TRAVELCENTERS OF AMERICA LLC
Form 10-K
March 14, 2016
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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, DC 20549
FORM 10-K
ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
For the fiscal year ended December 31, 2015
Commission file number 001-33274
TRAVELCENTERS OF AMERICA LLC
(Exact Name of Registrant as Specified in Its Charter)

Delaware	20-5701514
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)

24601 Center Ridge Road, Suite 200, Westlake, OH
44145-5639
(Address of Principal Executive Offices)

(440) 808-9100
(Registrant's Telephone Number, Including Area Code)

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

Title of each class	Name of each exchange on which registered
Common Shares	NYSE
8.25% Senior Notes due 2028	NYSE
8.00% Senior Notes due 2029	NYSE
8.00% Senior Notes due 2030	NYSE

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes o No ý
Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. Yes o No ý
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 ý No o
Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes ý No o
Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. ý
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 o	Accelerated filer ý	Non-accelerated filer o	Smaller reporting company o

(Do not check if a 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 o No ý

The aggregate market value of the voting common shares of beneficial ownership, no par value, or common shares, of the registrant held by non-affiliates was $476.9 million based on the $14.85 closing price per common share on the New York Stock Exchange on June 30, 2015. For purposes of this calculation, an aggregate of 3,276,196 common shares held directly by, or by affiliates of, the directors and the officers of the registrant, plus 3,420,000 common shares held by Hospitality Properties Trust, have been included in the number of common shares held by affiliates.

Number of the registrant's common shares outstanding as of February 29, 2016: 38,798,664.

DOCUMENTS INCORPORATED BY REFERENCE

Certain information required in Items 10, 11, 12, 13 and 14 of Part III of this Annual Report on Form 10-K is incorporated by reference to our definitive Proxy Statement for our 2016 Annual Meeting of Shareholders to be filed pursuant to Regulation 14A, or our definitive Proxy Statement.

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References in this Annual Report on Form 10-K, to "TA", "TravelCenters", the "Company", "we", "us" and "our" include TravelCenters of America LLC and our consolidated subsidiaries unless otherwise expressly stated or the context indicates otherwise.

WARNING CONCERNING FORWARD LOOKING STATEMENTS

THIS ANNUAL REPORT ON FORM 10-K FOR THE YEAR ENDED DECEMBER 31, 2015, OR THIS ANNUAL REPORT, CONTAINS STATEMENTS THAT CONSTITUTE FORWARD LOOKING STATEMENTS WITHIN THE MEANING OF THE PRIVATE SECURITIES LITIGATION REFORM ACT OF 1995 AND OTHER SECURITIES LAWS. WHENEVER WE USE WORDS SUCH AS "BELIEVE", "EXPECT", "ANTICIPATE", "INTEND", "PLAN", "ESTIMATE" OR SIMILAR EXPRESSIONS, WE ARE MAKING FORWARD LOOKING STATEMENTS. THESE FORWARD LOOKING STATEMENTS ARE BASED UPON OUR PRESENT INTENT, BELIEFS OR EXPECTATIONS, BUT FORWARD LOOKING STATEMENTS ARE NOT GUARANTEED TO OCCUR AND MAY NOT OCCUR. ACTUAL RESULTS MAY DIFFER MATERIALLY FROM THOSE CONTAINED IN OR IMPLIED BY OUR FORWARD LOOKING STATEMENTS AS A RESULT OF VARIOUS FACTORS. AMONG OTHERS, THE FORWARD LOOKING STATEMENTS WHICH APPEAR IN THIS ANNUAL REPORT THAT MAY NOT OCCUR INCLUDE STATEMENTS THAT:

- OUR OPERATING RESULTS FOR THE YEAR ENDED DECEMBER 31, 2015, REFLECT INCREASES IN NONFUEL SALES AND GROSS MARGIN OVER THE SAME PERIOD LAST YEAR, INCLUDING ON A SAME SITE BASIS. THIS MAY IMPLY THAT OUR NONFUEL SALES AND MARGIN WILL CONTINUE TO IMPROVE. HOWEVER, CUSTOMER DEMAND AND COMPETITIVE CONDITIONS AMONG OTHER FACTORS MAY SIGNIFICANTLY IMPACT OUR NONFUEL SALES AND THE COSTS OF OUR NONFUEL PRODUCTS MAY INCREASE IN THE FUTURE BECAUSE OF INFLATION OR OTHER REASONS. IF WE ARE NOT ABLE TO PASS INCREASED NONFUEL COSTS TO OUR CUSTOMERS, IF OUR NONFUEL SALES VOLUMES DECLINE OR IF OUR NONFUEL SALES MIX CHANGES IN A MANNER THAT NEGATIVELY IMPACTS OUR NONFUEL MARGIN, OUR NONFUEL SALES AND/OR MARGIN MAY DECLINE;
- WE HAVE INVESTED AND EXPECT TO CONTINUE TO INVEST TO ACQUIRE AND IMPROVE OUR TRAVEL CENTERS AND CONVENIENCE STORES AND THAT WE EXPECT OUR PROPERTIES WILL PRODUCE IMPROVED STABILIZED FINANCIAL RESULTS AND PROFITS SOMETIME AFTER WE MAKE THESE INVESTMENTS. HOWEVER, MANY OF THE LOCATIONS WE HAVE ACQUIRED PRODUCED OPERATING RESULTS THAT CAUSED THE PRIOR OWNERS TO EXIT THESE BUSINESSES AND OUR ABILITY TO OPERATE THESE LOCATIONS PROFITABLY DEPENDS UPON MANY FACTORS, SOME OF WHICH ARE BEYOND OUR CONTROL, SUCH AS THE LEVEL OF DEMAND FOR OUR GOODS AND SERVICES ARISING FROM THE U.S. ECONOMY. ALSO, OUR FUTURE OPERATING INCOME AND NET INCOME WILL DEPEND UPON MANY FACTORS IN ADDITION TO THE RESULTS REALIZED FROM OUR ACQUIRED SITES; ACCORDINGLY, OUR FUTURE OPERATING INCOME AND NET INCOME MAY NOT INCREASE BUT INSTEAD MAY DECLINE OR WE MAY EXPERIENCE LOSSES;
- WE HAVE MADE ACQUISITIONS, HAVE AGREED TO MAKE ADDITIONAL ACQUISITIONS, INTEND TO BUILD NEW TRAVEL CENTERS ON LAND THAT WE OWN, AND TO SELL CERTAIN OF THOSE TRAVEL CENTERS WE OWN TO HOSPITALITY PROPERTIES TRUST, OR HPT. THESE STATEMENTS MAY IMPLY THAT THESE ACQUISITIONS AND DEVELOPMENT PROJECTS AND RELATED SALES WILL BE COMPLETED AND THAT THEY WILL IMPROVE OUR FUTURE PROFITS. HOWEVER, OUR ACQUISITIONS ARE SUBJECT TO CLOSING CONDITIONS WHICH MAY NOT BE MET AND THE TRANSACTIONS MAY NOT BE COMPLETED OR MAY BE DELAYED OR THEIR TERMS MAY CHANGE. THERE ARE MANY FACTORS THAT MAY RESULT IN OUR NOT BEING ABLE TO ACQUIRE, RENOVATE AND DEVELOP ADDITIONAL LOCATIONS THAT YIELD PROFITS, INCLUDING COMPETITION FOR SUCH ACQUISITIONS FROM OTHER BUYERS, OUR INABILITY TO NEGOTIATE ACCEPTABLE PURCHASE TERMS AND THE POSSIBILITY THAT WE MAY NEED TO USE OUR AVAILABLE FUNDS FOR OTHER PURPOSES. WE MAY DETERMINE TO DELAY OR NOT TO PROCEED WITH PENDING ACQUISITIONS OR DEVELOPMENT PROJECTS. THOUGH WE HAVE AGREEMENTS TO SELL TO, AND

