Global Partners LP (GLP)

10−Q

Quarterly report pursuant to sections 13 or 15(d)
Filed on 11/5/2010
Filed Period 9/30/2010

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, DC 20549

FORM 10−Q

(Mark One)

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

For the quarterly period ended September 30, 2010

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 001−32593

Global Partners LP
(Exact name of registrant as specified in its charter)

Delaware	**74−3140887**
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)

P.O. Box 9161
800 South Street
Waltham, Massachusetts 02454−9161
(Address of principal executive offices, including zip code)

(781) 894−8800
(Registrant's telephone number, including area code)

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

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

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

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 ☒

The issuer had 11,338,139 common units and 5,642,424 subordinated units outstanding as of November 1, 2010.

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Item 1. Financial Statements

GLOBAL PARTNERS LP
CONSOLIDATED BALANCE SHEETS
(In thousands, except unit data)
(Unaudited)

	September 30, 2010	December 31, 2009
Assets		
Current assets:		
Cash and cash equivalents	$ 4,592	$ 662
Accounts receivable, net	304,007	335,912
Accounts receivable—affiliates	1,313	1,565
Inventories	531,782	465,923
Brokerage margin deposits	10,493	18,059
Fair value of forward fixed price contracts	13,268	3,089
Prepaid expenses and other current assets	56,640	37,648
Total current assets	922,095	862,858
Property and equipment, net	417,019	159,292
Intangible assets, net	45,461	28,557
Other assets	12,630	1,996
Total assets	$ 1,397,205	$ 1,052,703
Liabilities and partners' equity		
Current liabilities:		
Accounts payable	$ 243,415	$ 243,449
Working capital revolving credit facility—current portion	185,273	221,711
Environmental liabilities—current portion	5,684	3,296
Accrued expenses and other current liabilities	78,088	77,604
Income taxes payable	—	461
Obligations on forward fixed price contracts and other derivatives	21,414	21,114
Total current liabilities	533,874	567,635
Working capital revolving credit facility—less current portion	280,427	240,889
Revolving credit facility	300,000	71,200
Environmental liabilities—less current portion	31,199	2,254
Accrued pension benefit cost	1,657	2,751
Deferred compensation	2,156	1,840
Other long−term liabilities	19,298	8,714
Total liabilities	1,168,611	895,283
Partners' equity		
Common unitholders (11,338,139 units issued and 11,291,312 outstanding at September 30, 2010 and 7,428,139 units issued and 7,380,996 outstanding at December 31, 2009)	247,060	165,129
Subordinated unitholders (5,642,424 units issued and outstanding at September 30, 2010 and December 31, 2009)	(675)	(713)
General partner interest (230,303 equivalent units outstanding at September 30, 2010 and December 31, 2009)	(27)	(29)
Accumulated other comprehensive loss	(17,764)	(6,967)
Total partners' equity	228,594	157,420
Total liabilities and partners' equity	$ 1,397,205	$ 1,052,703

The accompanying notes are an integral part of these consolidated financial statements.

GLOBAL PARTNERS LP
CONSOLIDATED STATEMENTS OF INCOME
(In thousands, except per unit data)
(Unaudited)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2010	**2009**	**2010**	**2009**
Sales	$ 1,546,839	$ 1,285,331	$ 5,046,285	$ 4,119,435
Cost of sales	1,511,744	1,256,058	4,931,461	4,011,659
Gross profit	35,095	29,273	114,824	107,776
Costs and operating expenses:				
Selling, general and administrative expenses	17,246	13,859	47,715	45,233
Operating expenses	10,405	8,666	28,867	26,278
Amortization expenses	1,005	747	2,430	2,350
Total costs and operating expenses	28,656	23,272	79,012	73,861
Operating income	6,439	6,001	35,812	33,915
Interest expense	(5,888)	(3,742)	(14,326)	(10,940)
Income before income tax expense	551	2,259	21,486	22,975
Income tax expense	—	(200)	(387)	(1,075)
Net income	551	2,059	21,099	21,900
Less: General partner’s interest in net income, including incentive distribution rights	(72)	(86)	(518)	(529)
Limited partners’ interest in net income	$ 479	$ 1,973	$ 20,581	$ 21,371
Basic net income per limited partner unit	$ 0.03	$ 0.15	$ 1.30	$ 1.64
Diluted net income per limited partner unit	$ 0.03	$ 0.15	$ 1.28	$ 1.60
Basic weighted average limited partner units outstanding	16,934	12,979	15,824	13,037
Diluted weighted average limited partner units outstanding	17,180	13,304	16,075	13,334

The accompanying notes are an integral part of these consolidated financial statements.

GLOBAL PARTNERS LP
CONSOLIDATED STATEMENTS OF CASH FLOWS
(In thousands)
(Unaudited)

	Nine Months Ended September 30, 2010	Nine Months Ended September 30, 2009
Cash flows from operating activities		
Net income	$ 21,099	$ 21,900
Adjustments to reconcile net income to net cash (used in) provided by operating activities:		
Depreciation and amortization	12,733	11,149
Amortization of deferred financing fees	1,928	868
Disposition of property and equipment and other	(8)	1
Bad debt expense	370	1,520
Stock−based compensation expense	76	1,580
Changes in operating assets and liabilities:		
Accounts receivable	31,535	52,354
Accounts receivable — affiliate	252	(2,203)
Inventories	(65,859)	(179,955)
Broker margin deposits	7,566	8,986
Prepaid expenses, all other current assets and other assets	(30,738)	(7,673)
Accounts payable	(34)	(54,037)
Income taxes payable	(1,356)	(471)
Change in fair value of forward fixed price contracts	(9,880)	162,024
Accrued expenses, all other current liabilities and other long−term liabilities	(642)	9,735
Net cash (used in) provided by operating activities	(32,958)	25,778
Cash flows from investing activities		
Acquisitions	(248,359)	—
Capital expenditures	(7,544)	(8,024)
Proceeds from sale of property and equipment	47	2
Net cash used in investing activities	(255,856)	(8,022)
Cash flows from financing activities		
Proceeds from public offering, net	84,584	—
Borrowings from credit facilities, net	231,900	5,400
Repurchase of common units	—	(3,464)
Repurchased units withheld for tax obligations	(404)	(386)
Distributions to partners	(23,336)	(19,567)
Net cash provided by (used in) financing activities	292,744	(18,017)
Increase (decrease) in cash and cash equivalents	3,930	(261)
Cash and cash equivalents at beginning of period	662	945
Cash and cash equivalents at end of period	$ 4,592	$ 684
Supplemental information		
Cash paid during the period for interest	$ 14,017	$ 10,997

The accompanying notes are an integral part of these consolidated financial statements.

GLOBAL PARTNERS LP
CONSOLIDATED STATEMENTS OF PARTNERS' EQUITY
(In thousands)
(Unaudited)

	Common Unitholders	Subordinated Unitholders	General Partner Interest	Accumulated Other Comprehensive Loss	Total Partners' Equity
Balance at December 31, 2009	$ 165,129	$ (713)	$ (29)	$ (6,967)	$ 157,420
Proceeds from public offering, net	84,584	—	—	—	84,584
Stock−based compensation	76	—	—	—	76
Distributions to partners	(14,567)	(8,253)	(516)	—	(23,336)
Phantom unit dividends	(48)	—	—	—	(48)
Repurchased units withheld for tax obligations	(404)	—	—	—	(404)
Comprehensive income:					
Net income	12,290	8,291	518	—	21,099
Other comprehensive income:					
Change in fair value of interest rate collars and forward starting swap	—	—	—	(10,885)	(10,885)
Change in pension liability	—	—	—	88	88
Total comprehensive income	—	—	—	—	10,302
Balance at September 30, 2010	$ 247,060	$ (675)	$ (27)	$ (17,764)	$ 228,594

The accompanying notes are an integral part of these consolidated financial statements.

Note 1. Organization and Basis of Presentation

Organization and Recent Events

Global Partners LP (the "Partnership") is a publicly traded master limited partnership that engages in the wholesale and commercial distribution of refined petroleum products and small amounts of natural gas and provides ancillary services to companies. The Partnership also receives revenue from retail sales of gasoline, convenience store sales and rental income from gasoline stations.

The Partnership has five operating subsidiaries: Global Companies LLC, its subsidiary, Glen Hes Corp., Global Montello Group Corp., Chelsea Sandwich LLC and Global Energy Marketing LLC ("Global Energy") (the five operating subsidiaries, collectively, the "Companies"). The Companies (other than Glen Hes Corp.) are wholly owned by Global Operating LLC, a wholly owned subsidiary of the Partnership. Global Energy was formed to conduct the Partnership's natural gas operations. It commenced operations in January 2010 after obtaining the necessary licensure. In addition, GLP Finance Corp. ("GLP Finance") is a wholly owned subsidiary of the Partnership. GLP Finance has no material assets or liabilities. Its activities will be limited to co−issuing debt securities and engaging in other activities incidental thereto.

On September 30, 2010, the Partnership completed its acquisition of retail gas stations and supply rights for cash consideration of approximately $202.3 million, plus the assumption of certain environmental liabilities. See Note 11 and Item 2, "Management's Discussion and Analysis of Financial Condition and Results of Operations − Acquisition" for additional information related to the acquisition.

On March 19, 2010, the Partnership completed a public offering of 3,910,000 common units at a price of $22.75 per common unit. Net proceeds were approximately $84.6 million, after deducting approximately $4.4 million in underwriting fees and offering expenses. The Partnership used the net proceeds to reduce indebtedness under its senior secured credit agreement. See Note 15 for additional information related to the public offering.

The Partnership's 1.34% general partner interest (reduced from 1.73% following the Partnership's public offering discussed above and in Note 15) is held by Global GP LLC, the Partnership's general partner (the "General Partner"). The General Partner, which is owned by affiliates of the Slifka family, manages the Partnership's operations and activities and employs its officers and substantially all of its personnel. As of September 30, 2010, affiliates of the General Partner, including its directors and executive officers, own 241,141 common units and 5,642,424 subordinated units, representing a combined 34.2% limited partner interest.

Basis of Presentation

Interim Financial Statements

The accompanying consolidated financial statements as of September 30, 2010 and December 31, 2009 and for the three and nine months ended September 30, 2010 and 2009 reflect the accounts of the Partnership. All intercompany balances and transactions have been eliminated.

The accompanying unaudited consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States ("GAAP") and reflect all adjustments (consisting of normal recurring adjustments) which are, in the opinion of management, necessary for a fair presentation of the financial condition and operating results for the interim periods. The interim financial information, which has been prepared pursuant to the rules and regulations of the Securities and Exchange Commission ("SEC"), should be read in conjunction with the consolidated financial statements for the year ended December 31, 2009 and notes thereto contained in the Partnership's Annual Report on Form 10−K. The significant accounting policies described in Note 2, "Summary of Significant Accounting Policies," of such Annual Report on Form 10−K are the same used in preparing the accompanying consolidated financial statements.

Note 1. Organization and Basis of Presentation (continued)

The results of operations for the three and nine months ended September 30, 2010 are not necessarily indicative of the results of operations that will be realized for the entire year ending December 31, 2010. The consolidated balance sheet at December 31, 2009 has been derived from the audited consolidated financial statements and footnotes thereto included in the Partnership's Annual Report on Form 10−K for the year ended December 31, 2009.

As demand for some of the Partnership's refined petroleum products, specifically home heating oil and residual oil for space heating purposes, is generally greater during the winter months, sales are generally higher during the first and fourth quarters of the calendar year which may result in significant fluctuations in the Partnership's quarterly operating results.

The following table presents the Partnership's products as a percentage of total sales for the periods presented:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2010	**2009**	**2010**	**2009**
Gasoline sales	69%	68%	58%	51%
Distillate sales: home heating oil, diesel and kerosene	26%	27%	37%	44%
Residual oil sales	5%	5%	5%	5%
	100%	100%	100%	100%

The Partnership had one customer, ExxonMobil Oil Corporation ("ExxonMobil"), who accounted for approximately 22% and 27% of total sales for the three months ended September 30, 2010, and 2009, respectively and approximately 20% and 22% of total sales for the nine months ended September 30, 2010 and 2009, respectively.

Note 2. Net Income Per Limited Partner Unit

Under the Partnership's partnership agreement, for any quarterly period, the incentive distribution rights ("IDRs") participate in net income only to the extent of the amount of cash distributions actually declared, thereby excluding the IDRs from participating in the Partnership's undistributed net income or losses. Accordingly, the Partnership's undistributed net income is assumed to be allocated to the common and subordinated unitholders, or limited partners' interest, and to the General Partner's general partner interest.

On April 21, 2010, the board of directors of the General Partner declared a quarterly cash distribution of $0.4875 per unit for the period from January 1, 2010 through March 31, 2010. On July 21, 2010, the board declared a quarterly cash distribution of $0.4875 per unit for the period from April 1, 2010 through June 30, 2010. On October 20, 2010, the board declared a quarterly cash distribution of $0.4950 per unit for the period from July 1, 2010 through September 30, 2010. These declared cash distributions resulted in incentive distributions to the General Partner, as the holder of the IDRs, and enabled the Partnership to exceed its first target distribution with respect to such IDRs. See Note 9, "Cash Distributions" for further information.

Note 2. Net Income Per Limited Partner Unit (continued)

The following table provides a reconciliation of net income and the assumed allocation of net income to the limited partners' interest for purposes of computing net income per limited partner unit for the three and nine months ended September 30, 2010 and 2009 (in thousands, except per unit data):

	Three Months Ended September 30, 2010			
Numerator:	**Total**	**Limited Partner Interest**	**General Partner Interest**	**IDRs**
Net income (1)	$ 551	$ 479	$ 72	$ —
Declared distribution	$ 8,603	$ 8,405	$ 114	$ 84
Assumed allocation of undistributed net income	(8,052)	(7,926)	(126)	—
Assumed allocation of net income	$ 551	$ 479	$ (12)	$ 84
Denominator:				
Basic weighted average limited partner units outstanding(2)		16,934		
Dilutive effect of phantom units		246		
Diluted weighted average limited partner units outstanding(2)		17,180		
Basic net income per limited partner unit		$ 0.03		
Diluted net income per limited partner unit		$ 0.03		

	Three Months Ended September 30, 2009			
Numerator:	**Total**	**Limited Partner Interest**	**General Partner Interest**	**IDRs**
Net income(1)	$ 2,059	$ 1,973	$ 86	$ —
Declared distribution	$ 6,483	$ 6,321	$ 112	$ 50
Assumed allocation of undistributed net income	(4,424)	(4,348)	(76)	—
Assumed allocation of net income	$ 2,059	$ 1,973	$ 36	$ 50
Denominator:				
Basic weighted average limited partner units outstanding		12,979		
Dilutive effect of phantom units		325		
Diluted weighted average limited partner units outstanding		13,304		
Basic net income per limited partner unit		$ 0.15		
Diluted net income per limited partner unit		$ 0.15		

Note 2. Net Income Per Limited Partner Unit (continued)

	Nine Months Ended September 30, 2010			
Numerator:	**Total**	**Limited Partner Interest**	**General Partner Interest**	**IDRs**
Net income(1)	$ 21,099	$ 20,581	$ 518	$ —
Declared distribution	$ 25,513	$ 24,961	$ 338	$ 214
Assumed allocation of undistributed net income	(4,414)	(4,380)	(34)	—
Assumed allocation of net income	$ 21,099	$ 20,581	$ 304	$ 214
Denominator:				
Basic weighted average limited partner units outstanding(2)		15,824		
Dilutive effect of phantom units		251		
Diluted weighted average limited partner units outstanding(2)		16,075		
Basic net income per limited partner unit		$ 1.30		
Diluted net income per limited partner unit		$ 1.28		

	Nine Months Ended September 30, 2009			
Numerator:	**Total**	**Limited Partner Interest**	**General Partner Interest**	**IDRs**
Net income(1)	$ 21,900	$ 21,371	$ 529	$ —
Declared distribution	$ 19,522	$ 19,036	$ 336	$ 150
Assumed allocation of undistributed net income	2,378	2,335	43	—
Assumed allocation of net income	$ 21,900	$ 21,371	$ 379	$ 150
Denominator:				
Basic weighted average limited partner units outstanding		13,037		
Dilutive effect of phantom units		297		
Diluted weighted average limited partner units outstanding		13,334		
Basic net income per limited partner unit		$ 1.64		
Diluted net income per limited partner unit		$ 1.60		

(1) Calculation includes the effect of the public offering on March 19, 2010 (see Note 15) and, as a result, the general partner interest was reduced to 1.34% for the three months ended September 30, 2010 and, based on a weighted average, 1.60% for the nine months ended September 30, 2010. For the three and nine months ended September 30, 2009, the general partner interest was 1.73%.

(2) At September 30, 2010, limited partner units outstanding excluded common units held on behalf of the Partnership pursuant to its Repurchase Program and for future satisfaction of the General Partner's Obligations (as defined in Note 13). These units are not deemed outstanding for purposes of calculating net income per limited partner unit (basic and diluted).

Note 3. Comprehensive (Loss) Income

The components of comprehensive income consisted of the following (in thousands):

	Three Months Ended September 30, 2010	Three Months Ended September 30, 2009	Nine Months Ended September 30, 2010	Nine Months Ended September 30, 2009
Net income	$ 551	$ 2,059	$ 21,099	$ 21,900
Change in fair value of interest rate collars and forward starting swap	(3,774)	(674)	(10,885)	2,741
Change in pension liability	646	696	88	1,047
Total comprehensive (loss) income	$ (2,577)	$ 2,081	$ 10,302	$ 25,688

Note 4. Inventories

The Partnership hedges substantially all of its inventory purchases through futures contracts and swap agreements. Hedges are executed when inventory is purchased and are identified with that specific inventory. Changes in the fair value of these contracts, as well as the offsetting gain or loss on the hedged inventory item, are recognized in earnings as an increase or decrease in cost of sales. All hedged inventory is valued using the lower of cost, as determined by specific identification, or market. Prior to sale, hedges are removed from specific barrels of inventory, and the then unhedged inventory is sold and accounted for on a first−in, first−out basis.

Inventories consisted of the following (in thousands):

	September 30, 2010	December 31, 2009
Distillates: home heating oil, diesel and kerosene	$ 366,383	$ 339,737
Residual oil	51,055	39,787
Gasoline	81,484	64,645
Blend stock	32,860	21,754
Total	$ 531,782	$ 465,923

In addition to its own inventory, the Partnership has exchange agreements with unrelated third−party suppliers, whereby it may draw inventory from these other suppliers and suppliers may draw inventory from the Partnership. Positive exchange balances are accounted for as accounts receivable and amounted to $44.3 million and $22.9 million at September 30, 2010 and December 31, 2009, respectively. Negative exchange balances are accounted for as accounts payable and amounted to $41.3 million and $10.2 million at September 30, 2010 and December 31, 2009, respectively. Exchange transactions are valued using current quoted market prices.

Note 5. Derivative Financial Instruments

Accounting and reporting guidance for derivative instruments and hedging activities requires that an entity recognize derivatives as either assets or liabilities on the balance sheet and measure the instruments at fair value. Changes in the fair value of the derivative are to be recognized currently in earnings, unless specific hedge accounting criteria are met.

Note 5. Derivative Financial Instruments (continued)

The following table presents the volume of activity related to the Partnership's derivative financial instruments at September 30, 2010:

		Units(1)	Unit of Measure
Oil Contracts			
Long		15,516	Thousands of barrels
Short		(20,537)	Thousands of barrels
Natural Gas Contracts			
Long		21,914	Thousands of decatherms
Short		(21,914)	Thousands of decatherms
Interest Rate Collars	$	200	Millions of dollars
Forward Starting Swap	$	100	Millions of dollars

(1) Number of open positions and gross notional amounts do not quantify risk or represent assets or liabilities of the Partnership, but are used in the calculation of cash settlements under the contracts.

Fair Value Hedges

The fair value of the Partnership's derivatives is determined through the use of independent markets and is based upon the prevailing market prices of such instruments at the date of valuation. The Partnership enters into futures contracts for the receipt or delivery of refined petroleum products in future periods. The contracts are entered into in the normal course of business to reduce risk of loss of inventory on hand, which could result through fluctuations in market prices. Changes in the fair value of these contracts, as well as the offsetting gain or loss on the hedged inventory item, are recognized in earnings as an increase or decrease in cost of sales. Ineffectiveness related to these hedging activities was immaterial for the three and nine months ended September 30, 2010 and 2009.

The Partnership also uses futures contracts and swap agreements to hedge exposure under forward purchase and sale commitments. These agreements are intended to hedge the cost component of virtually all of the Partnership's forward purchase and sale commitments. Changes in the fair value of these contracts, as well as offsetting gains or losses on the forward fixed price purchase and sale commitments, are recognized in earnings as an increase or decrease in cost of sales. Gains and losses on net product margin from forward fixed price purchase and sale contracts are reflected in earnings as an increase or decrease in cost of sales as these contracts mature. Ineffectiveness related to these hedging activities was immaterial for the three and nine months ended September 30, 2010 and 2009.

Note 5. Derivative Financial Instruments (continued)

The following table presents the gross fair values of the Partnership's derivative instruments and firm commitments and their location in the Partnership's consolidated balance sheets at September 30, 2010 and December 31, 2009 (in thousands):

Asset Derivatives	**Balance Sheet Location (Net)**	**September 30, 2010 Fair Value**	**December 31, 2009 Fair Value**
Derivatives designated as hedging instruments and firm commitments			
Oil product contracts(1)	(2)	$ 5,215	$ 4,085
Derivatives not designated as hedging instruments			
Oil product and natural gas contracts	(2)	14,510	11,067
Total asset derivatives		$ 19,725	$ 15,152
Liability Derivatives			
Derivatives designated as hedging instruments and firm commitments			
Oil product contracts(1)	(3)	$ 15,089	$ 23,030
Derivatives not designated as hedging instruments			
Oil product and natural gas contracts	(3)	14,382	10,805
Total liability derivatives		$ 29,471	$ 33,835

(1) Includes forward fixed price purchase and sale contracts as recognized in the Partnership's consolidated balance sheets at September 30, 2010 and December 31, 2009.

(2) Fair value of forward fixed price contracts and prepaid expenses and other current assets

(3) Obligations on forward fixed price contracts and other derivatives and accrued expenses and other current liabilities

Note 5. Derivative Financial Instruments (continued)

The following table presents the amount of gains and losses from derivatives involved in fair value hedging relationships recognized in the Partnership's consolidated statements of income for the three and nine months ended September 30, 2010 and 2009 (in thousands):

Derivatives in Fair Value Hedging Relationships	Location of Gain (Loss) Recognized in Income on Derivative	Amount of Gain (Loss) Recognized in Income on Derivatives: Three Months Ended September 30, 2010	2009	Nine Months Ended September 30, 2010	2009
Oil product contracts	Cost of sales	$ (34,725)	$ (876)	$ 7,478	$ (200,478)

Hedged Items in Fair Value Hedged Relationships	Location of Gain (Loss) Recognized in Income on Hedged Items	Amount of Gain (Loss) Recognized in Income on Hedged Items: Three Months Ended September 30, 2010	2009	Nine Months Ended September 30, 2010	2009
Inventories and forward fixed price contracts	Cost of sales	$ 34,811	$ 879	$ (7,494)	$ 201,126

The Partnership's derivative financial instruments do not contain credit risk related or other contingent features that could cause accelerated payments when these financial instruments are in net liability positions.

The table below presents the composition and fair value of forward fixed price purchase and sale contracts on the Partnership's consolidated balance sheet being hedged by the following derivative instruments (in thousands):

	September 30, 2010	December 31, 2009
Futures contracts	$ (7,443)	$ (14,605)
Swaps and other, net	(703)	(3,420)
Total	$ (8,146)	$ (18,025)

The total balances of $8.1 million and $18.0 million reflect the fair value of the forward fixed price contract liability net of the corresponding asset in the accompanying consolidated balance sheets at September 30, 2010 and December 31, 2009, respectively.

The Partnership formally documents all relationships between hedging instruments and hedged items after its risk management objectives and strategy for undertaking the hedge are determined. The Partnership calculates hedge effectiveness on a quarterly basis. This process includes specific identification of the hedging instrument and the hedged transaction, the nature of the risk being hedged and how the hedging instrument's effectiveness will be assessed. Both at the inception of the hedge and on an ongoing basis, the Partnership assesses whether the derivatives that are used in hedging transactions are highly effective in offsetting changes in fair value of hedged items. The derivative instruments that qualify for hedge accounting are fair value hedges.

The Partnership also markets and sells natural gas. The Partnership generally conducts business by entering into forward purchase commitments for natural gas only when it simultaneously enters into arrangements for the sale of product for physical delivery to third−party users. The Partnership generally takes delivery under its purchase commitments at the same location as it delivers to third−party users. Through these transactions, which establish an immediate margin, the Partnership seeks to maintain a position that is substantially balanced between firm forward purchase and sales commitments. Natural gas is generally purchased and sold at fixed prices and quantities. Current price quotes from actively traded markets are used in all cases to determine the contracts' fair value. Changes in the fair value of these contracts are recognized in earnings as an increase or decrease in cost of sales.

Note 5. Derivative Financial Instruments (continued)

The Partnership has a daily margin requirement with its broker based on the prior day's market results on open futures contracts. The brokerage margin balance was $10.5 million and $18.1 million at September 30, 2010 and December 31, 2009, respectively.

The Partnership is exposed to credit loss in the event of nonperformance by counterparties of forward purchase and sale commitments, futures contracts, options and swap agreements, but the Partnership has no current reason to expect any material nonperformance by any of these counterparties. Futures contracts, the primary derivative instrument utilized by the Partnership, are traded on regulated exchanges, greatly reducing potential credit risks. The Partnership utilizes primarily one clearing broker, a major financial institution, for all New York Mercantile Exchange ("NYMEX") derivative transactions and the right of offset exists. Accordingly, the fair value of all derivative instruments is presented on a net basis in the consolidated balance sheets. Exposure on forward purchase and sale commitments, swap and certain option agreements is limited to the amount of the recorded fair value as of the balance sheet dates.

The Partnership generally enters into master netting arrangements to mitigate counterparty credit risk with respect to its derivatives. Master netting arrangements are standardized contracts that govern all specified transactions with the same counterparty and allow the Partnership to terminate all contracts upon occurrence of certain events, such as a counterparty's default or bankruptcy. Because these arrangements provide the right of offset, and the Partnership's intent and practice is to offset amounts in the case of contract terminations, the Partnership records fair value of derivative positions on a net basis.

Cash Flow Hedges

The Partnership links all hedges that are designated as cash flow hedges to forecasted transactions. To the extent such hedges are effective, the changes in the fair value of the derivative instrument are reported as a component of other comprehensive income and reclassified into interest expense in the same period during which the hedged transaction affects earnings.

The Partnership executed two zero premium interest rate collars with major financial institutions. Each collar is designated and accounted for as a cash flow hedge. The first collar, which became effective on May 14, 2007 and expires on May 14, 2011, is used to hedge the variability in interest payments due to changes in the three−month LIBOR rate with respect to $100.0 million of three−month LIBOR−based borrowings. Under the first collar, the Partnership capped its exposure at a maximum three−month LIBOR rate of 5.75% and established a minimum floor rate of 3.75%. As of September 30, 2010, the three−month LIBOR rate of 0.38% was lower than the floor rate. As a result, in October 2010, the Partnership remitted to the respective financial institution the difference between the floor rate and the current rate which amounted to approximately $431,000 and, at September 30, 2010, such amount was recorded in accrued expenses and other current liabilities in the accompanying consolidated balance sheets. The fair values of the first collar, excluding accrued interest, were liabilities of approximately $2.1 million and $3.9 million as of September 30, 2010 and December 31, 2009, respectively, and were recorded in both other long−term liabilities and accumulated other comprehensive income. Hedge effectiveness was assessed at inception and is assessed quarterly, prospectively and retrospectively. The changes in the fair value of the first collar are expected to be highly effective in offsetting the changes in interest rate payments attributable to fluctuations in the three−month LIBOR rate above and below the first collar's strike rates.

Note 5. Derivative Financial Instruments (continued)

On September 29, 2008, the Partnership executed its second zero premium interest rate collar. The second collar, which became effective on October 2, 2008 and expires on October 2, 2013, is used to hedge the variability in cash flows in monthly interest payments made on the Partnership's $100.0 million one−month LIBOR−based borrowings (and subsequent refinancings thereof) due to changes in the one−month LIBOR rate. Under the second collar, the Partnership capped its exposure at a maximum one−month LIBOR rate of 5.50% and established a minimum floor rate of 2.70%. As of September 30, 2010, the one−month LIBOR rate of 0.26% was lower than the floor rate. As a result, in October 2010, the Partnership remitted to the respective financial institution the difference between the floor rate and the current rate which amounted to approximately $197,000 and, at September 30, 2010, such amount was recorded in accrued expenses and other current liabilities in the accompanying consolidated balance sheet. The fair values of the second collar, excluding accrued interest, were liabilities of approximately $5.8 million and $3.2 million as of September 30, 2010 and December 31, 2009, respectively, and were recorded in both other long−term liabilities and accumulated other comprehensive income in the accompanying consolidated balance sheets. Hedge effectiveness was assessed at inception and is assessed quarterly, prospectively and retrospectively, using the regression analysis. The changes in the fair value of the second collar are expected to be highly effective in offsetting the changes in interest rate payments attributable to fluctuations in the one−month LIBOR rate above and below the second collar's strike rates.

In addition, in October 2009, the Partnership executed a forward starting swap with a major financial institution. The swap, which will become effective on May 16, 2011 and expire on May 16, 2016, will be used to hedge the variability in interest payments due to changes in the one−month LIBOR swap curve with respect to $100.0 million of one−month LIBOR−based borrowings at a fixed rate of 3.93%. The fair value of the swap was a liability of approximately $9.9 million as of September 30, 2010 and was recorded in other long−term liabilities in the accompanying consolidated balance sheets. The fair value of the swap was an asset of approximately $80,000 as of December 31, 2009 and was recorded in other long−term assets in the accompanying consolidated balance sheets. Hedge effectiveness was assessed at inception and will be assessed quarterly, prospectively and retrospectively, using regression analysis. The changes in the fair value of the swap are expected to be highly effective in offsetting the changes in interest rate payments attributable to fluctuations in the one−month LIBOR swap curve.

The following table presents the fair value of the Partnership's derivative instruments and their location in the Partnership's consolidated balance sheets at September 30, 2010 and December 31, 2009 (in thousands):

Derivatives Designated as Hedging Instruments	Balance Sheet Location	September 30, 2010 Fair Value	December 31, 2009 Fair Value
Asset derivatives			
Forward starting swap	Other assets	$ —	$ 80
Liability derivatives			
Interest rate collars	Other long−term liabilities	$ 7,920	$ 7,047
Forward starting swap	Other long−term liabilities	9,931	—
Total liability derivatives		$ 17,851	$ 7,047

Note 5. Derivative Financial Instruments (continued)

The following table presents the amount of gains and losses from derivatives involved in cash flow hedging relationships recognized in the Partnership's consolidated statements of income and partners' equity for the three and nine months ended September 30, 2010 and 2009 (in thousands):

Derivatives in Cash Flow Hedging Relationship	Amount of Gain (Loss) Recognized in Other Comprehensive Income on Derivatives Three Months Ended September 30, 2010	2009	Recognized in Income on Derivatives (Ineffectiveness Portion and Amount Excluded from Effectiveness Testing) Three Months Ended September 30, 2010	2009	Amount of Gain (Loss) Recognized in Other Comprehensive Income on Derivatives Nine Months Ended September 30, 2010	2009	Recognized in Income on Derivatives (Ineffectiveness Portion and Amount Excluded from Effectiveness Testing) Nine Months Ended September 30, 2010	2009
Interest rate collars	$ (343)	$ (674)	$ —	$ —	$ (872)	$ 2,741	$ —	$ —
Forward starting swap	(3,431)	—	—	—	(10,013)	—	—	—
Total	$ (3,774)	$ (674)	$ —	$ —	$ (10,885)	$ 2,741	$ —	$ —

Ineffectiveness related to the interest rate collars and forward starting swap is recognized as interest expense and was immaterial for the three and nine months ended September 30, 2010 and 2009. The effective portion related to the interest rate collars that was originally reported in other comprehensive income and reclassified to earnings was $1.5 million and $1.4 million for the three months ended September 30, 2010 and 2009, respectively, and $4.5 million and $3.7 million for the nine months ended September 30, 2010 and 2009, respectively.

Derivatives Not Involved in a Hedging Relationship

While the Partnership seeks to maintain a position that is substantially balanced within its product purchase activities, it may experience net unbalanced positions for short periods of time as a result of variances in daily sales and transportation and delivery schedules as well as logistical issues inherent in the business, such as weather conditions. In connection with managing these positions and maintaining a constant presence in the marketplace, both necessary for its business, the Partnership engages in a controlled trading program for up to an aggregate of 250,000 barrels of refined petroleum products at any one point in time.

The following table presents the amount of gains and losses from derivatives not involved in a hedging relationship recognized in the Partnership's consolidated statements of income for the three and nine months ended September 30, 2010 and 2009 (in thousands):

Derivatives Not Designated as Hedging Instruments	Location of Gain (Loss) Recognized in Income on Derivatives	Amount of Gain (Loss) Recognized in Income on Derivatives Three Months Ended September 30, 2010	2009	Amount of Gain (Loss) Recognized in Income on Derivatives Nine Months Ended September 30, 2010	2009
Oil product contracts	Cost of sales	$ 1,828	$ 2,402	$ 2,959	$ 8,154

Note 6. Debt

On August 18, 2010, the Partnership entered into a First Amendment to Amended and Restated Credit Agreement which amended the Amended and Restated Credit Agreement dated May 14, 2010 (as amended the "Credit Agreement"). In accordance with the Credit Agreement and in connection with the acquisition of retail gas stations and supply rights from ExxonMobil (see Note 11), the Partnership requested, and certain lenders under the Credit Agreement agreed to, an increase in the revolving credit facility in an amount equal to $200.0 million for a total credit facility of up to $1.15 billion. The Credit Agreement will mature on May 14, 2014.

There are two facilities under the Credit Agreement:

- a working capital revolving credit facility to be used for working capital purposes and letters of credit in the principal amount equal to the lesser of the Partnership's borrowing base and $800.0 million; and

- a $350.0 million revolving credit facility to be used for acquisitions and general corporate purposes.

In addition, the Credit Agreement has an accordion feature whereby the Partnership may request on the same terms and conditions of its then existing Credit Agreement, provided no Event of Default (as defined in the Credit Agreement) then exists, an increase to the revolving credit facility, the working capital revolving credit facility, or both, by up to another $200.0 million, for a total credit facility of up to $1.35 billion. Any such request for an increase by the Partnership must be in a minimum amount of $5.0 million, and the revolving credit facility may not be increased by more than $50.0 million. The Partnership cannot provide assurance, however, that its lending group will agree to fund any request by the Partnership for additional amounts in excess of the total available commitments of $1.15 billion.

Availability under the Partnership's working capital revolving credit facility is subject to a borrowing base which is redetermined from time to time and based on specific advance rates on eligible current assets. Under the Credit Agreement, the Partnership's borrowings under the working capital revolving credit facility cannot exceed the then current borrowing base. Availability under the Partnership's borrowing base may be affected by events beyond the Partnership's control, such as changes in refined petroleum product prices, collection cycles, counterparty performance, advance rates and limits, and general economic conditions. These and other events could require the Partnership to seek waivers or amendments of covenants or alternative sources of financing or to reduce expenditures. The Partnership can provide no assurance that such waivers, amendments or alternative financing could be obtained or, if obtained, would be on terms acceptable to the Partnership.

During the period from January 1, 2009 through May 13, 2010, borrowings under the working capital revolving credit facility bore interest at (1) the Eurodollar rate plus 1.75% to 2.25%, (2) the cost of funds rate plus 1.75% to 2.25%, or (3) the base rate plus 0.75% to 1.25%, each depending on the pricing level provided in the previous credit agreement, which in turn depended upon the Combined Interest Coverage Ratio (as defined in the previous credit agreement). Borrowings under the revolving credit facility bore interest at (1) the Eurodollar rate plus 2.25% to 2.75%, (2) the cost of funds rate plus 1.75% to 2.25%, or (3) the base rate plus 0.75% to 1.25%, each depending on the pricing level provided in the previous credit agreement, which in turn depended upon the Combined Interest Coverage Ratio under the previous credit agreement.

Note 6. Debt (continued)

Commencing May 14, 2010, borrowings under the working capital revolving credit facility bear interest at (1) the Eurodollar rate plus 2.50% to 3.00%, (2) the cost of funds rate plus 2.50% to 3.00%, or (3) the base rate plus 1.50% to 2.00%, each depending on the pricing level provided in the Credit Agreement, which in turn depends upon the Utilization Amount (as defined in the Credit Agreement).

During the period from May 14, 2010 through September 7, 2010, borrowings under the revolving credit facility bore interest at (1) the Eurodollar rate plus 3.00% to 3.25%, (2) the cost of funds rate plus 3.00% to 3.25%, or (3) the base rate plus 2.00% to 2.25%, each depending on the pricing level provided in the Credit Agreement, which in turn depended upon the Combined Senior Secured Leverage Ratio (as defined in the Credit Agreement). Commencing September 8, 2010, borrowings under the revolving credit facility bear interest at (1) the Eurodollar rate plus 3.00% to 3.875%, (2) the cost of funds rate plus 3.00% to 3.875%, or (3) the base rate plus 2.00% to 2.875%, each depending on the pricing level provided in the Credit Agreement, which in turn depends upon the Combined Total Leverage Ratio (as defined in the Credit Agreement).

The average interest rates for the Credit Agreement were 4.1% and 3.5% for the three months ended September 30, 2010 and 2009, respectively, and 3.8% and 3.7% for the nine months ended September 30, 2010 and 2009, respectively.

The Partnership executed two zero premium interest rate collars and a forward starting swap which are used to hedge the variability in interest payments under the Credit Agreement due to changes in LIBOR rates. See Note 5 for additional information on the interest rate collars and the forward starting swap.

The Partnership incurs a letter of credit fee of 2.50% — 3.00% per annum for each letter of credit issued. In addition, the Partnership incurs a commitment fee on the unused portion of each facility under the Credit Agreement equal to 0.50% per annum.

The Partnership classifies a portion of its working capital revolving credit facility as a long−term liability because the Partnership has a multi−year, long−term commitment from its bank group. The long−term portion of the working capital revolving credit facility was $280.4 million and $240.9 million at September 30, 2010 and December 31, 2009, respectively, representing the amounts expected to be outstanding during the year. In addition, the Partnership classifies a portion of its working capital revolving credit facility as a current liability because it repays amounts outstanding and reborrows funds based on its working capital requirements. The current portion of the working capital revolving credit facility was approximately $185.3 million and $221.7 million at September 30, 2010 and December 31, 2009, respectively, representing the amounts the Partnership expects to pay down during the course of the year.

As of September 30, 2010, the Partnership had total borrowings outstanding under the Credit Agreement of $765.7 million, including $300.0 million outstanding on the revolving credit facility. In addition, the Partnership had outstanding letters of credit of $46.5 million. Subject to borrowing base limitations, the total remaining availability for borrowings and letters of credit at September 30, 2010 and December 31, 2009 was $337.8 million and $211.2 million, respectively.

The Credit Agreement is secured by substantially all of the assets of the Partnership and each of the Companies and is guaranteed by the General Partner. The Credit Agreement imposes certain requirements including, for example, a prohibition against distributions if any potential default or Event of Default (as defined in the Credit Agreement) would occur as a result thereof, and limitations on the Partnership's ability to grant liens, make certain loans or investments, incur additional indebtedness or guarantee other indebtedness, make any material change to the nature of the Partnership's business or undergo a fundamental change, make any material dispositions, acquire another company, enter into a merger, consolidation, sale leaseback transaction or purchase of assets, or make capital expenditures in excess of specified levels.

Note 6. Debt (continued)

The Credit Agreement imposes financial covenants that require the Partnership to maintain certain minimum working capital amounts, capital expenditure limits, a minimum EBITDA, a minimum combined interest coverage ratio, a maximum senior secured leverage ratio and a maximum total leverage ratio. The Partnership was in compliance with the foregoing covenants at September 30, 2010. The Credit Agreement also contains a representation whereby there can be no event or circumstance, either individually or in the aggregate, that has had or could reasonably be expected to have a Material Adverse Effect (as defined in the Credit Agreement). Under the Credit Agreement, the clean down requirement of the previous credit agreement was eliminated.

The Credit Agreement limits distributions by the Partnership to its unitholders to the amount of the Partnership's available cash (as defined in its partnership agreement).

The lending group under the Credit Agreement is comprised of the following institutions: Bank of America, N.A.; JPMorgan Chase Bank, N.A.; Wells Fargo Bank, N.A.; Societe Generale; Standard Chartered Bank; RBS Citizens, National Association; BNP Paribas; Cooperative Centrale Raiffeisen−Boerenleenbank B.A., "Radobank Nederland" New York Branch; Sovereign Bank (Santander Group); Credit Agricole Corporate and Investment Bank; Keybank National Association; Toronto Dominion (New York); RB International Finance (USA) LLC (formerly known as RZB Finance LLC); Royal Bank of Canada; Raymond James Bank, FSB; Barclays Bank plc; Webster Bank, National Association; Natixis, New York Branch; DZ Bank AG Deutsche Zentral−Genossenschaftsbank Frankfurt Am Main; Branch Banking & Trust Company; and Sumitomo Mitsui Banking Corporation.

Note 7. Employee Benefit Plan with Related Party

The General Partner employs substantially all of the Partnership's employees and charges the Partnership for their services. The Partnership also reimburses the General Partner for its contributions under the General Partner's 401(k) Savings and Profit Sharing Plan and the General Partner's qualified and non−qualified pension plans. The Partnership's net periodic benefit cost for the defined benefit pension plan consisted of the following components (in thousands):

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2010	**2009**	**2010**	**2009**
Service cost	$ 53	$ 325	$ 160	$ 975
Interest cost	163	230	490	687
Expected return on plan assets	(169)	(161)	(509)	(482)
Recognized net actuarial loss	—	48	—	144
Net periodic benefit cost	$ 47	$ 442	$ 141	$ 1,324

Effective December 31, 2009, the General Partner's qualified pension plan (the "Plan") was amended to freeze participation in and benefit accruals under the Plan. Primarily for this reason, the net periodic benefit cost decreased by approximately $0.4 million and $1.2 million for the three and nine months ended September 30, 2010, respectively, compared to the same periods in 2009.

Note 8. Related Party Transactions

The Partnership is a party to a Second Amended and Restated Terminal Storage Rental and Throughput Agreement with Global Petroleum Corp. ("GPC"), an affiliate of the Partnership, which extends through July 2014 with annual renewal options thereafter. The agreement is accounted for as an operating lease. The expenses under this agreement totaled approximately $2.2 million and $2.1 million for the three months ended September 30, 2010 and 2009, respectively, and approximately $6.5 million and $6.3 million for the nine months ended September 30, 2010 and 2009, respectively.

