconvenient forum.

21. Headings . The headings of the paragraphs of this Agreement are inserted for convenience only and shall not be deemed to constitute part of this Agreement or to affect the construction thereof.

22. Counterparts . This Agreement may be executed in one or more counterparts, each of which shall for all purposes be deemed to be an original but all of which together shall constitute one and the same Agreement.

[ *Remainder of Page Intentionally Blank* ]

IN WITNESS WHEREOF, the parties hereto have executed this Agreement on the day and year first above written.

**General Partner:** **SUSSER PETROLEUM PARTNERS GP LLC**

By:_____

Name:

Title:

**Partnership:** **SUSSER PETROLEUM PARTNERS LP**

By: Susser Petroleum Partners GP LLC, its general partner

By:_____

Name:

Title:

**Indemnitee:** _____

Name:

Exhibit 21.1

**List of Subsidiaries**

| | |
|---|---|
| Susser Energy Services LLC | Texas |
| Susser Petroleum Operating Company LLC | Delaware |
| Susser Petroleum Property Company LLC | Delaware |
| T&C Wholesale LLC | Texas |

Exhibit 23.1

**Consent of Independent Registered Public Accounting Firm**

We consent to the incorporation by reference in the following Registration Statements:

Registration Statement (Form S-8 No. 333-184035) pertaining to the 2012 Long Term Incentive Plan of Susser Petroleum Partners LP, and

Registration Statement (Form S-3 No. 333-192335) of Susser Petroleum Partners LP, as amended;

of our reports dated March 14, 2014, with respect to the consolidated financial statements of Susser Petroleum Partners LP and the effectiveness of internal control over financial reporting of Susser Petroleum Partners LP included in this Annual Report (Form 10-K) for the year ended December 31, 2013.

/s/ ERNST & YOUNG LLP

Houston, Texas
March 14, 2014

Exhibit 31.1

**CERTIFICATION**

I, Rocky B. Dewbre, certify that:

1. I have reviewed this annual report on Form 10-K of Susser Petroleum 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 most recent 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; and
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: March 14, 2014

*/s/ Rocky B. Dewbre*

Rocky B. Dewbre
Chief Executive Officer of Susser Petroleum Partners GP LLC
(the general partner of Susser Petroleum Partners LP)

Exhibit 31.2

**CERTIFICATION**

I, Mary E. Sullivan, certify that:

1. I have reviewed this annual report on Form 10-K of Susser Petroleum 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 most recent 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; and
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: March 14, 2014

*/s/ Mary E. Sullivan*

Mary E. Sullivan
Chief Financial Officer of Susser Petroleum Partners GP LLC
(the general partner of Susser Petroleum Partners LP)

Exhibit 32.1

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

In connection with this Annual Report on Form 10-K of Susser Petroleum Partners LP (the "Partnership") for the year ended December 31, 2013, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Rocky B. Dewbre, Chief Executive Officer of the Partnership, certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002 that:

(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: March 14, 2014

*/s/ Rocky B. Dewbre*

Rocky B. Dewbre
Chief Executive Officer of Susser Petroleum Partners GP LLC
(the general partner of Susser Petroleum Partners LP)

This certification accompanies this Report on Form 10-K pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 and shall not, except to the extent required by such Act, be deemed filed by the Partnership for purposes of Section 18 of the Securities Exchange Act of 1934, as amended.

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 Annual Report on Form 10-K of Susser Petroleum Partners LP (the "Partnership") for the year ended December 31, 2012, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Mary E. Sullivan, Executive Vice President and Chief Financial Officer of the Partnership, certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002 that:

(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: March 14, 2014

*/s/ Mary E. Sullivan*

Mary E. Sullivan
Chief Financial Officer of Susser Petroleum Partners GP LLC
(the general partner of Susser Petroleum Partners LP)

This certification accompanies this Report on Form 10-K pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 and shall not, except to the extent required by such Act, be deemed filed by the Partnership for purposes of Section 18 of the Securities Exchange Act of 1934, as amended.