LONG TERM LEASE BACK FROM, HPT THE DEVELOPMENT PROPERTIES UPON THEIR COMPLETION, HPT'S PURCHASES ARE SUBJECT TO CONDITIONS AND THOSE CONDITIONS MAY NOT BE SATISFIED. ALSO, OUR DEVELOPMENT COSTS COULD EXCEED THE MAXIMUM AMOUNT HPT HAS AGREED TO FUND. MOREOVER, MANAGING AND INTEGRATING ACQUIRED AND DEVELOPED LOCATIONS CAN BE DIFFICULT, TIME CONSUMING AND/OR MORE EXPENSIVE THAN ANTICIPATED AND INVOLVE RISKS OF FINANCIAL LOSSES. WE MAY NOT OPERATE OUR ACQUIRED OR DEVELOPED LOCATIONS AS PROFITABLY AS WE NOW EXPECT;

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- OUR GROWTH STRATEGY IS TO SELECTIVELY ACQUIRE ADDITIONAL LOCATIONS AND BUSINESSES, INCLUDING THE QUAKER STEAK & LUBE® RESTAURANT BUSINESS, AND TO OTHERWISE GROW OUR BUSINESSES. THIS STATEMENT MAY IMPLY THAT WE WILL BE ABLE TO IDENTIFY AND COMPLETE ADDITIONAL ACQUISITIONS, THAT WE WILL BE ABLE TO OTHERWISE GROW OUR BUSINESSES AND THAT ANY ACQUISITIONS OR GROWTH INITIATIVES WE MAY PURSUE WILL IMPROVE OUR PROFITS. HOWEVER, WE MAY NOT SUCCEED IN IDENTIFYING OR ACQUIRING OTHER PROPERTIES AND BUSINESSES OR OTHERWISE GROWING OUR BUSINESS, AND ACQUISITIONS WE MAY MAKE AND OTHER GROWTH INITIATIVES WE MAY PURSUE MAY NOT IMPROVE OUR PROFITS;
- WE CURRENTLY PLAN TO INVEST TO RENOVATE RECENTLY ACQUIRED PROPERTIES AND WE HAVE ENTERED AGREEMENTS TO ACQUIRE ADDITIONAL CONVENIENCE STORES. AN IMPLICATION OF THESE STATEMENTS MAY BE THAT WE HAVE SUFFICIENT CAPITAL TO MAKE THE INVESTMENTS WE HAVE IDENTIFIED AS WELL AS OTHERS THAT WE HAVE NOT YET IDENTIFIED. HOWEVER, THERE CAN BE NO ASSURANCE THAT WE WILL HAVE SUFFICIENT FUNDING FOR FUTURE CAPITAL INVESTMENTS OR ACQUISITIONS. OUR BUSINESS REQUIRES REGULAR AND SUBSTANTIAL CAPITAL INVESTMENTS TO MAINTAIN THE COMPETITIVENESS OF OUR LOCATIONS AND TO GROW OUR BUSINESS. THE AMOUNT AND TIMING OF CAPITAL EXPENDITURES ARE OFTEN DIFFICULT TO PREDICT. SOME CAPITAL PROJECTS COST MORE THAN ANTICIPATED AND THE PROCEEDS FROM OUR SALES OF IMPROVEMENTS, IF ANY, TO HPT MAY BE LESS THAN ANTICIPATED. CURRENTLY UNANTICIPATED PROJECTS THAT WE MAY BE REQUIRED TO COMPLETE IN THE FUTURE (AS A RESULT OF GOVERNMENT PROGRAMS OR REGULATION, ADVANCES OR CHANGES MADE BY OUR COMPETITION, DEMANDS OF OUR CUSTOMERS, OR FOR OTHER REASONS) MAY ARISE AND CAUSE US TO SPEND MORE THAN CURRENTLY ANTICIPATED. SOME CAPITAL PROJECTS TAKE MORE TIME TO COMPLETE THAN ANTICIPATED. AS A RESULT OF MARKET CONDITIONS OR OTHER CONSIDERATIONS, WE MAY DEFER CERTAIN CAPITAL PROJECTS AND SUCH DEFERRAL MAY HARM OUR BUSINESS OR REQUIRE US TO MAKE LARGER CAPITAL EXPENDITURES IN THE FUTURE. ALSO, WE MAY BE UNABLE TO ACCESS REASONABLY PRICED CAPITAL TO FUND SUCH INVESTMENTS;
- WE HAVE A CREDIT FACILITY WITH A CURRENT MAXIMUM AVAILABILITY OF $200 MILLION, WHICH WE REFER TO AS OUR CREDIT FACILITY. HOWEVER, OUR BORROWING AND LETTER OF CREDIT AVAILABILITY IS SUBJECT TO OUR HAVING QUALIFIED COLLATERAL, INCLUDING ELIGIBLE CASH, ACCOUNTS RECEIVABLE AND INVENTORY THAT VARY IN AMOUNT FROM TIME TO TIME. ACCORDINGLY, OUR BORROWING AND LETTER OF CREDIT AVAILABILITY AT ANY TIME MAY BE LESS THAN $200 MILLION. AT DECEMBER 31, 2015, OUR BORROWING AND LETTER OF CREDIT AVAILABILITY WAS $84.7 MILLION, OF WHICH WE HAD USED $34.5 MILLION FOR OUTSTANDING LETTERS OF CREDIT. THE MAXIMUM AMOUNT AVAILABLE UNDER THE CREDIT FACILITY MAY BE INCREASED TO $300 MILLION, SUBJECT TO AVAILABLE COLLATERAL AND LENDER PARTICIPATION. HOWEVER, IF WE DO NOT HAVE SUFFICIENT COLLATERAL OR IF WE ARE UNABLE TO IDENTIFY LENDERS WILLING TO INCREASE THEIR COMMITMENTS OR JOIN OUR CREDIT FACILITY, WE MAY NOT BE ABLE TO INCREASE THE CREDIT FACILITY OR THE AVAILABILITY OF BORROWINGS WHEN WE MAY NEED OR WANT TO DO SO;
- UNDER OUR JUNE 2015 AGREEMENTS WITH HPT, WE AGREED TO SELL TO HPT UPON COMPLETION OF THEIR DEVELOPMENT, FIVE FULL SERVICE TRAVEL CENTERS FOR DEVELOPMENT AND LAND COSTS, ESTIMATED TO BE UP TO $118 MILLION. OUR AND HPT'S OBLIGATIONS UNDER THESE AGREEMENTS ARE SEPARATE CONTRACTUAL OBLIGATIONS THAT ARE SUBJECT TO VARIOUS TERMS AND CONDITIONS TYPICAL OF LARGE, COMPLEX REAL ESTATE TRANSACTIONS. SOME OF THESE TERMS AND CONDITIONS MAY NOT BE SATISFIED AND, AS A RESULT, SOME OF THESE TRANSACTIONS MAY BE DELAYED, MAY NOT OCCUR OR THE TERMS MAY CHANGE;
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THE TERMS OF OUR JUNE 2015 AGREEMENTS WITH HPT WERE NEGOTIATED AND APPROVED BY SPECIAL COMMITTEES OF OUR INDEPENDENT DIRECTORS AND OF HPT'S INDEPENDENT TRUSTEES, NONE OF WHOM ARE DIRECTORS OR TRUSTEES OF THE OTHER COMPANY, AND EACH SPECIAL COMMITTEE WAS REPRESENTED BY SEPARATE LEGAL COUNSEL. AN IMPLICATION OF THESE STATEMENTS MAY BE THAT THESE AGREEMENTS MAY HAVE ALL THE TERMS CUSTOMARILY INCLUDED IN "ARM'S LENGTH" AGREEMENTS BETWEEN UNRELATED PARTIES. WE AND HPT ARE RELATED PARTIES FOR A NUMBER OF REASONS, INCLUDING BECAUSE HPT IS OUR LARGEST SHAREHOLDER, BECAUSE WE AND HPT HAVE A COMMON BOARD MEMBER, AND BECAUSE BOTH WE AND HPT ENGAGE THE SAME MANAGEMENT COMPANY. ALSO, AN AGREEMENT ENTERED BETWEEN HPT AND US AT THE TIME WE WERE SPUN OUT TO HPT SHAREHOLDERS AND WE BECAME A SEPARATE PUBLIC COMPANY GRANTS