Note 8. Related Party Transactions (continued)

Pursuant to an Amended and Restated Services Agreement with GPC, GPC provides certain terminal operating management services to the Partnership and uses certain administrative, accounting and information processing services of the Partnership. The expenses from these services totaled approximately $21,900 and $18,500 for the three months ended September 30, 2010 and 2009, respectively, and approximately $65,600 and $55,000 for the nine months ended September 30, 2010 and 2009, respectively. These charges were recorded in selling, general and administrative expenses in the accompanying consolidated statements of income. The agreement is for an indefinite term, and either party may terminate its receipt of some or all of the services thereunder upon 180 days' notice at any time after January 1, 2009. As of September 30, 2010, no such notice of termination was given by either party.

Pursuant to the Partnership's Amended and Restated Services Agreement with Alliance Energy LLC ("Alliance"), the Partnership also provides certain administrative, accounting and information processing services, and the use of certain facilities, to Alliance, an affiliate of the Partnership that is wholly owned by AE Holdings Corp., which is approximately 95% owned by members of the Slifka family. The income from these services was approximately $49,000 and $95,500 for the three months ended September 30, 2010 and 2009, respectively, and $147,000 and $286,500 for the nine months ended September 30, 2010 and 2009, respectively. These fees were recorded as an offset to selling, general and administrative expenses in the accompanying consolidated statements of income. The agreement extends through January 1, 2011.

On May 12, 2010, the Partnership and Alliance entered into a letter agreement with respect to shared services for the year ending December 31, 2010, pursuant to which the Partnership will provide information technology infrastructure to Alliance for $106,000 for the year in addition to production and project support and routine information technology maintenance at a rate of $100.00 an hour. Also for the year ending December 31, 2010, the Partnership will provide limited legal services to Alliance for $75,000 and limited accounting, treasury, tax and human resources support for $15,000. The income from these services was approximately $50,000 and $85,000 for the three and nine months ended September 30, 2010, respectively.

The Partnership sells refined petroleum products to Alliance at prevailing market prices at the time of delivery. Sales to Alliance were approximately $4.1 million and $5.7 million for the three months ended September 30, 2010 and 2009, respectively, and $17.6 million and $12.3 million for the nine months ended September 30, 2010 and 2009, respectively.

In addition, the Global Companies LLC and Global Montello Group Corp., wholly owned subsidiaries of the Partnership, entered into management agreements with Alliance in connection with the Partnership's September 2010 acquisition of retail gas stations from ExxonMobil. The expenses for the management fee and overhead reimbursement were approximately $125,000 and $132,000, respectively, through September 30, 2010. See Note 11 and Item 2, "Management's Discussion and Analysis of Financial Condition and Results of Operations — Acquisition."

The General Partner employs substantially all of the Partnership's employees and charges the Partnership for their services. The expenses for the three months ended September 30, 2010 and 2009, including payroll, payroll taxes and bonus accruals, were $8.8 million and $9.2 million, respectively, and $28.6 million and $29.1 million for the nine months ended September 30, 2010 and 2009, respectively. The Partnership also reimburses the General Partner for its contributions under the General Partner's 401(k) Savings and Profit Sharing Plan and the General Partner's qualified and non−qualified pension plans.

Note 8. Related Party Transactions (continued)

The table below presents trade receivables with Alliance, receivables incurred in connection with the services agreements between Alliance and the Partnership and GPC and the Partnership, as the case may be, and receivables from the General Partner (in thousands):

	September 30, 2010	December 31, 2009
Receivables from Alliance	$ 464	$ 838
Receivables from GPC	126	251
Receivables from the General Partner (1)	723	476
Total	$ 1,313	$ 1,565

(1) Receivables from the General Partner reflect the Partnership's prepayment of payroll taxes and payroll accruals to the General Partner.

Note 9. Cash Distributions

The Partnership intends to consider regular cash distributions to unitholders on a quarterly basis, although there is no assurance as to the future cash distributions since they are dependent upon future earnings, capital requirements, financial condition and other factors. The Credit Agreement prohibits the Partnership from making cash distributions if any potential default or Event of Default, as defined in the Credit Agreement, occurs or would result from the cash distribution.

Within 45 days after the end of each quarter, the Partnership will distribute all of its available cash (as defined in its partnership agreement) to unitholders of record on the applicable record date. The amount of available cash is all cash on hand on the date of determination of available cash for the quarter; less the amount of cash reserves established by the General Partner to provide for the proper conduct of the Partnership's business, to comply with applicable law, any of the Partnership's debt instruments, or other agreements or to provide funds for distributions to unitholders and the General Partner for any one or more of the next four quarters.

The Partnership will make distributions of available cash from distributable cash flow for any quarter during the subordination period as defined in its partnership agreement in the following manner: firstly, 98.66% to the common unitholders, pro rata, and 1.34% to the General Partner, until the Partnership distributes for each outstanding common unit an amount equal to the minimum quarterly distribution for that quarter; secondly, 98.66% to the common unitholders, pro rata, and 1.34% to the General Partner, until the Partnership distributes for each outstanding common unit an amount equal to any arrearages in payment of the minimum quarterly distribution on the common units for any prior quarters during the subordination period; thirdly, 98.66% to the subordinated unitholders, pro rata, and 1.34% to the General Partner, until the Partnership distributes for each subordinated unit an amount equal to the minimum quarterly distribution for that quarter; and thereafter, cash in excess of the minimum quarterly distributions is distributed to the unitholders and the General Partner, as the holder of the IDRs, based on the percentages as provided below.

As the holder of the IDRs, the General Partner is entitled to incentive distributions if the amount that the Partnership distributes with respect to any quarter exceeds specified target levels shown below:

	Total Quarterly Distribution	Marginal Percentage Interest in Distributions	
	Target Amount	Unitholders	General Partner
Minimum Quarterly Distribution	$0.4625	98.66%	1.34%
First Target Distribution	$0.4625	98.66%	1.34%
Second Target Distribution	above $0.4625 up to $0.5375	85.66%	14.34%
Third Target Distribution	above $0.5375 up to $0.6625	75.66%	24.34%
Thereafter	above $0.6625	50.66%	49.34%

Note 9. Cash Distributions (continued)

The Partnership paid the following cash distribution during 2010 (in thousands, except per unit data):

Cash Distribution Payment Date	Per Unit Cash Distribution	Common Units	Subordinated Units	General Partner	Incentive Distribution	Total Cash Distribution
02/12/10 (1)(2)	$0.4875	$3,621	$2,751	$112	$ 50	$ 6,534
05/14/10 (2)	$0.4875	$5,527	$2,751	$112	$ 65	$ 8,455
08/13/10 (2)	$0.4875	$5,527	$2,751	$112	$ 65	$ 8,455

(1) Prior to the Partnership's public offering (see Note 15), the limited partner interest was 98.27% and the general partner interest was 1.73%.

(2) This distribution of $0.4875 per unit resulted in the Partnership exceeding its first target distribution for the fourth quarter of 2009 and the first and second quarters of 2010. As a result, the General Partner, as the holder of the IDRs, received an incentive distribution.

In addition, on October 20, 2010, the board of directors of the General Partner declared a quarterly cash distribution of $0.4950 per unit for the period from July 1, 2010 through September 30, 2010 ($1.98 per unit on an annualized basis). On November 12, 2010, the Partnership will pay this cash distribution to its common and subordinated unitholders of record as of the close of business November 3, 2010. This distribution will result in the Partnership exceeding its first target distribution for the quarter ended September 30, 2010.

Note 10. Segment Reporting

The Partnership is a wholesale and commercial distributor of gasoline, distillates and residual oil whose business is organized within two reporting segments, Wholesale and Commercial, based on the way the chief operating decision maker (CEO) manages the business and on the similarity of customers and expected long−term financial performance of each segment. The accounting policies of the segments are the same as those described in Note 2, "Summary of Significant Accounting Policies," in the Partnership's Annual Report on Form 10−K for the year ended December 31, 2009.

In the Wholesale segment, the Partnership sells gasoline, home heating oil, diesel, kerosene and residual oil to unbranded and branded retail gasoline stations and other resellers of transportation fuels, home heating oil retailers and wholesale distributors. Generally, customers use their own vehicles or contract carriers to take delivery of the product at bulk terminals and inland storage facilities that the Partnership owns or controls or with which it has throughput arrangements.

The Commercial segment includes (1) sales and deliveries of unbranded gasoline, home heating oil, diesel, kerosene, residual oil and small amounts of natural gas to end user customers in the public sector and to large commercial and industrial end user customers, either through a competitive bidding process or through contracts of various terms, (2) sales of custom blended distillates and residual oil delivered by barges or from a terminal dock through bunkering activity, and (3) sales of branded gasoline to end users. Commercial segment end user customers include federal and state agencies, municipalities, large industrial companies, many autonomous authorities such as transportation authorities and water resource authorities, colleges and universities, a limited group of small utilities and gasoline customers at gasoline stations. Unlike the Wholesale segment, in the Commercial segment, the Partnership generally arranges the delivery of the product to the customer's designated location, typically hiring third−party common carriers to deliver the product.

The Partnership evaluates segment performance based on net product margins before allocations of corporate and indirect operating costs, depreciation, amortization (including non−cash charges) and interest. Based on the way the CEO manages the business, it is not reasonably possible for the Partnership to allocate the components of operating costs and expenses between the reportable segments. Additionally, due to the commingled nature and uses of the

Note 10. Segment Reporting (continued)

Partnership's assets, it is not reasonably possible for the Partnership to allocate assets between operating segments. There were no intersegment sales for any of the periods presented below.

Summarized financial information for the Partnership's reportable segments is presented in the table below (in thousands):

	Three Months Ended September 30, 2010	Three Months Ended September 30, 2009	Nine Months Ended September 30, 2010	Nine Months Ended September 30, 2009
Wholesale Segment:				
Sales				
Distillates	$ 376,878	$ 329,362	$ 1,778,730	$ 1,741,038
Gasoline	1,066,764	871,770	2,929,257	2,093,759
Residual oil	8,505	6,594	28,902	23,937
Total	$ 1,452,147	$ 1,207,726	$ 4,736,889	$ 3,858,734
Net product margin (1)				
Distillates	$ 18,440	$ 15,456	$ 58,920	$ 62,786
Gasoline	16,412	10,999	48,333	34,912
Residual oil	1,864	1,814	7,154	6,928
Total	$ 36,716	$ 28,269	$ 114,407	$ 104,626
Commercial Segment:				
Sales	$ 94,692	$ 77,605	$ 309,396	$ 260,701
Net product margin (1)	$ 2,318	$ 3,717	$ 10,040	$ 11,241
Combined sales and net product margin:				
Sales	$ 1,546,839	$ 1,285,331	$ 5,046,285	$ 4,119,435
Net product margin (1)	$ 39,034	$ 31,986	$ 124,447	$ 115,867
Depreciation allocated to cost of sales	3,939	2,713	9,623	8,091
Combined gross profit	$ 35,095	$ 29,273	$ 114,824	$ 107,776

(1) Net product margin is a non−GAAP financial measure used by management and external users of the Partnership's consolidated financial statements to assess the Partnership's business. The table above reconciles net product margin on a combined basis to gross profit, a directly comparable GAAP measure.

A reconciliation of the totals reported for the reportable segments to the applicable line items in the consolidated financial statements is as follows (in thousands):

	Three Months Ended September 30, 2010	Three Months Ended September 30, 2009	Nine Months Ended September 30, 2010	Nine Months Ended September 30, 2009
Combined gross profit	$ 35,095	$ 29,273	$ 114,824	$ 107,776
Operating costs and expenses not allocated to reportable segments:				
Selling, general and administrative expenses	17,246	13,859	47,715	45,233
Operating expenses	10,405	8,666	28,867	26,278
Amortization expenses	1,005	747	2,430	2,350
Total operating costs and expenses	28,656	23,272	79,012	73,861
Operating income	6,439	6,001	35,812	33,915
Interest expense	(5,888)	(3,742)	(14,326)	(10,940)
Income tax expense	—	(200)	(387)	(1,075)
Net income	$ 551	$ 2,059	$ 21,099	$ 21,900

Note 10. Segment Reporting (continued)

There were no foreign sales for the three and nine months ended September 30, 2010 and 2009. The Partnership has no foreign assets.

Note 11. Acquisitions

Retail Gas Stations and Supply Rights — On September 30, 2010, the Partnership completed its acquisition of retail gas stations and supply rights from ExxonMobil for cash consideration of approximately $202.3 million, plus the assumption of certain environmental liabilities (see Note 12). The Partnership acquired 190 Mobil branded retail gas stations located in Massachusetts, New Hampshire and Rhode Island (the "Subject States"). Of the 190 stations, 42 are directly operated by Alliance and 148 are dealer operated subject to existing franchise agreements assigned to and assumed by the Partnership. Additionally, the Partnership acquired the right to supply Mobil branded fuel to such stations and to 31 Mobil branded stations that are owned and operated by independent dealers in the Subject States. The Partnership outsourced the day−to−day management and operations of these 221 locations to Alliance, an experienced retail operator. Because this acquisition was completed late in the third quarter of 2010, the results of the acquisition were immaterial to the Partnership's consolidated financials statements for the three and nine months ended September 30, 2010. See Item 2, "Management's Discussion and Analysis of Financial Condition and Results of Operations — Acquisition," for additional information on the transaction.

In connection with this acquisition, the Partnership incurred expenses of approximately $1.1 million and $1.2 million for the three and nine months ended September 30, 2010, respectively, which are included in selling, general and administrative expenses in the accompanying statements of income. The Partnership also incurred approximately $0.6 million in operating expenses for the three and nine months ended September 30, 2010 which are included in operating expenses in the accompanying statements of income. The Partnership financed the acquisition through borrowings under its credit facility. This acquisition was accounted for as a business combination.

The allocation of the purchase price will be finalized as the Partnership receives additional information relevant to the acquisition, including a final valuation of the assets purchased and further information with respect to the environmental liabilities assumed. The final allocation for this acquisition may be different from the preliminary estimates presented below. The impact of any adjustments to the final allocation is not expected to be material. The following table presents the preliminary allocation of the cash consideration to the estimated fair value of the assets acquired and environmental liabilities assumed (in thousands):

Assets purchased:	
Buildings and improvements	$ 57,831
Land	117,808
Fixtures and equipment	44,974
Intangibles	11,700
Total assets purchased	232,313
Less environmental liabilities assumed	(30,000)
Total cash consideration	$ 202,313

Note 11. Acquisitions (continued)

The intangible assets acquired in the transaction consist of the following (in thousands):

Description	Gross Carrying Amount	Accumulated Amortization	Net Intangible Assets	Amortization Period
Supply contracts	$ 11,700	$ (195)	$ 11,505	5 years

Amortization expense was approximately $195,000 for the three and nine months ended September 30, 2010.

Warex Terminals — On June 2, 2010, the Partnership completed its acquisition of three refined petroleum products terminals located in Newburgh, New York from Warex Terminals Corporation (the "Warex Terminals") for cash consideration of $46.0 million plus the assumption of certain environmental liabilities (see Note 12). In addition, the Partnership purchased approximately $9.0 million of inventory in the normal course of business that was stored in the acquired terminals. The Partnership incurred no selling, general and administrative expenses for the three months ended September 30, 2010 and approximately $1.4 million for the nine months ended September 30, 2010 which are included in the accompanying statements of income. The Partnership also incurred approximately $0.7 million and $1.4 million in operating expenses for the three and nine months ended September 30, 2010, respectively, which are included in operating expenses in the accompanying statements of income. The Partnership financed the acquisition through its revolving credit facility. This acquisition was accounted for as a business combination pursuant to accounting guidance related to business combinations.

The allocation of the purchase price will be finalized as the Partnership receives additional information relevant to the acquisition, including a final valuation of the assets purchased and further information with respect to the environmental liabilities assumed. The final allocation for this acquisition may be different from the preliminary estimates presented below. The impact of any adjustments to the final allocation is not expected to be material. The following table presents the preliminary allocation of the cash consideration to the estimated fair value of the assets acquired and environmental liabilities assumed (in thousands):

Assets purchased:	
Buildings, docks, terminal facilities and improvements	$ 34,887
Land	4,500
Fixtures, equipment and automobiles	525
Intangibles	7,634
Total assets purchased	47,546
Less environmental liabilities assumed	(1,500)
Total cash consideration	$ 46,046

The intangible assets acquired in the transaction consist of the following (in thousands):

Description	Gross Carrying Amount	Accumulated Amortization	Net Intangible Assets	Amortization Period
Customer relationships	$ 6,524	$ (145)	$ 6,379	15 years
Supply contracts	1,110	(25)	1,085	15 years
Total intangible assets	$ 7,634	$ (170)	$ 7,464	

Amortization expense was approximately $127,000 and $170,000 for the three and nine months ended September 30, 2010, respectively.

Note 11. Acquisitions (continued)

Valuation of Intangible Assets — The estimated purchase price for each of the above acquisitions has been allocated to assets acquired and liabilities assumed based on their estimated fair values. The Partnership has then allocated the purchase price in excess of net tangible assets acquired to identifiable intangible assets, based upon a detailed valuation that uses information and assumptions provided by management.

As part of the preliminary purchase price allocations, identifiable intangible assets include supply contracts and, in the case of Warex, customer relationships. The Partnership primarily used the income approach to value the existing other intangibles. This approach calculates fair value by estimating future cash flows attributable to each intangible asset and discounting them to present value at a risk−adjusted discount rate.

The Partnership utilized accounting guidance related to intangible assets which lists the pertinent factors to be considered when estimating the useful life of an intangible asset. These factors include, in part, a review of the expected use by the Partnership of the assets acquired, the expected useful life of another asset (or group of assets) related to the acquired assets and legal, regulatory or other contractual provisions that may limit the useful life of an acquired asset. The Partnership expects to amortize these intangible assets on a straight−line basis over their estimated useful lives using a consistent method that is based on estimated cash flows.

The estimated remaining amortization expense for intangible assets acquired in 2010 for each of the five succeeding years and thereafter is as follows (in thousands):

2010	$ 712
2011	2,849
2012	2,849
2013	2,849
2014	2,849
Thereafter	6,861
Total	$ 18,969

Note 12. Environmental Liabilities

The Partnership currently owns or leases properties where refined petroleum products are being or have been handled. These properties and the refined petroleum products handled thereon may be subject to federal and state environmental laws and regulations. Under such laws and regulations, the Partnership could be required to remove or remediate containerized hazardous liquids or associated generated wastes (including wastes disposed of or abandoned by prior owners or operators), to clean up contaminated property arising from the release of liquids or wastes into the environment, including contaminated groundwater, or to implement best management practices to prevent future contamination.

The Partnership maintains insurance of various types with varying levels of coverage that it considers adequate under the circumstances to cover its operations and properties. The insurance policies are subject to deductibles that the Partnership considers reasonable and not excessive. In addition, the Partnership has entered into indemnification agreements with various sellers in conjunction with several of its acquisitions. Allocation of environmental liability is an issue negotiated in connection with each of the Partnership’s acquisition transactions. In each case, the Partnership makes an assessment of potential environmental liability exposure based on available information. Based on that assessment and relevant economic and risk factors, the Partnership determines whether to, and the extent to which it will, assume liability for existing environmental conditions.

Note 12. Environmental Liabilities (continued)

In connection with the September 2010 acquisition of the retail gas stations from ExxonMobil, the Partnership assumed certain environmental liabilities with respect to the Acquired Sites (as defined in Item 2, "Management's Discussion and Analysis of Financial Condition and Results of Operations — Acquisition"). The assumed environmental liabilities include on−going environmental remediation at approximately 70 of the Acquired Sites and future remediation activities required by applicable federal, state or local law or regulation. Remedial action plans are in place with the applicable state regulatory agencies for the majority of these locations, including plans for soil and groundwater treatment systems at eight sites. Based on consultations with environmental engineers, the Partnership's estimated cost of the remediation is expected to be approximately $30.0 million to be expended over an extended period of time. As a result, the Partnership recorded, on an undiscounted basis, total environmental liabilities of approximately $30.0 million, which was recorded as a long−term liability in the accompanying consolidated balance sheet at September 30, 2010.

In connection with the June 2010 acquisition of the Warex Terminals, the Partnership assumed certain environmental liabilities, including certain ongoing remediation efforts. As a result, the Partnership recorded, on an undiscounted basis, a total environmental liability of approximately $1.5 million, which was recorded as a long−term liability in the accompanying consolidated balance sheet at September 30, 2010. The Partnership does not believe that completion of the ongoing remediation efforts will result in material costs in excess of the environmental reserve or have a material impact on its operations.

In connection with the November 2007 acquisition of ExxonMobil's Glenwood Landing and Inwood, New York terminals, the Partnership assumed certain environmental liabilities, including the remediation obligations under remedial action plans submitted by ExxonMobil to and approved by the New York Department of Environmental Conservation ("NYDEC") with respect to both terminals. As a result, the Partnership recorded, on an undiscounted basis, total environmental liabilities of approximately $1.2 million, of which approximately $0.7 million was paid by the Partnership as of September 30, 2010. The remaining liability of $0.5 million was recorded as a current liability of $0.4 million and a long−term liability of $0.1 million in the accompanying consolidated balance sheet at September 30, 2010. The Partnership has implemented the remedial action plans and does not believe that compliance with the terms thereof will result in material costs in excess of the environmental reserve or have a material impact on its operations.

In connection with the May 2007 acquisition of ExxonMobil's Albany and Newburgh, New York and Burlington, Vermont terminals, the Partnership assumed certain environmental liabilities, including the remediation obligations under a proposed remedial action plan submitted by ExxonMobil to NYDEC with respect to the Albany, New York terminal. As a result, the Partnership recorded, on an undiscounted basis, total environmental liabilities of approximately $8.0 million. In June 2008, the Partnership submitted a remedial action work plan to NYDEC, implementing NYDEC's conditional approval of the remedial action plan submitted by ExxonMobil. The Partnership responded to NYDEC's requests for additional information and conducted pilot tests for the remediation outlined in the work plan. Based on the results of such pilot tests, the Partnership changed its estimate and reduced the environmental liability by $2.8 million during the fourth quarter ended December 31, 2008. At September 30, 2010, this liability had a balance of $4.9 million which was recorded as a current liability of $2.9 million and a long−term liability of $2.0 million in the accompanying consolidated balance sheet. In July 2009, NYDEC approved the remedial action work plan, and the Partnership signed a Stipulation Agreement with NYDEC to govern implementation of the approved plan. The Partnership does not believe that compliance with the terms of the approved remedial action work plan will result in material costs in excess of the environmental reserve or have a material impact on its operations.

Note 12. Environmental Liabilities (continued)

In connection with the 2006 acquisition of its Macungie, Pennsylvania terminal (the “Global Macungie Terminal”), the Partnership assumed certain existing environmental liabilities at the terminal. The Partnership did not accrue for these contingencies as it believes that the aggregate amount of these liabilities cannot be reasonably estimated at this time. The Partnership also executed an Administrative Order on Consent (“AOC”) with the U.S. Environmental Protection Agency, Region III (“EPA, Region III”) requiring certain investigatory activities at the Global Macungie Terminal. The Partnership believes that the investigatory activities required by the AOC have been completed, and a final report concerning these investigatory activities has been submitted. In accordance with the AOC, the Partnership requested that EPA, Region III issue a Notice of Completion with respect to the AOC. On October 5, 2010, EPA, Region III issued a Notice of Completion stating that all work required by the AOC has been completed.

The Partnership’s estimates used in these reserves are based on all known facts at the time and its assessment of the ultimate remedial action outcomes. Among the many uncertainties that impact the Partnership’s estimates are the necessary regulatory approvals for, and potential modification of, its remediation plans, the amount of data available upon initial assessment of the impact of soil or water contamination, changes in costs associated with environmental remediation services and equipment and the possibility of existing legal claims giving rise to additional claims. Therefore, although the Partnership believes that these reserves are adequate, no assurances can be made that any costs incurred in excess of these reserves or outside of indemnifications or not otherwise covered by insurance would not have a material adverse effect on the Partnership’s financial condition, results of operations or cash flows.

Note 13. Long−Term Incentive Plan

In October 2005, the General Partner adopted a Long−Term Incentive Plan (“LTIP”) whereby 564,242 common units were authorized for issuance. Any units delivered pursuant to an award under the LTIP may be acquired in the open market or from any affiliate, be newly issued units or any combination of the foregoing. The LTIP provides for awards to employees, consultants and directors of the General Partner and employees and consultants of affiliates of the Partnership who perform services for the Partnership. The LTIP allows for the award of unit options, unit appreciation rights, restricted units, phantom units and distribution equivalent rights (“DERs”).

Long−Term Incentive Plan

On August 14, 2007, the Compensation Committee of the board of directors of the General Partner granted awards of phantom units and associated DERs under the LTIP to certain employees and non−employee directors of the General Partner. The phantom units granted vested on December 31, 2009 and became payable on a one−for−one basis in common units of the Partnership (or cash equivalent) in connection with the achievement of certain performance goals over the vesting period. The DERs that were granted in tandem with the phantom units vested and became payable in cash simultaneously with the vesting of the phantom units.

The Partnership recorded compensation expenses with respect to these awards of approximately \$0.2 million and \$0.6 million for the three and nine months ended September 30, 2009, respectively, which are included in selling, general and administrative expenses in the accompanying consolidated statements of income. The total compensation cost related to these awards was fully recognized as of December 31, 2009. In March 2010, the Partnership distributed 62,620 common units in settlement of this award, and in April 2010, the Partnership paid approximately \$305,000 in associated DERs.

Note 13. Long−Term Incentive Plan (continued)

Three−Year Phantom Units

On December 31, 2008, the Compensation Committee of the board of directors of the General Partner granted 99,700 phantom units to a named executive officer, including a contingent right to receive an amount in cash equal to the number of phantom units multiplied by the cash distribution per common unit made by the Partnership from time to time during the period the phantom units are outstanding. The phantom units, which are subject to graded vesting, vest in six equal installments on June 30 and December 31 of each year commencing June 30, 2009. Compensation expense related to these phantom units is recognized using the accelerated attribution method. The Partnership recorded compensation expenses related to this phantom unit award of approximately $58,000 and $136,000 for the three months ended September 30, 2010 and 2009, respectively, and $236,000 and $596,000 for the nine months ended September 30, 2010 and 2009, respectively, which are included in selling, general and administrative expenses in the accompanying consolidated statements of income. The total compensation cost related to the non−vested awards not yet recognized at September 30, 2010 is approximately $158,000 and is expected to be recognized over the remaining requisite service period. On June 30, 2009, 16,617 common units vested under this award and were distributed to the named executive officer, and in July 2009, the Partnership paid a cash distribution related to these units of approximately $8,000. On December 31, 2009, 16,617 common units vested under this award and were distributed, and in January 2010, the Partnership paid a cash distribution related to these units of approximately $32,000. On June 30, 2010, 16,617 common units vested under this award, and in July 2010, the Partnership distributed these units and paid a cash distribution related to these units of approximately $48,600.

Five−Year Phantom Units

On February 5, 2009, the Compensation Committee of the board of directors of the General Partner granted awards of 277,777 phantom units under the LTIP to certain employees of the General Partner. The phantom units will vest and become payable on a one−for−one basis in common units of the Partnership (and/or cash in lieu thereof) on December 31, 2013 (or potentially sooner as described below), subject in each case to continued employment of the respective employee and subject to a performance goal for the phantom units granted to one of the recipients. Any phantom units that have not vested as of the end of the five year cliff vesting period will be forfeited.

All or a portion of the phantom units granted to the employees may vest earlier than December 31, 2013 if the Average Unit Price (as defined below) equals or exceeds specified target prices during specified periods. Specifically, if the Average Unit Price equals or exceeds: (i) $21.00 at any time prior to December 31, 2013, then 25% of the phantom units will automatically vest; (ii) $27.00 at any time during the period from February 5, 2011 through December 31, 2013, then an additional 25% of the phantom units will automatically vest; and (iii) $34.00 at any time during the period from June 5, 2012 through December 31, 2013, then all of the remaining phantom units will automatically vest. "Average Unit Price" means the closing market price of the Partnership's common units for any 10−consecutive trading day period. On August 21, 2009, the Average Unit Price of $21.00 per unit for the first tranche was achieved and, as a result, 25% of the phantom units vested at a price of $22.50 per unit.

The fair value of the award at the February 5, 2009 grant date approximated the fair value of the Partnership's common units at that date, reduced by the present value of the distributions stream on the equivalent number of common units over the derived service period. Compensation cost is recognized ratably over the derived service period which was determined for each tranche using the Monte Carlo simulation model. The derived service period of the award was assessed using expected volatility which was estimated based on historical volatility of the Partnership's common units. The Partnership recorded compensation expenses related to this phantom unit award of approximately $39,000 and $337,000 for the three months ended September 30, 2010 and 2009, respectively, and $117,000 and $420,000 for the nine months ended September 30, 2010 and 2009, respectively, which are included in selling, general and administrative expenses in the accompanying consolidated statements of operations. The total compensation cost related to the non−vested awards not yet recognized at September 30, 2010 is approximately $510,000 and is expected to be recognized ratably over the remaining derived service period.

Note 13. Long−Term Incentive Plan (continued)

Non−Employee Directors Phantom Units

On April 20, 2010, the Compensation Committee of the board of directors of the General Partner granted awards of 3,600 phantom units to certain non−employee directors of the General Partner. The phantom units granted vest on December 31, 2010 and will become payable on a one−for−one basis in common units of the Partnership (or cash equivalent). The fair value of this award at the April 20, 2010 grant date approximated the fair value of the Partnership's common units at that date.

The Partnership will recognize as compensation expense the value of the portion of the award that is ultimately expected to vest over the requisite service period on a straight−line basis. The Partnership recorded compensation expenses related to this phantom unit award of approximately $27,000 for the three and nine months ended September 30, 2010. The total compensation cost related to the non−vested awards not yet recognized at September 30, 2010 is approximately $55,000 and is expected to be recognized ratably over the remaining requisite service period.

Repurchase Program

In May 2009, the board of directors of the General Partner authorized the repurchase of the Partnership's common units (the "Repurchase Program") for the purpose of assisting it in meeting the General Partner's anticipated obligations to deliver common units under the LTIP and meeting the General Partner's obligations under existing employment agreements and other employment related obligations of the General Partner (collectively, the "General Partner's Obligations"). The Partnership is authorized to spend up to $6.6 million to acquire up to 445,000 of its common units in the aggregate, over an extended period of time, consistent with the General Partner's Obligations. Common units of the Partnership may be repurchased from time to time in open market transactions, including block purchases, or in privately negotiated transactions. Such authorized unit repurchases may be modified, suspended or terminated at any time, and are subject to price, economic and market conditions, applicable legal requirements and available liquidity. Through September 30, 2010, the General Partner repurchased 195,291 common units pursuant to the Repurchase Program for approximately $4.0 million, of which 62,620 phantom units vested under the *"Long−Term Incentive Plan,"* 49,851 phantom units vested under the *"Three−Year Phantom Units"* award and 69,444 phantom units vested under the "*Five−Year Phantom Units"* award.

At September 30, 2010 and December 31, 2009, common units outstanding excluded 46,827 and 47,143 common units, respectively, held on behalf of the Partnership pursuant to its Repurchase Program and for future satisfaction of the General Partner's Obligations.

Note 14. Fair Value Measurements

Certain of the Partnership's assets and liabilities are measured at fair value. Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants at the measurement date.

The Financial Accounting Standards Board ("FASB") established a fair value hierarchy, which prioritizes the inputs used in measuring fair value into the following three levels:

Level 1 — Observable inputs such as quoted prices in active markets for identical assets or liabilities.

Level 2 — Inputs other than the quoted prices in active markets that are observable for assets or liabilities, either directly or indirectly. These include quoted prices for similar assets or liabilities in active markets and quoted prices for identical or similar assets or liabilities in inactive markets.

Level 3 — Unobservable inputs based on the entity's own assumptions.

The following table presents those financial assets and financial liabilities measured at fair value on a recurring basis as of September 30, 2010 (in thousands):

	Fair Value as of September 30, 2010				Fair Value as of December 31, 2009			
	Total	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3
Assets:								
Hedged inventories	$ 533,705	$ —	$ 533,705	$ —	$ 472,533	$ —	$ 472,533	$ —
Fair value of forward fixed price contracts	13,268	—	13,268	—	3,089	—	3,089	—
Swap agreements and options	162	100	62	—	3,009	2,966	43	—
Forward starting swap	—	—	—	—	80	—	80	—
Total assets	$ 547,135	$ 100	$ 547,035	$ —	$ 478,711	$ 2,966	$ 475,745	$ —
Liabilities:								
Obligations on forward fixed price contracts	$ (21,414)	$ —	$ (21,414)	$ —	$ (21,114)	$ —	$ (21,114)	$ —
Swap agreements and option contracts	(1,746)	(100)	(1,646)	—	(3,669)	(118)	(3,551)	—
Interest rate collars and forward starting swap	(17,851)	—	(17,851)	—	(7,047)	—	(7,047)	—
Total liabilities	$ (41,011)	$ (100)	$ (40,911)	$ —	$ (31,830)	$ (118)	$ (31,712)	$ —

The majority of the Partnership's derivatives outstanding are reported at fair value based market quotes that are deemed to be observable inputs in an active market for similar assets and liabilities and are considered Level 2 inputs for purposes of fair value disclosures. Specifically, the fair values of the Partnership's financial assets and financial liabilities provided above were derived from NYMEX and New York Harbor quotes for the Partnership's hedged inventories, forward fixed price contracts, swap agreements and option contracts and from the LIBOR rates for the Partnership's interest rate collars and forward starting swap. The Partnership has not changed its valuation techniques or inputs during the three and nine month periods ended September 30, 2010.

For assets and liabilities measured on a non−recurring basis during the period, accounting guidance requires quantitative disclosures about the fair value measurements separately for each major category. See Note 11 for acquired assets and liabilities measured on a non−recurring basis in the current period. There were no other remeasured assets or liabilities at fair value on a non−recurring basis during the quarter ended September 30, 2010.

Note 14. Fair Value Measurements (continued)

Financial Instruments

The fair value of the Partnership's financial instruments approximated the carrying value as of September 30, 2010 and December 31, 2009, in each case due to the short−term and the variable interest rate nature of the financial instruments.

Note 15. Unitholders' Equity

On March 16, 2010, the Partnership entered into an Underwriting Agreement (the "Underwriting Agreement") relating to the public offering of 3,400,000 common units representing limited partner interests in the Partnership, at a public offering price of $22.75, less underwriting discounts and commissions of $1.00 per common unit. Pursuant to the Underwriting Agreement, the Partnership also granted the underwriters an option to purchase an additional 510,000 common units from the Partnership at the same price, which option was exercised. On March 19, 2010, the Partnership completed the public offering of 3,910,000 common units for approximately $89.0 million. The net proceeds from the offering of $84.6 million, after deducting approximately $4.4 million in underwriting fees and offering expenses, were used to reduce indebtedness under the Credit Agreement.

Note 16. Property and Equipment

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

	September 30, 2010	December 31, 2009
Buildings, docks, terminal facilities and improvements	$ 249,069	$ 153,954
Land	148,417	26,110
Fixtures, equipment and automobiles	55,288	8,866
Construction in process	9,124	5,028
Total property and equipment	461,898	193,958
Less accumulated depreciation	(44,879)	(34,666)
Total	$ 417,019	$ 159,292

The net increase of approximately $257.7 million in total property and equipment was primarily due to the Partnership's acquisitions of retail gas stations from ExxonMobil and the terminal acquisition from Warex (see Note 11).

Note 17. Income Taxes

The following table presents a reconciliation of the difference between the statutory federal income tax rate and the effective income tax rate for the periods presented:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2010	2009	2010	2009
Federal statutory income tax rate	34.0%	34.0%	34.0%	34.0%
State income tax rate, net of federal tax benefit	6.4%	6.4%	6.4%	6.4%
Partnership income not subject to tax	(40.4)%	(31.5)%	(38.6)%	(35.7)%
Effective income tax rate	—%	8.9%	1.8%	4.7%

Note 18. Legal Proceedings

General

Although the Partnership may, from time to time, be involved in litigation and claims arising out of its operations in the normal course of business, the Partnership does not believe that it is a party to any litigation that will have a material adverse impact on its financial condition or results of operations. Except as described below and in Note 12 included herein, the Partnership is not aware of any significant legal or governmental proceedings against it, or contemplated to be brought against it. The Partnership maintains insurance policies with insurers in amounts and with coverage and deductibles as the General Partner believes are reasonable and prudent. However, the Partnership can provide no assurance that this insurance will be adequate to protect it from all material expenses related to potential future claims or that these levels of insurance will be available in the future at economically acceptable prices.

Other

Certain of the Partnership's employees at its terminal in Oyster Bay (Commander), New York were employed under a collective bargaining agreement that expired in April 2010. The Partnership has negotiated a new collective bargaining agreement, in principle, with a newly−elected union representing these employees. The Partnership does not believe the results of these negotiations will have a material adverse effect on its operations.

Certain of the Partnership's employees at its terminals in Albany and Newburgh, New York acquired from ExxonMobil in 2007 are employed under a collective bargaining agreement that expired in May, 2010. The Partnership has negotiated a new collective bargaining agreement, in principle, with the incumbent union. The Partnership does not believe the results of these negotiations will have a material adverse effect on its operations.

Note 19. New Accounting Standard

In January 2010, guidance issued by the FASB related to fair value measurements and disclosure was updated to require additional disclosures related to transfers in and out of Level 1 and Level 2 fair value measurements and enhanced detail in the Level 3 reconciliation. This guidance clarifies the level of disaggregation required for assets and liabilities and the disclosures required for inputs and valuation techniques used to measure the fair value of assets and liabilities that fall in either Level 2 or Level 3. The updated guidance was effective for the Partnership on January 1, 2010, with the exception of the Level 3 disaggregation which is effective for the Partnership on January 1, 2011. The adoption had no impact on the Partnership's consolidated financial statements. See Note 14 for details regarding the Partnership's assets and liabilities measured at fair value.

Note 20. Subsequent Event

The Partnership evaluated all events or transactions that occurred through the date the Partnership issued its financial statements. Except as described below, no material subsequent events have occurred since September 30, 2010 that required recognition or disclosure in the accompanying financial statements.

On October 20, 2010, the board of directors of the General Partner declared a quarterly cash distribution of $0.4950 per unit ($1.98 per unit on an annualized basis) for the period from July 1, 2010 through September 30, 2010. On November 12, 2010, the Partnership will pay this cash distribution to its common and subordinated unitholders of record as of the close of business November 3, 2010.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

The following discussion and analysis of financial condition and results of operations of Global Partners LP should be read in conjunction with the historical consolidated financial statements of Global Partners LP and the notes thereto included elsewhere in this Quarterly Report on Form 10−Q.

Forward−Looking Statements

Some of the information contained in or incorporated by reference in this Quarterly Report on Form 10−Q may contain forward−looking statements. Forward−looking statements do not relate strictly to historical or current facts and include, without limitation, any statement that may project, indicate or imply future results, events, performance or achievements, and may contain the words "may," "believe," "should," "could," "expect," "anticipate," "plan," "intend," "estimate," "foresee," "continue," "will likely result," or other similar expressions. In addition, any statement made by our management concerning future financial performance (including future revenues, earnings or growth rates), ongoing business strategies or prospects, and possible actions by our partnership or its subsidiaries are also forward−looking statements. Forward−looking statements are not guarantees of performance. Although we believe these forward−looking statements are based on reasonable assumptions, statements made regarding future results are subject to a number of assumptions, uncertainties and risks, many of which are beyond our control, which may cause future results to be materially different from the results stated or implied in this document. These risks and uncertainties include, among other things:

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

- A significant decrease in demand for refined petroleum products in the areas served by our storage facilities would reduce our ability to make distributions to our unitholders.

- Our sales of home heating oil and residual oil could be significantly reduced by conversions to natural gas which conversions could have an adverse effect on our financial condition, results of operations and cash available for distribution to our unitholders.

- Erosion of the value of the Mobil brand could adversely affect our gasoline sales and customer traffic, which could have an adverse effect on our financial condition, results of operations and cash available for distribution to our unitholders.

- Our gas station and convenience store business could expose us to an increase in consumer litigation. An unfavorable outcome or settlement of one or more lawsuits where insurance proceeds are insufficient or otherwise unavailable could have an adverse effect on our financial condition, results of operations and cash available for distribution to our unitholders.

- Our gasoline sales could be significantly reduced by a reduction in demand due to new technologies and alternative fuel sources, such as electric, hybrid or battery powered motor vehicles. A reduction in gasoline sales could have an adverse effect on our financial condition, results of operations and cash available for distribution to our unitholders.

- Changes to government usage mandates and tax credits could adversely affect the availability and pricing of ethanol, which could negatively impact our gasoline sales. A reduction in gasoline sales could have an adverse effect on our financial condition, results of operations and cash available for distribution to our unitholders.

- Warmer weather conditions could adversely affect our financial condition, results of operations and cash available for distribution to our unitholders.

- Our risk management policies cannot eliminate all commodity risk. In addition, any noncompliance with our risk management policies could result in significant financial losses.

- Our results of operations are influenced by the overall forward market for refined petroleum products.

- Increases and/or decreases in the prices of refined petroleum products may adversely impact the amount of borrowing available for working capital under our credit agreement, which credit agreement has borrowing base limitations and advance rates.
- We are exposed to trade credit risk in the ordinary course of our business activities.
- We are exposed to risk associated with our trade credit support in the ordinary course of our business activities.
- The condition of credit markets may adversely affect our liquidity.
- Due to our lack of asset and geographic diversification, adverse developments in the terminals that we use or in our operating areas could reduce our ability to make distributions to our unitholders.
- A serious disruption to our information technology systems could significantly limit our ability to manage and operate our business efficiently, which could have a negative impact on our operating results and reduce our ability to make distributions to our unitholders.
- We are exposed to performance risk in our supply chain.
- Our retail gasoline business is subject to both federal and state environmental and non−environmental regulations which could have a material adverse effect on such business.
- Our general partner and its affiliates have conflicts of interest and limited fiduciary duties, which may permit them to favor their own interests to the detriment of unitholders.
- Unitholders have limited voting rights and are not entitled to elect our general partner or its directors or to remove our general partner without the consent of the holders of at least 66 2/3% of the outstanding units (including units held by our general partner and its affiliates), which could lower the trading price of our common units.
- Unitholders may be required to pay taxes on their share of our income even if they do not receive any cash distributions from us.

Additional information about risks and uncertainties that could cause actual results to differ materially from forward−looking statements is contained in Part I, Item 1A, “Risk Factors,” in our Annual Report on Form 10−K for the year ended December 31, 2009 and Part II, Item 1A, “Risk Factors,” in this Quarterly Report on Form 10−Q. Developments in any of these areas could cause our results to differ materially from results that have been or may be anticipated or projected.