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HPT CERTAIN RIGHTS OF FIRST REFUSAL REGARDING OUR REAL ESTATE TRANSACTIONS. ACCORDINGLY, WE CAN PROVIDE NO ASSURANCE THAT THE AGREEMENTS BETWEEN US AND HPT CONTAIN ALL THE TERMS CUSTOMARILY INCLUDED IN “ARM’S LENGTH” AGREEMENTS;

- WE MAY FINANCE OR SELL UNENCUMBERED REAL ESTATE THAT WE OWN. HOWEVER, WE DO NOT KNOW THE EXTENT TO WHICH WE COULD MONETIZE OUR EXISTING UNENCUMBERED REAL ESTATE;
- WE AND HPT ARE CHALLENGING THE VIRGINIA DEPARTMENT OF TRANSPORTATION, OR VDOT, VALUATION OF THE PROPERTY WE LEASED FROM HPT AND OPERATED IN ROANOKE, VA, THAT WAS TAKEN BY EMINENT DOMAIN PROCEEDINGS BY VDOT. THE IMPLICATION OF THIS STATEMENT MAY BE THAT WE AND HPT WILL RECOVER ADDITIONAL AMOUNTS FROM VDOT THAT WOULD FURTHER REDUCE OUR RENT PAYABLE TO HPT AND/OR PROVIDE US A CASH PAYMENT. HOWEVER, WE MAY NOT BE SUCCESSFUL IN OUR CHALLENGE AND WE EXPECT THAT THE ULTIMATE RESOLUTION OF THIS MATTER WILL TAKE A CONSIDERABLE PERIOD OF TIME; AND
- WE BELIEVE OUR RELATIONSHIPS WITH OUR RELATED PARTIES, INCLUDING HPT, THE RMR GROUP LLC (FORMERLY KNOWN AS REIT MANAGEMENT & RESEARCH LLC), OR RMR, AFFILIATES INSURANCE COMPANY, OR AIC, AND OTHERS AFFILIATED WITH THEM MAY BENEFIT US AND PROVIDE US WITH ADVANTAGES IN OPERATING AND GROWING OUR BUSINESS. IN FACT, THE ADVANTAGES WE BELIEVE WE MAY REALIZE FROM THESE RELATIONSHIPS MAY NOT MATERIALIZE.

THESE AND OTHER UNEXPECTED RESULTS MAY BE CAUSED BY VARIOUS FACTORS, SOME OF WHICH ARE BEYOND OUR CONTROL, INCLUDING:

- THE TREND TOWARDS IMPROVED FUEL EFFICIENCY OF MOTOR VEHICLE ENGINES AND OTHER FUEL CONSERVATION PRACTICES EMPLOYED BY OUR CUSTOMERS MAY CONTINUE TO REDUCE THE DEMAND FOR FUEL AND MAY ADVERSELY AFFECT OUR BUSINESS;
- COMPETITION WITHIN THE TRAVEL CENTER AND CONVENIENCE STORE INDUSTRIES MAY ADVERSELY IMPACT OUR FINANCIAL RESULTS;
- FUTURE INCREASES IN FUEL PRICES MAY REDUCE THE DEMAND FOR THE PRODUCTS AND SERVICES THAT WE SELL BECAUSE HIGH FUEL PRICES MAY ENCOURAGE FUEL CONSERVATION, DIRECT FREIGHT BUSINESS AWAY FROM TRUCKING OR OTHERWISE ADVERSELY AFFECT THE BUSINESS OF OUR CUSTOMERS;
- FUTURE COMMODITY FUEL PRICE INCREASES, FUEL PRICE VOLATILITY OR OTHER FACTORS MAY CAUSE US TO NEED MORE WORKING CAPITAL TO MAINTAIN OUR INVENTORY AND CARRY OUR ACCOUNTS RECEIVABLE THAN WE NOW EXPECT AND THE GENERAL AVAILABILITY OF, DEMAND FOR AND PRICING CHARACTERISTICS OF MOTOR FUELS MAY CHANGE IN WAYS WHICH LOWER THE PROFITABILITY ASSOCIATED WITH SELLING MOTOR FUELS TO OUR CUSTOMERS;
- OUR SUPPLIERS MAY BE UNWILLING OR UNABLE TO MAINTAIN THE CURRENT CREDIT TERMS FOR OUR PURCHASES. IF WE ARE UNABLE TO PURCHASE GOODS ON REASONABLE CREDIT TERMS, OUR REQUIRED WORKING CAPITAL MAY INCREASE AND WE MAY INCUR MATERIAL LOSSES. ALSO, IN TIMES OF RISING FUEL AND NONFUEL PRICES OUR SUPPLIERS MAY BE UNWILLING OR UNABLE TO INCREASE THE CREDIT AMOUNTS THEY EXTEND TO US, WHICH MAY INCREASE OUR WORKING CAPITAL REQUIREMENTS. THE AVAILABILITY AND THE TERMS OF ANY CREDIT WE MAY BE ABLE TO OBTAIN ARE UNCERTAIN;
- ACQUISITIONS OR PROPERTY DEVELOPMENT MAY SUBJECT US TO GREATER RISKS THAN OUR CONTINUING OPERATIONS, INCLUDING THE ASSUMPTION OF UNKNOWN LIABILITIES;
- MOST OF OUR TRUCKING COMPANY CUSTOMERS TRANSACT BUSINESS WITH US BY USE OF FUEL CARDS, MOST OF WHICH ARE ISSUED BY THIRD PARTY FUEL CARD COMPANIES. THE FUEL CARD INDUSTRY HAS ONLY A FEW SIGNIFICANT PARTICIPANTS. FUEL CARD COMPANIES FACILITATE PAYMENTS TO US AND CHARGE US FEES FOR THESE SERVICES. COMPETITION, OR LACK THEREOF,

AMONG FUEL CARD COMPANIES MAY RESULT IN FUTURE INCREASES IN OUR TRANSACTION FEE EXPENSES OR WORKING CAPITAL REQUIREMENTS, OR BOTH;

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- FUEL SUPPLY DISRUPTIONS MAY OCCUR, WHICH MAY LIMIT OUR ABILITY TO OBTAIN FUEL;
- COMPLIANCE WITH, AND CHANGES TO, FEDERAL, STATE AND LOCAL LAWS AND REGULATIONS, ACCOUNTING AND FINANCIAL REPORTING STANDARDS AND REGULATIONS, TAX RATES, ENVIRONMENTAL REGULATIONS, PAYMENT CARD INDUSTRY REQUIREMENTS AND SIMILAR MATTERS MAY INCREASE OUR OPERATING COSTS AND REDUCE OR ELIMINATE OUR PROFITS;
- WE ARE ROUTINELY INVOLVED IN LITIGATION. DISCOVERY AND COURT DECISIONS DURING LITIGATION OFTEN HAVE UNANTICIPATED RESULTS. LITIGATION IS USUALLY EXPENSIVE AND CAN BE DISTRACTING TO MANAGEMENT. WE CAN PROVIDE NO ASSURANCE AS TO THE OUTCOME OF ANY OF THE LITIGATION MATTERS IN WHICH WE ARE OR MAY BECOME INVOLVED;
- ACTS OF TERRORISM, GEOPOLITICAL RISKS, WARS, OUTBREAKS OF SO CALLED PANDEMICS OR OTHER MANMADE OR NATURAL DISASTERS BEYOND OUR CONTROL MAY ADVERSELY AFFECT OUR FINANCIAL RESULTS; AND
- ALTHOUGH WE BELIEVE THAT WE BENEFIT FROM OUR RELATIONSHIPS WITH OUR RELATED PARTIES, INCLUDING HPT, RMR, AIC AND OTHERS AFFILIATED WITH THEM, ACTUAL AND POTENTIAL CONFLICTS OF INTEREST WITH RELATED PARTIES MAY PRESENT A CONTRARY PERCEPTION OR RESULT IN LITIGATION.

RESULTS THAT DIFFER FROM THOSE STATED OR IMPLIED BY OUR FORWARD LOOKING STATEMENTS MAY ALSO BE CAUSED BY VARIOUS CHANGES IN OUR BUSINESS OR MARKET CONDITIONS AS DESCRIBED MORE FULLY UNDER ITEM 1A. "RISK FACTORS" AND ELSEWHERE IN THIS ANNUAL REPORT.

YOU SHOULD NOT PLACE UNDUE RELIANCE UPON FORWARD LOOKING STATEMENTS. EXCEPT AS REQUIRED BY LAW, WE UNDERTAKE NO OBLIGATION TO UPDATE OR REVISE ANY FORWARD LOOKING STATEMENT AS A RESULT OF NEW INFORMATION, FUTURE EVENTS OR OTHERWISE.

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PART I

Item 1. Business

Business Overview

We are a Delaware limited liability company. We operate and franchise 456 travel center and convenience store locations. Our customers include trucking fleets and their drivers, independent truck drivers and highway and local motorists. We offer a broad range of products and services, including diesel fuel and gasoline, as well as nonfuel products and services such as truck repair and maintenance services, full service restaurants, more than 39 different brands of quick service restaurants, or QSRs, travel/convenience stores and various driver amenities. Additionally, we collect rents, royalties and other fees from our tenants, franchisees and dealers.

We manage our business on the basis of two reportable segments: travel centers and convenience stores. See Note 15 to the Notes to Consolidated Financial Statements included in Item 15 of this Annual Report for more information about our segments. We have a single travel center located in a foreign country, Canada, that we do not consider material to our operations.

As of December 31, 2015, our business included 252 travel centers in 43 states in the United States, or U.S., primarily along the U.S. interstate highway system, and the province of Ontario, Canada. Our travel centers included 176 operated under the "TravelCenters of America" and "TA" brand names, or the TA brand, including 161 that we operated and 15 that franchisees operated, including five we lease to franchisees, and 76 operated under the "Petro Stopping Centers" and "Petro" brand names, or the Petro brand, including 62 that we operated and 14 that franchisees operated. Of our 252 travel centers at December 31, 2015, we owned 32, we leased 194, including 192 that we leased from Hospitality Properties Trust, or HPT, we operated two for a joint venture and our franchisees owned or leased from others 24. Substantially all of our travel centers include a convenience store, at least one restaurant, a truck service/repair facility and fueling lanes for trucks and passenger vehicles. We report this portion of our business as our travel center segment.