All forward−looking statements included in this Form 10−Q and all subsequent written or oral forward−looking statements attributable to us or persons acting on our behalf are expressly qualified in their entirety by these cautionary statements. The forward−looking statements speak only as of the date of this Form 10−Q or, in the case of forward−looking statements, contained in any document incorporated by reference, the date of such document, and we expressly disclaim any obligation or undertaking to update these statements to reflect any change in our expectations or beliefs or any change in events, conditions or circumstances on which any forward−looking statement is based.

Overview

General

We own, control or have access to one of the largest terminal networks of refined petroleum products in Massachusetts, Maine, Connecticut, Vermont, New Hampshire, Rhode Island, New York, New Jersey and Pennsylvania (collectively, the “Northeast”). We are one of the largest wholesale distributors of gasoline, distillates (such as home heating oil, diesel and kerosene) and residual oil to wholesalers, retailers and commercial customers in the New England states and New York. In addition, we own and supply fuel to 190 Mobil branded retail gas stations in New England and supply Mobil branded fuel to 31 independently−owned stations in New England. We also receive revenue from retail sales of gasoline, convenience stores sales and rental income from gasoline stations. For the three and nine months ended September 30, 2010, we sold approximately $1.5 billion and $5.0 billion, respectively, of refined petroleum products and small amounts of natural gas.

We purchase our refined petroleum products primarily from domestic and foreign refiners (wholesalers), traders and producers and sell these products in two reporting segments, Wholesale and Commercial. Like most independent marketers of refined petroleum products, we base our pricing on spot physical prices and routinely use the NYMEX or other derivatives to hedge our commodity risk inherent in buying and selling energy commodities. Through the use of regulated exchanges or derivatives, we maintain a position that is substantially balanced between purchased volumes and sales volumes or future delivery obligations. We earn a margin by selling the product for physical delivery to third parties.

Acquisition

On September 30, 2010, we completed our acquisition of retail gas stations and supply rights from ExxonMobil for cash consideration of approximately $202.3 million (the "Acquisition"), plus the assumption of certain environmental liabilities (See Note 12 of Notes to Consolidated Financial Statements).

The following is a summary of the Acquisition and certain matters relating to our expected operation of the acquired assets and rights. Information regarding results and operations of the Sites (as defined below) prior to the Acquisition, including rents, real estate taxes, sales and salaries and benefits, is based on available information, including certain information provided by the seller.

Assets Acquired and Liabilities Assumed — The Acquisition included the purchase of the following assets from ExxonMobil:

- 148 stations leased to and operated by dealers ("Dealer Leased Sites"). 130 of the Dealer Leased Sites are located in Massachusetts, 9 are located in Rhode Island and 9 are located in New Hampshire. 124 of the Dealer Leased Sites are owned by us. 24 of the Dealer Leased Sites are leased by us pursuant to existing lease agreements assigned to and assumed by us and subleased by dealers.

Assuming we exercise available renewal terms, the leases for the 24 Dealer Leased Sites leased by us expire between 2011 and 2033, with an average remaining lease term of approximately 12 years. The base rent paid in 2009 for the 24 leased Dealer Leased Sites was approximately $1.6 million and approximately $360,000 was paid for real estate taxes. The real estate taxes paid in 2009 for the 124 owned Dealer Leased sites was approximately $2.0 million. Subject to applicable rent increases under the terms of the leases for the 24 leased Dealer Leased Sites, and any real estate tax increases imposed by applicable taxing authority, we expect to incur comparable rent and real estate tax expenses in connection with the future operation of the Dealer Leased Sites.

Each of the Dealer Leased Sites are leased or subleased, as applicable, to and operated by dealers pursuant to existing franchise agreements assigned to and assumed by us. The franchise agreements for the Dealer Leased Sites are generally for three−year terms with varying expiration dates and contain renewal terms pursuant to and governed by applicable federal laws. In 2009, the gross rents paid by dealers for the Dealer Leased Sites were approximately $16.8 million. Subject to rent increases under the terms of the franchise agreements for the 148 Dealer Leased Sites, and any changes in rent contained in any renewal franchise agreements executed for the 148 Dealer Leased Sites, we expect to receive similar gross rents in connection with the future operation of the Dealer Leased Sites.

In 2009 the Dealer Leased Sites, together with the Dealer Owned Sites (as defined below), sold approximately 275 million gallons of gasoline and diesel fuel.

From the Dealer Leased Sites, we will receive revenues pursuant to the terms of the franchise agreements from (a) rent paid by the dealers, and (b) the wholesale supply of branded gasoline and diesel fuel sold to the Dealer Leased Sites. All revenues at the Dealer Leased Sites relating to (a) the sale of branded gasoline and diesel fuels to retail end−users, and (b) convenience store, car wash and other ancillary sales are for the account of the dealer who leases and operates the location. All station−level employees of each Dealer Leased Site are employees of the dealer who leases and operates the location.

- 42 stations directly operated by a management company as discussed below ("Company Operated Sites" and, together with the Dealer Leases Sites, the "Acquired Sites"). Simultaneously with the Acquisition, the Company Operated Sites were transferred by us to Global Montello Group Corp. ("GMG"), our wholly owned subsidiary. 27 of the Company Operated Sites are located in Massachusetts, 6 are located in Rhode Island and 9 are located in New Hampshire. 28 of the Company Operated Sites are owned by GMG. 14 of the Company Operated Sites are leased by GMG pursuant to existing lease agreements assigned to and assumed by GMG.

  Assuming exercise by GMG of available renewal terms, the leases for the 14 Company Operated Sites leased by us expire between 2013 and 2038, with an average remaining lease term of approximately 12 years. The base rent paid in 2009 for the 14 leased Company Operated Sites was approximately $1.5 million and approximately $330,000 was paid for real estate taxes. The real estate taxes paid in 2009 for the 28 owned Company Operated sites was approximately $728,000. Subject to applicable rent increases under the terms of the leases for the 14 leased Company Operated Sites, and any real estate tax increases imposed by applicable taxing authority, we expect to incur comparable rent and real estate tax expenses in connection with the future operation of the Company Operated Sites.

  All of the Company Operated Sites have convenience stores ranging in size from 900 to 3,900 square feet, 38 of which are operated under the *On the Run* flag (see "Management Agreements," below). 36 of the Company Operated Sites are open 24 hours per day. All of the Company Operated Sites are licensed lottery agents in their respective states. The 9 Company Operated Sites in New Hampshire are licensed to sell beer and wine. 20 of the Company Operated Sites have car washes on site. The Company Operated Sites averaged convenience store sales in 2009 of approximately $1.0 million per site.

  In 2009 the Company Operated Sites sold approximately 95 million gallons of gasoline and diesel fuel.

  From the Company Operated Sites, we will receive revenues from (a) the wholesale supply of branded gasoline and diesel fuel to the Company Operated Sites, (b) the sale of branded gasoline and diesel fuel to retail end−users, and (c) convenience store, car wash and other ancillary sales. All station−level employees of a Company Operated Sites are employees of GMG's management agent, as discussed below.

- The right to supply Mobil branded fuel to an additional 31 stations that are owned and operated by independent dealers ("Dealer Owned Sites" and, together with the Acquired Sites, the "Sites"). Each of the Dealer Owned Sites is supplied pursuant to an existing supply agreement assigned to and assumed by us. 22 of the Dealer Owned Sites are located in Massachusetts, 7 are located in Rhode Island and 2 are located in New Hampshire. The supply agreements for the Dealer Owned Sites expire between 2010 and 2015, and we intend to pursue renewals of these agreements as they mature.

  In 2009 the Dealer Owned Sites, together with the Dealer Leased Sites, sold approximately 275 million gallons of gasoline and diesel fuel.

  From the Dealer Owned Sites, we will receive revenues solely from the wholesale supply of branded gasoline and diesel fuel to the Dealer Owned Sites. All revenues at the Dealer Owned Sites relating to (a) the sale of branded gasoline and diesel fuels to retail end−users, and (b) convenience store, car wash and other ancillary sales are for the benefit of the dealer who owns and operates the location. All station−level employees of each Dealer Operated Site are employees of the independent dealer who owns the location.

We believe the Acquired Sites are premier locations and have been well maintained. All underground storage tank systems and related dispensing equipment were inspected by us and environmental engineers as part of due diligence activities prior to consummation of the Acquisition and are believed to be in compliance in all material respects with all applicable federal, state and local underground storage tank laws and regulations. Our policy will be to replace underground motor fuel storage tanks at approximately 30 years of age. The average tank age of the underground storage tanks at the Acquired Sites is approximately 19.5 years. We do not own the underground storage tanks or other dispensing equipment at the Dealer Owned Sites. Based on a 30−year average life replacement cycle, we expect to replace approximately 18% of the tanks in the next 5 years. All of the motor fuel storage tanks at the Acquired Sites are constructed of fiberglass reinforced plastic, with approximately 2/3 of the tanks double walled. All tanks at the Acquired Sites are equipped with automatic tank gauges which are remotely monitored for leak detection purposes.

Pursuant to the BFA (as defined below), we must maintain all buildings at each of the Acquired Sites, and must ensure that the operators maintain all buildings at each of the Dealer Owned Sites, in compliance with all applicable fire, building and zoning codes and ordinances, in a clean condition free of debris, trash and fire hazards, and in accordance with detailed and rigorous ExxonMobil brand imaging requirements. We believe that each of the Sites is in compliance in all material respects with each of these requirements.

In addition to the contractual obligations assumed by us as described above, we assumed certain environmental liabilities with respect to the Acquired Sites. The assumed environmental liabilities include on−going environmental remediation at approximately 70 of the Acquired Sites and future remediation activities required by applicable federal, state or local law or regulation. Based on consultations with environmental engineers, our estimated cost of the remediation is expected to be approximately $30.0 million to be expended over an extended period of time. See Note 12 of Notes to Consolidated Financial Statements.

We contemplate potential sales of Acquired Sites to franchise dealers and other third parties, and the possible lease of Acquired Sites to commissioned agents. A “commissioned agent” is a person who leases and operates the convenience store as an independent operator, with all convenience store revenues for the agent’s account. In addition, the agent receives a commission on a per gallon basis for the sale of fuel products owned, priced and sold by us. We have not identified particular Acquired Sites for potential divestment, although we expect to conduct preliminary discussions with individual dealers and other interested third parties once the post−closing integration of the Acquired Sites is completed. All sales will be on terms and conditions acceptable to us.

Brand Fee Agreement — In connection with the Acquisition, we and ExxonMobil entered into a 15−year Brand Fee Agreement (the “BFA”), which entitles us to (a) operate each of the Company Operated Sites under the Mobil branded trade name and related trade logos (the “Mobil Flag”), (b) allow the Dealer Leased Sites and the Dealer Owned Sites to be operated under the Mobil Flag (c) subject to ExxonMobil’s approval, brand additional service stations (whether company operated, dealer leased or dealer owned) in Massachusetts, Rhode Island, New Hampshire, Maine and Vermont (collectively, the “BFA States”) under the Mobil Flag and (d) supply Mobil−branded motor fuel to the Sites and other Mobil−branded stations in the BFA States. We are responsible for complying, and ensuring compliance by all third parties purchasing Mobil−branded motor fuel from us within the BFA States, with all of ExxonMobil’s branded facility requirements, brand image specifications and restrictions and minimum service standards with respect to the use of the Mobil Flag and the sale of Mobil−branded motor fuel. In addition, on and after June 1, 2011, we will have similar rights and responsibilities with respect to the Exxon branded trade name and related trade logos (the “Exxon Flag”) in the BFA States.

We are responsible for securing our own wholesale fuel supply, including sourcing and delivery of motor fuel and ExxonMobil proprietary additives, arranging for storage and distribution at and from bulk storage facilities and installing any necessary additive injection systems, and providing dispatch and distribution systems for delivery of fuel to the Sites and any other Mobil−branded station supplied by us in the BFA States during the term of the BFA. We are also responsible for ensuring that any Mobil−branded motor fuel distributed by us within the BFA States meets ExxonMobil’s specifications and quality assurance requirements for Mobil−branded motor fuel, as such specifications and requirements may be changed by ExxonMobil from time to time, as well as all applicable federal, state and local laws and regulations. Except for a brief transition period, ExxonMobil will not supply motor fuels to us within the BFA States. The Acquisition did not include any of ExxonMobil’s existing supply arrangements, terminal assets, rolling stock or other storage and distribution system components.

Securing wholesale fuel supply is part of our core business. Our products come from some of the major energy companies in the world. Cargos are sourced from the United States, Canada, South America, Europe and occasionally from Asia. During 2009, we purchased an average of approximately 222,000 barrels per day of refined petroleum products from approximately 105 suppliers. In 2009, our top ten suppliers accounted for approximately 63% of product purchases. We enter into supply agreements with these suppliers on a term basis or a spot basis.

We will utilize portions of our existing terminal network to supply the Sites. This terminal network includes bulk terminals owned by us or at which we maintain dedicated storage as well as throughput or exchange agreements at other bulk terminals. Throughput arrangements allow storage of product at terminals owned by others. We can load product at these terminals, and pay the owners of these terminals fees for services rendered in connection with the receipt, storage and handling of such product. Exchange agreements also allow us to take delivery of product at a terminal or facility that is not owned or leased. An exchange is a contractual agreement where the parties exchange product at their respective terminals or facilities. For example, we receive product that is owned by the exchange partner from such party's facility or terminal, and we deliver the same volume of product to such party out of one of the terminals in our terminal network. Initially, we intend to supply the Sites pursuant to throughput agreements at two bulk terminals and an exchange agreement at one bulk terminal, each of which currently have the necessary Mobil proprietary additive available. We can supply the Sites using additional bulk terminals in our terminal network, subject to potential modifications to accommodate the storage and injection of Mobil proprietary additive as required by the BFA. Consistent with our other operations, the bulk supply required for the Sites and other locations supplied pursuant to the BFA are substantially hedged through futures contracts and swap agreements.

Pursuant to the BFA, we have the right (but not the obligation) to continue operating the Sites under the Mobil Flag. In addition, on and after June 1, 2011, we will have similar rights with respect to the Exxon Flag. We will pay a fee of approximately $9.0 million to ExxonMobil in 2011 for this right, plus an additional amount in the event additional sites are branded Mobil or Exxon or supplied Mobil or Exxon branded fuel by us pursuant to the BFA. Initially, we intend to continue operating the Sites under the Mobil brand, although we have the right to rebrand the Sites to another major gasoline brand or to operate the Sites as unbranded stations. In the event we rebrand any of the Sites to another major gasoline brand or to an unbranded station, the BFA fee will not decrease.

ExxonMobil has agreed to provide credit card processing services for the Sites and any other stations branded or supplied by us in the BFA States pursuant to the BFA. We are responsible for providing our own marketing and promotion efforts in support of the Mobil and Exxon brands within the BFA States. We expect to benefit from national promotions of the Mobil (and, after June 1, 2011, Exxon) brand by ExxonMobil. We are responsible for providing our own customer service operations to respond to consumer complaints or concerns regarding the operation of the Sites and other stations branded or supplied by us under the BFA. In addition, ExxonMobil operates and offers a variety of incentive and rebate programs for franchise dealers and other wholesale distributors which, prior to the Acquisition, were available to the Sites. Under the BFA, these programs are not available to us, and we will be responsible for developing, offering and administering any such program we wish to offer to any of the Sites.

Management Agreements — In connection with the Acquisition, we and GMG entered into Facilities Management Agreements (each, a "Management Agreement") with Alliance Energy LLC ("Alliance") with respect to all of the Sites. Alliance is approximately 95% owned by members of the Slifka family, who also own our general partner. Each Management Agreement is for an initial term continuing through September 30, 2013. Either party to each Management Agreement may extend the term for consecutive additional one−year terms by giving written notice of its election to extend the term not less than twenty−four months prior to the expiration of the then current term, subject to the parties' mutual agreement on the management fee for such extension.

Pursuant to the Management Agreements, Alliance will supervise and direct the day−to−day management and operations of the Sites for an aggregate annual management fee of $2.6 million, commencing October 1, 2010. Alliance will manage the operations of the Sites in accordance with annual budgets to be approved by us and GMG, respectively. In addition to the annual management fee, we and GMG are responsible for reimbursing Alliance for certain direct overhead expenses related to the operations of the Sites, including costs relating to the employees directly employed to manage and operate the Sites and a portion of the costs relating to certain administrative personnel of Alliance as may be approved by us and/or GGM, in accordance with the Management Agreements and the approved annual budgets. In the event that the number or type of Mobil or Exxon branded stations in the BFA States changes, the annual management fee and reimbursed direct overhead expenses may be adjusted as the parties mutually agree.

In connection with the Acquisition, all of ExxonMobil's station−level employees at the Company Operated Sites and ExxonMobil's 13 field supervisory and support employees responsible for the Sites were hired by Alliance. The aggregate cost of salary and benefits in 2009 for station−level employees at the Company Operated Sites was approximately $9.5 million, exclusive of field supervisory and support employees. As we may operate the Company Operated Sites in a manner different than ExxonMobil, the aggregate cost of salary and benefits for station−level employees at the Company Operated Sites may be greater or less than the amounts incurred by ExxonMobil. All matters pertaining to the employment, supervision, compensation, promotion, and discharge of such employees are the responsibility of Alliance. Pursuant to the Management Agreements, Alliance is required to indemnify us and Global Montello from and against any and all claims and damages of any nature whatsoever arising out of or incidental to Alliance's performance of its responsibilities under the Management Agreements caused by or due to fraud, gross negligence, willful misconduct or a material breach by Alliance of any provision of the Management Agreements. Alliance's aggregate liability is capped at $5.0 million, over and above the utilization of any and all insurance proceeds.

In addition, pursuant to the Management Agreements, Alliance is providing certain accounting, tax, information technology, legal, maintenance, environmental and regulatory, dispatch, credit, human resource, construction and other services not acquired as part of the Acquisition. Additional accounting, tax, information technology, legal, environmental and regulatory, credit and other services not acquired as part of the Acquisition and not otherwise provided by Alliance pursuant to the Management Agreements will be provided by our workforce. In addition, we will be solely responsible for providing all necessary employees and services relating to any wholesale fuel supply, including sourcing and delivery of physical product and ExxonMobil proprietary additives, and arranging for storage at and distribution from bulk storage facilities and installing any necessary additive injection systems, as these services were not acquired as part of the Acquisition. The ExxonMobil employees who previously provided the services being provided by us with respect to these activities were not available for hire as part of the Acquisition.

Alliance, as management agent for GMG, has obtained the right to continue operating 38 of the Company Operated Sites under the current *On the Run* convenience store brand, as the Acquisition did not include ExxonMobil's rights to use this brand name. We have the right to rebrand the convenience stores at the Company Operated Sites to another brand in the future. In addition, we did not acquire any of ExxonMobil's existing supply contracts with convenience store vendors, and Alliance, as management agent, is responsible for entering into new arrangements with suppliers to stock the convenience stores at the Company Operated Sites. Subject to approval under the BFA, dealers at Dealer Leased Sites and at Dealer Owned Sites are responsible for obtaining any necessary rights to any convenience store brand name for these sites as well as entering into any desired supply contracts with convenience store vendors directly.

Other ExxonMobil Relationships — ExxonMobil has long−term throughput contracts with us for the use of five refined products terminals acquired from ExxonMobil in 2007. We supply refined products to ExxonMobil at each of these terminals. ExxonMobil is also a supplier of refined products to us at other locations. ExxonMobil accounted for approximately 22% and 20% of our consolidated sales for the three and nine months ended September 30, 2010, respectively, and 22% of our consolidated sales for the year ended December 31, 2009.

Products and Operational Structure

Our products include gasoline, distillates and residual oil. We sell gasoline to unbranded and branded retail gasoline stations and other resellers of transportation fuels. The distillates we sell are used primarily for fuel for trucks and off−road construction equipment and for space heating of residential and commercial buildings. We sell residual oil to major housing units, such as public housing authorities, colleges and hospitals and large industrial facilities that use processed steam in their manufacturing processes. In addition, we sell bunker fuel, which we can custom blend, to cruise ships, bulk carriers and fishing fleets. We have increased our sales in the non−weather sensitive components of our business, such as transportation fuels; however, we are still subject to the impact that warmer weather conditions may have on our home heating oil and residual oil sales.

Our business is currently divided into two reporting segments:

- *Wholesale.* This segment includes sales of gasoline, distillates and residual oil to unbranded and branded retail gasoline stations and other resellers of transportation fuels, home heating oil retailers and wholesale distributors.

- *Commercial.* This segment includes sales and deliveries of unbranded and branded gasoline, distillates, residual oil and small amounts of natural gas to end user customers in the public sector and to large commercial and industrial end user customers, primarily either through a competitive bidding process or through contracts of various terms. This segment also purchases, custom blends, sells and delivers bunker fuel and diesel to cruise ships, bulk carriers and fishing fleets generally by barges.

Our business activities are substantially comprised of purchasing, storing, terminalling and selling refined petroleum products. In a contango market (when product prices for future deliveries are higher than for current deliveries), we may use our storage capacity to improve our margins by storing products we have purchased at lower prices in the current market for delivery to customers at higher prices in the future. In a backwardated market (when product prices for future deliveries are lower than current deliveries), we attempt to minimize our inventories to reduce commodity risk and maintain or increase net product margins. See Part I, Item 1A, "Risk Factors," in our Annual Report on Form 10−K for the year ended December 31, 2009 for additional information related to commodity risk.

Outlook

This section identifies certain risks and certain economic or industry−wide factors that may affect our financial performance and results of operations in the future, both in the short−term and in the long−term. Our results of operations and financial condition depend, in part, upon the following:

- *The condition of credit markets may adversely affect our liquidity.* In the recent past, world financial markets experienced a severe reduction in the availability of credit. Although we were not negatively impacted by this condition, possible negative impacts in the future could include a decrease in the availability of borrowings under our credit agreement, increased counterparty credit risk on our derivatives contracts and our contractual counterparties requiring us to provide collateral. In addition, we could experience a tightening of trade credit from our suppliers.

- *We commit substantial resources to pursuing acquisitions, though there is no certainty that we will successfully complete any acquisitions or receive the economic results we anticipate from completed acquisitions.* Consistent with our business strategy, we are continuously engaged in discussions with potential sellers of terminalling, storage and/or marketing assets and related businesses. In an effort to prudently and economically leverage our asset base, knowledge base and skill sets, management pursues businesses that are closely related to or significantly intertwined with our existing lines of business. Our growth largely depends on our ability to make accretive acquisitions. We may be unable to make such accretive acquisitions for a number of reasons, including, but not limited to, the following: (1) we are unable to identify attractive acquisition candidates or negotiate acceptable purchase contracts; (2) we are unable to raise financing for such acquisitions on economically acceptable terms; or (3) we are outbid by competitors. In addition, we may consummate acquisitions that at the time of consummation we believe will be accretive, but that ultimately may not be accretive. If any of these events were to occur, our future growth would be limited. We can give no assurance that our acquisition efforts will be successful or that any such acquisition will be completed on terms that are favorable to us.

- *Our financial results are generally better in the first and fourth quarters of the calendar year.* Demand for some refined petroleum products, specifically home heating oil and residual oil for space heating purposes, is generally higher during November through March than during April through October. We obtain a significant portion of these sales during these winter months. Therefore, our results of operations for the first and fourth calendar quarters are generally better than for the second and third quarters. With lower cash flow during the second and third calendar quarters, we may be required to borrow money in order to maintain current levels of distributions to our unitholders.

- *Warmer weather conditions could adversely affect our results of operations and financial condition.* Weather conditions generally have an impact on the demand for both home heating oil and residual oil. Because we supply distributors whose customers depend on home heating oil and residual oil for space heating purposes during the winter, warmer−than−normal temperatures during the first and fourth calendar quarters in the Northeast can decrease the total volume we sell and the gross profit realized on those sales.

- *Energy efficiency, new technology and alternative fuels could reduce demand for our products.*

- Increased conservation and technological advances have adversely affected the demand for home heating oil and residual oil. Consumption of residual oil has steadily declined over the last three decades. We could face additional competition from alternative energy sources as a result of future government−mandated controls or regulation further promoting the use of cleaner fuels. End users who are dual−fuel users have the ability to switch between residual oil and natural gas. Other end users may elect to convert to natural gas. During a period of increasing residual oil prices relative to the prices of natural gas, dual−

fuel customers may switch and other end users may convert to natural gas. Residential users of home heating oil may also convert to natural gas. Such switching or conversion could have an adverse effect on our results of operations and financial condition.

- New technologies and alternative fuel sources, such as electric, hybrid or battery powered motor vehicles, could reduce the demand for gasoline and adversely impact our gasoline sales. A reduction in gasoline sales could have an adverse effect on our results of operations and financial condition.

- *Our financial condition and results of operations are influenced by the overall forward market for refined petroleum products, and increases and/or decreases in the prices of refined petroleum products may adversely impact the amount of borrowing available for working capital under our credit agreement, which credit agreement has borrowing base limitations and advance rates.* Results from our purchasing, storing, terminalling and selling operations are influenced by prices for refined petroleum products, pricing volatility and the market for such products. Prices in the overall forward market for refined petroleum products may impact our ability to execute advantageous purchasing opportunities. In a contango market (when product prices for future deliveries are higher than for current deliveries), we may use our storage capacity to improve our margins by storing products we have purchased at lower prices in the current market for delivery to customers at higher prices in the future. In a backwardated market (when product prices for future deliveries are lower than current deliveries), we attempt to minimize our inventories to reduce commodity risk and maintain or increase net product margins. When prices for refined petroleum products rise, some of our customers may have insufficient credit to purchase supply from us at their historical purchase volumes, and their customers, in turn, may adopt conservation measures which reduce consumption, thereby reducing demand for product. Furthermore, when prices increase rapidly and dramatically, we may be unable to promptly pass our additional costs to our customers, resulting in lower margins for us which could adversely affect our results of operation. Lastly, higher prices for refined petroleum products may (1) diminish our access to trade credit support and/or cause it to become more expensive and (2) decrease the amount of borrowings available for working capital under our credit agreement as a result of total available commitments, borrowing base limitations and advance rates thereunder. In addition, when prices for refined petroleum products decline, our exposure to risk of loss in the event of nonperformance by our customers of our forward contracts may be increased as they and/or their customers may breach their contracts and purchase refined petroleum products at the then lower spot and/or retail market price. Furthermore, lower prices for refined petroleum products may diminish the amount of borrowings available for working capital under our working capital revolving credit facility as a result of borrowing base limitations.

- *Changes in government usage mandates and tax credits could adversely affect the availability and pricing of ethanol, which could negatively impact our gasoline sales.* Future demand for ethanol will be largely dependent upon the economic incentives to blend based upon the relative value of gasoline and ethanol, taking into consideration the Volumetric Ethanol Excise Tax Credit (the “blender’s credit”) and the EPA’s regulations on the Renewable Fuel Standard (“RFS”) program. A reduction or waiver of the RFS mandate or the failure to extend the blender’s credit could adversely affect the availability and pricing of ethanol, which in turn could adversely affect our future sales.

- *New, stricter environmental laws and regulations could significantly increase our costs, which could adversely affect our results of operations and financial condition.* Our operations are subject to federal, state and local laws and regulations regulating product quality specifications and other environmental matters. The trend in environmental regulation is towards more restrictions and limitations on activities that may affect the environment. Our business may be adversely affected by increased costs and liabilities resulting from such stricter laws and regulations. We try to anticipate future regulatory requirements that might be imposed and plan accordingly to remain in compliance with changing environmental laws and regulations and to minimize the costs of such compliance. However, there can be no assurances as to the timing and type of such changes in existing laws or the promulgation of new laws or the amount of any required expenditures associated therewith.

Results of Operations

Evaluating Our Results of Operations

Our management uses a variety of financial and operational measurements to analyze our performance. These measurements include: (1) net product margin, (2) gross profit, (3) selling, general and administrative expenses ("SG&A"), (4) operating expenses, (5) degree days, (6) net income per diluted limited partner unit, (7) earnings before interest, taxes, depreciation and amortization ("EBITDA") and (8) distributable cash flow.

Net Product Margin

We view net product margin as an important performance measure of the core profitability of our operations. We review net product margin monthly for consistency and trend analysis. We define net product margin as our sales minus product costs. Sales include sales of unbranded and branded gasoline, distillates, residual oil and natural gas. Product costs include the cost of acquiring the refined petroleum products and natural gas that we sell and all associated costs including shipping and handling costs to bring such products to the point of sale. Net product margin is a non−GAAP financial measure used by management and external users of our consolidated financial statements to assess our business. Net product margin should not be considered as an alternative to net income, operating income, cash flow from operations, or any other measure of financial performance presented in accordance with GAAP. In addition, our net product margin may not be comparable to net product margin or a similarly titled measure of other companies.

Gross Profit

We define gross profit as our sales minus product costs and terminal depreciation expense allocated to cost of sales. Sales include sales of unbranded and branded gasoline, distillates, residual oil and natural gas. Product costs include the cost of acquiring the refined petroleum products and natural gas that we sell and all associated costs to bring such products to the point of sale.

Selling, General and Administrative Expenses

Our SG&A expenses include, among other things, marketing costs, corporate overhead, employee salaries and benefits, pension and 401(k) plan expenses, discretionary bonuses, non−interest financing costs, professional fees and information technology expenses. Employee−related expenses including employee salaries, discretionary bonuses and related payroll taxes, benefits, and pension and 401(k) plan expenses are paid by our general partner which, in turn, is reimbursed for these expenses by us.

Operating Expenses

Operating expenses are costs associated with the operation of the terminals used in our business. Lease payments and storage expenses, maintenance and repair, utilities, taxes, labor and labor−related expenses comprise the most significant portion of our operating expenses. These expenses remain relatively stable independent of the volumes through our system but fluctuate slightly depending on the activities performed during a specific period.

Degree Day

A "degree day" is an industry measurement of temperature designed to evaluate energy demand and consumption. Degree days are based on how far the average temperature departs from a human comfort level of 65°F. Each degree of temperature above 65°F is counted as one cooling degree day, and each degree of temperature below 65°F is counted as one heating degree day. Degree days are accumulated each day over the course of a year and can be compared to a monthly or a long−term (multi−year) average, or normal, to see if a month or a year was warmer or cooler than usual. Degree days are officially observed by the National Weather Service and officially archived by the National Climatic Data Center. For purposes of evaluating our results of operations, we use the normal heating degree day amount as reported by the National Weather Service at its Logan International Airport station in Boston, Massachusetts.

Net Income Per Diluted Limited Partner Unit

We use net income per diluted limited partner unit to measure our financial performance on a per−unit basis. Net income per diluted limited partner unit is defined as net income, divided by the weighted average number of outstanding diluted common and subordinated units, or limited partner units, during the period.

EBITDA

EBITDA is a non−GAAP financial measure used as a supplemental financial measure by management and external users of our consolidated financial statements, such as investors, commercial banks and research analysts, to assess:

- our compliance with certain financial covenants included in our debt agreements;
- our financial performance without regard to financing methods, capital structure, income taxes or historical cost basis;
- our ability to generate cash sufficient to pay interest on our indebtedness and to make distributions to our partners;
- our operating performance and return on invested capital as compared to those of other companies in the wholesale, marketing and distribution of refined petroleum products, without regard to financing methods and capital structure; and
- the viability of acquisitions and capital expenditure projects and the overall rates of return of alternative investment opportunities.

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

Distributable Cash Flow

Distributable cash flow is an important non−GAAP financial measure for our limited partners since it serves as an indicator of our success in providing a cash return on their investment. In December 2009, we amended our partnership agreement to restate the provisions governing conversion of the subordinated units to use distributable cash flow to test whether we have "earned" the minimum quarterly distribution. Distributable cash flow means our net income plus depreciation and amortization minus maintenance capital expenditures, as well as adjustments to eliminate items approved by the audit committee of the board of directors of our general partner that are extraordinary or non−recurring in nature and that would otherwise increase distributable cash flow. Specifically, this financial measure indicates to investors whether or not we have generated sufficient earnings on a current or historic level that can sustain or support an increase in our quarterly cash distribution. Distributable cash flow is a quantitative standard used by the investment community with respect to publicly traded partnerships. Distributable cash flow should not be considered as an alternative to net income, cash flow from operations, or any other measure of financial performance presented in accordance with GAAP. In addition, our distributable cash flow may not be comparable to distributable cash flow or similarly titled measures of other companies.

Three and Nine Months Ended September 30, 2010 and 2009

During the three and nine months ended September 30, 2010, we experienced the following events:

- Refined petroleum product prices increased during the three and nine months ended September 30, 2010 compared to the same periods in 2009.

- Our third quarter 2010 gasoline margin improved compared to the first quarter of 2010. The first quarter of 2010 was marked by significant margin pressure in the gasoline market compared to the first quarter of 2009.

- Temperatures for the three months ended September 30, 2010 were 65% warmer than normal and 68% warmer than the third quarter of 2009. Temperatures for the nine months ended September 30, 2010 were 16% warmer than normal and 17% warmer than the comparable period in 2009.

- Our reserve for credit losses for the three and nine months ended September 30, 2010 was less by $0.3 million and $1.1 million, respectively, compared to the comparable periods in 2009.

- Our total volume increased by approximately 10% for the third quarter ended September 30, 2010 compared to the same period in 2009 primarily due to our gasoline business. Our total volume decreased by approximately 3% for the nine months ended September 30, 2010 compared to the same period in 2009 primarily due to warmer weather.

- We believe heating oil conservation continued during the three and nine months ended September 30, 2010.

The following table provides the prices of and percentage increases in refined petroleum product and natural gas prices at the end of the first three quarters in 2010 as compared to each comparable quarter in 2009:

Period:	**Heating Oil** $ per gallon(1)	**Gasoline** $ per gallon(1)	**Residual Oil** $ per gallon(2)	**Natural Gas** $ per gallon equivalent(3)
At March 31, 2009	$1.34	$1.40	$0.95	$0.62
At March 31, 2010	$2.16	$2.31	$1.76	$0.63
Change	61%	65%	85%	2%
At June 30, 2009	$1.72	$1.90	$1.49	$0.62
At June 30, 2010	$1.98	$2.06	$1.61	$0.75
Change	15%	8%	8%	21%
At September 30, 2009	$1.80	$1.73	$1.50	$0.54
At September 30, 2010	$2.24	$2.04	$1.74	$0.62
Change	24%	18%	16%	15%

(1) Source: New York Mercantile Exchange (closing price)
(2) Source: Platts Oilgram Price Report (6−1% New York Harbor; average)
(3) Source: Platts Gas Daily Report (Tennessee zone delivered)

Key Performance Indicators

The following table provides a summary of some of the key performance indicators that may be used to assess our results of operations. These comparisons are not necessarily indicative of future results (gallons and dollars in thousands, except per unit amounts):

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2010	2009	2010	2009
Net income	$ 551	$ 2,059	$ 21,099	$ 21,900
Net income per diluted limited partner unit (1)	$ 0.03	$ 0.15	$ 1.28	$ 1.60
EBITDA (2)	$ 12,526	$ 9,980	$ 50,473	$ 45,932
Distributable cash flow (3)	$ 5,433	$ 4,978	$ 33,498	$ 30,262
Wholesale Segment:				
Volume (gallons)	715,362	650,983	2,288,428	2,372,373
Sales				
Distillates	$ 376,878	$ 329,362	$ 1,778,730	$ 1,741,038
Gasoline	1,066,764	871,770	2,929,257	2,093,759
Residual oil	8,505	6,594	28,902	23,937
Total	$ 1,452,147	$ 1,207,726	$ 4,736,889	$ 3,858,734
Net product margin (4)				
Distillates	$ 18,440	$ 15,456	$ 58,920	$ 62,786
Gasoline	16,412	10,999	48,333	34,912
Residual oil	1,864	1,814	7,154	6,928
Total	$ 36,716	$ 28,269	$ 114,407	$ 104,626
Commercial Segment:				
Volume (gallons)	54,521	46,728	176,633	167,989
Sales	$ 94,692	$ 77,605	$ 309,396	$ 260,701
Net product margin (4)	$ 2,318	$ 3,717	$ 10,040	$ 11,241
Combined sales and net product margin:				
Sales	$ 1,546,839	$ 1,285,331	$ 5,046,285	$ 4,119,435
Net product margin (4)	$ 39,034	$ 31,986	$ 124,447	$ 115,867
Depreciation allocated to cost of sales	3,939	2,713	9,623	8,091
Combined gross profit	$ 35,095	$ 29,273	$ 114,824	$ 107,776
Weather conditions:				
Normal heating degree days	96	96	3,750	3,750
Actual heating degree days	34	105	3,161	3,798
Variance from normal heating degree days	(65%)	9%	(16%)	1%
Variance from prior period actual heating degree days	(68%)	35%	(17%)	8%

(1) See Note 2 of Notes to Consolidated Financial Statements for net income per diluted limited partner unit calculation.

(2) EBITDA is a non−GAAP financial measure which is discussed above under "—Evaluating Our Results of Operations." The table below presents reconciliations of EBITDA to the most directly comparable GAAP financial measures.

(3) Distributable cash flow is a non−GAAP financial measure which is discussed above under "—Evaluating Our Results of Operations." The table below presents reconciliations of distributable cash flow to the most directly comparable GAAP financial measures.

(4) Net product margin is a non−GAAP financial measure which is discussed above under "—Evaluating Our Results of Operations." The table above reconciles net product margin on a combined basis to gross profit, a directly comparable GAAP financial measure.

The following table presents reconciliations of EBITDA to the most directly comparable GAAP financial measures on a historical basis for each period presented (in thousands):

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2010	2009	2010	2009
Reconciliation of net income to EBITDA:				
Net income	$ 551	$ 2,059	$ 21,099	$ 21,900
Depreciation and amortization and amortization of deferred financing fees	6,087	3,979	14,661	12,017
Interest expense	5,888	3,742	14,326	10,940
Income tax expense	—	200	387	1,075
EBITDA	$ 12,526	$ 9,980	$ 50,473	$ 45,932
Reconciliation of net cash (used in) provided by operating activities to EBITDA:				
Net cash (used in) provided by operating activities	$ (83,522)	$ 5,597	$ (32,958)	$ 25,778
Net changes in operating assets and liabilities and certain non−cash items	90,160	441	68,718	8,139
Interest expense	5,888	3,742	14,326	10,940
Income tax expense	—	200	387	1,075
EBITDA	$ 12,526	$ 9,980	$ 50,473	$ 45,932

The following table presents reconciliations of distributable cash flow to the most directly comparable GAAP financial measures on a historical basis for each period presented (in thousands):

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2010	2009	2010	2009
Reconciliation of net income to distributable cash flow:				
Net income	$ 551	$ 2,059	$ 21,099	$ 21,900
Depreciation and amortization and amortization of deferred financing fees	6,087	3,979	14,661	12,017
Maintenance capital expenditures	(1,205)	(1,060)	(2,262)	(3,655)
Distributable cash flow	$ 5,433	$ 4,978	$ 33,498	$ 30,262
Reconciliation of net cash (used in) provided by operating activities to distributable cash flow:				
Net cash (used in) provided by operating activities	$ (83,522)	$ 5,597	$ (32,958)	$ 25,778
Net changes in operating assets and liabilities and certain non−cash items	90,160	441	68,718	8,139
Maintenance capital expenditures	(1,205)	(1,060)	(2,262)	(3,655)
Distributable cash flow	$ 5,433	$ 4,978	$ 33,498	$ 30,262

Consolidated Results

Our total sales for the third quarter of 2010 increased by $261.5 million, or 20%, to $1,546.8 million compared to $1,285.3 million for the same period in 2009. The increase was driven primarily by our June 2010 acquisition of the Warex Terminals (see Note 11 of Notes to Consolidated Financial Statements) as well as higher refined petroleum product prices for the three months ended September 30, 2010 compared to the same period in 2009. Our aggregate volume of product sold increased by approximately 72 million gallons, or 10%, to 770 million gallons. The increase in volume primarily includes an increase of approximately 64 million gallons in gasoline. We also experienced an increase of 1 million gallons in distillates, despite significantly warmer temperatures during the third quarter of 2010 compared to the same period in 2009, increased competition in the marketplace, continued conservation and economic conditions. The number of actual heating degree days decreased by 68% to 34 for the three months ended September 30, 2010 compared with 105 for the same period in 2009. Our gross profit for the third quarter of 2010 was $35.1 million, an increase of $5.8 million, or 20%, compared to $29.3 million for the same period in 2009, due primarily to strong unit margins for both gasoline and distillate products.

Our total sales for the nine months ended September 30, 2010 increased by $926.8 million, or 22%, to $5,046.3 million compared to $4,119.4 million for the same period in 2009. The increase was driven primarily by higher refined petroleum product and natural gas prices for the nine months ended September 30, 2010 compared to the same period in 2009. Our aggregate volume of product sold decreased by approximately 75 million gallons, or 3%, to 2,465 million gallons. The decrease in volume primarily includes decreases of approximately 209 million gallons and 21 million gallons in distillates and residual oil, respectively, attributable to significantly warmer temperatures during the first nine months of 2010 compared to the same period in 2009, increased competition in the marketplace, continued conservation and economic conditions. The number of actual heating degree days decreased 17% to 3,161 for the nine months ended September 30, 2010 compared with 3,798 for the same period in 2009. The overall decrease in volume sold was offset by a 130 million gallon increase in gasoline. Our gross profit for the nine months ended September 30, 2010 was $114.8 million, an increase of $7.0 million, or 6%, compared to $107.8 million for the same period in 2009, due primarily to strong unit margins for both gasoline and distillate products.

Wholesale Segment

Distillates. Wholesale distillate sales for the three months ended September 30, 2010 were $376.8 million compared to $329.3 million for the three months ended September 30, 2009. During the first nine months of 2010, wholesale distillate sales were $1,778.7 million compared to $1,741.0 million for the same period in 2009. The increases of $47.5 million, or 14%, and $37.7 million, or 2%, were primarily due to increased refined petroleum product prices.

Our net product margin from distillate sales increased by $3.0 million, or 19%, to $18.4 million for the three months ended September 30, 2010 due to favorable buying opportunities and strong unit margins. During the nine months ended September 30, 2010, we had a 209 million gallon decrease in volume sold due to significantly warmer temperatures compared to the same period in 2009, increased competition in the marketplace, continued conservation and economic conditions. Primarily for the same reasons, our net product margin from distillate sales decreased by $3.9 million, or 6%, to $58.9 million for the nine months ended September 30, 2010 compared the same period in 2009.

Gasoline. Wholesale gasoline sales for the three months September 30, 2010 were $1,066.8 million compared to $871.8 million for the same period in 2009. During the first nine months of 2010, wholesale gasoline sales were $2,929.3 million compared to $2,093.8 million for the same period in 2009. The increases of $195.0 million, or 22%, and $835.5 million, or 40%, were due primarily to our June 2010 acquisition of the Warex Terminals (see Note 11 of Notes to Consolidated Financial Statements) as well as higher gasoline prices and increases in gasoline volume sold compared to the prior periods. The increases in gasoline volume were primarily due to our acquisition of the Warex Terminals. Our net product margin from gasoline sales increased by $5.4 million to $16.4 million for the three months ended September 30, 2010 and by $13.4 million to $48.3 million for the nine months ended September 30, 2010 compared to the same periods in 2009. These increases were primarily attributable to improved unit margins and increases in gasoline volume sold for the three and nine months ended September 30, 2010 compared to the same periods in 2009.