The U.S. travel center and truck stop industry consists of travel centers, truck stops, diesel fuel outlets and similar properties. We believe that although the travel center and truck stop industry is highly fragmented, with approximately 6,400 travel centers and truck stops in the U.S., the largest trucking fleets tend to purchase the majority of their fuel from us and our two largest competitors. Many of our travel centers were originally developed years ago when prime real estate locations along the interstate highway system were more readily available than they are today, which we believe would make it difficult to replicate our business. We believe that our nationwide travel centers provide an advantage to large trucking fleets, particularly long haul trucking fleets, by enabling them to (i) take advantage of efficiencies afforded by the wide array of services our travel centers provide for their equipment and their drivers and (ii) reduce the number of their suppliers by routing their trucks through our travel centers from coast to coast and border to border.

As of December 31, 2015, our business also included 204 convenience stores not located on a travel center property in 11, primarily Midwestern, states of the U.S. We operate our convenience stores primarily under the "Minit Mart" brand name, or the Minit Mart brand. Of these 204 convenience stores at December 31, 2015, we owned 173 and we leased or managed 29, including one that we leased from HPT, and we operated two for a joint venture in which we own a noncontrolling interest. Additionally, we collect rent from one dealer who operates a convenience store we own. We report this portion of our business as our convenience store segment.

The U.S. convenience store industry consists of convenience stores, gasoline stations and similar properties. As of December 31, 2015, the convenience store industry consisted of roughly 154,000 convenience stores in the U.S. The convenience store industry is highly competitive with ease of entry and constant changes in the number and types of retailers offering the products and services similar to those we offer. Fuel, food, including prepared foods, and nonfood items similar or identical to those sold by us are generally available from various competitors in the communities we serve, including other convenience store chains, independent convenience store operators, supermarkets, drug stores, mass merchants, and other retail stores.

As of December 31, 2015, we employed approximately 13,500 people on a full time basis and 9,900 people on a part time basis at our travel centers and convenience stores and we employed an additional 850 people in field management, corporate and other roles to support these locations. Thirty-eight of our employees at two travel centers are represented by unions.

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Our Growth Strategy

Since 2011, our growth strategy has been to acquire additional travel center locations and, since 2013, convenience store locations. Further, in 2015, we announced our intention to acquire the Quaker Steak & Lube® casual dining restaurant brand and related assets. We currently intend to continue our efforts to selectively acquire additional properties and businesses and to otherwise grow our businesses. Our acquisitions since the beginning of 2011 and planned acquisitions are summarized below. See also Note 3 to the Notes to Consolidated Financial Statements in Item 15 of this Annual Report for more information about our acquisitions.

- During 2016, to the date of this Annual Report, we entered agreements to acquire 16 convenience stores for a total of $23.3 million. We expect to complete these acquisitions in the first half of 2016, but these acquisitions are subject to conditions and may not occur, may be delayed or the terms may change.
- As of December 31, 2015, we had entered agreements to acquire 24 convenience stores for an aggregate purchase price of $32.8 million and 53 restaurant locations (including owned, leased and franchised locations) for a total of $25.0 million. Through the date of this Annual Report, we completed the purchase of seven of these convenience stores for an aggregate purchase price of $13.9 million. We expect to complete the remaining acquisitions in 2016, but these purchases are subject to conditions and may not occur, may be delayed or the terms may change.
- During 2015, we acquired three travel centers and 170 convenience stores for an aggregate purchase price of $320.3 million.
- During 2014, we acquired four travel centers for an aggregate amount of $28.7 million.
- During 2013, we acquired nine travel centers and the business of a franchisee at a travel center such franchisee had previously subleased from us and 31 convenience stores for an aggregate amount of $111.5 million.
- During 2012, we acquired 10 travel centers and the businesses of our franchisees at four travel centers that such franchisees previously had subleased from us for an aggregate amount of $52.1 million.
- During 2011, we acquired six travel centers and two properties ancillary to existing travel centers for an aggregate amount of $37.8 million.

As of December 31, 2015, we had begun construction of travel centers on three parcels of previously undeveloped land we own and planned to begin construction on one additional parcel we own during 2016. In January of 2016, we completed development of one of these travel centers. We also have begun construction of a new travel center on an owned property that previously included only a convenience store and truck repair facility. We may decide to build additional travel centers or other facilities in the future on six other parcels of largely undeveloped land we own. We occasionally consider purchasing properties for future development and we expect to continue to do so in the future.

We believe that in addition to growing our business through our acquisitions and development plans, we have opportunities to increase revenues and profits through continued investment in our existing properties, including continuing the renovations and stabilization of operations at locations we have acquired recently or may acquire in the future. Recent investments in our existing properties have included projects such as parking lot expansions, construction of additional truck repair bays, restaurant remodeling, the installation of additional QSR offerings, installation of diesel exhaust fluid, or DEF, and liquid natural gas, or LNG, dispensers for sale of those products, and expansion of our Reserve-It!™ parking, RoadSquad®, RoadSquad Connect™ and RoadSquad OnSite® offerings.

Typical improvements we make at acquired travel centers include adding truck repair facilities and nationally branded QSRs, paving parking lots, rebranding gasoline offerings, replacing outdated fuel dispensers, installing DEF dispensing systems, changing signage, installing point of sale and other information technology, or IT, systems and general building and cosmetic upgrades. The improvements to travel center properties we acquire are often substantial and require a long period of time to plan, design, permit and complete, and after being completed require a period of time to become part of our customers' supply networks and produce stabilized financial results. We estimate that the travel centers we acquire generally will reach financial stabilization in approximately the third year after acquisition, but the actual result can vary widely from this estimate due to many factors, some of which are outside our control.

Improvements that we typically make at acquired convenience stores include rebranding to the Minit Mart brand, adding QSRs, rebranding gasoline offerings and completing any required deferred maintenance. We estimate that the convenience stores that we acquire will generally reach financial stabilization within one year after acquisition, but the actual results can vary widely from the estimate due to many factors, some of which are outside our control.

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Our Travel Center and Convenience Store Locations

Our typical travel center includes:

- over 25 acres of land with parking for approximately 186 tractor trailers and 100 cars;
- a full service restaurant and one or more QSRs that we operate as a franchisee under various brands;
- a truck repair facility and parts store;
- multiple diesel and gasoline fueling points, including DEF at the diesel lanes; and
- a travel/convenience store, game room, lounge and other amenities for professional truck drivers and motorists.

Substantially all of our travel centers are full service sites located on or near an interstate highway exit and offer fuel and nonfuel products and services 24 hours per day, 365 days per year.

Our typical convenience store includes:

- approximately 10 fueling positions;
- approximately 3,100 square feet of interior space on an acre of land; and
- multiple merchandise and QSR offerings.

The majority of our convenience stores are open 24 hours per day, 365 days per year.

Our locations offer a broad range of products and services designed to appeal to our customers, including:

- Fuel. We sell diesel fuel at separate truck fueling lanes at our travel centers. We sell branded and unbranded gasoline and diesel fuel at motorist fuel islands at our travel centers and convenience store locations. As of December 31, 2015, we offered branded gasoline at 427 of our 456 locations and unbranded gasoline at 15 of our locations (six of which are operated by franchisees of ours and the remainder of which are expected to be converted to a nationally recognized brand during the first six months of 2016).
- Diesel Exhaust Fluid. DEF is an additive that is required by most truck engines manufactured after 2010. As of December 31, 2015, we offered DEF from dispensers on the diesel fueling island at all of our travel centers.
- Full Service Restaurants and QSRs. Most of our travel centers have both full service restaurants and QSRs that offer customers a wide variety of nationally recognized branded food choices. The substantial majority of our full service restaurants are operated under our Iron Skillet® and Country Pride® brands and offer menu table service and buffets. We also operate 39 different brands of QSRs, including Arby's®, Burger King®, Dunkin' Donuts®, Pizza Hut®, Popeye's Chicken & Biscuits®, Starbuck's Coffee®, Subway® and Taco Bell®. As of December 31, 2015, 217 of our travel centers included a full service restaurant, 240 of our travel centers and convenience stores offered at least one QSR, and there were a total of 450 QSRs in our 456 locations.
- Truck Service. Most of our travel centers have truck repair and maintenance facilities and we have plans to add truck repair and maintenance facilities to four travel centers that were purchased in 2014 and 2015. Our 247 truck repair and maintenance facilities typically have between three and six service bays and are staffed by mechanics and service technicians employed by us or our franchisees. These shops generally operate 24 hours per day, 365 days per year, and offer extensive maintenance and emergency repair and road services, ranging from basic services such as oil changes, wheel alignments and tire repair to specialty services such as diagnostics and repair of air conditioning, brakes and electrical systems. Our repair and maintenance services are generally covered by our warranty. Most of our truck repair and maintenance facilities provide some warranty work on Daimler Trucks North America, or Daimler, brand trucks through our participation in the Freightliner ServicePoint® and Western Star ServicePoint® programs, as described under the heading "Operations—Daimler Agreement" below.

RoadSquad® is a roadside truck service program that operates 24 hours per day, seven days per week and includes a fleet of approximately 470 heavy duty emergency vehicles at our company operated sites. Our service trucks are positioned at our travel centers and centrally dispatched to assist customers with repairs when they are unable to bring their truck to our travel center due to a break down. RoadSquad Connect™ is our centralized call center to dispatch both our RoadSquad® vehicles and third party roadside service providers, and is designed to extend the geographic reach of RoadSquad®. RoadSquad Connect™ includes service providers in 48 U.S. states and one Canadian province with a total of approximately 1,500 locations. We also offer truck and trailer repair services at customer facilities through a service program we refer to as RoadSquad OnSite®.

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- Travel Stores. Our travel stores located at a travel center have a selection of over 4,700 items, including packaged food and snack items, beverages, non-prescription drug and beauty supplies, batteries, automobile accessories, and music and video products. Each travel store also has a "to go" bar offering fresh brewed coffee, hot dogs, prepared sandwiches and other prepared foods. Our travel stores in our travel centers also sell items specifically designed for the truck driver's "on the road" lifestyle, including laundry supplies, clothing, truck accessories and a variety of electronics. We have recently begun a program to use Minit Mart branding at the travel stores in our travel centers; as of the date of this Annual Report, 25 of these include Minit Mart signage and branding elements.
- Convenience Stores. Our standalone convenience stores have a selection of over 3,600 items, including packaged food and snack items, beverages, tobacco products, non-prescription drug and beauty supplies, batteries, and automobile accessories. Each convenience store also has a "to go" bar offering fresh brewed coffee, hot dogs, prepared sandwiches and other prepared foods. A majority of our convenience stores also offer car washes.
- Additional Driver Services. We believe that trucking fleets can improve the retention and recruitment of truck drivers by directing them to visit large, high quality, full service travel centers with plentiful overnight parking. We offer commercial truck and other customer loyalty programs, the principal program being the UltraOne® Club, that are similar to the frequent shopper programs offered by other retailers. Drivers receive points for diesel fuel purchases and for spending on selected nonfuel products and services. These points can be redeemed for discounts on nonfuel products and services at our travel centers. In addition, we publish a magazine called RoadKing® which includes articles and advertising of interest to professional truck drivers. Some of our travel centers offer casino gaming. We strive to provide a consistently high level of service and amenities to professional truck drivers at all of our travel centers, making our travel centers an attractive choice for trucking fleets. Most of our travel centers provide truck drivers the amenities listed below:
- specialized business services, including an information center where drivers can send and receive faxes, overnight mail and other communications;
- Reserve-It!™ parking program, which allows drivers to reserve for a fee a parking space in advance of arriving at a travel center;
- a banking desk where drivers can cash checks and receive funds transfers from fleet operators;
- wi-fi internet access;
- a laundry area with washers and dryers;
- private showers;
- free exercise facilities; and
- areas designated for truck drivers only, including a theater or big screen television room with a video player and comfortable seating.

Operations

Fuel. We sell fuel to our customers at prices that we establish daily or are indexed to market prices and reset daily. We have numerous sources for our diesel fuel and gasoline supply, including nearly all of the major and large oil companies operating in the U.S. We purchase diesel fuel from various suppliers at rates that fluctuate with market prices and generally are reset daily. By establishing diesel fuel supply relationships with several alternate suppliers for most locations, we believe we are able to effectively create competition for our purchases among various diesel fuel suppliers. We also believe that purchasing arrangements with multiple diesel fuel suppliers may help us avoid product outages during times of diesel fuel supply disruptions. At some locations, however, there are few suppliers for diesel fuel in that market and we may have only one viable supplier. Generally we have single sources of supply for gasoline at each of our locations. We offer biodiesel at a number of our travel centers and have a limited number of suppliers for this product at those sites. During 2014, we began selling LNG at some of our travel centers. As of December 31, 2015, we sold LNG at six locations and we expect to add LNG offerings at two additional travel centers during 2016. Equilon Enterprises LLC doing business as Shell Oil Products U.S., or Shell, is expected to be our sole supplier of LNG at these locations.