Residual Oil. Wholesale residual oil sales for the three months ended September 30, 2010 were $8.5 million compared to $6.6 million for the three months ended September 30, 2009. During the first nine months of 2010, residual oil sales were $28.9 million compared to $23.9 million for the same period in 2009. The increases of $1.9 million, or 29%, and $5.0 million, or 21%, were primarily due to the increase in refined petroleum product prices. For the first nine months of 2010, we experienced a decrease in residual oil volume sold, primarily due to warmer temperatures compared to the same period in 2009, continued conservation, challenging economic conditions, system conversions and fuel switching due to the comparative price advantage of natural gas over residual oil. Our net product margin contributions from residual oil sales slightly increased to $1.9 million and $7.2 million for the three and nine months ended September 30, 2010, respectively, compared to $1.8 million and $6.9 million for the three and nine months ended September 30, 2009, respectively.

Commercial Segment

In our Commercial segment, residual oil accounted for approximately 59% and 60% of total commercial volume sold for the three months ended September 30, 2010 and 2009, respectively, and approximately 56% and 62% for the nine months ended September 30, 2010 and 2009, respectively. Distillates, gasoline and natural gas accounted for the remainder of the total volume sold.

Commercial residual oil sales increased by approximately 24% due to a 16% increase in volume sold and increased refined petroleum product prices for the three months ended September 30, 2010. Commercial residual oil sales increased by approximately 19% for the nine months ended September 30, 2010, despite a 5% decrease in volume sold. We attribute the decrease in volume sold to the competitive pricing from natural gas and reductions in production by certain industry participants in our markets.

Selling, General and Administrative Expenses

SG&A expenses increased by $3.4 million, or 24%, to $17.2 million for the three months ended September 30, 2010 compared to $13.8 million for the same period in 2009. The increase was primarily due to increases of $1.1 million in bank fees and amortization of deferred financing fees largely related to the expansions of our bank facilities, $1.1 million in incentive compensation, $0.9 million in salaries and $0.8 million of one−time closing costs associated with the September 2010 acquisition of retail gas stations from ExxonMobil (see Note 11 of Notes to Consolidated Financial Statements). The increase in SG&A expenses was offset by decreases of $0.3 million in bad debt accruals and $0.2 million in pension and 401(k) expenses.

SG&A expenses increased by $2.5 million, or 5%, to $47.7 million for the nine months ended September 30, 2010 compared to $45.2 million for the same period in 2009. The increase was primarily due to increases of $3.1 million in salaries (including information technology, natural gas personnel and project management), $1.9 million in bank fees and amortization of deferred financing fees largely related to the expansions of our bank facilities, $0.4 million in costs associated with the expansion of our natural gas operations and $1.1 million in various other SG&A expenses. The increase in SG&A expenses also included one−time increases of $1.4 million in legal, consulting and other expenses related to the FTC's regulatory review of our acquisition of the Warex Terminals and $0.8 million of one−time closing costs associated with the September 2010 acquisition of retail gas stations from ExxonMobil (see Note 11 of Notes to Consolidated Financial Statements for information on the acquisitions). The increase in SG&A expenses was offset by decreases of $4.4 million in incentive compensation, $1.2 million in bad debt accruals and $0.6 million in pension and 401(k) expenses.

Operating Expenses

Operating expenses increased by $1.7 million, or 20%, to $10.4 million for the three months ended September 30, 2010 compared to $8.7 million for the same period in 2009. The increase was primarily due to $0.7 million in costs related to the Warex Terminals, $0.6 million in costs related to the retail gas stations acquired from ExxonMobil (see Note 11 of Notes to Consolidated Financial Statements for information regarding the acquisitions) and $0.4 million in various other operating expenses.

Operating expenses increased by $2.6 million, or 10%, to $28.9 million for the nine months ended September 30, 2010 compared to $26.3 million for the same period in 2009. The increase was primarily due to $1.4 million in expenses related to the Warex Terminals, $0.6 million in costs related to the retail gas stations acquired from ExxonMobil (see Note 11 of Notes to Consolidated Financial Statements for information regarding the acquisitions), $0.3 million in expenses related to our leased storage facility in Oyster Bay (Commander) New York, and $0.3 million in various other operating expenses.

Interest Expense

Interest expense for the three months ended September 30, 2010 increased by $2.1 million, or 57%, to $5.9 million compared to $3.7 million for the same period in 2009. Interest expense for the nine months ended September 30, 2010 increased by $3.4 million, or 31%, to $14.3 million compared to $10.9 million for the same period in 2009. We attribute the increase primarily to higher average balances on our working capital revolving credit facility from carrying higher average balances of inventories and accounts receivable reflecting increased refined petroleum product prices. Also, we had additional borrowing costs as a result of the acquisitions of the Warex Terminals and the retail gas stations and supply rights from ExxonMobil (see Note 11 of Notes to Consolidated Financial Statements). In addition, the costs of borrowings under the credit agreement were increased in connection with the May 14, 2010 and August 18, 2010 amendments to the credit agreement.

Liquidity and Capital Resources

Liquidity

Our primary liquidity needs are to fund our working capital requirements, capital expenditures and distributions. Cash generated from operations and our working capital revolving credit facility provide our primary sources of liquidity. Working capital increased by $93.0 million to $388.2 million at September 30, 2010 compared to $295.2 million at December 31, 2009 primarily as a result of the public offering discussed below.

On February 12, 2010, we paid a cash distribution to our common and subordinated unitholders and our general partner of approximately $6.5 million for the fourth quarter of 2009. On May 14, 2010, we paid a cash distribution to our common and subordinated unitholders and our general partner of approximately $8.5 million for the first quarter of 2010. On August 13, 2010, we paid a cash distribution to our common and subordinated unitholders and our general partner of approximately $8.5 million for the second quarter of 2010. On October 20, 2010, the board of directors of our general partner declared a quarterly cash distribution of $0.4950 per unit for the period from July 1, 2010 through September 30, 2010 ($1.98 per unit on an annualized basis) to our common and subordinated unitholders of record as of the close of business November 3, 2010. We expect to pay the cash distribution of approximately $8.6 million on November 12, 2010.

On March 19, 2010, we completed a public offering of 3,910,000 common units at a price of $22.75 per common unit, which included a 510,000 common unit purchase option exercised by the underwriters. Net proceeds were approximately $84.6 million, after deducting approximately $4.4 million in underwriting fees and offering expenses. We used the net proceeds to reduce indebtedness under our credit agreement. See Note 15 of Notes to Consolidated Financial Statements for additional information related to the public offering.

On September 30, 2010, we completed our acquisition of retail gas stations and supply rights from ExxonMobil for an aggregate purchase price of approximately $202.3 million. In addition, we assumed certain environmental liabilities. See Note 11 of Notes to Consolidated Financial Statements for additional information on the transaction.

Capital Expenditures

Our terminalling operations require investments to expand, upgrade and enhance existing operations and to meet environmental and operations regulations. We categorize our capital requirements as either maintenance capital expenditures or expansion capital expenditures. Maintenance capital expenditures represent capital expenditures to repair or replace partially or fully depreciated assets to maintain the operating capacity of, or revenues generated by, existing assets and extend their useful lives. Maintenance capital expenditures include expenditures required to maintain equipment reliability, tankage and pipeline integrity and safety and to address certain environmental regulations. We anticipate that maintenance capital expenditures will be funded with cash generated by operations. We had approximately $2.3 million and $3.6 million in maintenance capital expenditures for the nine months ended

September 30, 2010 and 2009, respectively, which are included in capital expenditures in the accompanying consolidated statements of cash flows. Repair and maintenance expenses associated with existing assets that are minor in nature and do not extend the useful life of existing assets are charged to operating expenses as incurred.

Expansion capital expenditures include expenditures to acquire assets to grow our business or expand our existing facilities, such as projects that increase our operating capacity or revenues by increasing tankage, diversifying product availability at various terminals and adding terminals. We have the ability to fund our expansion capital expenditures through cash from operations or our credit agreement or by issuing additional equity. We had approximately $253.6 million and $4.4 million in expansion capital expenditures for the nine months ended September 30, 2010 and 2009, respectively. Specifically, for the nine months ended September 30, 2010, expansion capital expenditures included approximately $248.3 million in acquisitions including $202.3 million for the purchase of retail gas stations and supply rights from ExxonMobil and $46.0 million in terminal acquisition costs related to the acquisition of the Warex Terminals (see Note 11 of Notes to Consolidated Financial Statements). In addition, we had $5.3 million in expansion capital expenditures which consisted of $4.1 million in costs related to our Albany, New York terminal, $0.5 million in bio−fuel conversion costs at our Chelsea, Massachusetts terminal and $0.7 million in other expansion capital expenditures, which are included in capital expenditures in the accompanying consolidated statements of cash flows. The $4.1 million in costs in Albany include costs related to our terminal and rail expansion project, a continuing program to bring previously out−of−permit tanks back online, the installation of a marine vapor recovery system to allow for loading and offloading of gasoline and ethanol and the conversion of two distillate storage tanks to gasoline.

Comparatively, for the nine months ended September 30, 2009, expansion capital expenditures included approximately $3.2 million at the Albany, New York terminal in costs related to bringing formerly out−of−permit tanks back online and to dock expansion, $0.9 million in additional terminal equipment at the Providence, Rhode Island terminal, $0.2 million in automation costs at our leased storage facility in Long Island, New York and $0.1 million in other expansion capital expenditures.

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

Cash Flow

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

	Nine Months Ended September 30,	
	2010	**2009**
Net cash (used in) provided by operating activities	$ (32,958)	$ 25,778
Net cash used in investing activities	$ (255,856)	$ (8,022)
Net cash provided by (used in) financing activities	$ 292,744	$ (18,017)

Cash flow from operating activities generally reflects our net income, inventory purchasing patterns, the timing of collections on accounts receivable, the seasonality of our business, fluctuations in refined petroleum product prices, working capital requirements and general market conditions.

Net cash used in operating activities was $33.0 million for the nine months ended September 30, 2010 compared to net cash provided by operating activities of $25.8 million for the same period in 2009, for a period−over−period decrease in cash from operating activities of $58.7 million. This decrease results primarily from the following three items:

- The period−over−period change in the fair value of forward fixed price contracts of approximately $171.9 million. Specifically, the contracts supporting our forward fixed price hedge program required margin payments of $9.9 million to the NYMEX due to market direction in the nine months ended September 30, 2010, while for the nine months ended September 30, 2009, similar hedging activity provided funds from the NYMEX of $162.0 million. Through the use of regulated exchanges or derivatives, we maintain a position that is substantially hedged with respect to such inventories; offset by:

- The period−over−period change in inventories of approximately $114.1 million. For the nine months ended September 30, 2010, the increased use of funds was $65.9 million, resulting primarily from the acquisition of the Warex Terminal in June 2010 and to higher refined petroleum product prices compared to the same period in 2009. Inventories for the nine months ended September 30, 2009 required a use of funds of $180.0 million as we elected to use our storage capacity to carry increased inventories during this period;

- The period−over−period change for the nine months ended September 30, 2010 compared to the nine months ended September 30, 2009 resulted in an increase of $54.0 million in operating cash due to an increase in accounts.

Net cash used in investing activities was $255.8 million for the nine months ended September 30, 2010 compared to $8.0 million for the same period in 2009, and included $2.3 million in maintenance capital expenditures and $253.6 million in expansion capital expenditures. The $253.6 million included approximately $248.3 million in acquisitions including $202.3 million for the purchase of retail gas stations and supply rights from ExxonMobil and $46.0 million in terminal acquisition costs related to the acquisition of the Warex Terminals (see Note 11 of Notes to Consolidated Financial Statements). In addition, we had $5.3 million in expansion capital expenditures which consisted of $4.1 million in costs related to our Albany, New York terminal, $0.5 million in bio−fuel conversion costs at our Chelsea, Massachusetts terminal and $0.7 million in other expansion capital expenditures, which are included in capital expenditures in the accompanying consolidated statements of cash flows. The $4.1 million in costs in Albany include costs related to our terminal and rail expansion project, a continuing program to bring previously out−of−permit tanks back online, the installation of a marine vapor recovery system to allow for loading and offloading of gasoline and ethanol and the conversion of two distillate storage tanks to gasoline. Comparatively, for the nine months ended September 30, 2009, net cash used in investing activities included $3.6 million maintenance capital expenditures and $4.4 million in expansion capital expenditures ($3.2 million at the Albany, New York terminal in costs related to bringing formerly out−of−permit tanks back online and to dock expansion, $0.9 million in additional terminal equipment at the Providence, Rhode Island terminal, $0.2 million in automation costs at our leased storage facility in Long Island, New York and $0.1 million in other expansion capital expenditures).

Net cash provided by financing activities was $292.7 million for the nine months ended September 30, 2010 and included net borrowings on our credit facilities of $231.9 million and $84.6 million in net proceeds from our public offering of common units, offset by $23.3 million in cash distributions to our common and subordinated unitholders and our general partner and $0.4 million in repurchased units held for tax obligations related to units distributed under the LTIP. Comparatively, for the nine months ended September 30, 2009, net cash used in financing activities of $18.0 million primarily included $19.6 million in cash distributions to our common and subordinated unitholders and our general partner, $3.5 million in the repurchases of common units held on our behalf pursuant to our Repurchase Program and for future satisfaction of our General Partner’s Obligations (as defined in Note 13 of Notes to Consolidated Financial Statements) and $0.3 million in repurchased units held for tax obligations, offset by $5.4 million in net borrowings from our credit facilities.

Credit Agreement

On August 18, 2010, we, our general partner, our operating company and our operating subsidiaries amended our amended and restated credit agreement. In accordance with the credit agreement and in connection with the acquisition of retail gas stations and supply rights from ExxonMobil (see Note 11 of Notes to Consolidated Financial Statements), we requested, and certain lenders under the credit agreement agreed to, an increase in the revolving credit facility in an amount equal to $200.0 million for a total credit facility of up to $1.15 billion. We repay amounts outstanding and reborrow funds based on our working capital requirements and, therefore, classify as a current liability the portion of the working capital revolving credit facility we expect to pay down during the course of the year. The long−term portion of the working capital revolving credit facility is the amount we expect to be outstanding during the entire year. The credit agreement will mature on May 14, 2014.

There are two facilities under our credit agreement:

- a working capital revolving credit facility to be used for working capital purposes and letters of credit in the principal amount equal to the lesser of our borrowing base and $800.0 million; and

- a $350.0 million revolving credit facility to be used for acquisitions and general corporate purposes.

In addition, the credit agreement has an accordion feature whereby we may request on the same terms and conditions of our then existing credit agreement, provided no Event of Default (as defined in the credit agreement) then exists, an increase to the revolving credit facility, the working capital revolving credit facility, or both, by up to another $200.0 million, for a total credit facility of up to $1.35 billion. Any such request for an increase by us must be in a minimum amount of $5.0 million, and the revolving credit facility may not be increased by more than $50.0 million. We cannot provide assurance, however, that our lending group will agree to fund any request by us for additional amounts in excess of the total available commitments of $1.15 billion.

Availability under our working capital revolving credit facility is subject to a borrowing base which is redetermined from time to time and based on specific advance rates on eligible current assets. Under the credit agreement, our borrowings under the working capital revolving credit facility cannot exceed the then current borrowing base. Availability under our borrowing base may be affected by events beyond our control, such as changes in refined petroleum product prices, collection cycles, counterparty performance, advance rates and limits and general economic conditions. These and other events could require us to seek waivers or amendments of covenants or alternative sources of financing or to reduce expenditures. We can provide no assurance that such waivers, amendments or alternative financing could be obtained, or, if obtained, would be on terms acceptable to us.

During the period from January 1, 2009 through May 13, 2010, borrowings under the working capital revolving credit facility bore interest at (1) the Eurodollar rate plus 1.75% to 2.25%, (2) the cost of funds rate plus 1.75% to 2.25%, or (3) the base rate plus 0.75% to 1.25%, each depending on the pricing level provided in the previous credit agreement, which in turn depended upon the Combined Interest Coverage Ratio (as defined in the previous credit agreement). Borrowings under the revolving credit facility bore interest at (1) the Eurodollar rate plus 2.25% to 2.75%, (2) the cost of funds rate plus 1.75% to 2.25%, or (3) the base rate plus 0.75% to 1.25%, each depending on the pricing level provided in the previous credit agreement, which in turn depended upon the Combined Interest Coverage Ratio under the previous credit agreement.

Commencing May 14, 2010, borrowings under the working capital revolving credit facility bear interest at (1) the Eurodollar rate plus 2.50% to 3.00%, (2) the cost of funds rate plus 2.50% to 3.00%, or (3) the base rate plus 1.50% to 2.00%, each depending on the pricing level provided in the credit agreement, which in turn depends upon the Utilization Amount (as defined in the credit agreement).

During the period from May 14, 2010 through September 7, 2010, borrowings under the revolving credit facility bore interest at (1) the Eurodollar rate plus 3.00% to 3.25%, (2) the cost of funds rate plus 3.00% to 3.25%, or (3) the base rate plus 2.00% to 2.25%, each depending on the pricing level provided in the credit agreement, which in turn depended upon the Combined Senior Secured Leverage Ratio (as defined in the credit agreement). Commencing September 8, 2010, borrowings under the revolving credit facility bear interest at (1) the Eurodollar rate plus 3.00% to 3.875%, (2) the cost of funds rate plus 3.00% to 3.875%, or (3) the base rate plus 2.00% to 2.875%, each depending on the pricing level provided in the Credit Agreement, which in turn depends upon the Combined Total Leverage Ratio (as defined in the credit agreement). The average interest rates for the credit agreement were 4.1% and 3.5% for the three months ended September 30, 2010 and 2009, respectively, and 3.8% and 3.7% for the nine months ended September 30, 2010 and 2009, respectively.

We incur a letter of credit fee of 2.50% − 3.00% per annum for each letter of credit issued. In addition, we incur a commitment fee on the unused portion of each facility under the credit agreement equal to 0.50% per annum.

As of September 30, 2010, we had total borrowings outstanding under our credit agreement of $765.7 million, including $300.0 million outstanding on our revolving credit facility. In addition, we had outstanding letters of credit of $46.5 million. Subject to borrowing base limitations, the total remaining availability for borrowings and letters of credit at September 30, 2010 and December 31, 2009 was $337.8 million and $211.2 million, respectively.

The credit agreement imposes financial covenants that require us to maintain certain minimum working capital amounts, capital expenditure limits, a minimum EBITDA, a minimum combined interest coverage ratio, a maximum senior secured leverage ratio and a maximum total leverage ratio. We were in compliance with the foregoing covenants at September 30, 2010. The credit agreement also contains a representation whereby there can be no event or circumstance, either individually or in the aggregate, that has had or could reasonably be expected to have a Material Adverse Effect (as defined in the credit agreement). Under the credit agreement, the clean down requirement of the previous credit agreement was eliminated.

The credit agreement limits distributions to our unitholders to available cash.

Our obligations under the credit agreement are secured by substantially all of our assets and the assets of our operating company and operating subsidiaries.

The lending group under the credit agreement is comprised of the following institutions: Bank of America, N.A.; JPMorgan Chase Bank, N.A.; Wells Fargo Bank, N.A.; Societe Generale; Standard Chartered Bank; RBS Citizens, National Association; BNP Paribas; Cooperative Centrale Raiffeisen−Boerenleenbank B.A., “Radobank Nederland” New York Branch; Sovereign Bank (Santander Group); Credit Agricole Corporate and Investment Bank; Keybank National Association; Toronto Dominion (New York); RB International Finance (USA) LLC (formerly known as RZB Finance LLC); Royal Bank of Canada; Raymond James Bank, FSB; Barclays Bank plc; Webster Bank, National Association; Natixis, New York Branch; DZ Bank AG Deutsche Zentral−Genossenschaftsbank Frankfurt Am Main; Branch Banking & Trust Company; and Sumitomo Mitsui Banking Corporation.

Off−Balance Sheet Arrangements

We have no off−balance sheet arrangements.

Critical Accounting Policies and Estimates

Management’s Discussion and Analysis of Financial Condition and Results of Operations discusses our consolidated financial statements, which have been prepared in accordance with GAAP. The preparation of these consolidated financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results may differ from these estimates under different assumptions or conditions.

These estimates are based on our knowledge and understanding of current conditions and actions that we may take in the future. Changes in these estimates will occur as a result of the passage of time and the occurrence of future events. We have identified the following estimates that, in our opinion, are subjective in nature, require the exercise of judgment, and involve complex analysis: inventory, leases, revenue recognition, derivative financial instruments and environmental and other liabilities.

The significant accounting policies and estimates that we have adopted and followed in the preparation of our consolidated financial statements are detailed in Note 2 of Notes to Consolidated Financial Statements, “Summary of Significant Accounting Policies” included in our Annual Report on Form 10−K for the year ended December 31, 2009. There have been no subsequent changes in these policies and estimates that had a significant impact on our financial condition and results of operations for the periods covered in this report.

Item 3. Quantitative and Qualitative Disclosures about Market Risk

Market risk is the risk of loss arising from adverse changes in market rates and prices. The principal market risks to which we are exposed are interest rate risk and commodity risk. We utilize two interest rate collars and a forward starting swap to manage exposure to interest rate risk and various derivative instruments to manage exposure to commodity risk.

Interest Rate Risk

We utilize variable rate debt and are exposed to market risk due to the floating interest rates on our credit agreement. Therefore, from time to time, we utilize interest rate collars and swaps to hedge interest obligations on specific and anticipated debt issuances.

On August 18, 2010, we amended our credit agreement. During the period from January 1, 2009 through May 13, 2010, borrowings under the working capital revolving credit facility bore interest at (1) the Eurodollar rate plus 1.75% to 2.25%, (2) the cost of funds rate plus 1.75% to 2.25%, or (3) the base rate plus 0.75% to 1.25%, each depending on the pricing level provided in the previous credit agreement, which in turn depended upon the Combined Interest Coverage Ratio (as defined in the previous credit agreement). Borrowings under the revolving credit facility bore interest at (1) the Eurodollar rate plus 2.25% to 2.75%, (2) the cost of funds rate plus 1.75% to 2.25%, or (3) the base rate plus 0.75% to 1.25%, each depending on the pricing level provided in the previous credit agreement, which in turn depended upon the Combined Interest Coverage Ratio (as defined in the previous credit agreement).

Commencing May 14, 2010, borrowings under the working capital revolving credit facility bear interest at (1) the Eurodollar rate plus 2.50% to 3.00%, (2) the cost of funds rate plus 2.50% to 3.00%, or (3) the base rate plus 1.50% to 2.00%, each depending on the pricing level provided in the credit agreement, which in turn depends upon the Utilization Amount (as defined in the credit agreement).

During the period from May 14, 2010 through September 7, 2010, borrowings under the revolving credit facility bore interest at (1) the Eurodollar rate plus 3.00% to 3.25%, (2) the cost of funds rate plus 3.00% to 3.25%, or (3) the base rate plus 2.00% to 2.25%, each depending on the pricing level provided in the credit agreement, which in turn depended upon the Combined Senior Secured Leverage Ratio (as defined in the credit agreement). Commencing September 8, 2010, borrowings under the revolving credit facility bear interest at (1) the Eurodollar rate plus 3.00% to 3.875%, (2) the cost of funds rate plus 3.00% to 3.875%, or (3) the base rate plus 2.00% to 2.875%, each depending on the pricing level provided in the credit agreement, which in turn depends upon the Combined Total Leverage Ratio (as defined in the credit agreement). The average interest rates for the credit agreement were 4.1% and 3.5% for the three months ended September 30, 2010 and 2009, respectively, and 3.8% and 3.7% for the nine months ended September 30, 2010 and 2009, respectively.

As of September 30, 2010, we had total borrowings outstanding under the credit agreement of $765.7 million. The impact of a 1% increase in the interest rate on this amount of debt would have resulted in an increase in interest expense, and a corresponding decrease in our results of operations, of approximately $7.7 million annually, assuming, however, that our indebtedness remained constant throughout the year.

We executed two zero premium interest rate collars with major financial institutions. Each collar is designated and accounted for as a cash flow hedge. The first collar, which became effective on May 14, 2007 and expires on May 14, 2011, is used to hedge the variability in interest payments due to changes in the three−month LIBOR rate with respect to $100.0 million of three−month LIBOR−based borrowings. Under the first collar, we capped our exposure at a maximum three−month LIBOR rate of 5.75% and established a minimum floor rate of 3.75%. Whenever the three−month LIBOR rate is greater than the cap, we receive from the respective financial institution the difference between the cap and the current three−month LIBOR rate on the $100.0 million of three−month LIBOR−based borrowings. Conversely, whenever the three−month LIBOR rate is lower than the floor, we remit to the respective financial institution the difference between the floor and the current three−month LIBOR rate on the $100.0 million of three−month LIBOR−based borrowings. As of September 30, 2010, the three−month LIBOR rate of 0.38% was lower than the floor rate. As a result, in October 2010, we remitted to the respective financial institution the difference between the floor rate and the current rate which amounted to approximately $431,000.

On September 29, 2008, we executed our second zero premium interest rate collar. The second collar, which became effective on October 2, 2008 and expires on October 2, 2013, is used to hedge the variability in cash flows in monthly interest payments made on our $100.0 million one−month LIBOR−based borrowings (and subsequent refinancings thereof) due to changes in the one−month LIBOR rate. Under the second collar, we capped our exposure at a maximum one−month LIBOR rate of 5.50% and established a minimum floor rate of 2.70%. Whenever the one−month LIBOR rate is greater than the cap, we receive from the respective financial institution the difference between the cap and the current one−month LIBOR rate on the $100.0 million of one−month LIBOR−based borrowings. Conversely, whenever the one−month LIBOR rate is lower than the floor, we remit to the respective financial institution the difference between the floor and the current one−month LIBOR rate on the $100.0 million of one−month LIBOR−based borrowings. As of September 30, 2010, the one−month LIBOR rate of 0.26% was lower than the floor rate. As a result, in October 2010, we remitted to the respective financial institution the difference between the floor rate and the current rate which amounted to approximately $197,000.

In addition, in October 2009, we executed a forward starting swap with a major financial institution. The swap, which will become effective on May 16, 2011 and expire on May 16, 2016, will be used to hedge the variability in interest payments due to changes in the one−month LIBOR swap curve with respect to $100.0 million of one−month LIBOR−based borrowings at a fixed rate of 3.93%. See Note 5 of Notes to Consolidated Financial Statements for additional information on the interest rate collars and the forward starting swap.

Commodity Risk

We hedge our exposure to price fluctuations with respect to refined petroleum products and blendstocks in storage and expected purchases and sales of these commodities. The derivative instruments utilized consist primarily of futures contracts traded on the NYMEX and the Chicago Mercantile Exchange and over−the−counter transactions, including swap agreements entered into with established financial institutions and other credit−approved energy companies. Our policy is generally to purchase only products for which we have a market and to structure our sales contracts so that price fluctuations do not materially affect our profit. While our policies are designed to minimize market risk, some degree of exposure to unforeseen fluctuations in market conditions remains. Except for the controlled trading program discussed below, we do not acquire and hold futures contracts or other derivative products for the purpose of speculating on price changes that might expose us to indeterminable losses.

While we seek to maintain a position that is substantially balanced within our product purchase activities, we may experience net unbalanced positions for short periods of time as a result of variances in daily sales and transportation and delivery schedules as well as logistical issues associated with inclement weather conditions. In connection with managing these positions and maintaining a constant presence in the marketplace, both necessary for our business, we engage in a controlled trading program for up to an aggregate of 250,000 barrels of petroleum products and blendstocks at any one point in time.

We enter into futures contracts to minimize or hedge the impact of market fluctuations on our purchases and forward fixed price sales of refined petroleum products. Any hedge ineffectiveness is reflected in our results of operations. We utilize regulated exchanges, including the NYMEX and the Chicago Mercantile Exchange, which are regulated exchanges for energy products that it trades, thereby reducing potential delivery and supply risks. Generally, our practice is to close all exchange positions rather than to make or receive physical deliveries. With respect to other energy products, which may not have a correlated exchange contract, we enter into derivative agreements with counterparties that we believe have a strong credit profile, in order to hedge market fluctuations and/or lock−in margins relative to our commitments.

At September 30, 2010, the fair value of all of our commodity risk derivative instruments and the change in fair value that would be expected from a 10% price increase or decrease are shown in the table below (in thousands):

			Gain (Loss)	
	Fair Value at September 30, 2010		**Effect of 10% Price Increase**	**Effect of 10% Price Decrease**
NYMEX contracts	$ (16,990)		$ (35,130)	$ 35,130
Swaps, options and other, net	(1,620)		(5,592)	2,215
	$ (18,610)		$ (40,722)	$ 37,345

The fair values of the futures contracts are based on quoted market prices obtained from the NYMEX. The fair value of the swaps and option contracts are estimated based on quoted prices from various sources such as independent reporting services, industry publications and brokers. These quotes are compared to the contract price of the swap, which approximates the gain or loss that would have been realized if the contracts had been closed out at September 30, 2010. For positions where independent quotations are not available, an estimate is provided, or the prevailing market price at which the positions could be liquidated is used. All hedge positions offset physical exposures to the spot market; none of these offsetting physical exposures are included in the above table. Price−risk sensitivities were calculated by assuming an across−the−board 10% increase or decrease in price regardless of term or historical relationships between the contractual price of the instruments and the underlying commodity price. In the event of an actual 10% change in prompt month prices, the fair value of our derivative portfolio would typically change less than that shown in the table due to lower volatility in out−month prices. We have a daily margin requirement to maintain a cash deposit with our broker based on the prior day's market results on open futures contracts. The balance of this deposit will fluctuate based on our open market positions and the commodity exchange's requirements. The brokerage margin balance was $10.5 million at September 30, 2010.

We are exposed to credit loss in the event of nonperformance by counterparties of futures contracts, forward contracts and swap agreements. We anticipate some nonperformance by some of these counterparties which, in the aggregate, we do not believe at this time will have a material adverse effect on our financial condition, results of operations or cash available for distribution to our unitholders. Futures contracts, the primary derivative instrument utilized, are traded on regulated exchanges, greatly reducing potential credit risks. Exposure on swap and certain option agreements is limited to the amount of the recorded fair value as of the balance sheet dates. We utilize primarily one clearing broker, a major financial institution, for all NYMEX derivative transactions and the right of offset exists. Accordingly, the fair value of all derivative instruments is displayed on a net basis.

Item 4. Controls and Procedures

Disclosure Controls and Procedures

We maintain disclosure controls and procedures that are designed to ensure that the information required to be disclosed by us in the reports we file or submit under the Securities Exchange Act of 1934 (the "Exchange Act") is recorded, processed, summarized and reported within the time periods specified in SEC rules and forms and that information is accumulated and communicated to our management, including our principal executive officer and principal financial officer, as appropriate, to allow timely decisions regarding required disclosure. Under the supervision and with the participation of our principal executive officer and principal financial officer, management evaluated the effectiveness of our disclosure controls and procedures (as defined in Rules 13a−15(e) or 15d−15(e) of the Exchange Act). Based on that evaluation, our principal executive officer and principal financial officer concluded that our disclosure controls and procedures were effective as of September 30, 2010.

Internal Control over Financial Reporting

There has not been any change in our internal control over financial reporting that occurred during the quarter ended September 30, 2010 that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

PART II. OTHER INFORMATION

Item 1. Legal Proceedings

General

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. Except as described below and in Note 12 in this Quarterly Report on Form 10−Q, we are not aware of any significant legal or governmental proceedings against us, or contemplated to be brought against us. We maintain insurance policies with insurers in amounts and with coverage and deductibles as our general partner believes are reasonable and prudent. However, we can provide no assurance that this insurance will be adequate to protect us from all material expenses related to potential future claims or that these levels of insurance will be available in the future at economically acceptable prices.

Other

Certain of our employees at our terminal in Oyster Bay (Commander), New York were employed under a collective bargaining agreement that expired in April 2010. We have negotiated a new collective bargaining agreement, in principle, with a newly−elected union representing these employees. We do not believe the results of these negotiations will have a material adverse effect on our operations.

Certain of our employees at our terminals in Albany and Newburgh, New York acquired from ExxonMobil in 2007 are employed under a collective bargaining agreement that expired in May 2010. We have negotiated a new collective bargaining agreement, in principle, with the incumbent union. We do not believe the results of these negotiations will have a material adverse effect on our operations.

Item 1A. Risk Factors

In addition to other information set forth in this report, you should carefully consider the factors discussed below and in Part I, Item 1A, “Risk Factors” in our Annual Report on Form 10−K for the year ended December 31, 2009, which could materially affect our business, financial condition or future results.

Unitholders may have liability to repay distributions.

Under certain circumstances, unitholders may have to repay amounts wrongfully returned or distributed to them. Under Delaware law, the Partnership may not make a distribution to unitholders if the distribution would cause the Partnership’s liabilities to exceed the fair value of its assets. Delaware law provides that for a period of three years from the date of the impermissible distribution, limited partners who received the distribution and who knew at the time of the distribution that it violated Delaware law will be liable to the limited partnership for the distribution amount. Purchasers of units who become limited partners are liable for the obligations of the transferring limited partner to make contributions to the Partnership that are known to the purchaser of units at the time it became a limited partner and for unknown obligations if the liabilities could be determined from the Partnership’s partnership agreement. Liabilities to partners on account of their partnership interests and liabilities that are non−recourse to the Partnership are not counted for purposes of determining whether a distribution is permitted.

The recent adoption 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 commodity prices, interest rate and other risks associated with our business.

The United States Congress recently adopted comprehensive financial reform legislation that establishes federal oversight and regulation of the over−the−counter derivatives market and entities, such as the Partnership, that participate in that market. The new legislation was signed into law by the President on July 21, 2010 and requires the Commodities Futures Trading Commission (the “CFTC”) and the SEC to promulgate rules and regulations implementing the new legislation within 360 days from the date of enactment. The CFTC has also proposed regulations to set position limits for certain futures and option contracts in the major energy markets, although it is not possible at this time to predict whether or when the CFTC will adopt those rules or include comparable provisions in its rulemaking under the new legislation. 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 new legislation 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.

Erosion of the Mobil brand could have an adverse impact on our sales of gasoline.

We believe that the success of our recent ExxonMobil acquisition will be dependent, in part, upon the continuing favorable reputation of the Mobil brand. Erosion of the value of the Mobil brand could have a negative impact on our gasoline sales, which in turn may cause our recent acquisition to be less profitable.

New technologies and alternative fuel sources could reduce demand for our gasoline products.

Technological advances which rely upon alternative fuel sources, such as electric, hybrid or battery powered motor vehicles, may adversely affect the demand for gasoline. We could face additional competition from alternative energy sources as a result of future government−mandated controls or regulations which promote the use of alternative fuel sources. A reduction in demand for our gasoline products could have an adverse effect on our results of operations and financial condition.

The ethanol industry is highly dependent upon government usage mandates and tax credits. Changes to these mandates and/or tax credits could adversely affect the availability and pricing of ethanol and negatively impact our gasoline sales.

Our ethanol purchasing, transporting, blending and sales activities subject us to various risks including operating risks, risks of supply disruption, commodity price fluctuations, and changes in government mandates and regulations. The domestic market for ethanol is tied to federal mandates for blending ethanol with gasoline. Future demand will be largely dependent upon the economic incentives to blend based upon the relative value of gasoline and ethanol, taking into consideration the Volumetric Ethanol Excise Tax Credit (the “blender’s credit”) and the EPA’s regulations on the Renewable Fuel Standard (“RFS”) program. Any significant increase in production capacity beyond the RFS level may have an adverse impact on ethanol prices, and the RFS mandate with respect to ethanol derived from grain could be reduced or waived entirely. The blender’s credit is currently authorized through December 31, 2010. A reduction or waiver of the RFS mandate or the failure to extend the blender’s credit could adversely affect the availability and pricing of ethanol and our future sales.

We may not be able to obtain state fund reimbursement of our environmental remediation costs for gas stations.

Where releases of petroleum products have occurred, federal and state laws and regulations require that contamination caused by such releases be assessed and remediated to meet the applicable standards. Our obligation to remediate this type of contamination varies, depending upon applicable laws and regulations and the extent of, and the facts relating to, the release.   A portion of the remediation costs may be recoverable from the reimbursement fund of the applicable state and/or from third party insurance after any deductible has been met, but there are no assurances that such reimbursement funds or insurance proceeds will be available to us.

We depend upon a small number of suppliers for a substantial portion of our convenience store merchandise inventory. A disruption in supply or an unexpected change in our relationships with our principal merchandise suppliers could have an adverse effect on our convenience store results of operations.

We purchase convenience store merchandise inventory from a small number of suppliers for the company operated convenience stores. A change of merchandise suppliers, a disruption in supply or a significant change in our relationships with our principal merchandise suppliers could have an adverse effect on this business and the results of operations of our company operated convenience stores.

We are subject to federal and state non−environmental regulations which could have an adverse effect on our convenience store business and results of operations.

Our business is subject to extensive governmental laws and regulations that include but are not limited to legal restrictions on the sale of alcohol, tobacco and lottery products, food safety and health requirements and public accessibility. Furthermore, state and local regulatory agencies have the power to approve, revoke, suspend, or deny applications for and renewals of permits and licenses relating to the sale of alcohol, tobacco and lottery products or to seek other remedies. A violation of or change in such laws and/or regulations could have an adverse effect on our convenience store business and results of operations.

We are subject to federal and state environmental regulations which could have a material adverse effect on our retail operations business.

Our retail operations are subject to extensive federal, state and local laws and regulations, including those relating to the protection of the environment, waste management, discharge of hazardous materials, pollution prevention, as well as laws and regulations relating to public safety and health. Certain of these laws and regulations may require assessment or remediation efforts. Retail operations with underground storage tanks ("USTs") are subject to federal and state regulations and legislation. Compliance with existing and future environmental laws regulating underground storage tanks may require significant capital expenditures and increased operating and maintenance costs. The operation of USTs also poses certain other risks, including damages associated with soil and groundwater contamination. Leaks from USTs which may occur at one or more of our gas stations may impact soil or groundwater and could result in fines or civil liability for us. We may be required to make material expenditures to modify operations, perform site cleanups, or curtail operations.

Future consumer or other litigation could adversely affect our financial condition and results of operations.

Our retail operations are characterized by a high volume of customer traffic and by transactions involving an array of products. These operations carry a higher exposure to consumer litigation risk when compared to the operations of companies operating in many other industries. Consequently, we may become a party to individual personal injury, bad fuel, products liability and other legal actions in the ordinary course of our retail gasoline and convenience store business. While these actions are generally routine in nature, incidental to the operation of business and immaterial in scope, if our assessment of any action or actions should prove inaccurate, our financial condition and results of operations could be adversely impacted. Additionally, we are occasionally exposed to industry−wide or class action claims arising from the products we carry or industry−specific business practices. Our defense costs and any resulting damage awards or settlement amounts may not be fully covered by our insurance policies. An unfavorable outcome or settlement of one or more of these lawsuits could have a material adverse effect on our financial position, liquidity and results of operations in a particular period or periods.

We rely on our information technology systems to manage numerous aspects of our business, and a disruption of these systems could adversely affect our business.

We depend on our information technology ("IT") systems to manage numerous aspects of our business and to 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 telecommunication services, physical and electronic loss of data, security breaches and computer viruses. We have a disaster recovery plan in place, but this plan may not entirely prevent delays or other complications that could arise from an IT systems failure. Any failure or interruption in our IT systems could have a negative impact on our operating results, cause our business and competitive position to suffer, and damage our reputation.

Item 6. Exhibits

3.1	—	Third Amended and Restated Agreement of Limited Partnership of Global Partners LP dated as of December 9, 2009 (incorporated herein by reference to Exhibit 3.1 to the Current Report on Form 8−K filed on December 15, 2009).
10.1	—	First Amendment to Amended and Restated Credit Agreement, dated as of August 18, 2010, by and among Global Operating LLC, Global Companies LLC, Global Montello Group Corp., Glen Hes Corp., Chelsea Sandwich LLC, GLP Finance Corp. and Global Energy Marketing LLC as borrowers, Global Partners LP and Global GP LLC, as guarantors, each lender from time to time party thereto, Bank of America, N.A., as Administrative Agent and L/C Issuer, JPMorgan Chase Bank, N.A. as Syndication Agent, Societe Generale, Standard Chartered Bank, Wells Fargo Bank, N.A. and RBS Citizens, National Association as Co−Documentation Agents (incorporated herein by reference to Exhibit 10.1 to the Current Report on Form 8−K filed on August 24, 2010).
10.2	—	First Amendment to Sale and Purchase Agreement, effective August 12, 2010 among ExxonMobil Oil Corporation and Exxon Mobil Corporation, as sellers, and Global Companies LLC (incorporated herein by reference to Exhibit 10.1 to the Current Report on Form 8−K filed on August 31, 2010).
10.3	—	Second Amendment to Sale and Purchase Agreement, dated September 7, 2010, among ExxonMobil Oil Corporation and Exxon Mobil Corporation, as sellers, and Global Companies LLC, as buyer (incorporated herein by reference to Exhibit 10.1 to the Current Report on Form 8−K filed on September 9, 2010).
10.4	—	Facilities Management Agreement, dated September 8, 2010, between Global Montello Group Corp. and Alliance Energy LLC (incorporated herein by reference to Exhibit 10.1 to the Current Report on Form 8−K filed on September 14, 2010).
10.5	—	Facilities Management Agreement, dated September 8, 2010, between Global Companies LLC and Alliance Energy LLC (incorporated herein by reference to Exhibit 10.2 to the Current Report on Form 8−K filed on September 14, 2010).
10.6*	—	Brand Fee Agreement, dated September 3, 2010, between ExxonMobil Oil Corporation and Global Companies LLC.
31.1	—	Rule 13a−14(a)/15d−14(a) Certification of Principal Executive Officer of Global GP LLC, general partner of Global Partners LP.
31.2	—	Rule 13a−14(a)/15d−14(a) Certification of Principal Financial Officer of Global GP LLC, general partner of Global Partners LP.
32.1†		Section 1350 Certification of Chief Executive Officer of Global GP LLC, general partner of Global Partners LP.
32.2†		Section 1350 Certification of Chief Financial Officer of Global GP LLC, general partner of Global Partners LP.

* Exhibits have been omitted pursuant to Item 601(b)(2) of Regulation S−K and will be furnished supplementally to the SEC upon request.

† Not deemed “filed” for purposes of Section 18 of the Securities Exchange Act of 1934 or otherwise subject to the liability of that section.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

GLOBAL PARTNERS LP
By: Global GP LLC,
its general partner

Dated: November 5, 2010

By: /s/ Eric Slifka
Eric Slifka
President and Chief Executive Officer
(Principal Executive Officer)

Dated: November 5, 2010

By: /s/ Thomas J. Hollister
Thomas J. Hollister
Chief Operating Officer and Chief Financial Officer
(Principal Financial Officer)

INDEX TO EXHIBITS

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3.1	—	Third Amended and Restated Agreement of Limited Partnership of Global Partners LP dated as of December 9, 2009 (incorporated herein by reference to Exhibit 3.1 to the Current Report on Form 8−K filed on December 15, 2009).
10.1	—	First Amendment to Amended and Restated Credit Agreement, dated as of August 18, 2010, by and among Global Operating LLC, Global Companies LLC, Global Montello Group Corp., Glen Hes Corp., Chelsea Sandwich LLC, GLP Finance Corp. and Global Energy Marketing LLC as borrowers, Global Partners LP and Global GP LLC, as guarantors, each lender from time to time party thereto, Bank of America, N.A., as Administrative Agent and L/C Issuer, JPMorgan Chase Bank, N.A. as Syndication Agent, Societe Generale, Standard Chartered Bank, Wells Fargo Bank, N.A. and RBS Citizens, National Association as Co−Documentation Agents (incorporated herein by reference to Exhibit 10.1 to the Current Report on Form 8−K filed on August 24, 2010).
10.2	—	First Amendment to Sale and Purchase Agreement, effective August 12, 2010 among ExxonMobil Oil Corporation and Exxon Mobil Corporation, as sellers, and Global Companies LLC (incorporated herein by reference to Exhibit 10.1 to the Current Report on Form 8−K filed on August 31, 2010).
10.3	—	Second Amendment to Sale and Purchase Agreement, dated September 7, 2010, among ExxonMobil Oil Corporation and Exxon Mobil Corporation, as sellers, and Global Companies LLC, as buyer (incorporated herein by reference to Exhibit 10.1 to the Current Report on Form 8−K filed on September 9, 2010).
10.4	—	Facilities Management Agreement, dated September 8, 2010, between Global Montello Group Corp. and Alliance Energy LLC (incorporated herein by reference to Exhibit 10.1 to the Current Report on Form 8−K filed on September 14, 2010).
10.5	—	Facilities Management Agreement, dated September 8, 2010, between Global Companies LLC and Alliance Energy LLC (incorporated herein by reference to Exhibit 10.2 to the Current Report on Form 8−K filed on September 14, 2010).
10.6*	—	Brand Fee Agreement, dated September 3, 2010, between ExxonMobil Oil Corporation and Global Companies LLC.
31.1	—	Rule 13a−14(a)/15d−14(a) Certification of Principal Executive Officer of Global GP LLC, general partner of Global Partners LP.
31.2	—	Rule 13a−14(a)/15d−14(a) Certification of Principal Financial Officer of Global GP LLC, general partner of Global Partners LP.
32.1†	—	Section 1350 Certification of Chief Executive Officer of Global GP LLC, general partner of Global Partners LP.
32.2†	—	Section 1350 Certification of Chief Financial Officer of Global GP LLC, general partner of Global Partners LP.

* Exhibits have been omitted pursuant to Item 601(b)(2) of Regulation S−K and will be furnished supplementally to the SEC upon request.

† Not deemed “filed” for purposes of Section 18 of the Securities Exchange Act of 1934 or otherwise subject to the liability of that section.

Exhibit 10.6

SPECIFIC TERMS IN THIS EXHIBIT HAVE BEEN REDACTED BECAUSE CONFIDENTIAL TREATMENT FOR THOSE TERMS HAS BEEN REQUESTED. THE REDACTED MATERIAL HAS BEEN SEPARATELY FILED WITH THE SECURITIES AND EXCHANGE COMMISSION, AND THE TERMS HAVE BEEN MARKED AT THE APPROPRIATE PLACE WITH TWO ASTERISKS (**).

BRAND FEE AGREEMENT

This BRAND FEE AGREEMENT (the "Agreement") is made and entered into by and between ExxonMobil Oil Corporation, having an office and place of business at 3225 Gallows Road, Fairfax, Virginia 22037, hereinafter called ExxonMobil, and Global Companies LLC, having an office at 800 South Street, Suite 200, Waltham, Massachusetts, 02453, hereinafter called BFA Holder.

WHEREAS, BFA Holder acknowledges that ExxonMobil has established the following core values ("Core Values") to build and maintain a lasting relationship with its customers, the motoring public:

(1) To deliver quality products that customers can trust.
(2) To employ friendly, helpful people.
(3) To provide speedy, reliable service.
(4) To provide clean and attractive retail facilities.
(5) To be a responsible, environmentally−conscious neighbor.

WHEREAS, BFA Holder does or in the future will either own, operate or supply certain retail motor fuel outlets at those locations identified on Exhibit 1 hereto and may, subject to ExxonMobil's consent, own, operate or supply certain retail motor fuel outlets in those certain jurisdictions set out on Exhibit 2 (hereinafter referred to as the "Designated Geography(ies)");

WHEREAS, BFA Holder wishes to sell Exxon and/or Mobil−branded motor fuel to or through these outlets and to receive certain services, and be eligible to participate in certain programs, related to the Exxon and Mobil brands, but currently does not wish to purchase the motor fuel product from ExxonMobil or its Affiliates;

WHEREAS, BFA Holder wishes to undertake full responsibility for the sourcing of motor fuel product at the retail motor fuel outlets that are subject to this Agreement;

WHEREAS, ExxonMobil is willing to furnish BFA Holder with certain services and programs, as more particularly defined herein, associated with the Exxon and Mobil brands;

WHEREAS, ExxonMobil is willing to allow BFA Holder to utilize the Proprietary Marks in accordance and subject to the terms of this Agreement in connection with the retail identification of the retail motor fuel outlets that are subject to this Agreement and to allow motor fuel sold from or through these outlets to be branded as Exxon or Mobil−branded motor fuel;

NOW THEREFORE, ExxonMobil and BFA Holder agree as follows:

1. PERIOD.

Unless sooner terminated as provided elsewhere herein, this Agreement shall be in full force and effect for the period of fifteen (15) years beginning on September 8, 2010 ("Effective Date"), and ending on September 7, 2025 ("Expiration Date") (such period, the "Term"). By written notice furnished to BFA Holder, ExxonMobil may, at its sole discretion, grant temporary extensions of the Term for periods not exceeding one hundred and eighty (180) days for each extension. An extension shall not be construed as renewal of this Agreement or of the Franchise Relationship.

2. GRANT.

By this Agreement, ExxonMobil and BFA Holder establish a "Franchise" and a "Franchise Relationship" as defined by the Petroleum Marketing Practices Act, 15 U.S.C. Sections 2801−2806 (the "PMPA"). Subject to the terms and conditions of this Agreement:

(a) With respect to the Proprietary Marks (as defined below) to be used in connection with the retail sale of Exxon or Mobil−branded motor fuel (including both gasoline and diesel), as the case may be ("Products"), ExxonMobil grants BFA Holder the limited and non−exclusive right to:

(1) Use the Mobil Proprietary Marks (as defined below) at (i) those Mobil−branded retail outlets identified as CORS locations on Exhibit 1 hereto and (ii) such Mobil−branded retail outlets as may be approved under Section 2(e) and operated by BFA Holder (or a third party operator with experience in the operation of similar service station properties) ("Operated Mobil Branded Outlets");

(2) Use the Exxon Proprietary Marks (as defined below) at such Exxon−branded retail outlets as may be approved under Section 2(e) and operated by BFA Holder (or a third party operator with experience in the operation of similar service station properties) ("Operated Exxon Branded Outlets");

(3) Grant the use of the Mobil Proprietary Marks to BFA Holder's franchised lessees or franchised independent dealers (collectively, "Mobil Franchise Dealers") at (i) those Mobil−branded retail outlets identified as CODO or DOSS locations on Exhibit 1 hereto and (ii) such Mobil−branded retail outlets as may be approved under Section 2(e) and operated by a franchised lessee or franchised independent dealer ("Franchised Mobil Branded Outlets"); and

(4) Grant the use of the Exxon Proprietary Marks to BFA Holder's franchised lessees or franchised independent dealers (collectively, "Exxon Franchise Dealers") at such Exxon−branded retail outlets as may be approved under Section 2(e) and operated by a franchised lessee or franchised independent dealer ("Franchised Exxon Branded Outlets").

In this Agreement, (i) the Operated Mobil Branded Outlets and Operated Exxon Branded Outlets may be collectively referred to as the "Operated Branded Outlets", (ii) the Franchised Mobil Branded Outlets and Franchised Exxon Branded Outlets may be collectively referred to as the "Franchised Branded Outlets", (iii) the Operated Branded Outlets and the Franchised Branded Outlets, whether they be BFA Holder Direct Served Outlets or BFA Holder Sub−Jobber Outlets may be collectively referred to as the "BFA Holder Branded Outlets", and (iv) the Mobil Franchise Dealers and the Exxon Franchise Dealers may be collectively referred to as the "Franchise Dealers".

For purposes of this Agreement, BFA Holder Branded Outlets can be supplied in one of two methods, (i) BFA Holder's Direct Served Business, which are those BFA Holder Branded Outlets that are supplied Product for retail sale through an agreement directly with BFA Holder or any of its Affiliates (the "Direct Served Outlets"), or (ii) BFA Holder's Sub−Jobber Business, which are those BFA Holder Branded Outlets that are supplied Product for retail sale through an agreement between BFA Holder or one of its Affiliates and any branded wholesaler that is not an Affiliate of BFA Holder (the "Sub−Jobber Outlets"). Note that for purposes of this Agreement, the term "branded wholesaler(s)" shall include "distributor(s)", as may be applicable.

(b) Under this Agreement, "Mobil Proprietary Marks" shall mean (i) only those trademarks identified on Exhibits 13−A and 13−B hereto and (ii) related trade dress. "Exxon Proprietary Marks" shall mean (i) only those trademarks identified on Exhibits 14−A and 14−B hereto and (ii) related trade dress. “Proprietary Marks” shall mean the Mobil Proprietary Marks and the Exxon Proprietary Marks, collectively or separately, as appropriate in context. The grants set forth in Section 2(a) and Section 2(d)(1) by ExxonMobil to BFA Holder for BFA Holder’s use of the Proprietary Marks, as to each Proprietary Mark, shall be limited to only the specific corresponding goods and services listed on Exhibits 13−A and 14−A (as to the retail motor fuels Business only), and 13−B and 14−B (as to the Related Businesses only) (the “Authorized Uses”). For the avoidance of doubt, BFA Holder hereby agrees and acknowledges that the Proprietary Marks may be used only during the Term and only at the BFA Holder Branded Outlets and that nothing set forth in this Agreement shall be interpreted to grant BFA Holder any rights in or to such Proprietary Marks for any offsite use unless expressly authorized by ExxonMobil in writing. BFA Holder further hereby acknowledges and agrees that notwithstanding anything to the contrary set forth herein, it shall not be permitted to use, or grant the use of, any of the Exxon Proprietary Marks prior to June 1, 2011. In addition, specifically excluded from any Authorized Use is BFA Holder’s use of any Proprietary Mark on or in connection with any auto repair services or any trucks, cars or other rolling stock of any nature. BFA Holder shall not have any authority under this Agreement to use any trademark or other intellectual property of ExxonMobil or its Affiliates not specifically identified on Exhibit 13−A, 13−B, 14−A or 14−B or any taglines or reward programs of ExxonMobil or its Affiliates. BFA Holder shall be permitted only to use or grant the use of either the Mobil Proprietary Marks, or the Exxon Proprietary Marks, at any one retail outlet and shall not use or permit the use of both Mobil Proprietary Marks and Exxon Proprietary Marks at any retail outlet. As used in this Agreement, the term “Affiliate” as it relates to ExxonMobil means, (1) ExxonMobil Oil Corporation or its successors−in−interest, (2) any parent corporation, partnership, or other entity of the ExxonMobil Oil Corporation or its successors−in−interest which now or hereafter owns or controls, directly or indirectly through one or more intermediaries, fifty percent or more of the ownership interest having the right to vote for or appoint directors of ExxonMobil Oil Corporation or its successors−in−interest (“Parent Company”), (3) any corporation, partnership, or other entity, regardless of where situated, at least fifty percent of whose ownership interest having the right to vote for or appoint directors is now or hereafter owned or controlled, directly or indirectly through one or more intermediaries, by ExxonMobil Oil Corporation or its successors−in−interest or by its Parent Company. As used in this Agreement, the term “Affiliate” as it relates to BFA Holder means, any person directly or indirectly controlling, controlled by, or under common control with BFA Holder, including any other person directly or indirectly controlling, controlled by, or under common control with such person. For purposes of this definition, the term “control” (including the terms “controlled by” and “under common control with”) means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of any person, whether through the ownership of voting securities or by contract or otherwise. For the purposes of this Agreement, Alliance Energy LLC, a Massachusetts limited liability company (“Alliance”) and AE Holdings Corp., a Massachusetts corporation and the managing member of Alliance shall not be considered Affiliates of BFA Holder.

(c) BFA Holder will arrange for and be solely responsible for procuring an adequate supply of unbranded motor fuel (“Base Product”) that meets the requirements of Section 5 of this Agreement. After Base Product has been additized as provided in Section 5 hereof, it may be distributed by BFA Holder as Product to the BFA Holder Branded Outlets subject to all terms and conditions of this Agreement.

(1) ExxonMobil acknowledges that BFA Holder may wish to operate additional businesses of the type described in the Authorized Uses set forth on Exhibit 13−B or 14−B (“Related Businesses”) during the Term utilizing Proprietary Marks at any or all of the BFA Holder Branded Outlets. Subject to the specific corresponding Authorized Uses(s) listed on Exhibit 13−B or 14−B, and other terms and conditions of this Agreement, ExxonMobil grants BFA Holder the right to utilize the Proprietary Marks set forth on Exhibit 13−B or 14−B in connection with Related Businesses and to grant to a Franchise Dealer the right to use such Proprietary Marks in connection with Related Businesses solely to the extent and in the manner specified by ExxonMobil from time to time. For the avoidance of doubt, ExxonMobil shall have the right to change, modify, amend, add or remove, in its

sole discretion, the Related Businesses permitted pursuant to this Section 2(d)(1) and the Authorized Use(s) set forth on Exhibit 13−B or 14−B.

(2) BFA Holder acknowledges, and shall require its Franchise Dealers to acknowledge, that the operation of a Related Business using any Proprietary Mark impacts customers' perceptions and acceptance of the Products and Proprietary Marks. Accordingly, BFA Holder may operate, or authorize a Franchise Dealer to operate, a Related Business utilizing Proprietary Marks at a BFA Holder Branded Outlet only in compliance with ExxonMobil's requirements as set out from time to time by ExxonMobil and at all times in compliance with this Agreement. If BFA Holder or any Franchise Dealer fails to comply with ExxonMobil's requirements for such a Related Business at any BFA Holder Branded Outlet, without limiting ExxonMobil's other rights or remedies under applicable laws or under this Agreement or any related or supplemental agreement, including termination or non−renewal of this Agreement and the Franchise Relationship, ExxonMobil may withdraw its approval for the use of any such Proprietary Mark for that Related Business.

(3) During the Term, BFA Holder shall operate and shall cause its Franchise Dealers to operate any Related Business utilizing any Proprietary Mark, as approved under Section 2(e), in compliance with this Agreement and shall not operate, and shall cause its Franchise Dealers not to operate, any other businesses or activities utilizing Proprietary Marks at any BFA Holder Branded Outlet unless agreed in writing by the parties hereto. During the Term, and except as expressly provided in this Agreement, BFA Holder (or any of its Franchise Dealers) may change, delete or add a Related Business at a BFA Holder Branded Outlet only with the prior written consent of ExxonMobil. Nothing contained in this Section 2 may be construed as limiting or preventing ExxonMobil from changing, deleting, adding or substituting any Proprietary Mark used in connection with a Related Business.

(4) The motor fuels business, under which BFA Holder distributes the Products hereunder for retail sale at the BFA Holder Branded Outlets, the retail sales of motor fuels at the BFA Holder Branded Outlets and the Related Businesses are herein collectively referred to as the "Businesses."

(1) BFA Holder may use or operate at an Operated Branded Outlet, or grant and allow the use or operation at a Franchised Branded Outlet of any Businesses or exercise any other rights under Sections 2(a) and (d), only if:

(i) ExxonMobil has expressly approved the Exxon or Mobil−branding, as the case may be, of that retail outlet and the operation of the Businesses at that retail outlet; and

(ii) ExxonMobil has not:

(A) Debranded that outlet; or

(B) Withdrawn ExxonMobil's approval for the operation of any Business in question at that retail outlet.

For the purposes of Section 2(e)(1)(i) above, only those retail outlets set out on Exhibit 1 are expressly approved for Mobil−branding. In particular, BFA Holder acknowledges that, absent the express approval of ExxonMobil or assignment by ExxonMobil in accordance with the terms of this Agreement, no retail outlet or other operation that is Mobil or Exxon−branded and branded wholesaler−served as of the Effective Date is subject to operation under the terms of this Agreement. Approval of any outlets in addition to those set out on Exhibit 1 will be on a site by site basis and shall be memorialized by a trademark authorization letter in a form to be specified by ExxonMobil from time to time. Notwithstanding the previous sentence, any Exxon or Mobil branded retail outlet to be added under this Agreement that is approved at that time for Exxon or Mobil−branding shall not require re−approval to be added under this Agreement; provided, however, that ExxonMobil shall be entitled to review the Exxon or Mobil branding of such outlet to ensure compliance with Section 2(g) hereof.

(2) In its sole discretion, ExxonMobil may approve or not approve the branding of any outlet or the use or operation of any Businesses proposed by BFA Holder or any Franchise Dealer. ExxonMobil is not obligated to furnish a reason for withholding approval. ExxonMobil's furnishing of a reason does not in any way limit its rights to withhold for any reason any approval of that or any future branding proposal. BFA Holder shall comply, and cause its Franchise Dealers to comply, with any requirements and conditions imposed by ExxonMobil in giving its approval under this Section.

(3) By written notice to BFA Holder, ExxonMobil may withdraw its approval to:

(i) Brand any BFA Holder Branded Outlet ("debrand"); or

(ii) Use or operate any Business (including, for the avoidance of doubt, any Related Business) at any outlet

if, in ExxonMobil's sole judgment:

(a) That outlet (or any Businesses thereat) fails to portray the image and standards ExxonMobil expects from its branded retail outlets;

(b) BFA Holder, or any Franchise Dealer, is in default of any material obligation, condition, representation or warranty under this Agreement or any related or supplemental agreement with respect to that retail outlet (or any Business); or

(c) Any actions by BFA Holder, any Franchise Dealer, any Affiliate of BFA Holder or any third party management company in connection with its operations on behalf of BFA Holder, whether in violation of its obligations under this Agreement or otherwise, cause harm to the value or reputation of the Proprietary Marks.

ExxonMobil shall provide prior written notice of its intention to withdraw its approval pursuant to Section 2(e)(3)(a) or (b) and BFA Holder shall have a time period, which shall in no event exceed thirty (30) days, in which to take corrective action with respect to the BFA Holder Branded Outlet at issue. In the event that BFA Holder has not satisfied ExxonMobil as to resolution of the issue within such thirty (30) day period, ExxonMobil may withdraw its approval.

(4) If ExxonMobil debrands any BFA Holder Branded Outlet, or withdraws its approval to use or operate any Businesses at any BFA Holder Branded Outlet, BFA Holder shall comply, and cause any Franchise Dealer at the retail outlet to comply, with the provisions of Section 3 with respect to the retail outlet in question. The debranding of one or more of the BFA Holder Branded Outlets does not constitute a termination or non−renewal of this Agreement.

(5) BFA Holder shall not permit and shall ensure that its Franchise Dealers do not permit the following activities or types of business to occur at any BFA Holder Branded Outlet:

(i) The sale or use of illegal drugs or drug paraphernalia or other illegal substances or activities,

(ii) The sale of any pornographic material or other material that ExxonMobil in its sole judgment determines may be offensive to the general public (examples include but are not limited to Playboy, Hustler, and Penthouse magazines),

(iii) Adult businesses (examples include but are not limited to massage parlors, strip clubs, and video stores),

(iv) Bars or establishments that allow for any consumption of intoxicating beverages or any sales or consumption of intoxicating beverages in violation of applicable federal, state, county or local laws, statutes, ordinances, codes, regulations, rules, orders or permits, or

(v) The illegal sale of any tobacco products, including without limitation, sales in violation of any federal, state, county or local laws, statutes, ordinances, codes, regulations, rules, orders, or permits relating to youth access to tobacco products. BFA Holder shall promptly advise ExxonMobil, and shall ensure that Franchise Dealers promptly advise BFA Holder, of any citations or notifications of violations received at any BFA Holder Branded Outlet from any regulatory authority resulting from any such tobacco sales and of the resolution of any such citations and notifications. BFA Holder agrees to comply with the requirements set forth in Exhibit 8.

(6) The terms and conditions of this Agreement and the Franchise Relationship are exclusively between ExxonMobil and BFA Holder. Nothing in this Agreement may be construed as creating any Franchise or Franchise Relationship with any other person, including without limitation, any Franchise Dealer, employee or contractor of BFA Holder.

(f) This Agreement does not give BFA Holder an exclusive right in any market or geographic area to sell Products or conduct any Related Business. BFA Holder acknowledges that ExxonMobil and its Affiliates may directly or indirectly compete with BFA Holder by using, or, subject to Section 2(g) authorizing the use of any trademark, trade names and trade dress owned by ExxonMobil (or any of its subsidiaries or Affiliates) from time to time including, without limitation, the Proprietary Marks, including in close proximity to, and notwithstanding any commercial impact on, any BFA Holder Branded Outlet.

(g) In order to protect the integrity of the Exxon and Mobil brands in the Designated Geographies, notwithstanding anything to the contrary herein, no retail outlet may become a BFA Holder Direct Served Outlet or Sub−Jobber Outlet pursuant to the terms of this Agreement if such site is located within two (2) miles of any then−existing Exxon or Mobil branded retail outlet, which then−existing Exxon or Mobil branded retail outlet is not also a BFA Holder Direct Served Outlet or Sub−Jobber Outlet. The distance between any two retail outlets shall be determined by the most geographically direct street route between the closest identification sign located at each retail outlet.

The foregoing provision shall not restrict the operation of any retail outlet that may be set forth on Exhibit 16 hereto from time to time. Exhibit 16 shall set forth all Exxon or Mobil branded retail outlets in the Designated Geographies existing as of the Effective Date. Any new Exxon or Mobil branded retail outlet that is added to an existing branded wholesaler agreement between ExxonMobil and any of its existing branded wholesalers in the Designated Geographies shall be added to Exhibit 16 by ExxonMobil. Any Exxon or Mobil branded retail outlet that is debranded shall be deleted from Exhibit 16 by ExxonMobil.

3. TRADEMARKS

(a) BFA Holder is permitted to display the Proprietary Marks solely to designate the brand of the Products or other approved Businesses being operated at a BFA Holder Branded Outlet (which uses shall be limited to only the specific corresponding Authorized Use(s) as to each Proprietary Mark). BFA Holder agrees that no Product will be sold under any of the Proprietary Marks unless it meets the product quality specifications set forth in this Agreement and is additized as specified in this Agreement nor shall any Business be operated unless it meets the quality specification and other standards (including any brand identity standards or retail image standards) existing as of the Effective Date or modified or established by ExxonMobil from time to time, as such standards and specifications may be amended from time to time after the Effective Date. If there shall be posted, mounted, or otherwise displayed on or in connection with any BFA Holder Branded Outlet any sign, poster, placard, plate, device or form of advertising matter whether or not received from ExxonMobil, consisting in whole or in part of the name of ExxonMobil or any of the Proprietary Marks, BFA Holder agrees at all times to display same, or cause the Franchise Dealers to display same, properly and not to diminish, dilute, denigrate, or otherwise adversely affect same. BFA Holder further agrees to take no action that will diminish or dilute the value of any Proprietary Mark.

(b) Immediately upon termination (whether in full or as to any individual outlet) or expiration of this Agreement, or prior thereto upon demand by ExxonMobil, BFA Holder shall discontinue all uses of the Proprietary Marks, including the posting, mounting or display of any Proprietary Mark and all uses of Proprietary Marks in connection with business cards, advertisements and letterhead/stationary, and shall cause its Franchise Dealers to do the same. If BFA Holder or any Franchise Dealer ceases to do business at any BFA Holder Branded Outlet, BFA Holder shall, and shall cause its Franchise Dealer to, discontinue the posting, mounting or display of any Proprietary Marks immediately upon BFA Holder or its Franchise Dealer(s), as the case may be, ceasing to sell the Products or operate the Business, including, without limitation, in the event that the BFA Holder Branded Outlet in question is debranded by ExxonMobil under Section 2(e) or in any event upon demand by ExxonMobil. BFA Holder acknowledges ExxonMobil's self−help rights set forth in this Agreement, including the rights of entry described in Sections 26(e) and 35, and agrees that BFA Holder shall be solely responsible for all fees, cost and expenses incurred by ExxonMobil or its Affiliates in exercising any such rights.

(c) BFA Holder agrees to notify ExxonMobil or its designee of any apparent or threatened infringement, dilution or other misuse ("Misuse") of any Proprietary Mark promptly after becoming aware of such Misuse. ExxonMobil shall have the sole right, in its sole discretion, to take any action, legal or otherwise, against such Misuse, and notwithstanding any other provisions in this Agreement, BFA Holder agrees to provide ExxonMobil with any assistance which, in the opinion or judgment of ExxonMobil, is necessary to protect ExxonMobil's right, title and interest in and to the Proprietary Marks. ExxonMobil shall be entitled in such event to retain all monetary recovery from any misusing third party by way of judgment, settlement or otherwise. BFA Holder shall have no right to, and hereby agrees that it will not (except as requested by ExxonMobil), take any action, with respect to any apparent or threatened Misuse of any Proprietary Mark. BFA Holder shall have no recourse against ExxonMobil, ExxonMobil's agents, officers, directors, and employees or third parties under their control in the event ExxonMobil chooses not to act against any apparent or threatened Misuse of any of the Proprietary Marks or if any third party challenges the right of ExxonMobil or BFA Holder to use any of the Proprietary Marks.

(d) BFA Holder shall not, and shall cause its Franchise Dealers not to, sell non−Exxon or Mobil−branded motor fuels under any Proprietary Mark, including without limitation, any Exxon or Mobil−identified canopy or at any fueling island where BFA Holder or a Franchise Dealer is selling Products. As used in this Section, "non−Exxon or Mobil−branded motor fuels" shall not be construed to apply to gasohol or other synthetic motor fuels of similar usability, to the extent provided for in the Gasohol Competition Act of 1980, Pub. L.96−493 or renewable fuels as defined in Section 2807 of the Petroleum Marketing Practices Act; provided however, that BFA Holder and its Franchise Dealers shall label such product so as to ensure that consumers are not confused that such product is an Exxon or Mobil−branded motor fuel.

(e) Without affecting BFA Holder's obligations under Section 3(d), if BFA Holder or any Franchise Dealer offers non−Exxon or Mobil−branded motor fuels at a BFA Holder Branded Outlet, BFA Holder agrees to protect, and cause its Franchise Dealer(s) in question to protect, the identity of the Products and the Proprietary Marks by all reasonable methods, which would prevent customer confusion or misinformation. BFA Holder agrees to conform, and cause its Franchise Dealers to conform, to ExxonMobil's de−branding requirements as outlined in Exhibits 9A and 9B, as same may be revised from time to time, including but not limited to posting of ExxonMobil approved signs which clearly distinguish the Products from non−Exxon or Mobil−branded motor fuels, disclaiming any product liability of ExxonMobil for damage resulting from use of non−Exxon or Mobil−branded motor fuels, and removing or covering any signs which may mislead, confuse, or misinform any customers or reduce their goodwill toward any Proprietary Mark. In addition, BFA Holder agrees to comply, and cause its Franchise Dealers to comply, with any additional steps beyond the ExxonMobil de−branding requirements set forth in any applicable law, ordinance or regulation regarding the labeling of petroleum products.

(f) In furtherance of its obligations as set forth in this Section, BFA Holder agrees that it will for itself, and as to any of its Franchise Dealers, require of such Franchise Dealers that they will, while identifying the source of the Products sold at any BFA Holder Branded Outlet, comply with the provisions of this Section. Such assistance includes, but is not limited to, the authorization to ExxonMobil to commence legal proceedings in BFA Holder's name, and at BFA Holder's expense, for the purposes of enforcing BFA Holder's obligations in this Section.

(g) BFA Holder shall have neither the right to use or display at marinas, nor the right to authorize or permit the use or display at marinas by Franchise Dealers of, any Proprietary Mark and shall not sell, and shall cause its Franchise Dealers not to sell, Products at marinas.

(h) To permit ExxonMobil to carry out its rights to protect its Proprietary Marks from diminution, dilution, or destruction by misuse or failure by those to whom permission to display them has been granted under this Agreement, BFA Holder agrees that upon request by ExxonMobil it will provide ExxonMobil with a list of the names and addresses of Franchise Dealers to whom BFA Holder has provided any Proprietary Mark and where such BFA Holder Branded Outlets are displaying such Proprietary Marks.

(i) If BFA Holder, for whatever reason, ceases to display or authorize the display of Proprietary Marks at any BFA Holder Branded Outlet, then BFA Holder will notify ExxonMobil in writing within thirty (30) days of that event.

(j) Except as may be expressly permitted by ExxonMobil, BFA Holder shall not, and shall cause its Franchise Dealers not to, use the Proprietary Marks as part of BFA Holder's or any Franchise Dealer's corporate or other name or as part of or in conjunction with any domain name.

(k) BFA Holder shall, and shall cause its Franchise Dealers to, immediately stop using the Proprietary Marks relating to any Business at any BFA Holder Branded Outlet if:

(1) this Agreement is terminated or the Term expires and is not renewed or extended; or

(2) ExxonMobil withdraws its approval to use or operate that Business at that outlet under Section 2(e); or

(3) BFA Holder or its Franchise Dealer(s) stops operating that Business at that outlet;

and, in any such event, to follow any de−branding requirements that may then be applicable.

(l) BFA Holder’s use of any of the Proprietary Marks in conjunction with any uniforms, business cards or business stationary at all times shall be subject to and in accordance with the terms of this Agreement and all standards set forth by ExxonMobil or its Affiliates, as such standards may be amended by ExxonMobil or its Affiliates, in their sole discretion, from time to time. All uniforms used in connection with the Businesses bearing any of the Proprietary Marks shall be purchased solely and exclusively from an ExxonMobil approved vendor.

(m) BFA Holder acknowledges that ExxonMobil (or Exxon Mobil Corporation or any of its Affiliates as the case may be) is the exclusive owner of the Proprietary Marks, and no ExxonMobil act, or failure to act, will give BFA Holder or any Franchise Dealer any ownership interest or right in any of the Proprietary Marks. All goodwill resulting from the use of the Proprietary Marks by BFA Holder or its Franchise Dealers shall inure to the benefit, and is the property, of ExxonMobil (or its Affiliates as the case may be). ExxonMobil may, at any time or from time to time, change or substitute any Proprietary Marks used in connection with the Products or any Business. In case of any change or substitution, BFA Holder shall immediately use, and cause its Franchise Dealers to immediately use, the Proprietary Marks as changed.

(n) BFA Holder hereby acknowledges that failure on the part of BFA Holder or its Franchise Dealer(s) to use any Proprietary Mark in accordance with the provisions of this Agreement will cause irreparable injury to ExxonMobil and that any court of competent jurisdiction may, at the request of ExxonMobil, enforce the provisions of this Agreement by the entry of a temporary or permanent injunction against BFA Holder and in favor of ExxonMobil. BFA Holder agrees not to contest the appropriateness of injunctive relief but may contest whether it has failed to use the Proprietary Marks in accordance with the provisions of this Agreement. BFA Holder will incorporate in its agreements with each Franchise Dealer the undertakings and obligations provided in this Agreement (including this Section 3). BFA Holder agrees to immediately notify ExxonMobil of any Franchise Dealer failing to comply with any such undertaking or obligation and agrees to assist ExxonMobil in its enforcement thereof.

(o) In order to foster the continued public acceptance of the Proprietary Marks and to protect the brand reputation of the Products which are the subject of this Agreement, BFA Holder will use best efforts to promptly inform ExxonMobil of any event or condition which will significantly impact the operation of any BFA Holder Branded Outlet or which has resulted in or may result in significant media exposure related to any BFA Holder Branded Outlets.

4. QUALITY, GRADE, SPECIFICATION, OR NAME OF PRODUCT; QUALITY ASSURANCE PROCEDURES.

(a) ExxonMobil shall have the right, at its sole discretion and at any time during the Term, to change, alter, amend or eliminate any of the grades or brands of Products or any Proprietary Marks covered by this Agreement. ExxonMobil may also, in its sole discretion and from time to time, change or alter the quality or specification of any of the Products covered by this Agreement. In the event that a certain grade, quality or specification of motor fuels is offered in one of the states within the Designated Geographies by more than thirty−five percent (35%) of the then existing non−Exxon or Mobil branded retail outlets that is not covered by this Agreement at that time, BFA Holder shall have the right to request that ExxonMobil consent to a change or alteration in, or addition to, the grades, quality or specifications of the Products to offer such grade, quality or specification of motor fuel in the relevant state within the Designated Geographies, and ExxonMobil shall not unreasonably withhold its consent to any such request.

(b) ExxonMobil has provided BFA Holder a copy of “QUALITY CONTROL PROCEDURES FOR GASOLINES AND DIESEL FUEL” attached as Exhibit 10. This is the same document furnished to Traditional Wholesalers who are purchasing motor fuel product directly from ExxonMobil. BFA Holder agrees to store, handle, sell and dispense all fuel sold through BFA Holder Branded

Outlets in compliance with all the procedures and specifications set out in Exhibit 10 and to procure the compliance of its Franchise Dealers, notwithstanding the fact that BFA Holder is not purchasing motor fuel from ExxonMobil. ExxonMobil reserves the right to revise the procedures and specifications at any time and BFA Holder agrees that it will, upon written notice of such revision, immediately begin compliance with the revised procedures and specifications and will procure compliance of its Franchise Dealers. In the event BFA Holder fails to comply with this Section, ExxonMobil may, without limitation to any other remedies available to ExxonMobil, engage the services of an outside contract firm to perform sampling, testing and reporting. The fees, costs and expenses of such outside contract firm shall be borne solely by BFA Holder.

(c) Time is of the essence in complying with this Section 4. BFA Holder is obligated to take commercially reasonable steps to mitigate any potential losses or damage resulting from any product quality defects. BFA Holder's notice of consumer quality claims should be sent to the ExxonMobil Business Support Centre Canada, ULC, Attn: Branded Wholesaler Contract Team Lead, P.O. Box 2245, Buffalo, NY 14240−2245.

5. PRODUCT DISTRIBUTION.

(a) ExxonMobil and BFA Holder acknowledge and agree that this is not a product sales or supply agreement. ExxonMobil has no obligation under this Agreement or otherwise to supply BFA Holder with either branded or unbranded motor fuel products or its proprietary additive package, including without limitation, gasoline and diesel. BFA Holder is solely responsible for securing and paying for Base Product and the additive package, which meet all federal, state, and local regulatory and product quality standards in effect for motor fuels offered for sale through retail outlets in the Designated Geographies. Base Product must also meet ExxonMobil quality specifications as more specifically set out in Exhibit 3 (as confirmed by testing as described in Exhibit 3). BFA Holder shall participate in ExxonMobil's annual Marker Program in order to confirm compliance with the requirements of this Agreement and ExxonMobil's standards.

(b) BFA Holder shall not (i) acquire any motor fuels from ExxonMobil or any of its Affiliates within the Designated Geographies, nor (ii) acquire any motor fuels from ExxonMobil or any of its Affiliates within the United States of America for resale as motor fuel in the Designated Geographies. Notwithstanding the previous sentence, BFA Holder shall be permitted to purchase motor fuels from ExxonMobil through in tank sales for a time period beginning on the Effective Date and ending upon the later of (A) one hundred and twenty (120) days following the Effective Date, and (B) December 31, 2010.

(c) BFA Holder shall procure the additives identified on Exhibit 4 from only those suppliers specified on Exhibit 4 (or such other supplier as may be subsequently identified by ExxonMobil). BFA Holder shall additize the Base Product in accordance with the specifications set forth in Exhibit 4, using industry standard computer controlled additive injection equipment, prior to distribution through any BFA Holder Branded Outlet as Product. In the event that BFA Holder desires a waiver from ExxonMobil with respect to the specified additive or suppliers, or the fuel quality specifications, BFA Holder shall contact the appropriate ExxonMobil fuels quality manager to discuss such a request, as provided on Exhibit 4.

(d) BFA Holder will bear full financial responsibility for the cost of installation and maintenance of additive racks at all terminals from which it distributes Products. If ExxonMobil desires that a third party(s) with whom it has a brand fee agreement or other license, distribution or wholeasaler agreement have access, BFA Holder agrees to allow that third party(ies) to use the additive system on a terminal by terminal basis and shall charge such third party(s) commercially reasonable rates for such access.

(e) ExxonMobil agrees to undertake reasonable efforts to cooperate with BFA Holder as BFA Holder attempts to negotiate supply and/or additive injection arrangements with potential supply partners, provided that ExxonMobil is not obligated hereby to waive or amend any rights it has under this Agreement or undertake any financial obligations not set forth in this Agreement.

6. EXXONMOBIL PROGRAMS.

(a) ExxonMobil and BFA Holder expressly acknowledge and agree that the arrangement contemplated by and set forth in this Agreement is materially different from the arrangement that ExxonMobil has with its branded wholesalers throughout the country who purchase motor fuel directly from ExxonMobil (hereinafter referred to as “Traditional Wholesalers”). BFA Holder acknowledges that it has been advised and understands that it will not be eligible for various types of financial assistance or support programs, including without limitation Brand Incentive Programs (BIP), Image Assistance Programs, Speedpass Rebate Program and Brand Standard Program, that are available to Traditional Wholesalers. BFA Holder specifically acknowledges and agrees that ExxonMobil has absolutely no obligation of any kind to offer BFA Holder any programs or services not expressly provided for in this Agreement and BFA Holder further acknowledges that this fact constitutes a material inducement for ExxonMobil to enter into this Agreement.

(b) BFA Holder shall participate in (i) ExxonMobil’s credit card program offerings through ExxonMobil’s approved third party provider; (ii) either ExxonMobil’s proprietary Mystery Shopper program or an ExxonMobil−approved third party Mystery Shopper program; and (iii) effective January 1, 2011, the ExxonMobil Point of Purchase signage program. Reasonable efforts should be used to post the current ExxonMobil Point of Purchase signage where applicable and allowable. Such participation shall be solely at BFA Holder’s expense.

(c) BFA Holder will be eligible to participate in the ExxonMobil programs listed immediately below on the same basis as Traditional Wholesalers:

(1) Retailer Promotional Marketing access, including Point−of−Purchase Signage
(2) Card marketing
(3) Education Alliance
(4) Training
(5) Uniform
(6) Station Locator
(7) Relevant portions of the ExxonMobil branded wholesaler website (as determined by ExxonMobil consistent with this Agreement).

BFA Holder will also be eligible to participate in those ExxonMobil programs offered from time to time to another “BFA Holder” under a separate brand fee agreement in the Designated Geographies.

(d) BFA Holder acknowledges and agrees that all programs referenced in Sections 6(b) and 6(c) hereof are subject to change or cancellation at ExxonMobil’s sole discretion and that ExxonMobil may, from time to time and in its discretion, add new or existing programs to the required programs list or the eligible programs list. BFA Holder further acknowledges that nothing set forth in this Agreement obligates ExxonMobil to provide (or continue to provide) support for any such program and that such support is provided at ExxonMobil’s discretion.

7. BRAND FEES.

BFA Holder shall pay to ExxonMobil the Brand Fees as described in this Section 7, such fees to be paid in equal monthly amounts in accordance with the terms of this Agreement, in consideration of the services that may be provided by ExxonMobil, BFA Holder’s participation in those ExxonMobil programs that may be offered to BFA Holder, and the use of the Proprietary Marks at the BFA Holder Branded Outlets during the fifteen (15) year Term, subject to the terms of this Agreement.

(a) <u>BFA Holder’s Direct Served Business</u>. With respect to the Direct Served Outlets, (i) the “Brand Fee” during the first ten (10) years of the Term of this Agreement shall equal the 10 Year Brand Fee, calculated under Section 7(a)(i); and (ii) the “Brand Fee” for the Direct Served Outlets during the final five (5) years of the Term of this Agreement shall equal an amount agreed to between the parties or the Adjusted Brand Fee calculated pursuant to Section 7(a)(ii). In addition, BFA Holder shall pay to ExxonMobil the fees described in Section 7(a)(iii).

(i) For purposes of this Section 7(a)(i):

"10 Year Brand Fee" means the Initial Base Brand Fee for the first year of this Agreement. For each subsequent year during the first ten (10) years of the Term of this Agreement, "10 Year Brand Fee" means the sum of (i) the Initial Base Brand Fee plus (ii) an amount equal to (A) the number of Base Outlets minus the Initial Base Outlets times (B) the New Site Brand Fee.

"Annual Recalculation Date" means the date which is sixty days (60) days prior to each anniversary of the Effective Date.

"Base Outlets" means, for the first year of this Agreement, the Initial Base Outlets. For each subsequent year during the first ten (10) years of the Term of this Agreement, "Base Outlets" shall mean the greater of (i) the Base Outlets (under this definition) for the immediately prior year, and (ii) the Initial Base Outlets plus the cumulative number of Direct Served Outlets added under this Agreement from the Effective Date up to the Annual Recalculation Date, minus the cumulative number of Closed Direct Served Outlets from the Effective Date up to the Annual Recalculation Date.

Example calculation: **

Thirty (30) days prior to each anniversary of the Effective Date, BFA Holder shall deliver to ExxonMobil a statement showing the adjustment to the Base Outlets as of the Annual Recalculation Date along with supporting documentation. ExxonMobil shall have the right to review and approve the adjustment to the Base Outlets. Any dispute between the parties hereto relating to the adjustment shall be resolved in accordance with Section 39 of this Agreement, without regard to the amount in controversy limitation set forth in Section 39(b)(i).

"Closed Direct Served Outlets" means any Direct Served Outlet that has permanently ceased selling Exxon or Mobil−branded motor fuels, excluding Rebranded BFA Holder Outlets.

"Initial Base Brand Fee" means an amount equal to ** times the Initial Total Volume set forth in Exhibit 15 hereto.

"Initial Base Outlets" means 221.

"Initial Total Volume" means the total volume of Product set forth on Exhibit 15 hereto.

"New Site Brand Fee" means an amount equal to $**.

"Rebranded BFA Holder Outlets" means (i) any former Direct Served Outlet that is supplied motor fuel by BFA Holder for sale under any brand other than Exxon or Mobil (excluding in each case any such outlet that was debranded by ExxonMobil pursuant to Section 2(e)(3) hereof), and (ii) any former Direct Served Outlet sold by BFA Holder to a third party for continued petroleum use that sells motor fuel under any brand other than Exxon or Mobil.