Generally our fuel purchases are delivered directly from suppliers' terminals to our locations. We do not contract to purchase substantial quantities of fuel to hold as inventory. We generally have less than three days of diesel fuel and gasoline inventory at our locations. We are exposed to price increases and interruptions in supply. We believe our exposure to market price increases for diesel fuel and gasoline is partially mitigated by the significant amount of our diesel fuel and gasoline sales that are sold under arrangements that include pricing formulae that reset daily and are indexed to market prices and by our generally not purchasing fuel for delivery other than on the date of purchase. We historically have not engaged in any fixed or hedged price fuel contracts.

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Nonfuel products. We have many sources for the large variety of nonfuel products that we sell. We have developed supply relationships with several suppliers of key nonfuel products, including Daimler for truck parts, Bridgestone Americas Tire Operations, LLC, Michelin North America, Inc. and The Goodyear Tire & Rubber Company for truck tires, McLane Company, Inc. for convenience store and tobacco products and ExxonMobil Oil Corporation and Shell for lubricants. We maintain two distribution centers to distribute certain nonfuel and nonperishable products to our locations using a combination of contract carriers and our fleet of trucks and trailers. We believe these distribution centers allow us to purchase, maintain and transport inventory and supplies at lower costs.

Daimler Agreement. We are party to an agreement with Daimler that extends to July 2019. Daimler is a leading manufacturer of heavy trucks in North America under the Freightliner and Western Star brand names. Except for locations in Texas, our TA and Petro truck repair and maintenance facilities are, or are expected to be, authorized providers of repair work and specified warranty repairs to Daimler's customers. This is accomplished through the Freightliner ServicePoint® program at TA locations and through the Freightliner and/or Western Star ServicePoint® program at our Petro locations. Our TA and Petro truck maintenance and repair facilities are also part of Freightliner's 24 hour customer assistance database for emergency and roadside repair referrals and we have access generally to Daimler's parts distribution, service and technical information systems.

Fuel cards. Most of our trucking customers transact business with us by use of fuel cards, most of which are issued by third party fuel card companies. The fuel card industry has only a few significant participants, including Comdata Network, Inc., or Comdata, the largest issuer of fuel cards, WEX Inc. and Electronic Funds Source, LLC, or EFS.

Competition

Travel Centers

Fuel and nonfuel products and services can be obtained by trucking companies and truck drivers from a variety of sources, including national and regional full service travel centers and pumper only truck stops, some of which are owned or franchised by large chains and some of which are independently owned and operated, and some large service stations. In addition, some trucking companies operate their own terminals to provide fuel and services to their own trucking fleets and drivers. Also, some of our competitors may have more resources than we do and vertically integrated fuel and other businesses which may provide them competitive advantages. For all of these reasons and others, we can provide no assurance that we will be able to compete successfully.

Although there are in excess of 6,400 travel centers and truck stops in the U.S., we believe that large trucking fleets and long haul trucking fleets tend to purchase the large majority of their fuel at the approximately 1,900 travel centers and truck stops that are located at or near interstate highway exits. Based on the number of locations, TA, Pilot Travel Centers LLC, or Pilot, and Love's Travel Stops and Country Stores, Inc., or Love's, are the three largest companies focused principally on the travel center industry.

We compete with other travel center and truck stop chains based primarily on diesel fuel prices. We also experience competition, to a lesser extent, from travel center chains and independent full service travel centers that are based on the quality, variety and pricing of the wide array of nonfuel products, service and amenities offerings. Our truck repair and maintenance facilities compete with other providers of truck repair and maintenance facilities, including some at Pilot and Love's locations. These two competitors have increased their respective numbers of truck repair and maintenance facilities over the past few years; however, they do not currently offer as large a chain of repair and maintenance facilities as we do and generally do not offer the breadth of services that we offer. For truck maintenance and repair services, we also compete with regional full service travel center and truck stop chains, full service independently owned and operated travel centers and truck stops, fleet maintenance terminals, independent garages, truck dealerships, truck quick lube facilities and other parts and service centers. We also compete with other full service restaurants, QSRs, mass merchandisers, electronics stores, drugstores and convenience stores. Some truck fleets own their own fuel, repair and maintenance facilities; however, we believe the long term trend has been toward a reduction in these facilities in favor of obtaining fuel, repair and maintenance services from third parties like us. We believe that we are able to compete successfully because we offer consistent, high quality products and services in our nationwide chain of large full service travel centers that feature a large menu of truck maintenance and repair offerings, numerous diverse dining choices, large parking lots and various driver amenities.

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An additional source of competition in the future could result from commercialization of state owned interstate highway rest areas. Some state governments have historically requested that the federal government allow these rest areas to offer fuel and nonfuel products and services similar to that offered at a travel center and certain congressional leaders have historically supported such legislation. If commercialized, these rest areas may increase the number of locations competing with us and these rest areas may have significant competitive advantages over existing travel centers, including ours, because they are generally located on restricted (i.e., toll) roads and have dedicated ingress and egress.

Some states have privatized their toll roads that are part of the interstate highway system. We believe it is likely that tolls will increase on privatized highways. In addition, some states may increase tolls for their own account. If tolls are introduced or increased on highways in the proximity of our travel centers, our business at those travel centers may decline because truckers may seek alternative routes.

Convenience Stores

The convenience store industry is highly competitive with ease of entry and constant changes in the number and types of retailers offering the products and services similar to those we offer. Fuel, food, including prepared foods, and nonfood items similar or identical to those sold by us are generally available from various competitors in the communities we serve, including other convenience store chains, independent convenience store operators, supermarkets, drug stores, discount clubs, motor fuel service stations, mass merchants, fast food operations, gasoline stations and other retail stores. We believe our stores compete principally with their local grocery stores, convenience stores, restaurants, and larger gasoline stations offering a more limited selection of grocery and food items for sale. As of December 31, 2015, the convenience store industry consisted of roughly 154,000 convenience stores in the U.S. Based on the number of our locations, and including the convenience store operations within our travel centers, we believe we are one of the 25 largest companies in the convenience store industry.