(ii) Within six (6) months before the end of tenth (10th) year of the Term of this Agreement, ExxonMobil and BFA Holder agree to engage in good faith negotiations regarding an adjustment to the Brand Fee for the final five (5) years of the Term of this Agreement for BFA Holder's Direct Served Outlets; provided, however, that such obligation shall not require either party to reach definitive agreement on such adjustment. In the event that the parties are unable to mutually agree on an adjustment to the Brand Fee for BFA Holder's Direct Served Outlets, each year (whether partial or full) during the final five (5) years of the Term of this Agreement, BFA Holder shall pay to ExxonMobil the Adjusted Brand Fee as described in this Section 7(a)(ii).

For purposes of this Section 7(a)(ii):

"Adjusted Brand Fee" means, for the 11th year of this Agreement, the Recalculated Base Brand Fee. For each subsequent year during the remainder of the Term of this Agreement, "Adjusted Brand Fee" means the sum of (i) the Recalculated Base Brand Fee plus (ii) an amount equal to (A) the number of Recalculated Base Outlets minus the Initial Recalculated Base Outlets times (B) the New Site Brand Fee.

"Annual Recalculation Date" means the date which is sixty days (60) days prior to each anniversary of the Effective Date.

"Closed Direct Served Outlets" means any Direct Served Outlet that has permanently ceased selling Exxon or Mobil−branded motor fuels, excluding Rebranded BFA Holder Outlets.

"Initial Base Brand Fee" means an amount equal to ** times the Initial Total Volume set forth in Exhibit 15 hereto.

"Initial Total Volume" means the total volume of Product set forth on Exhibit 15 hereto.

"Initial Recalculated Base Outlets" means the total number of Direct Served Outlets existing as of the Recalculation Date.

"New Site Brand Fee" means an amount equal to $**.

"Rebranded BFA Holder Outlets" means (i) any former Direct Served Outlet that is supplied motor fuel by BFA Holder for sale under any brand other than Exxon or Mobil (excluding in each case any such outlet that was debranded by ExxonMobil pursuant to Section 2(e)(3) hereof), and (ii) any former Direct Served Outlet sold by BFA Holder to a third party for continued petroleum use that sells motor fuel under any brand other than Exxon or Mobil.

"Recalculated Base Brand Fee" means:

(a) in the event that the Recalculated Total Volume is less than the Initial Total Volume, the Initial Base Brand Fee plus an amount equal to the number of Rebranded BFA Holder Outlets as of the Recalculation Date times the New Site Brand Fee; or

(b) in the event that the Recalculated Total Volume is greater than the Initial Total Volume, the amount calculated pursuant to Paragraphs (1) through (5) below:

(1) Divide the total volume of Recalculated Total Volume by the Recalculated Base Outlets, in order to calculate the average gallons of Product sold per Recalculated Base Outlet. [For example, **]

(2) Divide the Initial Total Volume by the average gallons of Product sold per Recalculated Base Outlet determined pursuant to Paragraph (1) above, and round the resulting quotient up to the nearest whole number, in order to calculate the number of outlets necessary to sell the Initial Total Volume. [For example, **]

(3) Subtract the number of Direct Served Outlets determined pursuant to the calculation in (2) from the number of Initial Recalculated Base Outlets. [For example, **]

(4) Multiply the number, if any, of Direct Served Outlets determined pursuant to the

calculation in Paragraph (3) by the New Site Brand Fee. [For example, **]

(5) Add the product, if any, determined pursuant to Paragraph (4) to the Initial Base Brand Fee [For example, **]

(6) To the sum resulting from the calculation in Paragraph (5), add the product of the number of Rebranded BFA Holder Outlets as of the Recalculation Date, multiplied by the New Site Brand Fee, and the resulting sum shall be the Recalculated Base Brand Fee. [For example, **]

"Recalculated Base Outlets" means, for the 11th year of this Agreement, the Initial Recalculated Base Outlets. For each subsequent year during the remaining Term of this Agreement, "Recalculated Base Outlets" shall mean the greater of (i) the Recalculated Base Outlets (under this definition) for the immediately prior year, and (ii) the Initial Recalculated Base Outlets plus the cumulative number of Direct Served Outlets added under this Agreement from the Recalculation Date up to the Annual Recalculation Date, minus the cumulative number of Closed Direct Served Outlets from the Recalculation Date up to the Annual Recalculation Date.

Thirty (30) days prior to each anniversary of the Effective Date, BFA Holder shall deliver to ExxonMobil a statement showing the adjustment to the Recalculated Base Outlets as of the Annual Recalculation Date along with supporting documentation. ExxonMobil shall have the right to review and approve the adjustment to the Recalculated Base Outlets. Any dispute between the parties hereto relating to the adjustment shall be resolved in accordance with Section 39 of this Agreement, without regard to the amount in controversy limitation set forth in Section 39(b)(i).

"Recalculated Total Volume" means the total volume of Product sold in the aggregate by all Direct Served Outlets for the twelve (12) month period prior to the Recalculation Date.

"Recalculation Date" means the last day of the month in the month that is three months prior to the tenth (10th) anniversary of the Effective Date.

(iii) If a Direct Served Outlet that sold Products at any time within three (3) years (provided, however, that any sale of Exxon−branded motor fuels prior to June 1, 2011 shall be disregarded) prior to becoming a Direct Served Outlet has been added pursuant to the terms of this Agreement as of any Annual Recalculation Date, then in addition to the 10 Year Brand Fee or Adjusted Brand Fee, as may be applicable, BFA Holder shall pay to ExxonMobil an annual fee in an amount equal to $** for each such Direct Served Outlet during each of the first two (2) full years of the Term during which such site is subject to this Agreement, such amount to be paid in accordance with Section 8 below. Notwithstanding the foregoing, BFA Holder shall not be required to pay to ExxonMobil such additional fees for any Direct Served Outlet that became a Direct Served Outlet as a result of BFA Holder's acquisition of a branded wholesaler that previously supplied Products to such Direct Served Outlet, whether by merger or by acquisition of all of the branded wholesaler's stock or substantially all of its assets.

Thirty (30) days prior to each anniversary of the Effective Date, BFA Holder shall deliver to ExxonMobil a statement showing the adjustment to the number of Direct Served Outlets as of the Annual Recalculation Date. ExxonMobil shall have the right to review and approve the adjustment to the number of Direct Served Outlets. Any dispute between the parties hereto relating to the adjustment shall be resolved in accordance with Section 39 of this Agreement, without regard to the amount in controversy limitation set forth in Section 39(b)(i).

(b) BFA Holder's Sub−Jobber Business. With respect to the Sub−Jobber Outlets, the "Brand Fee" during the Term of this Agreement shall equal the amount calculated under Section 7(b)(i). In addition, BFA Holder shall pay to ExxonMobil the fees described in Section 7(b)(ii) and Section 7(b)(iii).

For purposes of this Section 7(b), "Annual Recalculation Date" means the date which is sixty (60) days prior to each anniversary of the Effective Date.

(i) During the first full year of the Term of this Agreement, BFA Holder shall pay to ExxonMobil a fee for each Sub−Jobber Outlet added pursuant to the terms of this Agreement upon the addition of such Sub−Jobber Outlet equal to $** times the number of months (including any partial month) remaining in the first full year of the Term, divided by twelve (12). During the remaining fourteen (14) years of the Term of this Agreement, BFA Holder shall pay to ExxonMobil an annual fee on each anniversary of the Effective Date in an amount equal to $** times the number of Sub−Jobber Outlets existing as of the immediately preceding Annual Recalculation Date.

(ii) If a Sub−Jobber Outlet has been added pursuant to the terms of this Agreement as of any Annual Recalculation Date that resulted from the assignment by ExxonMobil to BFA Holder of an existing branded wholesaler agreement, then in addition to the Brand Fee calculated pursuant to Section 7(b)(i), BFA Holder shall pay to ExxonMobil on each anniversary of the Effective Date a one−time fee in amount equal to $** for each such Sub−Jobber Outlet added as of the immediately preceding Annual Recalculation Date.

(iii) If a Sub−Jobber Outlet that sold Products at any time within three (3) years (provided, however, that any sale of Exxon−branded motor fuels prior to June 1, 2011 shall be disregarded) prior to becoming a Sub−Jobber Outlet has been added pursuant to the terms of this Agreement as of any Annual Recalculation Date, then in addition to the Brand Fee calculated pursuant to Section 7(b)(i), BFA Holder shall pay to ExxonMobil an additional annual fee in an amount equal to $** for each such Sub−Jobber Outlet during each of the first two (2) full years of the Term during which such site is subject to this Agreement, such amount to be paid in accordance with Section 8 below. Notwithstanding the foregoing, BFA Holder shall not be required to pay to ExxonMobil such additional fees for any Sub−Jobber Outlet that (a) was assigned to BFA Holder by ExxonMobil, if the fee payable pursuant to Section 7(b)(ii) has already been paid to ExxonMobil or (b) became a Sub−Jobber Outlet as a result of BFA Holder's acquisition of a branded wholesaler that indirectly supplied Products to such Sub−Jobber Outlet, whether by merger or by acquisition of all of the branded wholesaler's stock or substantially all of its assets.

Thirty (30) days prior to each anniversary of the Effective Date, BFA Holder shall deliver to ExxonMobil a statement showing the adjustment to the number of Sub−Jobber Outlets as of the Annual Recalculation Date along with supporting documentation. ExxonMobil shall have the right to review and approve the adjustment to the number of Sub−Jobber Outlets. Any dispute between the parties hereto relating to the adjustment shall be resolved in accordance with Section 39 of this Agreement, without regard to the amount in controversy limitation set forth in Section 39(b)(i).

(c) On or before February 15 of each year, BFA Holder will provide ExxonMobil an annual summary that details the volume of Product sold by each BFA Holder Branded Outlet for the immediately preceding calendar year. The form, content, and supporting documentation shall be as specified by ExxonMobil from time to time. ExxonMobil, in its sole discretion, shall have the right to audit BFA Holder's records (as well as any applicable Franchisee Dealer records) at any time for the purpose of verifying Product volume. BFA Holder agrees to fully cooperate, and to cause each Franchise Dealer to fully cooperate, with any audit request.

8. PAYMENT AND CREDIT.

(a) Unless ExxonMobil notifies BFA Holder otherwise, BFA Holder will pay ExxonMobil in United States dollars for any fee by electronic funds transfer at the time ExxonMobil designates and BFA Holder will execute the agreement attached as Exhibit 6. Each monthly brand fee payment described in Section 7 above shall be paid to ExxonMobil in advance. The first such payment shall be made on the Effective Date and shall be prorated to reflect the number of days remaining in the month during which the Effective Date occurs. Payments of brand fees relating to each subsequent month during the Term shall be made on the 15th day of each month immediately preceding the month to which such brand fee applies (for example, brand fees for March 2010 operations shall be paid by BFA Holder to ExxonMobil no later than February 15, 2010). In the event any payment date is not a Business Day, then the payment shall be made on the prior Business Day. In addition, on the Effective Date, BFA Holder shall pay to ExxonMobil for each BFA Holder Branded Outlet that is participating (or has participated) in the BIP (as defined in Section 19(d)(1)) an amount equal to the lesser of (i) the total amount of financial assistance that ExxonMobil has paid under the BIP (whether through a direct payment, set−off, credit or other indirect payment) with respect to such retail outlet times (the number of days remaining in the branding obligation with respect to such retail outlet divided by the total number of days of the branding obligation with respect to such retail outlet) and (ii) the compensatory dollar amount collectable as of the Effective Date with respect to such retail outlet in the event of a default under the BIP. Notwithstanding the foregoing, BFA Holder agrees that ExxonMobil has the ongoing right to periodically give BFA Holder notice of a different method, time, or place of payment.

(b) In the event ExxonMobil does not receive payment on or before the due date, ExxonMobil may impose, and BFA Holder will pay, a late payment charge for each day that passes between the due date and the date ExxonMobil receives payment. This late payment charge will be in addition to ExxonMobil's other remedies, and will not exceed the lesser of: (A) the maximum allowed by law, or (B) a fixed rate that may vary from state to state in ExxonMobil's sole discretion, but that will not be less than eighteen percent (18%) per annum prorated over the period that credit is outstanding; and

(c) ExxonMobil has the right, but not the obligation, to offset any amounts owed by BFA Holder or any of its Affiliates to ExxonMobil or any of its Affiliates against any amounts owed by ExxonMobil or any of its Affiliates to BFA Holder or any of its Affiliates, whether arising from charges under this Agreement, or arising under any other agreement or business transaction between the BFA Holder or any of its Affiliates and ExxonMobil and/or any of its Affiliates.

(d) If requested by ExxonMobil, BFA Holder shall provide to ExxonMobil and maintain security in an amount not to exceed three (3) months of the Brand Fees calculated pursuant to Section 7 and in such forms, in either case as ExxonMobil may specify in its sole discretion ("Security"), including without limitation a letter of credit, cash deposit, or assignment, mortgage or pledge of cash, savings accounts or real estate or other collateral which is acceptable to ExxonMobil. ExxonMobil may use, without prior notice or demand, any or all of the Security to set off or satisfy all or any part of any indebtedness or obligation of BFA Holder to ExxonMobil or its Affiliates whether arising under this Agreement, any other agreement or from any other business transaction between the parties. If ExxonMobil uses any Security to satisfy all or any part of any such indebtedness or obligation, BFA Holder shall immediately provide ExxonMobil with additional security, as directed by ExxonMobil, to replace the Security used by ExxonMobil. Following non−renewal or termination of this Agreement and the Franchise Relationship, ExxonMobil shall return to BFA Holder, in accordance with ExxonMobil's procedures then in effect, any remaining portion of the Security not required to satisfy all or any part of any indebtedness or other obligation of BFA Holder to ExxonMobil or its Affiliates howsoever arising. At ExxonMobil's request at any time during the Term, BFA Holder shall execute and deliver to ExxonMobil a security agreement, financing statement, mortgage, deed of trust or other documentation as ExxonMobil may specify in such form and with such terms as ExxonMobil may specify, to establish or perfect ExxonMobil's security interest in the Security.

9. CARD ADMINISTRATION.

(a) ExxonMobil may issue branded credit cards ("ExxonMobil Cards") and process and pay for ExxonMobil Card sales tickets submitted to ExxonMobil in accordance with the terms of the applicable card guide. ExxonMobil may authorize third party issuers ("Third Party Issuer(s)") to issue ExxonMobil Cards and other cards and process and pay BFA Holder for ExxonMobil Cards and other card sales tickets submitted to Third Party Issuer(s) in accordance with the terms of an applicable card guide or agreement. ExxonMobil has the right, but not the obligation, to change at any time its methods or terms of issuing, or authorizing the issuance of, ExxonMobil Cards and other cards and its methods or terms of processing and paying, or authorizing the processing and payment of, ExxonMobil Cards and other card sales tickets. Nothing in this Agreement obligates ExxonMobil or Third Party Issuer(s) to issue ExxonMobil Cards and other cards or to process for payment ExxonMobil Cards and other card sales tickets.

(b) BFA Holder agrees to be bound by and comply with all terms and conditions of any card guide or agreement under which ExxonMobil or Third Party Issuer(s) agrees to process and pay for ExxonMobil Cards and other card sales tickets. The terms of such card guide or agreement may be amended and/or supplemented at any time by ExxonMobil or Third Party Issuer(s).

(c) If Third Party Issuer(s) agrees to pay BFA Holder for ExxonMobil Card or other card sales tickets submitted for payment in accordance with the terms of the applicable card guide or agreement, BFA Holder will look solely to Third Party Issuer(s) and not to ExxonMobil for such payment. Should ExxonMobil elect to (or otherwise) pay all or any portion of any card sales ticket charged back by Third Party Issuer(s) to BFA Holder, upon demand from ExxonMobil, BFA Holder shall immediately reimburse ExxonMobil for any such payments made by ExxonMobil.

(d) ExxonMobil has the right, but not the obligation, to offset any amounts owed by ExxonMobil or any of its Affiliates to BFA Holder or any of its Affiliates against any amounts owed by BFA Holder or any of its Affiliates to ExxonMobil or any of its Affiliates, whether arising under this Agreement, any other agreement or from any other business transaction between the parties or any of their Affiliates. ExxonMobil has the right, but not the obligation, to instruct a Third Party Issuer(s) to pay ExxonMobil rather than BFA Holder for ExxonMobil Card and other card sales tickets submitted by BFA Holder to Third Party Issuer(s), to apply against the payment of any amounts owed by BFA Holder to ExxonMobil whether arising under this Agreement, any other agreement or from any other business transaction between the parties.

(e) If BFA Holder requests ExxonMobil or Third Party Issuer(s) to accept assignment of credit or debit card tickets from and make return payment directly to any Franchise Dealers, and ExxonMobil or Third Party Issuer(s) agrees, in its sole discretion, to accept such assignments, BFA Holder agrees that such assignments shall be treated for all purposes as if assigned directly by BFA Holder, charge−backs of reassigned credit or debit sales tickets received from such Franchise Dealers shall be the responsibility of BFA Holder, and that such charge−backs may be deducted from sums owed by ExxonMobil or Third Party Issuer(s) to BFA Holder.

(f) If BFA Holder or a Franchised Dealer accepts credit or debit cards in payment for any sales of any goods or services, then BFA Holder shall comply with and shall require all such Franchised Dealers to comply with all industry standard card security procedures, specifically including but not limited to (i) the Payment Card Industry Data Security Standards (PCI), (ii) the security standards and requirements imposed on merchants by the VISA Operating Rules, (iii) the security standards and requirements imposed on merchants by the MasterCard Operating Rules, (iv) the security standards and requirements imposed on merchants by American Express Travel Related Services Company, Inc., and its parents, subsidiaries and affiliates, and (v) the security standards and requirements imposed on merchants by DFS Services LLC and its parents, subsidiaries and affiliates. The foregoing duty is in addition to any duties that BFA Holder may have under an applicable card guide or agreement pursuant to subsection (a) above. In addition to all other duties to indemnify, BFA Holder will indemnify, defend, and hold harmless ExxonMobil from and against all causes of action, costs, expenses, fees, assessments, reimbursements, fines, penalties and/or losses of whatsoever nature and howsoever arising that result directly or indirectly from BFA Holder’s failure or alleged failure to comply with the requirements of this subsection.

10. TAXES.

ExxonMobil is not responsible for payment of any taxes, fees or other charges, whether or not of the same class or kind as those listed below, whenever imposed or assessed, that any federal, state, county or local laws, statutes, ordinances, codes, regulations, rules, orders, or permits (now in effect or hereafter amended or enacted) directly or indirectly require to be collected or paid related in any manner to the Base Product or additives that BFA Holder acquires. These charges include, without limitation (a) duty taxes; (b) sales taxes; (c) excise taxes; (d) taxes on or measured by income, and (e) taxes on or measured by gross receipts.

11. FAILURE TO PERFORM.

(a) Any delays in or failure of performance of either party hereto shall not constitute default hereunder or give rise to any claims for damages if and to the extent that such delay or failure is caused by occurrences beyond the control of the party affected, including, but not limited to, acts of God or the public enemy; expropriation or confiscation of facilities; compliance with any order or request of any governmental authority; acts of war, terrorism, rebellion or sabotage or damage resulting therefrom; embargoes or other import or export restrictions; fires, floods, explosions, accidents, or breakdowns; riots; strikes or other concerted acts of workers, whether direct or indirect; inability to obtain necessary industrial supplies, energy, or equipment; or any other causes whether or not of the same class or kind as those specifically above named which are not within the control of the party affected and which, by the exercise of reasonable diligence, said party is unable to prevent or provide against; provided that such causes shall exclude specifically changes in the national or world economy or financial markets or changes in general economic conditions or the economic conditions of the party failing to perform. A party whose performance is affected by any of the causes set forth in the preceding sentence shall give prompt written notice thereof to the other party. Neither party hereto shall be obligated to settle strikes, differences with workmen or government claims by acceding to any demands when in the discretion of the party whose performance is interfered with, it would be inadvisable to accede to such demands.

(b) Nothing in this Section shall excuse BFA Holder from making payment when due for all charges under this Agreement.

(c) ExxonMobil shall be under no obligation to furnish additives hereunder at any time. BFA Holder accepts full responsibility for all death or injury to any person or loss or damage to any property in any way resulting from BFA Holder’s failure to provide premises and/or equipment, (including without limitation tanks and transportation equipment), safe and fit for the storage or handling of motor fuel products containing such additives, whether such failure is known or unknown to ExxonMobil or ExxonMobil’s representative, and BFA Holder indemnifies and holds ExxonMobil and any of its Affiliates harmless with respect to any such death, injury, loss and/or any cause of action arising therefrom.

12. NEW OR CHANGED REGULATIONS.

The parties are entering into this Agreement in reliance on the federal, state, county and local laws, statutes, ordinances, codes, regulations, rules, orders, permits and arrangements with governments or governmental instrumentalities (hereinafter called “Regulations”) in effect on the date of execution of this Agreement by ExxonMobil affecting the distribution of Product, provided for under this Agreement insofar as said Regulations affect BFA Holder, ExxonMobil or ExxonMobil’s Affiliates or suppliers. If the effect of any change in any Regulation or of any new Regulation (a) is not covered by any other provision of this Agreement, and (b) in the affected party’s judgment, either (1) has an adverse effect upon the party (or if ExxonMobil, upon ExxonMobil’s Affiliates or suppliers) or (2) increases the risk to the affected party of performance under this Agreement, the affected party may request re−negotiation of the terms of this Agreement. Such right to request re−negotiation or, upon failure to agree, to terminate, shall without limitation also be available to ExxonMobil if Regulations:

(a) Regulate the brand fee provided for in this Agreement; and/or

(b) Affect ExxonMobil’s liability.

ExxonMobil has the right, at its discretion, to terminate this Agreement on written notice, effective ninety (90) days after a request for re−negotiation, if the re−negotiation is not satisfactorily completed.

13. MARKET DEVELOPMENT AND REPRESENTATION.

(a) A primary business purpose of ExxonMobil is to optimize effective and efficient distribution and representation of Products through planned market and image development. In furtherance of this business purpose, BFA Holder and ExxonMobil agree as follows:

(1) While it is not a requirement of this Agreement, ExxonMobil believes that it is important for BFA Holder to have, and periodically update, a market development plan. The plan should provide for the selection and acquisition, or otherwise securing by BFA Holder for the purposes of branding under this Agreement, of "strategic sites" (as defined from time to time by ExxonMobil) as BFA Holder Branded Outlets, and should provide for the development of optimal facilities, effective operating practices, and the necessary financial and management resources necessary to comply with all provisions of this Agreement.

(2) Unless pursuant to specific prior written authorization from ExxonMobil, BFA Holder shall not, directly or indirectly, sell or supply, or cause to be sold or supplied, Products to any person or entity then currently having a PMPA Franchise Agreement directly with ExxonMobil or any of its Affiliates, which Franchise Agreement pertains to a specific retail outlet(s). The reference to "entity" in the preceding sentence shall be deemed to include any other entity owned or controlled by the person or entity having the aforementioned PMPA Franchise Agreement directly with ExxonMobil or any of its Affiliates. An example of an entity having a PMPA Franchise Agreement pertaining to a specific retail outlet is a "direct served dealer".

(3) Unless pursuant to specific prior written authorization from ExxonMobil, BFA Holder shall not, directly or indirectly, sell or supply, or cause to be sold or supplied, any Products to any retail outlet(s) other than BFA Holder Branded Outlets.

(b) BFA Holder shall cause all BFA Holder Branded Outlets to meet the following minimum facility/product/service requirements (unless such compliance will result in the BFA Holder or Franchise Dealer, as the case may be, being in breach of any federal, state, county or local laws, statutes, ordinances, codes, regulations, rules, orders, or permits) or BFA Holder shall lose the right to use or display Proprietary Marks or to grant to its Franchise Dealers the right to use or display Proprietary Marks at any BFA Holder Branded Outlet(s) failing to meet these requirements:

(1) Paved driveways with safe and good ingress and egress; and

(2) Permanent building which is structurally sound and complies with all fire, building and zoning codes and ordinances; and

(3) Clean premises free of debris, trash, and fire hazards; and

(4) Modern restrooms for men and women available to the general public; and

(5) Offer, at the Operated Mobil Branded Outlets and the Franchised Mobil Branded Outlets, all grades of Mobil−branded motor gasoline that may be in the Mobil product slate, and, at the Operated Exxon Branded Outlets and the Franchised Exxon Branded Outlets, all grades of Exxon−branded motor gasoline that may be in the Exxon product slate, each such slate as may be set by ExxonMobil and its Affiliates from time to time (consisting of three (3) grades each for the Mobil product slate and the Exxon product slate as of the Effective Date); and

(6) Posting, at all times, of actual motor fuel prices, in numerals, in price sign systems (approved by ExxonMobil in its sole discretion) located on the premises of the BFA Holder Branded Outlet(s); and

(7) Compliance, as to each site, no later than the earlier of (A) the completion of any Demolish and Rebuild or other site improvement work reasonably expected to require an investment by BFA Holder or any Franchise Dealer of $100,000 or more and (B) the fifth anniversary of the Effective Date, with all applicable standards as described in Exhibit 7 (“Facility Requirements”), which is incorporated herein and made a part of this Agreement.

14. SERVICES BY EXXONMOBIL.

(a) ExxonMobil may at its sole discretion, from time to time, make available to BFA Holder, or assist BFA Holder in obtaining, the following:

(1) Standard plans, specifications, equipment, decor and signs identified with Exxon or Mobil−branded, as the case may be, retail outlets as ExxonMobil makes available to Traditional Wholesalers from time to time; and

(2) Guidelines and materials to assist BFA Holder in providing its employees, contractors and Franchise Dealers and their employees and contractors franchise−management training as ExxonMobil makes available to Traditional Wholesalers from time to time; and

(3) Periodic individual or group advice, consultation, data and other services as ExxonMobil may deem necessary or appropriate.

(b) At any time or from time to time, ExxonMobil may add, discontinue or change any of the services under Section 14(a) and may impose conditions or criteria for the availability to BFA Holder of any of such services. ExxonMobil may have all or a portion of any services provided by persons designated by ExxonMobil. From time to time, ExxonMobil may charge BFA Holder fees, or require BFA Holder to pay fees to ExxonMobil’s third party designee(s) in consideration for providing the services set out in Section 14(a).

15. PROMOTION OF PRODUCTS.

(a) BFA Holder agrees to diligently promote and cause its Franchise Dealers to diligently promote the sale of Products, including through advertisements, all in accordance with the terms of this Agreement. BFA Holder hereby acknowledges and agrees that, notwithstanding anything set forth herein to the contrary, to insure the integrity of ExxonMobil trademarks, products and reputation, ExxonMobil shall have the authority to review and approve, in its sole discretion, all forms of advertising and sales promotions that will use media vehicles for the promotion and sale of any product, merchandise or services, in each case that (i) uses or incorporates any Proprietary Mark or (ii) relates to any Business operated at a BFA Holder Branded Outlet. Furthermore, for any significant advertising campaign, sponsorship and/or promotion, BFA Holder shall submit in advance to ExxonMobil or its designee, for its written approval, all materials prepared by or for BFA Holder. These materials may include, but are not limited to, any media (including TV, radio, internet or print), professional or collegiate sports affiliations, and cultural or civic sponsorships that would have regional or national reach and are associated with any ExxonMobil brand, whether directly or indirectly. Approval will be granted (or not) within ten (10) business days from ExxonMobil’s receipt of a request from BFA Holder. If no written approval is received from ExxonMobil within the applicable ten−business−day period, then the request shall be deemed denied. BFA Holder shall expressly require all Franchise Dealers to (a) agree to such review and control by ExxonMobil and (b) comply with the notice requirements set forth in this Section. BFA Holder shall be responsible for compliance (both by BFA Holder and by its Franchise

Dealers) with any and all applicable federal, state, county or local advertising laws, statutes, ordinances, codes, regulations, rules, orders, or permits.

(b) In promoting the Products and developing markets under this Agreement (including in the use of business cards and business stationary), (i) BFA Holder, in its role as branded wholesaler, shall identify itself appropriately as an “Exxon−authorized branded wholesaler” or a “Mobil−authorized branded wholesaler,” as the case may be, and only as such and (ii) BFA Holder, in its role as dealer, and each Franchise Dealer shall identify itself as an “Exxon−authorized dealer” or a “Mobil−authorized dealer,” as the case may be, and only as such.

16. CUSTOMER SERVICE AND COMPLAINTS.

(a) While using any Proprietary Marks, BFA Holder agrees:

(1) To render appropriate, prompt, efficient, and courteous service at each Operated Branded Outlet to BFA Holder’s customers, to respond expeditiously to all complaints of such customers, making fair adjustment when appropriate, and otherwise conduct BFA Holder’s business in a fair and ethical manner and maintain the Operated Branded Outlets in a manner which will foster customer acceptance of and desire for the Products sold hereunder; and

(2) To provide sufficiently qualified and neatly dressed personnel in ExxonMobil approved uniforms (e.g., standard ExxonMobil uniform or BFA Holder proprietary C−Store brand uniform) at all Operated Branded Outlets as appropriate to render first class service to customers; and

(3) To keep restrooms clean, orderly, sanitary and adequately furnished with restroom supplies; and

(4) To assist in maintaining a high level of customer acceptance of Proprietary Marks by keeping the Operated Branded Outlets’ premises open for dispensing of the Products during such hours each day and days a week as are reasonable considering customer convenience, competitive conditions and economic consequences to BFA Holder.

(b) BFA Holder also agrees that, as to any of its Franchise Dealers, BFA Holder will include in its arrangements with such Franchise Dealers the undertakings provided in this Section in respect of each Franchised Branded Outlet and will undertake the enforcement thereof. BFA Holder further agrees that ExxonMobil may revoke the right of BFA Holder to display Proprietary Marks at any Operated Branded Outlet(s), or to permit the display of Proprietary Marks at any Franchised Branded Outlet(s) which, after notice by ExxonMobil to BFA Holder to cure, continues to be in violation of this Section.

17. TRAINING.

During the Term, the BFA Holder, if an individual, or its designated Key Person (or a designee of such Key Person acceptable to ExxonMobil), shall attend and satisfactorily complete an initial franchise−management training program as may be designated by ExxonMobil. BFA Holder shall pay all expenses incurred, directly or indirectly, by BFA Holder in connection with attendance and participation in said training program, including, without limitation, costs and expenses of transportation, lodging, meals, wages and employee benefits. BFA Holder shall also pay to ExxonMobil, or any ExxonMobil designee, reasonable fees or charges that ExxonMobil, or such designee, may impose from time to time and relating to such training program.

18. TECHNOLOGY AND COMMUNICATIONS.

BFA Holder acknowledges that the use of current technology and communications systems in the operation of the Businesses is of critical importance. BFA Holder further acknowledges that technology and communications systems are expected to change over time requiring periodic addition, replacement, or updating of equipment or systems used in the Businesses.

19. EXISTING FRANCHISE DEALER AGREEMENTS; NEW BFA HOLDER BRANDED OUTLETS.

(a) BFA Holder shall enter into a written agreement with each Franchise Dealer. The agreement must:

(1) Be consistent with this Agreement; and

(2) Require the Franchise Dealer's commitment to the Core Values; and

(3) Impose on each Franchise Dealer the requirements and obligations as specified in this Agreement, including without limitation, complying with the minimum image requirements, complying with the insurance requirements, and allowing entry to its respective Franchised Branded Outlet(s) for the purposes specified in this Agreement.

(b) If on the Effective Date a Franchised Branded Outlet is covered by an existing agreement between the Franchise Dealer and BFA Holder that does not conform to Section 19(a) BFA Holder shall, in respect to that Franchise Dealer:

(1) Require compliance with the provisions of this Agreement to the full extent allowed by the existing agreement during its term; and

(2) Use best efforts to have that Franchise Dealer enter into an agreement in compliance with Section 19(a) as soon as reasonably possible; and

(3) In any event, upon the expiration or other termination of any such existing agreement, enter into a new agreement with that Franchise Dealer only in accordance with Section 19(a).

(c) BFA Holder shall cause each BFA Holder Branded Outlet to be operated in strict compliance with this Agreement upon the following timing:

(1) For all BFA Holder Branded Outlets previously approved by ExxonMobil, or any of its Affiliates, under a previous PMPA Franchise Agreement, within a reasonable time not to exceed ninety (90) days from the Effective Date unless:

(i) A written policy of ExxonMobil from time to time provides for an additional compliance period; or

(ii) Section 19(c)(3) applies.

(2) For all BFA Holder Branded Outlets approved by ExxonMobil under Section 2(e) on or after the Effective Date, a reasonable period, not to exceed ninety (90) days from the date of ExxonMobil's approval of that retail outlet; and

(3) For all Franchised Branded Outlets covered by existing non−conforming agreements under Section 19(b), a reasonable period of time, not to exceed ninety (90) days, from the date of the expiration or other termination of that agreement.

(d)

(1) BFA Holder acknowledges and agrees that ExxonMobil shall be entitled, in its sole

discretion, to assign to BFA Holder existing branded wholesaler agreements between ExxonMobil and its branded wholesalers. In the event that ExxonMobil elects to assign an existing branded wholesaler agreement to BFA Holder, BFA Holder shall assume and accept all of ExxonMobil's rights and obligations under any such branded wholesaler agreement arising after the assignment thereof to BFA Holder and all retail outlets subject to the branded wholesaler agreement shall thereafter become Sub−Jobber Outlets subject to the terms and conditions of this Agreement. BFA Holder acknowledges and agrees that certain retail outlets subject to branded wholesaler agreements with ExxonMobil that may be assigned to BFA Holder are participants in one or more of ExxonMobil's imaging incentive programs, which includes, but is not limited to: Brand Incentive Program, Modernization Assistance Program, Image Enhancement Program, Brand Growth Program, and the Image Program of Mobil Oil Corporation (all hereby known as the "BIP"), and that Purchaser shall assume all of ExxonMobil's obligations with respect to the BIP at any such retail outlet that participates in the BIP as of the date of assignment of the branded wholesaler agreement from ExxonMobil to BFA Holder. In addition, subject to Section 19(d)(2) below, for each retail outlet subject to a branded wholesaler agreement that ExxonMobil assigns to BFA Holder that is participating in the BIP, BFA Holder shall pay to ExxonMobil on the date of, and immediately prior to, the assignment an amount equal to **.

(2) In the event that ExxonMobil elects to assign an existing branded wholesaler agreement to BFA Holder and the average annual throughput volume for all of the retail sites subject to that branded wholesaler agreement are less than 600,000 gallons on a trailing twelve month basis, then ExxonMobil and BFA Holder shall discuss and come to mutually agreeable terms on the amount for which BFA Holder shall be required to pay ExxonMobil with respect to financial assistance that ExxonMobil has paid under the BIP.

20. INSURANCE REQUIREMENTS.

(a) During the Term, in addition to any other insurance or surety bonding required by applicable federal, state, county or local laws, statutes, ordinances, codes, regulations, rules, orders, or permits, BFA Holder will carry and maintain in full force and effect, with companies satisfactory to ExxonMobil, solely at BFA Holder's expense, and in a form satisfactory to ExxonMobil:

(1) Comprehensive/Commercial General Liability insurance including, but not limited to, coverage for the sale of motor fuel products and lubricants (including the Products), operation of the Businesses, retail motor fuel stores and the premises at each Operated Branded Outlet, garage liability (if applicable) completed operations and contractual liabilities, with minimum policy limits of two million dollars ($2,000,000) providing coverage for injury, death or property damage resulting from each occurrence. In the event BFA Holder has alcoholic beverages for sale at any Operated Branded Outlet, the insurance policy will be endorsed to include coverage with minimum policy limits of one million dollars ($1,000,000) for liabilities arising out of the dispensing or selling of alcoholic beverages including, without limitation, any liabilities imposed by a dram shop or alcoholic beverage control act.

(2) Business Auto Liability insurance coverage for operation of vehicles hired, owned or non−owned with minimum policy limits of two million dollars ($2,000,000), including the MCS−90 endorsement or other acceptable evidence of financial responsibility as required by the Motor Carrier Act of 1980 and the Pollution Liability Broadened Coverage endorsement, providing coverage for injury, death or property damage resulting from each occurrence. Business Auto coverage with appropriate endorsements is required if any motor vehicles, including, without limitation, fuel delivery vehicles and tow vehicles, are used in the operation of any of the Businesses.

(3) Garagekeepers Legal Liability insurance (if any of the Operated Branded Outlets include

service bays) including but not limited to, coverage for fire, theft, riot, vandalism and collision with limits of at least fifty thousand dollars ($50,000) for each occurrence.

(4) Workers Compensation and Employers Liability insurance for all BFA Holder’s employees engaged in performing services or similar social insurance, where required by federal, state, county or local laws, statutes, ordinances, codes, regulations, rules, orders, or permits which may be applicable to BFA Holder’s employees with a waiver of subrogation and/or contribution against ExxonMobil where such waiver is permitted by federal, state, county or local laws, statutes, ordinances, codes, regulations, rules, orders, or permits.

(5) Environmental impairment insurance coverage with policy limits of at least one million dollars ($1,000,000) on a continuous and uninterrupted basis insuring BFA Holder for environmental legal liabilities arising out of, but not limited to, the sale of motor fuel products and lubricants, ownership and operation of the Businesses, retail motor fuel stores and the premises at each Operated Branded Outlet.

(b) BFA Holder may meet its obligations under this Agreement for environmental impairment insurance coverage for underground storage tanks under Section 20(a)(5) by participation in an Environmental Protection Agency (“EPA”) approved state financial assurance fund or other EPA−approved method to demonstrate financial responsibility or by satisfying any of the other financial assurance test requirements of the EPA’s Financial Responsibility Regulations (40 CFR Part 280). Upon request by ExxonMobil, BFA Holder shall promptly furnish ExxonMobil with documentation satisfactory to ExxonMobil evidencing:

(1) BFA Holder’s participation in a state approved financial assurance fund or other EPA−approved method to demonstrate financial responsibility; or

(2) Compliance with the EPA’s financial assurance test requirements.

If at any time BFA Holder ceases participating in an approved state financial assurance fund or other EPA−approved method to demonstrate financial responsibility or stops meeting the EPA’s financial assurance test requirements, as the case may be, BFA Holder promptly shall obtain the insurance required under Section 20(a)(5) and provide ExxonMobil with evidence of insurance in accordance with Section 20(a)(5). The term “underground storage tank” includes all piping, lines and accessories connected to or made a part of a petroleum underground storage tank.

(c) ExxonMobil may from time to time require BFA Holder, and/or cause BFA Holder to require any of its Franchise Dealers, to carry additional types and amounts of insurance coverage, including modifications to existing insurance under this Section, as ExxonMobil considers reasonable in the circumstances.

(d) Each policy of insurance described in this Section 20 shall name ExxonMobil Oil Corporation as additional insured (except Workers Compensation and Employers Liability) and shall be primary as to all other policies that may provide coverage. BFA Holder shall pay, and shall cause its Franchise Dealers to pay, all premiums and assessments charged for the insurance policy or policies when due.

(e) BFA Holder shall comply, and cause its Franchise Dealers to comply, with all policy terms and conditions and the directions of the insurance carrier, its ratings bureau and the National Fire Protection Association. BFA Holder, or its Franchise Dealer(s) as the case may be, shall bear all claims, losses or damages that are not recoverable from BFA Holder’s, or the Franchise Dealer’s, as the case may be, insurers due to the application of a deductible clause or to BFA Holder’s, or the Franchise Dealer's, failure to observe the terms and conditions of the insurance coverage. BFA Holder shall indemnify and defend ExxonMobil for all these unrecoverable claims, losses or damages, including without limitation any arising from Franchise Dealers. Without limiting the general requirements of this Section 20, ExxonMobil may reject any policies which contain deductibility clauses, conditions or exclusions, or that are underwritten by insurance companies, that are unacceptable in ExxonMobil's reasonable determination. Upon rejection of a policy, BFA Holder promptly shall procure, and cause its Franchise Dealer(s) to promptly procure, a policy with provisions and by an underwriter reasonably acceptable to ExxonMobil. ExxonMobil's receipt or acceptance of any policy or evidence of insurance is not a waiver by ExxonMobil of any requirement under this Section 20 or of its right to reject the policy as unacceptable and does not affect BFA Holder's, or its Franchise Dealer's as the case may be, liability for claims, losses or damages that are or would have been covered by BFA Holder's, or such Franchise Dealer's, full compliance with this Section 20.

(f) During the Term, each insurance policy and certificate of insurance of BFA Holder must specify the insurance will not be terminated, canceled or materially changed without ten (10) days' prior written notice to ExxonMobil. If a policy or policies is/are terminated, canceled or materially changed, BFA Holder shall promptly, prior to the termination, cancellation or change of that policy, procure a new or substitute policy containing at least the same coverage as the previous policy. The new policy must begin coverage prior to the expiration of the previous policy or prior to the effective date of the material change, as applicable. BFA Holder shall cause all of its Franchise Dealers to comply with this Section 20(f) with respect to each insurance policy and certificate of insurance.

(g) Prior to the Effective Date, and at any time upon request by ExxonMobil, BFA Holder shall furnish to ExxonMobil, or its representative, certificates of insurance, specifying the types and amounts of coverage in effect, expiration dates, confirmation that each policy complies with the requirements of this Section (or the relevant section of BFA Holder's franchise agreement with the Franchise Dealer as the case may be), and specifying that no insurance shall be terminated, canceled or materially changed during the Term without ten (10) days' prior written notice to ExxonMobil. Upon request by ExxonMobil, BFA Holder shall furnish to ExxonMobil or its representatives copies of the required insurance policies.

(h) Nothing in this Section 20 in any way limits or waives BFA Holder's legal or contractual responsibilities to ExxonMobil or others.

(i) BFA Holder shall cause its Franchise Dealers, with respect to operations at Franchised Branded Outlets, to carry insurance of the types and in the amounts, as are necessary and customary for the operation of such Franchised Branded Outlets.

(j) Without limiting any other remedy available to ExxonMobil, including termination or non−renewal of this Agreement and the Franchise Relationship, ExxonMobil may debrand any BFA Holder Branded Outlet(s) that fails to comply with the provisions of this Section 20.

(k) If BFA Holder, for any reason, fails to procure and maintain required insurance satisfactory to ExxonMobil, ExxonMobil may, at ExxonMobil's election and upon notice to BFA Holder, immediately procure the required insurance. Upon ExxonMobil's request, BFA Holder promptly shall furnish ExxonMobil with all information relating to BFA Holder or the Businesses requested by ExxonMobil in connection with the procurement of any required insurance. Upon written demand, BFA Holder shall immediately reimburse ExxonMobil for the costs of procuring the insurance. ExxonMobil's right to procure insurance under this Section 20 may not be construed as an obligation by ExxonMobil to procure any insurance and does not preclude ExxonMobil from exercising other rights or remedies it may have under this Agreement including debranding of the BFA Holder Branded Outlet(s) in question and termination or non−renewal of this Agreement and the Franchise Relationship. ExxonMobil's election not to procure any insurance under this Section 20 may not be construed as:

(1) A waiver of BFA Holder's obligations under Sections 20 and 21; or

(2) Limiting ExxonMobil's right to exercise any other right or remedy, including debranding of the BFA Holder Branded Outlet(s) in question and termination or non−renewal of this Agreement and the Franchise Relationship.

(l) ExxonMobil is entitled to the full coverage of any insurance procured by BFA Holder, its Franchise Dealers or ExxonMobil under this Section 20 but in no event less than the minimum coverage required by Section 20(a). The minimum limits specified in Section 20(a) do not limit or affect ExxonMobil's right to full insurance coverage or ExxonMobil's rights under Section 21. If BFA Holder does not own or lease transport to carry the Products, BFA Holder shall cause any person engaged by BFA Holder to carry the Products at all times to maintain insurance at levels required by the Hazardous Materials Transportation Act.

(m) The insurance coverages specified in this Agreement are required to the extent they are reasonably available as determined solely by ExxonMobil.

21. INDEMNIFICATION.

(a) BFA Holder assumes the risk of and sole responsibility for maintaining and operating, all real property, fixtures, tanks, equipment, and personal property used in connection with, or in any way related to, its operations, conduct or business or the operations, conduct or business of its Franchise Dealers, in a safe condition free of all hazards and risks and in compliance with all applicable federal, state, county and local laws, statutes, ordinances, codes, regulations, rules, orders, and permits. Such responsibility will include, but not be limited to, providing tanks safe and fit for the storage and handling of Products.

(b) BFA Holder assumes the risk of and sole responsibility for and agrees to defend (with counsel acceptable to ExxonMobil, unless such defense, but not ExxonMobil's defense costs, is waived by ExxonMobil) indemnify, release and hold harmless (1) ExxonMobil; (2) its Affiliates and (3) ExxonMobil's and any of its Affiliates' officers, directors, control persons, employees, agents, representatives, successors and assigns ((2) and (3) together hereinafter "ExxonMobil's Associates") from and against any and all expenses, costs (including, without limitation, professional fees), penalties, fines (without regard to the amount of such fines), liabilities, claims, demands and causes of action, at law or in equity (including, without limitation, any arising out of the Comprehensive Environmental Response Compensation and Liability Act (CERCLA), the Resource Conservation and Recovery Act (RCRA), the Clean Air Act, or any other federal, state, county or local laws, statutes, ordinances, codes, regulations, rules, orders, or permits), which may be asserted against ExxonMobil or ExxonMobil's Associates by any person for injuries, death, loss, or damage of any kind or character to person, property, or natural resources, by whomever suffered or asserted (including without limitation BFA Holder, its Franchise Dealers or their agents, contractors, employees, invitees, licensees, and/or trespassers), resulting from, related to or arising out of the operations, conduct or business of BFA Holder or its Franchise Dealers or the condition of any real property, fixtures, tanks, equipment or personal property of BFA Holder or its Franchise Dealers, which is used in connection with, or in anyway related to, the operations, conduct or business of BFA Holder or its Franchise Dealers, this Agreement or its breach by BFA Holder or its Franchise Dealers.

BFA Holder's obligations under this Section 21 and under Sections 11(c) and 24(b) of this Agreement will fully apply and BFA Holder will fulfill its obligations thereunder EVEN IF EXXONMOBIL OR EXXONMOBIL'S ASSOCIATES ARE JOINTLY OR CONCURRENTLY NEGLIGENT, (WHETHER BY ACT OR OMISSION) OR JOINTLY OR CONCURRENTLY

GUILTY OF WILLFUL MISCONDUCT (WHETHER BY ACT OR OMISSION), but not if ExxonMobil or ExxonMobil's Associates are solely negligent or solely guilty of willful misconduct. Likewise, BFA Holder's obligations under this Section 21 and under Sections 11(c) and 24(b) of this Agreement shall be in addition to (and in no manner in limitation of) any indemnification or other similar obligation that BFA Holder or its Affiliates might have pursuant to any other agreement between BFA Holder or its Affiliates and ExxonMobil.

22. TRANSFER/ASSIGNMENT.

This Agreement shall not be transferred or assigned or sold by BFA Holder in whole or in part, directly or indirectly (including, without limitation, as a result of any change in control of BFA Holder or any of its Affiliates), except with the prior written consent of ExxonMobil, which consent (i) as to Massachusetts, shall be provided in accordance with M.G.L.A. 93E § 4A or any subsequent governing law, (ii) as to Rhode Island, will not be unreasonably withheld in accordance with Rhode Island Statute § 5−55−4 or any subsequent governing law; or (iii) as to New Hampshire, ExxonMobil may withhold or delay in its sole discretion. BFA Holder shall furnish to ExxonMobil such information as may be reasonably required for ExxonMobil to evaluate the character, financial ability, and business experience of any proposed assignee. Notwithstanding the foregoing, BFA Holder shall be permitted to assign or sublicense its rights under this Agreement in whole or in part to an Affiliate without the consent of ExxonMobil. Such information shall be provided in a timely fashion that allows ExxonMobil to determine whether it will consent to the proposed assignment within the time period, if any, specified in any applicable state law. ExxonMobil may assign this Agreement in whole or in part upon ten (10) days prior written notice to BFA Holder. Notwithstanding anything herein to the contrary, a change in control of BFA Holder or any of its Affiliates shall not include transfers of equity amongst the existing holders thereof or their respective heirs or trusts for estate planning purposes.

23. WAIVER.

No waiver by either party of any breach of any of the covenants or conditions herein contained to be performed by the other party shall be construed as a waiver of any succeeding breach of the same or any other covenant or condition. All waivers must be in writing.

24. LAWS.

(a) BFA Holder agrees that in receiving, storing, handling, offering for sale, selling, delivering for use or using itself Products under this Agreement, BFA Holder will comply, and cause its employees and Franchise Dealers to comply, with all applicable federal, state, county and local laws, statutes, ordinances, codes, regulations, rules, orders, and permits.

(b) BFA Holder will defend (with counsel acceptable to ExxonMobil, unless such defense, but not ExxonMobil's defense costs, is waived by ExxonMobil) indemnify, release and hold harmless ExxonMobil and ExxonMobil's Associates from and against any and all expenses, costs (including, without limitation, professional fees), penalties, fines (without regard to the amount of such fines), liabilities, claims, demands, and causes of action, at law or in equity (including, without limitation, any arising out of the Comprehensive Environmental Response Compensation and Liability Act (CERCLA), the Resource Conservation and Recovery Act (RCRA), or the Clean Air Act) for BFA Holder's failure to comply with Section 24(a), and such failure by BFA Holder to comply shall also entitle ExxonMobil to terminate this Agreement and the Franchise Relationship.

25. NOTICES.

All written notices required or permitted to be given by this Agreement shall be given only by personal delivery (to an officer or manager in the case of ExxonMobil), certified mail, express mail, air courier, telegram or facsimile transmission and shall be deemed given respectively when the notice is personally delivered or deposited in the mail or with the air courier service or telegraph company, postage or charges prepaid, with confirmation of delivery requested, or transmitted via facsimile machine with confirmation sheet confirming completed and proper transmission, and directed to the party for whom intended at the address set forth above or to such other address as may be furnished by either party to the other in writing in accordance with the provisions of this Section; provided that notice of change of address must be received to be effective (and shall not be effective until actually received). All notices under this Section should be directed to:

If, to ExxonMobil:

ExxonMobil Branded Wholesale Implementation Manager
3225 Gallows Road
Fairfax, Virginia 22037

with a copy to:

ExxonMobil Fuels Marketing
Attn: Global Identity & Image Standards Advisor
3225 Gallows Road
Fairfax, Virginia 22037

If, to BFA Holder:

Global Companies LLC
800 South Street, Suite 200
Waltham, Massachusetts 02453
Attn: President and CEO

with a copy to:

Global Companies LLC
800 South Street, Suite 200
Waltham, Massachusetts 02453
Attn: General Counsel

26. TERMINATION.

(a) This Agreement and the Franchise Relationship shall terminate upon expiration of the Term.

(b) This Agreement and the Franchise Relationship may be terminated by BFA Holder in the event that ExxonMobil loses, or transfers to a third party (other than to an Affiliate of ExxonMobil), the right to grant BFA Holder the right to use either of the Proprietary Marks used to brand Branded Fuel that BFA Holder is using pursuant to this Agreement as of the date ExxonMobil loses or transfers such right.

(c) This Agreement and the Franchise Relationship may be terminated by ExxonMobil:

(1) Upon transfer or assignment of this Agreement by BFA Holder contrary to Section 22; or

(2) If BFA Holder or any Key Person, manager, or stockholder makes any false or materially misleading statement or representation (by act or by omission) which induces ExxonMobil to enter into this Agreement, or which is relevant to the Franchise Relationship between the parties hereto; or

(3) If BFA Holder becomes insolvent; or

(4) If BFA Holder fails to pay in a timely manner any sums when due hereunder (other than any sums that are being contested by BFA Holder in good faith); or

(5) If BFA Holder defaults in any of its obligations under this Agreement; or

(6) If BFA Holder or any Key Person is declared incompetent to manage its property or affairs by any court, or if BFA Holder or any Key Person is mentally or physically disabled for three (3) months or more, to the extent that BFA Holder is unable to provide for the continued proper operation of the Businesses; or

(7) Under the circumstances described cause for termination by ExxonMobil in any Section of this Agreement; or

(8) If BFA Holder or any Key Person dies, to the extent that BFA Holder is unable to provide for the continued proper operation of the Businesses; or

(9) If BFA Holder or any Key Person, manager, or stockholder engages in fraud or criminal misconduct relevant to the operation of the Businesses; or

(10) If BFA Holder or any Key Person, manager, or stockholder is convicted of a felony or of a misdemeanor involving fraud, moral turpitude or commercial dishonesty, whether or not the crime arose from the operation of the Businesses; or

(11) If BFA Holder breaches Section 3 by willfully committing an act of misbranding of the Products or misuses the Proprietary Marks; or

(12) If there occurs any other circumstance under which termination of a Franchise is permitted under the provisions of the PMPA; or

(13) ExxonMobil loses the right to grant the right to use any of the Proprietary Marks.

For purposes of section (4) and (5) above, BFA Holder shall be entitled to notice of any such default from ExxonMobil and a reasonable time period in which to cure such default, before ExxonMobil exercises its right to terminate this Agreement. Notwithstanding the previous sentence, in the event of a recurring default by BFA Holder of an obligation under this Agreement, ExxonMobil shall have no obligation to provide further notice or opportunities for BFA Holder’s cure prior to exercising its right to terminate this Agreement.

(d) If ExxonMobil has cause to believe that BFA Holder has engaged in fraudulent, unscrupulous or unethical business practices (which shall include but not be limited to practices forbidden by federal, state, county or local laws, statutes, ordinances, codes, regulations, rules, orders, or permits), ExxonMobil may, at its sole discretion, give BFA Holder written notice of its belief. Following the receipt of such notice, BFA Holder shall be given reasonable opportunity to discuss the matter with ExxonMobil’s representatives. If following such discussions (or reasonable opportunity therefor) and after such investigation of the matter as is reasonable under the circumstances, ExxonMobil reaches a good faith conclusion that BFA Holder has engaged in one or more such practices, ExxonMobil shall have the right to terminate this Agreement.

(e) Any termination of this Agreement by ExxonMobil shall be preceded by such notice from ExxonMobil as may be required by law.

(f) Upon the expiration of the Term or upon termination hereof, ExxonMobil shall have the right, at its option, to enter, during normal operating hours, upon any premises at which the Proprietary Marks are displayed (including, without limitation all BFA Holder Branded Outlets), and to remove, paint out, or obliterate any signs, symbols or colors on said premises or on the buildings or equipment thereof which in ExxonMobil's opinion would lead a purchaser to believe that the Products are being offered for sale at such premises. BFA Holder shall cause its Franchise Dealers to grant ExxonMobil such a right of entry.

(g) In the event this Agreement is terminated, ExxonMobil will suffer substantial damages which are anticipated to be difficult and time consuming to prove with exactitude. Furthermore, both parties are desirous of avoiding what they believe will be the disproportionate cost of possible litigation and legal fees which a future dispute over the magnitude of such damages would engender. The parties, therefore, have determined that if this Agreement is terminated, BFA Holder must pay to ExxonMobil as liquidated damages (in addition to any damages (liquidated or otherwise) payable to ExxonMobil under any other agreement between BFA Holder and ExxonMobil), and not as a penalty, an amount rounded to the nearest dollar, equal to ** times (the Initial Total Volume set forth on Exhibit 15) times (the number of years, including any partial year, remaining in the initial fifteen−year Term after such termination). Notwithstanding the foregoing, BFA Holder shall not pay to ExxonMobil any liquidated damages under this Section 26(g) in the event that this Agreement is terminated: (i) in connection with a market withdrawal under the provisions of the PMPA; (ii) by ExxonMobil pursuant to Section 12; (iii) by BFA Holder pursuant to Section 26(b); or (iv) by ExxonMobil pursuant to Section 26(c)(13) (except, in the case of this subsection (iv), in the event ExxonMobil's loss of the right to grant the right to use any of the Proprietary Marks is attributable to BFA Holder or any of its Affiliates or franchisees).

(h) Termination of this Agreement by either party for any reason shall not relieve the parties of any obligation theretofore accrued under this Agreement.

27. ACCORD.

The parties to this Agreement have discussed the provisions herein and find them fair and mutually satisfactory, and further agree that in all respects the provisions are reasonable and of material significance to the relationship of the parties hereunder, and that any breach of a provision by either party hereto or a failure to carry out said provisions in good faith shall conclusively be deemed to be substantial.

28. NATURE AND MODIFICATION OF AGREEMENT.

(a) In consideration of the granting and execution of this Agreement, the parties understand and agree that they are not contractually obligated to extend or renew in any way the Term, and that this Agreement shall not be considered or deemed to be any form of "joint venture" or "partnership" at the premise(s) of BFA Holder or elsewhere (including without limitation any BFA Holder Branded Outlet).

(b) BFA Holder agrees to provide sixty (60) days' prior written notice of any change in the name or legal form of BFA Holder.

(c) This Agreement may be modified only in writing signed by both parties or their duly authorized agents. ExxonMobil hereby agrees that if it enters into any material amendment of a brand fee agreement with any holder thereof operating in the Designated Geographies, ExxonMobil shall offer such amendment in substantially the same form to all of brand fee agreement holders then operating in the Designated Geographies.

29. SEVERABILITY OF PROVISIONS.

Both parties expressly agree that it is the intention of neither party to violate statutory or common law and that if any section, sentence, paragraph, clause or combination of same is in violation of any law, such sentences, paragraphs, clauses or combination of same shall be inoperative and the remainder of this Agreement shall remain binding upon the parties hereto.

30. ENTIRE AGREEMENT.

This writing is intended by the parties to be the final, complete and exclusive statement of this Agreement about the matters covered herein.

31. DISCLAIMER; NO RELIANCE.

EXCEPT AS EXPRESSLY SET FORTH IN THIS AGREEMENT EXXONMOBIL MAKES NO REPRESENTATION, EXPRESSED OR IMPLIED, RELATING TO ITSELF OR ANY OF ITS AFFILIATES, OR ANY OTHER MATTER, AND ANY SUCH OTHER REPRESENTATIONS OR WARRANTIES ARE HEREBY EXPRESSLY DISCLAIMED. BFA HOLDER ACKNOWLEDGES AND AGREES THAT (i) EXCEPT AS EXPRESSLY SET FORTH IN THIS AGREEMENT, EXXONMOBIL HAS NOT MADE ANY PROMISE, REPRESENTATION OR WARRANTY, EXPRESSED OR IMPLIED, AND (ii) BFA HOLDER HAS NOT EXECUTED OR AUTHORIZED THE EXECUTION OF THIS AGREEMENT IN RELIANCE UPON ANY PROMISE, REPRESENTATION OR WARRANTY NOT EXPRESSLY SET FORTH HEREIN.

32. DAMAGES.

NOTWITHSTANDING ANYTHING TO THE CONTRARY IN THIS AGREEMENT, EXXONMOBIL (NOR ANY OF ITS AFFILIATES) WILL HAVE NO LIABILITY TO ANYONE FOR BUSINESS DISRUPTION, LOST PROFITS, INCIDENTAL, PUNITIVE, OR CONSEQUENTIAL DAMAGES ARISING FROM OR RELATED TO THIS AGREEMENT.

33. ATTORNEYS FEES.

If BFA Holder fails to pay any amount due under this Agreement or takes any action not requested in writing by ExxonMobil for which BFA Holder, its Franchise Dealers or their respective customers bring a claim or lawsuit against ExxonMobil or any of its Affiliates, BFA Holder agrees to pay ExxonMobil’s (or any of its Affiliates’) costs, fees and expenses (including reasonable attorneys fees) thereby expended in ExxonMobil’s (or its Affiliates’) pursuit or defense of such matters.

34. KEY PERSON CLAUSE.

If BFA Holder is a corporation, partnership or other entity form, it agrees to execute Exhibit 11 (“Key Person Clause”) attached hereto and incorporated as part of this Agreement.

35. RIGHT OF ENTRY.

In addition to any other rights of ExxonMobil under this Agreement, BFA Holder permits, and shall cause its Franchise Dealers to permit, ExxonMobil, it’s Affiliates and their respective employees, agents, vendors, contractors and representatives (a) to access, analyze and reproduce books, records, correspondence, receipts, and data of BFA Holder or its Franchise Dealers pertaining to activities undertaken pursuant to this Agreement, and (b) to enter, during normal operating hours, any BFA Holder Branded Outlet(s) and other places where BFA Holder or any of its Franchise Dealers conduct any Business to enforce ExxonMobil’s rights and remedies under this Agreement, including examining (to include video, photographic, digital, audio and other recordings), testing and sampling of all properties, tanks, containers, pumps and delivery truck tanks, and taking other action, for purposes of preserving the integrity of the Proprietary Marks, performing product quality inspections and determining BFA Holder’s compliance with this Agreement (including compliance with the terms of Sections 3 and 4). If, in the sole opinion of ExxonMobil, any samples thus taken are not Products or any document or record shows BFA Holder has failed to comply with its obligations hereunder (or failed to cause any Franchise Dealer to so comply), ExxonMobil may, at its sole option, debrand the BFA Holder Branded Outlet(s) in question or cancel and terminate this Agreement and the Franchise Relationship. ExxonMobil shall provide notice to BFA Holder of entry at an License Branded Outlet, except in the case of any such entry in connection with ExxonMobil’s product quality inspections. BFA Holder shall preserve and shall cause its Franchise Dealers to preserve all books, records, correspondence, receipts and data pertaining to activities undertaken pursuant to this Agreement for a period of three (3) years. BFA Holder agrees to include necessary provisions in its contracts with Franchise Dealers that shall assure access by ExxonMobil or its representatives to the applicable records of the Franchise Dealers. BFA Holder's obligation to preserve all books and records, and ExxonMobil's right to access and reproduce such books and records shall extend for a period of three (3) years after the termination of this Agreement.

ExxonMobil shall not be liable to BFA Holder or any Franchise Dealer for any interference with any Business of BFA Holder or its Franchise Dealers as a result of ExxonMobil's entry on any BFA Holder Branded Outlet(s) and other places where BFA Holder or any of its Franchise Dealers conduct any Business, including any entry pursuant to Section 26(f) hereof.

36. TERMS OF RENEWAL.

Nothing in this Agreement is to be construed as preventing ExxonMobil upon expiration of this Agreement or any renewal of the Franchise Relationship, from offering BFA Holder terms and conditions, in good faith and in normal course of business, which differ from or are in addition to those in this Agreement.

37. DRUG AND ALCOHOL.

(a) In the event BFA Holder takes delivery of Products from ExxonMobil at ExxonMobil's (or its Affiliates') facilities, the following provisions of this Section shall apply. BFA Holder and BFA Holder's employees, agents and contractors shall not enter ExxonMobil's (or its Affiliates') facilities while under the influence of alcohol or any controlled substance. BFA Holder, its employees, agents and contractors shall not use, possess, distribute or sell illicit or unprescribed drugs in connection with any activity performed under this Agreement. BFA Holder, its employees, agents and contractors shall not use, possess, distribute or sell alcoholic beverages at any time while performing activities under this Agreement. BFA Holder has adopted or will adopt its own policy to assure a drug and alcohol free workplace while performing activities under this Agreement.

(b) BFA Holder will remove any of its employees, agents or contractors from performing activities hereunder any time there is suspicion of alcohol or drug use, possession or impairment involving such employee, agent or contractor, and at any time an incident occurs in performing activities hereunder where drug or alcohol use could have been a contributing factor. ExxonMobil has the right to require BFA Holder to remove BFA Holder's employees, agents or contractors from ExxonMobil's (or its Affiliates') facilities at any time cause exists to suspect alcohol or drug use by such employees, agents or contractors. In such cases, BFA Holder's employee, agent or contractor may be considered for return to ExxonMobil's (or its Affiliates') facilities only if the BFA Holder certifies as a result of a for cause test, conducted immediately after removal, that said employee, agent or contractor was in compliance with the provisions of this Section. BFA Holder will not use an employee, agent or contractor to perform activities hereunder who either refuses to take, or tests positive in, any alcohol or drug test.

(c) ExxonMobil may, without prior notice, search the person, possession and vehicles of BFA Holder's employees, agents and contractors that are on the premises owned or controlled by ExxonMobil (or its Affiliates). Any person who refuses to cooperate with such search will be removed from the premises and will not be allowed to return. BFA Holder will replace any of its employees, agents or contractors at ExxonMobil's request.

(d) BFA Holder will comply with all applicable drug and alcohol related federal, state, county and local laws, statutes, ordinances, codes, regulations, rules, orders, and permits (e.g., Department of Transportation Regulations, Department of Defense Drug−free Workplace Policy, Drug−free Workplace Act of 1988). ExxonMobil shall have the right, but not the obligation, to perform unannounced audits of BFA Holder's alcohol and drug program to verify that BFA Holder's policy and its enforcement are acceptable to ExxonMobil.

38. NO THIRD PARTY BENEFICIARY.

Other than with respect to any indemnified party, the parties agree that no third party beneficiary rights in favor of any person or entity are, nor are they intended to be, created by this Agreement.

39. CLAIMS AND DISPUTE RESOLUTION.

(a) Claims.

(1) As used in this Section, "claim(s)" shall be construed broadly and shall include but not be limited to a demand for money, property, equitable relief, or any interest, whether fixed or contingent, to which a party asserts a right.

(2) Except as otherwise provided in this Agreement, all claims by BFA Holder or by ExxonMobil arising out of or relating to this Agreement and the Franchise Relationship between the parties created hereunder are barred unless asserted within 12 months after the event, act or omission to which the claim relates and in accordance with the dispute resolution procedure set forth below.

(b) Dispute Resolution Procedure.

(1) All claims by BFA Holder or by ExxonMobil arising out of or relating to this Agreement and the Franchise Relationship between the parties created hereunder which cannot be settled through negotiation shall, unless the provisions of Section 39(b)(1)(vi) apply, first be submitted to mediation administered by the American Arbitration Association ("AAA") under its Commercial Mediation Procedures before resorting to arbitration, or in the case of claims exclusively governed by the PMPA, litigation. The following principles shall apply in respect of any mediation hereunder:

(i) Mediation under this provision shall not be available unless the claim(s) in controversy exceeds the sum or value of $5,000.

(ii) Unless otherwise agreed to by the parties, the mediation shall last no longer than two days.

(iii) The mediator shall be appointed by the AAA keeping in mind the location and convenience of the parties and the location of the BFA Holder Branded Outlet(s) to which the claim relates. The parties prefer that any mediator appointed hereunder be either an individual with judicial experience or one who has been a member of the bar for at least 25 years.

(iv) Each party shall include among its representatives in the mediation proceeding an individual authorized to settle the claim(s).

(v) Irrespective of which party commences the mediation procedure, the filing fee required to be paid to the AAA shall be paid by ExxonMobil. All other costs of the mediation, including any fees to be paid to the mediator, shall be shared equally by the parties. Each party shall be responsible for all expenses incurred by it in presenting its case, including any attorney's fees.

(vi) If either party believes it will be prejudiced or in any way adversely affected by the mediation procedure because of delay, expense incurred, time requirements or any other legitimate concern, that party may, by notice to the other, proceed directly to arbitration.

(2) All claims by BFA Holder or by ExxonMobil arising out of or relating to this Agreement and the Franchise Relationship between the parties created hereunder, except for claims exclusively governed by the PMPA and claims by ExxonMobil seeking relief when time

is of the essence, including but not limited to claims of trademark misuse, claims which relate to the existence of environmental concerns, claims relating to the conduct on the BFA Holder Branded Outlet(s) of illegal activities, or actions seeking to evict a dealer claimed to be in wrongful possession of the premises, which are not resolved by negotiation or mediation, may be asserted only in an arbitration proceeding to be conducted in accordance with the provisions of this Section 39(b).

(i) Any such claims by BFA Holder or by ExxonMobil shall be resolved exclusively by arbitration administered by the AAA under its Commercial Arbitration Rules, and judgment on the award rendered by the arbitrator may be entered in any court having jurisdiction thereof. The decision of the arbitrator shall be final and shall be binding on the parties.

(ii) In the event a claim by BFA Holder raises issues that are governed exclusively by the PMPA as well as issues that must be submitted to arbitration hereunder, the claims under the PMPA shall be severed and raised, if at all, in litigation. The remaining claims shall be resolved by arbitration, as provided herein.

(iii) The arbitration shall be held before a sole arbitrator who shall be selected by agreement of the parties. If after forty−five (45) days from the commencement of the arbitration the parties have been unable to agree on the selection of an arbitrator, either party may ask the AAA to appoint a sole arbitrator and the decision of the AAA in this respect shall be final and binding. The parties prefer that any arbitrator agreed to between them or appointed by the AAA hereunder be either an individual with judicial experience or one who has been a member of the bar for at least 25 years.

(iv) The arbitrator shall decide the matter before him or her in accordance with the terms of this agreement, the applicable substantive law of the state where the BFA Holder is located and any federal statutes which may be applicable. The Federal Arbitration Act shall govern any arbitration proceeding hereunder. All awards rendered hereunder shall be in writing and on the request of either party shall state the reasoning on which the award rests.

(v) No claim asserted hereunder may be consolidated or asserted jointly with the claim or claims of any other claimant or class of claimants and no arbitration proceeding commenced hereunder may be consolidated or joined with any other arbitration nor may any claim asserted hereunder be asserted as part of any class action litigation or class action arbitration proceeding. If, for any reason, an arbiter or a court determines that the parties’ agreement prohibiting class claims is not enforceable, the class claims must be brought as a class action litigation and not as a class action arbitration.

(vi) Irrespective of which party commences the arbitration procedure hereunder, the filing fee required to be paid to the AAA shall be paid by ExxonMobil. All other costs of the arbitration, including the fees to be paid to the arbitrator, shall be shared equally by the parties. Each party shall be responsible for all expenses incurred by it in presenting its case, including any attorney’s fees.

(c) Severability. It is agreed and understood that Section 39 of this Agreement shall apply in respect of construction of this Section 39 and that a finding of invalidity or unenforceability of any portion of this Section 39 shall not affect the validity or enforceability of any other portion.

40. MISCELLANEOUS.

(a) BFA Holder shall hold in confidence all business and technical information that is made available to BFA Holder, directly or indirectly, by ExxonMobil or acquired by BFA Holder during the Term of this Agreement, including any propriety information with respect to the additives and related mix rates, (collectively "Confidential Information"), except:

(1) information which is in or becomes, without fault of BFA Holder or any Franchise Dealer, part of the public domain;

(2) information which BFA Holder can show was received by BFA Holder from an independent third party that is under no obligation to ExxonMobil regarding the information;

(3) information which BFA Holder can show was already in BFA Holder's possession at the time the information was made available to BFA Holder, directly or indirectly, from ExxonMobil;

(4) information required to be disclosed by Law (e.g., bills of lading or product transfer documentation) or valid legal or regulatory process, following notice by BFA Holder to ExxonMobil of the requirement to disclose and reasonable cooperation with any attempt by ExxonMobil to maintain the confidentiality of such Confidential Information, to the extent such advance notice and cooperation is possible without resulting in BFA Holder's violation of applicable Law; and

(5) information required to be disclosed to government tax authorities on a tax return or other mandatory report filed with such authorities, but solely for the purpose of, and to the extent necessary for, complying with applicable federal, state or local excise or other tax laws.

BFA Holder also agrees that it shall not take any photographs, video or other recordings (including any digital or audio recording) of ExxonMobil Oil Corporation's or any of its Affiliate's property without ExxonMobil's prior written consent.

(b) WITHOUT LIMITING THE SCOPE OF THE FOREGOING SECTION 40(a), BFA HOLDER SPECIFICALLY AGREES THAT IT WILL HOLD IN CONFIDENCE ALL INFORMATION RELATING TO THE SOURCING OF THE PRODUCT DISTRIBUTED PURSUANT TO THIS AGREEMENT EXCEPT FOR NECESSARY COMMUNICATION WITH BFA HOLDER'S SUPPLIERS OF BASE PRODUCT AS WELL AS ANY AND ALL INFORMATION RELATING TO THE BRAND FEE. VIOLATION OF THIS PROVISION SHALL CONSTITUTE GROUNDS FOR TERMINATION OF THE AGREEMENT.

(c) BFA Holder shall not, without the prior written approval of ExxonMobil use the Confidential Information which BFA Holder is required to keep confidential hereunder for any purpose other than the performance of BFA Holder's obligations under this Agreement.

(d) ExxonMobil shall have no obligation of confidence with respect to any information disclosed to ExxonMobil by BFA Holder, and ExxonMobil shall be free to use or disclose any or all of the information contained in any drawing, record or other document to third parties without accounting to BFA Holder therefor; unless, however, information is specifically covered by a separate, written confidentiality agreement. In the absence of any such confidentiality agreement, BFA Holder shall not place any restrictive notices on any information, no matter the form of its recording, that BFA Holder provides to ExxonMobil hereunder. Should BFA Holder place any notices on any drawing, record or other document, ExxonMobil is hereby authorized to nullify, obliterate, remove, or disregard those provisions.

(e) BFA Holder shall establish and maintain precautions to prevent its employees, agents or representatives and Franchise Dealers from making, receiving, providing, or offering substantial gifts, entertainment, payments, loans, or other consideration to employees, agents, or representatives of ExxonMobil for the purpose of influencing those persons to act contrary to the best interests of ExxonMobil. This obligation shall apply to BFA Holder's activities in its relations with the employees of ExxonMobil and their families and/or third parties arising from this Agreement.

(f) BFA Holder agrees that all financial settlements, billings, and reports, if any, rendered to ExxonMobil shall reflect properly the facts about all activities and transactions handled for the account of ExxonMobil, which data may be relied upon as being complete and accurate in any further recordings and reportings made by ExxonMobil for whatever purpose.

(g) BFA Holder agrees to notify ExxonMobil promptly upon discovery of any instance where the BFA Holder or BFA Holder's employees, agents, representatives or Franchise Dealer fails to comply with Sections 40(e) or (f).

(h) BFA Holder acknowledges its receipt of the notices attached hereto as Exhibit 12. BFA Holder has reviewed and understands the information set forth therein.

41. RHODE ISLAND − PRICE PROVISION.

The following provision is applicable only to those BFA Holder Branded Outlets located in the State of Rhode Island:

NOTHING HEREIN SHALL BE CONSTRUED TO PROHIBIT A FRANCHISOR FROM SUGGESTING PRICES AND COUNSELING WITH FRANCHISEES CONCERNING PRICES. PRICE FIXING OR MANDATORY PRICES FOR ANY PRODUCTS COVERED IN THIS AGREEMENT IS PROHIBITED. A SERVICE STATION DEALER OR BRANDED WHOLESALER MAY SELL ANY PRODUCTS LISTED IN THIS AGREEMENT FOR A PRICE WHICH HE ALONE MAY DECIDE.

42. INDEPENDENT CONTRACTORS; INDEPENDENT ADVICE.

It is expressly agreed that the parties will carry on their respective business pursuant to this Agreement as independent contractors in pursuit of their independent callings and not as partners, fiduciaries, agents, or in any other capacity. Each party has had the opportunity to obtain independent legal advice respecting this Agreement and the business relations mentioned in this Agreement.

[Remainder of page intentionally left blank; signature page follows]

EXECUTED by BFA Holder and ExxonMobil on the date indicated for each signature.

		GLOBAL COMPANIES LLC
Date: 9/3/10	By:	Edward J. Faneuil
	Title:	Executive Vice President
Sean T. Geary Witness	Date:	9/3/10
		EXXONMOBIL OIL CORPORATION (ExxonMobil)
Date: 9/3/10	By:	Jim E. Coleman
	Title:	Distributor Implementation Manager
Frank J. Giampa Witness	Date:	9/3/10

EXHIBITS

BRAND FEE AGREEMENT
BETWEEN EXXONMOBIL OIL CORPORATION AND GLOBAL COMPANIES LLC
EFFECTIVE SEPTEMBER 8, 2010

Exhibit 1 − Initial BFA Holder Branded Outlets

Exhibit 2 − Designated Geographics

Exhibit 3 − Product Specifications

Exhibit 4 − Additives

Exhibit 5 − Intentionally Omitted

Exhibit 6 − ExxonMobil Oil Corporation Electronic Funds Transfer Authorization Agreement

Exhibit 7 − Facility Requirements

Exhibit 8 − Tobacco Assurance Letter

Exhibit 9 − De−branding Guidelines
A − Mobil
B − Exxon

Exhibit 10 − Quality Control Procedures for Gasolines and Diesel Fuel − Branded Wholesaler

Exhibit 11 − Key Person Clause

Exhibit 12 − Notices
Rhode Island State Notice
Revised Summary of Title I of the Petroleum Marketing Practices Act

Exhibit 13 − Mobil Proprietary Marks
A − Retail Motor Fuels Business
B − Related Businesses

Exhibit 14 − Exxon Proprietary Marks
A − Retail Motor Fuels Business
B − Related Businessses

Exhibit 15 − Initial Total Volume

Exhibit 16 − Exxon or Mobil Branded Retail Outlets in the Designated Geographies

Exhibit 31.1

CERTIFICATION

I, Eric Slifka, President and Chief Executive Officer of Global GP LLC, the general partner of Global Partners LP, certify that:

1. I have reviewed this quarterly report on Form 10−Q for the period ended September 30, 2010 of Global 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(s) 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(s) 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.

Dated: November 5, 2010

By: /s/ Eric Slifka
Eric Slifka
President and Chief Executive Officer
of Global GP LLC, general partner
of Global Partners LP

Exhibit 31.2

CERTIFICATION

I, Thomas J. Hollister, Chief Operating Officer and Chief Financial Officer of Global GP LLC, the general partner of Global Partners LP, certify that:

1. I have reviewed this quarterly report on Form 10−Q for the period ended September 30, 2010 of Global 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(s) 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(s) 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.

Dated: November 5, 2010

By /s/ Thomas J. Hollister
Thomas J. Hollister
Chief Operating Officer and Chief Financial Officer
of Global GP LLC, general partner
of Global Partners LP

Exhibit 32.1

**CERTIFICATION OF THE
CHIEF EXECUTIVE OFFICER OF
GLOBAL PARTNERS LP
PURSUANT TO 18 U.S.C. SECTION 1350**

In connection with the accompanying report on Form 10−Q for the period ended September 30, 2010 of Global Partners LP (the "Partnership") and filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Eric Slifka, President and Chief Executive Officer of Global GP LLC, the general partner of the Partnership, hereby certify, pursuant to Section 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; and

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

Dated: November 5, 2010

By: /s/ Eric Slifka
Eric Slifka
President and Chief Executive Officer
of Global GP LLC, general partner
of Global Partners LP

Exhibit 32.2

**CERTIFICATION OF THE
CHIEF FINANCIAL OFFICER OF
GLOBAL PARTNERS LP
PURSUANT TO 18 U.S.C. SECTION 1350**

In connection with the accompanying report on Form 10−Q for the period ended September 30, 2010 of Global Partners LP (the “Partnership”) and filed with the Securities and Exchange Commission on the date hereof (the “Report”), I, Thomas J. Hollister, Chief Operating Officer and Chief Financial Officer of Global GP LLC, the general partner of the Partnership, hereby certify, pursuant to Section 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; and

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

Dated: November 5, 2010

By: /s/ Thomas J. Hollister
Thomas J. Hollister
Chief Operating Officer and Chief Financial Officer
of Global GP LLC, general partner
of Global Partners LP

State of New Hampshire
Department of State

CERTIFICATE

I, William M. Gardner, Secretary of State of the State of New Hampshire, do hereby certify that GLOBAL MONTELLO GROUP CORP., a(n) Delaware corporation, is authorized to transact business in New Hampshire and qualified on March 24, 2006. I further certify that all fees and annual reports required by the Secretary of State's office have been received.

In TESTIMONY WHEREOF, I hereto set my hand and cause to be affixed the Seal of the State of New Hampshire, this 16th day of December, A.D. 2010

William M. Gardner
Secretary of State

GUARANTY

In connection with its application for registration as a competitive natural gas supplier in the State of New Hampshire and for the purpose of evidencing the financial security of **GLOBAL MONTELLO GROUP CORP.**, a Delaware corporation with its principal offices at 800 South Street, Suite 200, Waltham, MA 02454-9161 (hereinafter, the "**CNGS Applicant**") to the **NEW HAMPSHIRE PUBLIC UTILITY COMMISSION**, 21 South Fruit Street, Suite 10, Concord, NH 03301-2429 ("**NHPUC**"), the undersigned, **GLOBAL PARTNERS LP**, a Delaware Limited Partnership with its principal offices at 800 South Street, Suite 200, Waltham, MA 02454-9161 ("**Guarantor**"), for good and valuable consideration, the receipt and sufficiency of which are acknowledged, irrevocably and unconditionally guarantees without prior notice, prompt payment and performance to NHPUC when due of any and all obligations of the CNGS Applicant to NHPUC and on behalf of the CNGS Applicant's New Hampshire customers, whether direct or indirect, absolute or contingent, due or to become due, now existing or hereafter arising or acquired and in whatever form, together with all interest thereon and all attorneys' fees, costs and expenses of collection incurred by NHPUC in enforcing any such obligation or in enforcing this Guaranty against Guarantor (hereinafter the "**Obligations**"). Guarantor represents that it expects to derive an advantage from its subsidiary, the CNGS Applicant, being registered as a competitive natural gas supplier in the State of New Hampshire. Notwithstanding anything herein to the contrary, Guarantor's total aggregate liability hereunder (excluding any costs of collecting amounts due hereunder from Guarantor and interest accruing on amounts owing under this Guaranty as provided in the third paragraph hereof) shall not exceed ONE HUNDRED THOUSAND DOLLARS (US$100,000.00).

Unless otherwise specified below, this shall be a continuing and absolute guaranty of any and all Obligations to which it applies or may apply under the terms hereof, and shall be conclusively presumed to have been created in reliance thereon. The undersigned waives: presentment, protest, and demand with respect to the Obligations covered by this Guaranty; notice of the acceptance of this Guaranty by NHPUC; notice of any advance, credit given, or other transaction resulting in any of such Obligations of the CNGS Applicant to NHPUC or to the CNGS Applicant's New Hampshire customers; and notice of any default in payment of any such Obligations or default in compliance therewith, whether or not such demand be made upon the CNGS Applicant. The undersigned also waives generally all suretyship defenses. Upon any default in payment of any such Obligations, the undersigned will unconditionally pay to NHPUC the amount thereof forthwith and also will pay an amount or amounts necessary to compensate NHPUC for such default in payment or in compliance with any other terms connected with such Obligations, all without suit or any step being required to be taken by NHPUC to enforce such Obligations.

Should the CNGS Applicant for any reason fail to pay any such indebtedness or liability when due, Guarantor promises to pay NHPUC such indebtedness or liability upon demand. The undersigned will pay on demand interest on all amounts due to NHPUC or to the CNGS Applicant's New Hampshire customers under this Guaranty from the time NHPUC first demands payment of this Guaranty at the greater of (a) the interest rate(s) set forth in the documents, instruments and agreements underlying the Obligations, and (b) an annual rate of interest equal to: (i) the prime lending rate established from time to time by Bank of America, N.A. (or any successor institution);

plus (ii) three (3%) percent. Notwithstanding any of the provisions contained in this Guaranty and in the documents, instruments and agreements underlying the Obligations, Guarantor shall not be required to make duplicative interest payments with respect to any of the Obligations.

The legal obligations of the undersigned hereunder shall not be affected by any fraudulent, illegal, or improper act by the CNGS Applicant, nor by any release, discharge, or invalidation, by operation of law or otherwise, of the Obligations, or by the legal incapacity of the CNGS Applicant, the undersigned, or any other person liable or obligated to NHPUC or to the CNGS Applicant's New Hampshire customers for or on the Obligations. Subject to the limitation on Guarantor's liability hereunder as set forth in the first paragraph of this Guaranty, interest and costs of collection shall continue to accrue and shall continue to be deemed Obligations guaranteed hereby notwithstanding any stay to the enforcement thereof against the CNGS Applicant or disallowance of any claim therefor against the CNGS Applicant. Further, interest accruing on the Obligations as provided in the immediately preceding paragraph hereof, and costs of collection of this Guaranty from Guarantor (but not costs of collecting the Obligations from the CNGS Applicant), shall not be subject to the limitation on Guarantor's liability hereunder.

This Guaranty shall not be affected by any extension or postponement or other indulgence NHPUC or the CNGS Applicant's New Hampshire customers may grant with respect to the guaranteed Obligations, or by any other guaranty or security which it may hold therefor including the substitution, release or exchange of collateral. A waiver on any one occasion shall not be construed as a waiver of any such right or remedy on any other occasion. NHPUC shall have no duty to marshal security, to sue or otherwise attempt collection from the CNGS Applicant or any other party or to take proceedings against any collateral or other property or to take any action of any kind prior to demanding and enforcing payment by Guarantor. Subject to revocation as hereinafter provided, this Guaranty shall continue until all the terms contained herein have been satisfactorily performed or otherwise discharged by the CNGS Applicant, and Guarantor shall not be released of any obligations hereunder as long as any claim of NHPUC or the CNGS Applicant's New Hampshire customers against the CNGS Applicant is not settled or discharged in full. All of NHPUC's and the CNGS Applicant's New Hampshire customers' rights, remedies, powers, privileges, and discretions under any other agreement or transaction with the undersigned, the CNGS Applicant or any such other person shall be cumulative and not alternative or exclusive of any rights or remedies which it would otherwise have, and may be exercised by NHPUC at such time or times and in such order of preference as NHPUC in its sole discretion may determine.

The obligations of Guarantor hereunder shall continue in full force and effect until revoked by Guarantor upon sixty (60) days written notice of revocation to NHPUC. Revocation shall have no effect on Guarantor's obligations with respect to services rendered or any indebtedness incurred or agreement entered into prior to the effective date of revocation. All notices, consents, requests, demands and other communications hereunder are to be in writing, and are deemed to have been duly given or made: (i) when delivered in person; (ii) three days after being deposited in the United States mail, first class postage prepaid; (iii) in the case of nationally recognized overnight courier services, one business day after delivery to the overnight courier service with payment provided for; or (iv) in the case of confirmed facsimile transmission, when sent, verification received; in each case addressed as follows:

if to Guarantor:

Global Partners LP
800 South Street, Suite 200
Waltham, MA 02454-9161
Attn: Credit Manager
Phone Number: 781-398-4377
Fax Number: 781-398-4160

with a copy to:

Global Partners LP
800 South Street, Suite 200
Waltham, MA 02454-9161
Attn: General Counsel
Phone Number: 781-398-4211
Fax Number: 781-398-4165

if to NHPUC:

New Hampshire Public Utility Commission
21 South Fruit Street, Suite 10
Concord, NH 03301-2429
Attn: Executive Director and Secretary
Telephone: 603-271-2431
Fax: 603-271-3878

or to such other address as Guarantor or NHPUC may designate by notice to the other in accordance with the terms hereof.

This Guaranty shall be binding upon the undersigned, its legal representatives, successors and assigns, and shall inure to the benefit of NHPUC, its legal representatives, successors and assigns.

Guarantor warrants and represents to NHPUC that (a) all financial statements and other financial information concerning Guarantor furnished to NHPUC by Guarantor are true and correct in all material respects; (b) the execution, delivery and performance of this Guaranty by Guarantor will not violate any law, rule, judgment, order, agreement or instrument binding upon Guarantor, nor require the approval of any public authority or other third party; (c) Guarantor has full limited partnership power and authority to execute, deliver and perform this Guaranty; (d) the execution, delivery and performance of this Guaranty by Guarantor have been duly authorized by all necessary actions of Guarantor's general partner and do not and will not violate the provisions of, or constitute default under, any presently applicable law or Guarantor's limited partnership agreement or any agreement or instrument presently binding on it; and (e) this Guaranty has been duly executed and delivered by an authorized officer of the general partner of Guarantor and constitutes a valid and binding obligation of Guarantor, enforceable in accordance with its terms.

This Guaranty may not be modified except by a writing signed by the party to be charged.

Guarantor hereby agrees that this Guaranty shall be governed by the laws of the State of New Hampshire without reference to its principles of conflicts of laws. GUARANTOR AND NHPUC EACH HEREBY KNOWINGLY, VOLUNTARILY, AND INTENTIONALLY WAIVES ANY RIGHT TO TRIAL BY JURY IN CONNECTION WITH THIS GUARANTY.

Any determination that any provision herein is invalid, illegal, or unenforceable in any respect in any instance shall not affect the validity, legality, or enforceability of such provision in any other instance and shall not affect the validity, legality or enforceability of any other provision contained herein.

The obligations of the undersigned hereunder shall remain in full force and effect as to all Obligations, without regard to any reduction of the Obligations.

The undersigned certifies that the undersigned read this Guaranty prior to its execution.

IN WITNESS WHEREOF, this Guaranty is signed and sealed as of the 27th day of February, 2007.

GUARANTOR:

Global Partners LP (a Delaware limited partnership), **by Global GP, LLC,** its general partner

By: ____________________

Name: Thomas J. Hollister

Title: Executive Vice President and CFO

COMMONWEALTH OF MASSACHUSETTS

County of Middlesex, ss.

On this 27th day of February 2007, before me, the undersigned notary public, personally appeared Thomas J. Hollister, proved to me through satisfactory evidence of identification, which was personal knowledge of the identification of Thomas J. Hollister, to be the person whose name is signed on the preceding document, and acknowledged to me that he signed it voluntarily for its stated purpose.

Marla F. Belostock

Notary Public

My Commission Expires:__________

MARLA F. BELOSTOCK
Notary Public
Commonwealth of Massachusetts
My Commission Expires
July 26, 2013

GLOBAL™

SECRETARY'S CERTIFICATE

The undersigned, the Secretary of (i) Global Partners LP, a Delaware limited partnership; (ii) Global GP LLC, a Delaware limited liability company; (iii) Global Companies LLC, a Delaware limited liability company; and (iv) Global Montello Group Corp., a Delaware corporation (collectively, "Global Companies" or "Global Company"), does hereby certify, on behalf of each of the Global Companies, as follows:

1. Attached hereto as Exhibit A are a true and correct copy of the resolutions adopted by the Board of Directors of Global GP LLC acting in its individual capacity and in its capacity as general partner of Global Partners LP on May 10, 2006;

2. Such resolutions have not been revoked, canceled, annulled or amended in any manner and are in full force and effect on the date hereof;

3. Each person named below presently holds the office in each Global Company set forth next to such person's name and next to that is a genuine specimen of such person's signature; and

4. That each person named below is authorized to approve, execute, acknowledge and deliver any and all documents, contracts, agreements and other writings in the ordinary course of business, including without limitation, guarantees of the obligations of Global Companies LLC and Global Montello Group Corp.

Name	Office	Signature
Thomas J. Hollister	Executive Vice President and Chief Financial Officer	
Edward J. Faneuil	Executive Vice President, General Counsel and Secretary	

IN WITNESS WHEREOF, the undersigned has hereunto set his hand and affixed the Corporation's corporate seal this 27th day of February, 2007.

Edward J. Faneuil
Secretary

Secretary's Certificate.parent guarantees

Exhibit A

DELEGATION OF AUTHORITY

WHEREAS, the Company is the general partner of the Partnership;

WHEREAS, the Partnership is the sole member of Global Operating LLC ("Global Operating");

WHEREAS, Global Operating is the sole member of Global Companies LLC ("Global") and Chelsea Sandwich LLC ("Chelsea Sandwich") and the sole shareholder of Global Montello Group Corp. ("GMG").

WHEREAS, Global is the sole shareholder of Glen Hes Corp. ("Glen Hes"; Global Operating, Global, Chelsea Sandwich, GMG and Glen Hes are each a "Global Subsidiary" and collectively, the "Global Subsidiaries").

WHEREAS, in accordance with the First Amended and Restated Limited Liability Company Agreement of the Company the President and Chief Executive Officer shall be responsible for the general management of the affairs of the Company and shall perform all duties incidental to such person's office that may be required by law and all such other duties as are properly required of him by the Board of Directors of the Company.

WHEREAS, in accordance with the First Amended and Restated Limited Liability Company Agreement of the Company, the Chief Financial Officer shall act as the Chief Financial Officer of the Company and shall exercise general supervision over the receipt, custody and disbursement of corporate funds. The Chief Financial Officer shall, in general, perform all duties incident to the office of the Chief Financial Officer and shall have such further powers and duties and shall be subject to such directions as may be granted or imposed from time to time by the Board of Directors of the Company or the President and Chief Executive Officer.

WHEREAS, in accordance with the First Amended and Restated Limited Liability Company Agreement of the Company, each Executive Vice President and Senior Vice President and any other Vice President shall have such powers and shall perform such duties as shall be assigned to him by the Board of Directors of the Company or the President and Chief Executive Officer.

WHEREAS, the Board of Directors of the Company places primary reliance on the President and Chief Executive Officer's and the Chief Financial Officer's judgment, experience, ability, integrity and sensitivity in supervising the business and operations of the Company, the Partnership, and each of the Global Subsidiaries.

THEREFORE BE IT RESOLVED:

That each of the President and Chief Executive Officer, the Chief Financial Officer, the Chief Accounting Officer and any Executive Vice President of the Company, the Partnership or any of the Global Subsidiaries (each, an "Authorized Officer") be, and they hereby are, and each of them acting singly hereby is, authorized, for and on behalf of the Company, the Partnership and each of the Global Subsidiaries to approve, execute acknowledge and deliver any and all documents, contracts, agreements and other writings in the ordinary course of business, including without limitation:

1. Contracts for the purchase, delivery storage, or sale of inventory (including without limitation throughput, terminaling and exchange agreements), equipment, goods or services in the ordinary course of business;

2. Leases for real property or personal property in the ordinary course of business;

3. International Swap and Derivatives Association's Master Agreements (including schedules and annexes thereto) or equivalent agreements in the ordinary course of business with such banks, financial institutions and other credit sources as the Company's President and Chief Executive Officer or Chief Financial Officer shall determine.

4. Financial risk management activities and cash investment activities in the ordinary course of business.

5. Indebtedness (excluding bank indebtedness), including the issuance of debt obligations, guarantees of the obligations of any of the Company, the Partnership or any of the Global Subsidiaries, indemnifications and insurance bonds for the benefit of any of the Company, the Partnership or any of the Global Subsidiaries, or on behalf of the Company, the Partnership or any Global Subsidiary thereof, each in the ordinary course of business.

6. Non-material changes to and transactions within the terms of any pre-approved credit facility or program, including but not limited to commercial paper programs, revolving lines of credit, overdraft facilities and lines of credit, each in the ordinary course of business.

7. Initiation or settlement of any litigation, claim or other legal matters.

8. All non-executive compensation and human resources matters, including but not limited to non-executive incentive compensation programs, benefit plan design and administration, each in the ordinary course of business.

If in the judgment of an Authorized Officer, a transaction or matter is of such significance to the Company's and the Partnership's strategy, operations, reputation, image or otherwise that it should be approved by the Board of Directors of the Company, the Authorized Officer shall seek the approval of the Board of Directors of the Company, notwithstanding any delegations of authority in this resolution.

FURTHER RESOLVED, that the Authorized Officers be, and they hereby are, and each of them acting singly hereby is, authorized to take all necessary and appropriate actions to implement and effectuate the purpose and intents of the foregoing resolutions.

FURTHER RESOLVED, that the Authorized Officers be, and they hereby are, and each of them acting singly hereby is, authorized to delegate their authority in writing under the foregoing resolutions to any senior vice president, vice president or manager of the Company, the Partnership or any of the Global Subsidiaries.

FURTHER RESOLVED, that all acts and deeds previously performed by any officers or authorized persons of the Company, the Partnership or any of the Global Subsidiaries that are within the authority conferred by the foregoing resolutions are hereby approved, confirmed and ratified in all respects.

FEB/26/2008/TUE 11:41 AM COLUMBIA GAS FAX No. 3043573528 P. 002

GAS TRANSPORTATION CONTRACT
(For Use Under FT-NN Rate Schedule)
08-719-CF

THIS AGREEMENT is made and entered into as of the 27th day of February, 2008, by and between GRANITE STATE GAS TRANSMISSION, INC., a New Hampshire Corporation, hereinafter referred to as "Granite State" or "Transporter" and GLOBAL MONTELLO GROUP CORP., hereinafter referred to as "Shipper." Granite State and Shipper shall collectively be referred to herein as the "Parties." The service provided hereunder shall be on behalf of the Company or Companies listed on Exhibit A hereto.

WITNESSETH:

That in consideration of the premises and mutual covenants and agreements herein contained, the Parties agree as follows:

ARTICLE I
DEFINITIONS

1.1 TRANSPORTATION QUANTITY - shall mean the maximum daily quantity of gas which Transporter agrees to receive and transport or arranges to be received and transported, subject to Article II herein, for the account of Shipper hereunder on each day during each year during the term hereof which shall be 107 dekatherms. Any limitations of the quantities to be received at each Receipt Point and/or delivered to each Delivery Point shall be as specified on Exhibit B attached hereto.

1.2 UPSTREAM TRANSPORTATION AGREEMENTS - shall mean those Gas Transportation Agreements with third party pipelines, which provide for the receipt, transportation and delivery of Shipper's gas at the Receipt Point(s). Each third party pipeline is hereinafter referred to individually as "Upstream Transporter" and collectively as "Upstream Transportation."

1.3 EQUIVALENT QUANTITY - shall mean the quantities of gas delivered hereunder at the Receipt Point(s) for transportation less, where applicable, quantities of gas for Granite State's system fuel and use requirements and gas lost and unaccounted for associated with this transportation service.

ARTICLE II
SCOPE OF AGREEMENT

2.1 Transportation Service - Subject to Section 2.2 below, Granite State agrees to accept and receive or arranges to be accepted and received, daily, on a firm basis, in accordance with Rate Schedule FT-NN, at the Receipt Point(s), from Shipper or for Shipper's account such quantity of gas as Shipper makes available up to the Transportation Quantity.

Granite State agrees to transport and deliver or arranges for the transportation and delivery to or for the account of Shipper at the Delivery Point(s) and Shipper agrees to accept or cause acceptance of delivery of the quanity received by Transporter or for Transporter's account, on any day, less any applicable Fuel Reimbursement Quantities; provided, however, Transporter

FEB/26/2008/TUE 11:42 AM COLUMBIA GAS FAX No. 3043573528 P. 003

shall not be obligated to deliver or arrange to be delivered at any Delivery Point on any day a quantity of natural gas in excess of the applicable Maximum Daily Delivery Obligation.

2.2 Any obligation on Granite State's part to receive or arrange to receive, transport and deliver gas to the Delivery Point(s) for Shipper's account on a daily basis is subject to the following:

(a) Execution by Shipper of the necessary Upstream Transportation Agreements;

(b) Shipper causing the Upstream Transporter(s) to receive quantities of gas at the applicable upstream Delivery Point upon Granite State's request and to deliver quantities of gas to Granite State for Shipper's account at the applicable upstream Receipt Point.

ARTICLE III
RECEIPT AND DELIVERY POINTS

3.1 The Receipt Point(s) and Delivery Point(s) shall be those point(s) specified on Exhibit B attached hereto.

3.2 Shipper may supplement Receipt Point(s) and/or Delivery Point(s) provided by this Contract by submitting to Transporter a Transportation Service Request Form. Such request form, after having been fully processed and accepted by Transporter shall be deemed to have the full force and effect of a written contract and shall qualify as a supplementary written consent pursuant to Paragraph 15.3 of this Contract. Priority of transportation service to such additional Receipt and/or Delivery Point(s) shall be determined pursuant to Article 28 of the General Terms and Conditions of Granite State's FERC Gas Tariff.

ARTICLE IV

All Facilities are in place to render the service provided for in this Agreement, or if facilities are to be constructed, a brief description of the facilities will be included, as well as who is to construct, own and/or operate such facilities.

ARTICLE V
RECEIPT AND DELIVERY PRESSURES

Shipper shall deliver or cause to be delivered to Granite State the gas to be transported hereunder at pressures sufficient to deliver such gas into Granite State's system at the Receipt Point(s), and where applicable at the Upstream Pipeline's Receipt Point(s). Granite State shall deliver the gas to be transported hereunder to or for the account of Shipper at the pressures existing in Granite State's system at the Delivery Point(s) or, where applicable, at the pressures existing in the Upstream Pipeline's system at the Delivery Point(s).

ARTICLE VI
QUALITY SPECIFICATIONS AND STANDARDS FOR MEASUREMENT

For all gas received, transported and delivered hereunder the parties agree to the Quality Specifications and Standards for Measurement as specified in the General Terms and

Conditions of Granite State's Federal Energy Regulatory Commission (FERC) Gas Tariff. To the extent that no new measurement facilities are installed to provide service hereunder, measurement operations will continue in the manner in which they have previously been handled. In the event that such facilities are not operated by Granite State, then responsibility for operations shall be deemed to be Shipper's. Any exceptions to this Article shall be specified on Exhibit(s) N/A attached hereto.

ARTICLE VII
RATES AND CHARGES FOR GAS TRANSPORTATION SERVICE

7.1 TRANSPORTATION RATES - Commencing with the date of initial receipt of gas by Granite State from Shipper, the compensation to be paid by Shipper to Granite State for the transportation service provided herein shall be in accordance with Section 5 of Granite State's Rate Schedule FT-NN.

7.2 SYSTEM FUEL AND LOSSES - Shipper agrees to provide Granite State any applicable fuel and losses associated with the transportation service provided herein in accordance with Section 6 of Granite State's Rate Schedule FT-NN.

7.3 NEW FACILITIES CHARGE - N/A

7.4 INCIDENTAL CHARGES - Shipper agrees to reimburse Granite State for any filing or similar fees, which have not been previously paid by Shipper, which Granite State incurs in rendering service hereunder.

7.5 CHANGES IN RATES AND CHARGES - Granite State shall have the unilateral right to file and make effective changes in the rates and charges stated in this Article, the rates and charges applicable to service pursuant to Granite State's Rate Schedule FT-NN, the rate schedule pursuant to which this service is rendered and/or any provisions of the General Terms and Conditions of Granite State's FERC Gas Tariff applicable to this service. Without prejudice to Shipper's right to contest such changes, Shipper agrees to pay the effective rates and charges for service rendered pursuant to this Contract.

ARTICLE VIII
BILLINGS AND PAYMENTS

Granite State shall bill and Shipper shall pay all rates and charges in accordance with Article 5 and 6, respectively, of the General Terms and Conditions of Granite State's FERC Gas Tariff.

ARTICLE IX
GENERAL TERMS AND CONDITIONS

This Agreement shall be subject to the effective provisions of Granite State's Rate Schedule FT-NN and to the General Terms and Conditions incorporated therein, as the same may be changed or superseded from time to time in accordance with the rules and regulations of the FERC, which Rate Schedule and General Terms and Conditions are incorporated herein by reference and made a part hereof for all purposes.

ARTICLE X
REGULATION

This contract shall be subject to all applicable and lawful governmental statutes, orders, rules and regulations and is contingent upon the receipt and continuation of all necessary regulatory approvals or authorization upon terms acceptable to Granite State. This contract shall be void and of no force and effect if any necessary regulatory approval is not so obtained or continued. All parties hereto shall cooperate to obtain or continue all necessary approvals or authorizations, but no party shall be liable to any other party for failure to obtain or continue such approvals or authorizations.

ARTICLE XI
RESPONSIBILITY DURING TRANSPORTATION

Except as herein specified the responsibility for gas during transportation shall be as stated in the General Terms and Conditions of Granite State's FERC Gas Tariff.

ARTICLE XII
TERM

12.1 This Contract shall become effective as of March 1, 2008, and shall remain in force and effect until March 31, 2008, and from N/A to N/A1/ thereafter, unless cancelled by either Party upon one year's written notice; provided however, if the term of the Contract is less than one year, either party may terminate this Contract by providing written notice of its election at the commencement of the primary term or any secondary term of this Contract. To the extent pregranted abandonment authorization under the FERC's regulations applies, Granite State will seek abandonment authorization from the FERC prior to exercising its unilateral right to terminate the Contract following the expiration of the primary term.2/

12.2 Any portion of this Contract necessary to correct or cashout imbalances under this Contract as required by the General Terms and Conditions of Granite State's FERC Gas Tariff, shall survive the other parts of this Contract until such time as such balancing has been accomplished.

1/ The evergreen period shall be the lesser of the original term of the Contract, or one year.

2/ Applicable to agreements with deliveries at a Customer's traditional delivery points under its firm sales service, which have a primary term equal or greater than one year.

ARTICLE XII
TERM (continued)

12.3 This Contract will terminate automatically in the event Shipper fails to pay all of the amount of any bill for service rendered by Transporter hereunder when that amount is due, provided Transporter shall give Shipper and the FERC thirty days notice prior to any termination of service. Service may continue hereunder if within the thirty day notice period satisfactory assurance of payment is made in accord with the terms and conditions of Article 6 of the General Terms and Conditions of Granite State's Tariff.

ARTICLE XIII
NOTICE

Except as otherwise provided in the General Terms and Conditions applicable to this Contract, any notice under this Contract shall be in writing and mailed to the post office address of the party intended to receive the same, as follows:

GRANITE STATE:

Granite State Gas Transmission, Inc.
Attention: Customer Services
1700 MacCorkle Avenue, SE
Charleston, West Virginia 25314

SHIPPER:

Global Montello Group Corp.
53 Technology Way
Suite 4E9
Nashau, NH 03060

or to such other address as either Party shall designate by formal written notice to the other.

ARTICLE XIV
ASSIGNMENTS

14.1 Either Party may assign or pledge this Contract and all rights and obligations hereunder under the provisions of any mortgage, deed of trust, indenture, or other instrument which it has executed or may execute hereafter as security for indebtedness; otherwise, no Party shall assign this Contract or any of its rights hereunder unless it shall first have obtained the written consent of the other, which consent shall not be unreasonably withheld.

14.2 Any person which shall succeed by purchase, merger, or consolidation to the properties, substantially as an entirety, of either Party hereto shall be entitled to the rights and shall be subject to the obligations of its predecessor in interest under this Contract.

ARTICLE XV
MISCELLANEOUS

15.1 This Contract shall be interpreted under the laws of the State of New Hampshire.

15.2 If any provision of this Contract is declared null and void, or voidable, by a court of competent jurisdiction, then that provision will be considered severable at either party's option; and if the severability option is exercised, the remaining provisions of the Contract shall remain in full force and effect.

15.3 No modification of or supplement to the terms and provisions hereof shall be or become effective, except by the execution of supplementary written consent.

15.4 Exhibit(s) A and B attached hereto is/are incorporated herein by reference and made a part hereof for all purposes.

IN WITNESS WHEREOF, the Parties hereto have caused this Contract to be duly executed in several counterparts as of the date first herein above written.

GRANITE STATE GAS TRANSMISSION, INC.

By: ______________________

Accepted and Agreed to this 27th Day of February, 2008.

GLOBAL MONTELLO GROUP CORP.

By: ______________________
Dennis Bowersox
VP/Manager Industrial Fuels

Gas Transportation Contract
(For Use Under Rate Schedule FT-NN)

Exhibit "A"

To Gas Transportation Contract
March 1, 2008
Between Granite State Gas Transmission, Inc.
And
Global Montello Group Corp.

On Behalf Of Parties

Contract No. 08-719-CF
MDQ: 107 Dekatherms

Company Name

Global Montello Group Corp.

Gas Transportation Contract
(For Use Under Rate Schedule FT-NH)

Exhibit "B"

To Gas Transportation Contract
March 1, 2008
Between Granite State Gas Transmission, Inc.
And
Global Montello Group Corp.

Receipt Points

Contract No. 08-719-CF
MDQ: 107 Dekatherms

Meter No.	Meter Name	Interconnect Party	County/Town	ST	Meter TQ
920206	Pleasant St.	Tennessee Gas Pipeline Co.	Essex	MA	107

Delivery Points

Meter No.	Meter Name	Interconnect Party	County/Town	ST	Meter TQ
085402	Sweethill Rd.	Granite State Gas Transmission	Plaistow	NH	107

The sum of transporter's deliveries to Shipper for all transportation contracts cannot exceed the limitations reflected above.

BLANKET GAS TRANSPORTATION CONTRACT FOR FIRM RESERVED SERVICE WITH REPLACEMENT SHIPPER

This Contract is made as of the 30th day of September, 2003 by and between IROQUOIS GAS TRANSMISSION SYSTEM, L.P., a Delaware limited partnership, herein called "Transporter," and GLOBAL COMPANIES LLC, a Delaware limited liability company, herein called "Shipper," pursuant to the following recitals and representations.

WHEREAS Transporter has received and accepted a Certificate of Public Convenience and Necessity issued by the Federal Energy Regulatory Commission, authorizing Transporter to own, construct and operate a natural gas transmission system, herein called "Transporter's System;"

WHEREAS Transporter's System extends in a southeasterly direction from a point on the international border between the United States and Canada near Iroquois, Ontario/Waddington, New York, where Transporter's facilities interconnect with those of TransCanada PipeLines Limited ("TransCanada"), through the States of Connecticut and New York, to its terminus near South Commack, New York;

WHEREAS Shipper has obtained or is about to obtain capacity released from a Releasing Shipper pursuant to the terms of Section 28 of the General Terms and Conditions of Transporter's FERC Gas Tariff and the specific terms and conditions described in each effective Capacity Release Offer Report ("CROR") which is appended hereto, and which is identical to the CRORs of such Releasing Shippers;

WHEREAS each effective CROR appended to this Contract constitutes a separate transaction for purposes of Section 4 of the General Terms and Conditions of Transporter's FERC Gas Tariff and sets forth the Term of the release transaction, the rate Shipper is obligated to pay, the Receipt and Delivery Points Shipper may use, the maximum quantity of capacity Shipper has available for its use at these points, and other relevant terms and conditions associated with Shipper's acquisition of the released capacity;

WHEREAS Transporter has received and accepted all necessary regulatory and governmental approvals to construct and operate Transporter's System and to transport such gas on behalf of Shipper; and

WHEREAS Transporter and Shipper now desire to establish the terms and conditions under which Transporter will render firm, reserved transportation services to Shipper by entering into this Gas Transportation Contract for Firm Reserved Transportation Service;

NOW, THEREFORE, in consideration of the mutual covenants and agreements herein assumed, Transporter and Shipper agree as follows:

ARTICLE I - SCOPE OF CONTRACT

1. So long as Shipper satisfies the provisions of Section 3 of the General Terms and Conditions of Transporter's FERC Gas Tariff, including the creditworthiness standards therein, and upon the execution and effectiveness of this Contract, Shipper shall be qualified to bid from time to time on releases of capacity (or acquire such capacity as a Prearranged Replacement Shipper) as set forth in Section 28 of those General Terms and Conditions. If at any time a bid submitted by Shipper is accepted by Transporter, Transporter will post on its EBB an addendum to this Contract in the format set forth on its EBB as a CROR.

Each CROR is an integral part of this Contract; shall be deemed to incorporate the terms of this Contract; and shall be binding on the Parties. Shipper agrees to advise Transporter of any material change in the information previously provided to Transporter pursuant to Section 3 of the General Terms and Conditions of Transporter's Tariff.

2. During the Term of this Contract, on each day on which Shipper and Transporter schedule gas for transportation hereunder, Shipper shall cause the Scheduled Input Quantity to be delivered to Transporter at the Receipt Point(s).

3. On each day during the Term of this Contract, Transporter shall make the Scheduled Equivalent Quantity available to or on behalf of Shipper at the Delivery Point(s) on a firm basis.

4. Shipper shall be solely responsible for securing faithful performance by Gas Supplier(s) and/or any applicable upstream or downstream Shippers in all matters which may affect Transporter's performance hereunder, and Transporter shall not be liable hereunder to Shipper as a result of the failure of Gas Supplier(s) and/or any applicable upstream or downstream Shippers to so perform.

ARTICLE II - RESERVATION OF FIRM TRANSPORTATION CAPACITY

1. Shipper hereby reserves the right to cause Transporter to receive on a primary basis from or for the account of Shipper at each Receipt Point on any day such quantities of natural gas up to the Maximum Input Quantity for such Receipt Point as set forth on the currently effective CROR, and Transporter shall make available on a primary basis to or on behalf of Shipper at each Delivery Point on any day the Equivalent Quantity, not to exceed the Maximum Equivalent Quantity for each Delivery Point as set forth on the currently effective CROR; provided, however, Shipper's right to request Service hereunder, and Transporter's obligation to provide such service, shall be subject to the provisions of any capacity release agreement executed by Shipper and Transporter; and, provided further, Shipper's right to request service hereunder and Transporter's obligation to provide such service shall be subject to the terms and conditions stated in each effective CROR. Shipper may on a secondary basis receive quantities of natural gas at each Receipt Point up to two times the Maximum Input Quantity as set forth on the currently effective Schedule 1 appended hereto and deliver quantities of natural gas at each Delivery Point up to two times the Maximum Equivalent Quantity as set forth on the currently effective Schedule 2 appended hereto, provided that Shipper does not exceed the Maximum Equivalent Quantity in any pipe Segment.

2. Transporter shall make available to Shipper the transportation service reserved under this Article II on the days and for the quantities of gas for which such service had been reserved, subject to Shipper's compliance with the terms and conditions of this Contract.

ARTICLE III - RATE

1. During the Term of this Contract, for each Dth of Scheduled Equivalent Quantity on any day, Shipper agrees to pay and shall pay the applicable Maximum Transportation Commodity Rate specified in the RTS Rate Schedule, provided that the term is one year or more as in effect on the day the transportation service is rendered; provided, however, that in the event that Transporter determines, in its sole discretion, to render transportation service on behalf of Shipper for a Discounted Transportation Commodity Rate, Transporter shall notify Shipper in writing of the amount of such Discounted Transportation Commodity Rate, the day(s) on which such rate shall be in effect and the quantities to which such rate applies. For each Dth of Scheduled Equivalent Quantity to which a Discounted Transportation Commodity Rate applies, as set forth in Transporter's notice, Shipper agrees to pay and shall pay the applicable Discounted Transportation Commodity Rate in lieu of the Maximum Transportation Commodity Rate. Between March 27, 2000 and September 30, 2002, no rate caps shall apply to any capacity releases with terms of less than one year.

2. During the Term of this Contract, for each Dth per day of the Maximum Input Quantity, at each Receipt Point, Shipper agrees to pay and shall pay the demand rate set forth in each effective CROR hereto, or, if applicable, its volumetric equivalent, including any demand related fees, surcharges, and transition costs.

3. If Shipper is a Releasing Shipper, as defined in Section 28 of the General Terms and Conditions, for each month, the Transportation Demand Charge billed to Shipper shall be credited in accordance with Section 4.3(g) of Rate Schedule RTS and Section 28.17 of the General Terms and

Conditions.

4. For each Dth of Scheduled Equivalent Quantity on any day, Shipper agrees to pay and shall pay the applicable GRI and ACA Adjustments, Deferred Asset Surcharge, and any other applicable surcharge specified in the RTS Rate Schedule as in effect on the day the transportation service is rendered.

5. Shipper agrees that Transporter shall have the unilateral right to file with the FERC and make changes effective in (a) the rates and charges applicable to service pursuant to Transporter's RTS Rate Schedules, or (b) any provision of the General Terms and Conditions applicable to such rate schedules. Transporter agrees that Shipper may contest any such filing or changes and may request the FERC to determine just and reasonable rates and/or terms or conditions of service for Transporter when Shipper believes Transporter's rates and/or terms or conditions of service may be unjust, unreasonable, unduly discriminatory or preferential.

ARTICLE IV - RATE SCHEDULES AND GENERAL TERMS AND CONDITIONS

This Contract and all terms and provisions contained or incorporated herein are subject to the provisions of the RTS Rate Schedule and of the General Terms and Conditions of Transporter's FERC Gas Tariff as such may be revised or superseded from time to time, which RTS Rate Schedule and General Terms and Conditions are by this reference made a part hereof. All of the terms defined in Transporter's Tariff shall have the same meaning wherever used in this Contract.

ARTICLE V - TERM

1. The Commencement Date shall be September 30,2003.

2. This Contract shall be effective as of the date first hereinabove written; provided, however, that Transporter shall be under no obligation to receive or to deliver any quantities of natural gas hereunder and Shipper shall be under no obligation for any payments hereunder prior to the first day of the Term.

3. This Contract shall continue in force and effect until September 30, 2004, and year to year thereafter, unless terminated by either party upon ninety (90) days prior written notice to the other; provided, however, that if the FERC authorizes Transporter to abandon service to Shipper on an earlier date, this Contract shall terminate as of such earlier date. Termination or expiration of this Contract will also result in the termination of each CROR which is effective.

ARTICLE VI - NOTICES

Notices to Transporter shall be addressed to:

Iroquois Gas Transmission System, c/o Iroquois Pipeline Operating Company
One Corporate Drive, Suite 600
Shelton, CT 06484
Attn: Marketing & Transportation

Notices to Shipper hereunder shall be addressed to:

Global Companies LLC
800 South Street, Suite 200
Waltham MA 02454-9161
Attention:

Either party may change its address under this Article by written notice to the other party.

ARTICLE VII - TRANSFER AND ASSIGNMENT OF CONTRACT

Any entity which shall succeed by purchase, merger or consolidation to the properties, substantially as an entirety, of either Transporter or Shipper, as the case may be, shall be entitled to the rights and shall be subject to the obligations of its predecessor in title under this Contract. Any party may, without relieving itself of its obligations under this Contract, assign any of its rights hereunder to an entity with which it is affiliated, but otherwise no assignment of this Contract or of any of the rights or obligations hereunder shall be made unless there first shall have been obtained the written consent thereto of Shipper in the event of an assignment by Transporter or Transporter in the event of an assignment by Shipper which consents shall not be unreasonably withheld. It is agreed, however, that the restrictions on assignment contained in this Article VII shall not in any way prevent either party to this Contract from pledging or mortgaging its rights hereunder as security for its indebtedness.

ARTICLE VIII - NONRECOURSE OBLIGATION OF PARTNERSHIP AND OPERATOR

Shipper acknowledges and agrees that (a) Transporter is a Delaware limited partnership; (b) Shipper shall have no recourse against any Partner in Transporter with respect to Transporter's obligations under this Contract and that its sole recourse shall be against the partnership assets, irrespective of any failure to comply with applicable law or any provision of this Contract; (c) no claim shall be made against any Partner under or in connection with this Contract; (d) Shipper shall have no right of subrogation to any claim of Transporter for any capital contributions from any Partner to Transporter; (e) no claims shall be made against the Operator, its officers, employees, and agents, under or in connection with this Contract and the performance of Operator's duties as Operator (provided that this shall not bar claims resulting from the gross negligence or willful misconduct of Operator, it officers, employees or agents) and Shipper shall provide Operator with a waiver of subrogation of Shipper's insurance company for all such claims, and (f) this representation is made expressly for the benefit of the Partners in Transporter and Operator.

ARTICLE IX - LAW OF CONTRACT

The interpretation and performance of this Contract shall be in accordance with and controlled by laws of the State of New York.

IN WITNESS WHEREOF, the parties hereto have caused this Contract to be duly executed in several counterparts by their proper officers thereunto duly authorized, as of the date first hereinabove written.

ATTEST:

IROQUOIS GAS TRANSMISSION SYSTEM, L.P.
By Its Agent
IROQUOIS PIPELINE OPERATING COMPANY

By ______________________
Herbert A. Rakebrand, III
Vice President, Marketing & Transportation

ATTEST:

GLOBAL COMPANIES LLC

By ______________________

SYSTEM LICENSE AGREEMENT

This System License Agreement is entered into this **16th** day of **February, 2007**, by and between **Tennessee Gas Pipeline Company** ("Pipeline") and **Global Montello Group Corp.** ("Subscriber"). Pipeline and Subscriber shall be collectively referred to as the "Parties."

ARTICLE I - SCOPE OF AGREEMENT

Pipeline shall make available for use by Subscriber Pipeline's interactive computer system, ("the System"). Subscriber shall use the System to (1) request new services under applicable rate schedules; (2) request and execute amendments of existing service agreements; (3) nominate quantities for receipt and delivery by Pipeline pursuant to an existing service agreement under any of Pipeline's rate schedules; (4) effect changes in nominations of quantities for receipt and delivery by Pipeline pursuant to an existing service agreement in accord with the rate schedule pursuant to which service is rendered; (5) participate in Pipeline's capacity release program (e.g., post release requests, bid on capacity) in accord with provisions of the General Terms and Conditions of Pipeline's FERC Gas Tariff; and (6) use the Pipeline Mapping System. Subscriber may also use the System to request and receive from Pipeline such other information as Pipeline may from time to time make available to Subscriber through the System.

ARTICLE II - TERMS AND CONDITIONS OF AUTHORIZED USE

2.1 Upon Subscriber's request, Pipeline will make available to Subscriber any software necessary to operate the System. Pipeline and Subscriber will agree on the number of copies which Pipeline will make available to Subscriber, not to exceed five (5) copies. Subscriber is not authorized to make any additional copies without the express written consent of Pipeline. Any System software remains the property of Pipeline, and Subscriber shall return to Pipeline any software issued by Pipeline within five (5) days of the expiration or termination of this Agreement or within five (5) days of any demand by Pipeline for the return of such software upon breach by Subscriber of its obligations hereunder.

2.2 Subscriber recognizes that the System will operate properly only if Subscriber utilizes the hardware and software as posted on Pipeline's web site under "Notices."

2.3 Pipeline will provide Subscriber with a User ID and a unique password for each authorized user within Subscriber. To prevent unauthorized access, Subscriber shall be responsible for securing physical access to the System and to keep confidential its User ID and all passwords provided by Pipeline.

2.4 Subscriber shall identify one or more of its employees and/or officers to perform the contracting function and thereby legally bind Subscriber to any service agreement or amended service agreement entered into with Pipeline. Subscriber represents and warrants to Pipeline that the person(s) which have been designated for the contracting function have been duly authorized by the Subscriber to enter into service agreements or amended service agreements with Pipeline.

2.5 Liability -- Subscriber shall be solely responsible for any and all unauthorized or otherwise improper use of User ID and passwords issued by Pipeline to Subscriber that results from Subscriber's negligence, including, but not limited to the use of such User ID and passwords by Subscriber's personnel who at some point are no longer in Subscriber's employment or control. Upon evidence of unauthorized or improper use of a User ID or password, Pipeline reserves the right to invalidate, upon 72 hours prior notice, any such password or User ID. Subscriber shall defend and indemnify Pipeline from and against any and all claims, demands and actions, and any resulting loss, costs, damages and expenses (including court costs and reasonable attorneys fees) of any nature whatsoever which may be asserted against or imposed upon Pipeline by any person as a result of the unauthorized or otherwise improper use of any User ID or password issued by Pipeline to Subscriber, except when such unauthorized or improper use is the result of negligence or wrongful conduct on the part of the Pipeline.

ARTICLE III - INITIATION/MODIFICATION OF SERVICE

3.1 Following transmittal of Subscriber's request for service or amendment of existing service, such request shall be evaluated and accepted or rejected by Pipeline in accord with the General Terms and Conditions of its FERC Gas Tariff. If such request is accepted by Pipeline, Subscriber will be notified by Pipeline of such acceptance via the System and Subscriber shall execute on-line the requested new service or amendment of existing service.

3.2 With respect to requests for new transportation or storage service, Subscriber, at the time that it executes on-line its request in accord with Section 3.1 above, agrees to be bound by the terms and conditions of the pro-forma service agreement contained in Pipeline's FERC Gas Tariff which corresponds to the Rate Schedule under which the Subscriber is seeking service, as modified to incorporate the terms of the service request.

3.3 With respect to requests for modifications to meters in an existing service agreement between Subscriber and Pipeline, the Subscriber agrees to be bound by the terms and conditions of the pro forma contract amendment contained in Pipeline's FERC Gas Tariff, as modified to incorporate the meter modifications executed on-line by Subscriber.

ARTICLE IV - RELEASE AND DISCLAIMER OF LIABILITY/INDEMNIFICATION

4.1 Except for the negligence, bad faith, fraud or willful misconduct of Pipeline, Pipeline expressly disclaims any and all liability for loss or damage to Subscriber or to any third parties associated with Subscriber's use of the System, including but not limited to any loss or damage resulting from any one or more of the following: (1) Subscriber's negligent or otherwise improper use of the System; (2) any unauthorized use of the System, whether by Subscriber, Subscriber's employees or former employees, or by any other persons; (3) any acts of God or force majeure, as defined in Article X of Transporter's General Terms and Conditions, and also including electrical shortage and/or power outages; (4) any defects in computer hardware; (5) any interruption in or malfunction of electronic communication or transmission not within the Pipeline's control. Such causes or contingencies affecting the performance of this Agreement shall not relieve Pipeline of liability in the event (a) it fails to use due diligence to remedy the situation and remove the causes or contingencies affecting performance of this Agreement or (b) it fails to give Subscriber notice and full particulars of the same in writing or by telegraph or facsimile as soon as possible after the event or situation arises.

4.2 Subscriber agrees to protect, defend, indemnify, and hold harmless Pipeline against any and all loss, costs, damages, and expenses of any nature whatsoever (including court costs and reasonable attorney's fees), resulting from or otherwise related to any claim, demand, or action asserted against Pipeline, arising from or connected with Subscriber's use of the System except for the negligence, bad faith, fraud or willful misconduct of Pipeline.

ARTICLE V – TERM

This Agreement shall be and continue in full force and effect from the date of execution hereof until twelve (12) months after implementation of restructured services pursuant to Order No. 636 by Pipeline and shall continue thereafter on a month to month basis unless terminated by Pipeline for due cause or at the request of Subscriber. Subscriber agrees that Pipeline shall have the unilateral right to file with the appropriate regulatory authority to make changes in the rates, charges, terms and conditions applicable to service pursuant to this Agreement or any provisions of the General Terms and Conditions applicable to this Agreement. Pipeline agrees that Subscriber may protest or contest the aforementioned filings and that Subscriber does not waive any rights it may have with respect to such filings.

ARTICLE VI – NOTICE

Except as otherwise provided in the General Terms and Conditions applicable to this Agreement, any notice under this Agreement shall be in writing and mailed to the post office address of the party intended to receive the same, as follows:

Pipeline:

Tennessee Gas Pipeline Company
P. O. Box 2511
Houston, TX 77252-2511
Attention: Director, Transportation Services

SUBSCRIBER:

Global Montello Group Corp.
53 Technology Way, Suite 4E9
Nashua, NH 03060
Attention: Bob Johnson

or to such other address as either Party shall designate by formal written notice to the other.

ARTICLE VII – MISCELLANEOUS

7.1 Conformance with Tariff -- Subscriber's use of the System shall be in accordance with and subject to Pipeline's currently effective FERC Gas Tariff, including any and all applicable provisions of the General Terms and Conditions and the terms and conditions of any relevant rate schedules, all of which terms and conditions are incorporated herein by reference. In the event of a conflict between the terms and conditions of this Agreement and any other applicable terms and conditions set forth in Pipeline's FERC Gas Tariff, such other terms and conditions shall govern. For Subscriber's convenience, the terms and provisions of Pipeline's FERC Gas Tariff are available on the System. In the event of a conflict between what is displayed on the System and Pipeline's currently effective FERC Gas Tariff on file with the Federal Energy Regulatory Commission (FERC), Pipeline's currently effective tariff on file with FERC shall govern.

7.2 THE INTERPRETATION AND PERFORMANCE OF THIS AGREEMENT SHALL BE IN ACCORDANCE WITH AND CONTROLLED BY THE LAWS OF THE STATE OF TEXAS, WITHOUT REGARD TO DOCTRINES GOVERNING CHOICE OF LAW.

7.3 This Agreement and the obligations of the Parties are subject to all present and future valid laws with respect to the subject matter either state or federal, and to all valid present and future orders, rules, and regulations of duly constituted authorities having jurisdiction.

7.4 If any provision of this Agreement is declared null and void, or voidable, by a court of competent jurisdiction, then that provision will be considered severable at either Party's option; and if the severability option is exercised, the remaining provisions of the Agreement shall remain in full force and effect.

7.5 Unless otherwise expressly provided in this Agreement or in Pipeline's FERC Gas Tariff, no modification of or supplement to the terms and provisions hereof shall be or become effective, until Subscriber has submitted a request for change in accordance with Article III hereof.

7.6 This Agreement, as of the date of its execution, shall supersede and cancel any previously executed agreements between Pipeline and Subscriber with respect to the use of the System.

7.7 Pipeline reserves the right to modify or replace the System at any time.

IN WITNESS WHEREOF, the Parties hereto have caused this Agreement to be duly executed as of the date first hereinabove written.

TENNESSEE GAS PIPELINE COMPANY

By: Susanna Barry
for Kourtney Calhoun
Agent and Attorney-in-Fact 2/28/07

RJM 2/19/07

2/20/07

Accepted and Agreed to this
28th day of February, 2007

SUBSCRIBER

By: D D Bowersox
Name: Dennis Bowersox
Title: VP/ Manager Industrial Fuels