Our Leases with HPT

In June 2015, we and HPT agreed to expand and subdivide the lease pursuant to which we then leased 144 properties from HPT, or the Prior TA Lease, into four amended and restated leases, or the New TA Leases. As a result, we now have five leases with HPT, the four New TA Leases for 153 properties, and the pre-existing Petro Lease for 40 properties. We refer to the Petro Lease and the four New TA Leases (or, with respect to periods prior to June 2015, the Petro Lease and the Prior TA Lease) collectively as the HPT Leases. One of our subsidiaries is a tenant under the leases, and we, and in the case of our four New TA Leases certain of our subsidiaries, guarantee the tenants' obligations under the leases. See Note 12 to the Notes to Consolidated Financial Statements in Item 15 of this Annual Report for more information about the terms of the HPT Leases and related amounts. The following are summaries of the material terms of these leases, as amended.

Term. The Petro Lease expires on June 30, 2024. The four New TA Leases expire one each on December 31, 2026, 2028, 2029, and 2030. Each lease may be extended by us for up to two additional periods of 15 years each.

Rent. As of December 31, 2015, the HPT Leases require us to pay minimum rent to HPT in an amount of $255.6 million per year. We may request that HPT purchase approved renovations, improvements and equipment additions we make at the leased properties, in return for an increase in our minimum annual rent equal to the amount paid by HPT times the greater of (i) 8.5% or (ii) a benchmark U.S. Treasury interest rate plus 3.5%. HPT is not required to purchase any improvements and we are not required to sell any improvements to HPT.

Percentage Rent. Under the Petro Lease, we began to incur percentage rent payable to HPT in 2013. The percentage rent equals 3% of increases in nonfuel gross revenues and, until June 2015, 0.3% of increases in gross fuel revenues at the leased properties over base amounts. Percentage rent for 2014, which totaled $2.9 million, was incorporated into the minimum annual rent under the New TA Leases, and 2015 became the percentage rent base year for the New TA Leases. Beginning in 2016, percentage rent will be 3.0% of the excess of gross nonfuel revenues for any particular year over the percentage rent base year amount. HPT has agreed to waive payment of the first $2.5 million of percentage rent that may become due under our Petro Lease; through December 31, 2015, HPT has waived, in aggregate, $2.1 million of the $2.5 million of percentage rent to be waived.

Deferred Rent. We owe deferred rent to HPT in an aggregate amount $150.0 million, of which $42.9 million, $29.3 million, $29.1 million, $27.4 million and $21.2 million will be due and payable on June 30, 2024, and December 31, 2026, 2028, 2029 and 2030, respectively. Interest does not accrue on this deferred rent obligation, subject to exceptions. This deferred rent obligation may be accelerated by HPT and become due on an earlier date and interest shall begin to accrue thereon upon the occurrence of certain events, including a change of control of us.

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Maintenance and Alterations. We must maintain, at our expense, the leased properties, including maintenance of structural and non-structural components. At the end of each lease we must surrender the leased properties in substantially the same condition as existed at the commencement of the lease subject to any permitted alterations and reasonable wear and tear.

Assignment and Subletting. HPT's consent is required for any direct or indirect assignment or sublease of any of the leased properties. We remain liable under the leases for subleased properties.

Indemnification and Insurance. With limited exceptions, we indemnify HPT for certain environmental matters and for liabilities that arise during the terms of the leases from ownership or operation of the leased properties. We generally must maintain commercially reasonable insurance. Our insurance coverage requirements include:

- property insurance in an amount equal to the full replacement cost of at risk improvements at our leased properties;
- business interruption insurance;
- general liability insurance, including bodily injury and property damage, in amounts that are generally maintained by companies operating travel centers;
- flood insurance for any property located in whole or in part in a flood plain;
- workers' compensation insurance if required by law; and
- such additional insurance as may be generally maintained by companies operating travel centers, including certain environmental insurance.

The HPT Leases generally require that HPT be named as an additional insured under our insurance policies.

Damage, Destruction or Condemnation. If any leased property is damaged by fire or other casualty or taken by eminent domain, we are generally obligated to rebuild. If the leased property cannot be restored, HPT will generally receive all insurance or taking proceeds, we are liable to HPT for any deductible or deficiency between the replacement cost and the amount of such proceeds, and the annual minimum rent will be reduced by (i) in the case of the New TA Leases, at HPT's option, either 8.5% of the net proceeds paid to HPT or the fair market rental of the damaged, destroyed or condemned property, or portion thereof, as of the commencement date of the New TA Leases; (ii) in the case of a casualty loss under the Petro Lease, 8.5% of the net proceeds paid to HPT plus 8.5% of the fair market value of the land; and (iii) in the case of a taking under the Petro Lease, 8.5% of the amount of the net proceeds paid to HPT.

Events of Default. Events of default under each lease include the following:

- our failure to pay rent or any other amounts when due;
- our failure to maintain the insurance required under the lease;
- the occurrence of certain events with respect to our insolvency;
- the institution of a proceeding for our bankruptcy or dissolution;
- our failure to continuously operate any leased properties without HPT's consent;
- the acquisition by any person or group of beneficial ownership of 9.8% or more of our voting shares or the power to direct the management and policies of us or any of our subsidiary tenants or guarantors; the sale of a material part of the assets of us or any such tenant or guarantor; or the cessation of certain continuing directors constituting a majority of the board of directors of us or any such tenant or guarantor; in each case without the consent of HPT;
- our default under any indebtedness of $10.0 million or more for the New TA Leases, or $20.0 million or more for the Petro Lease, that gives the holder the right to accelerate the maturity of the indebtedness; and
- our failure to perform certain other covenants or agreements of the lease and the continuance thereof for a specified period of time after written notice.

Remedies. Following the occurrence of any event of default, each lease provides that, among other things, HPT may, to the extent legally permitted:

- accelerate the rent;
- terminate the lease; and/or

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- make any payment or perform any act required to be performed by us under the lease and receive from us, on demand, an amount equal to the amount so expended by HPT plus interest.

We are also obligated to reimburse HPT for all costs and expenses incurred in connection with any exercise of the foregoing remedies.

Lease Subordination. Each lease may be subordinated to any mortgages of the leased properties by HPT, but HPT is required to obtain nondisturbance agreements for our benefit.

Financing Limitations; Security. Without HPT's prior written consent, our tenant subsidiaries may not incur debt secured by any of their assets used in the operation of the leased properties; provided, however, our tenant subsidiaries may incur purchase money debt to acquire assets used in these operations and we may encumber such assets to obtain a line of credit secured by our tenant subsidiaries' receivables, inventory or certain other assets used in these operations.

Lease Termination. When a lease terminates, any equipment, furniture, fixtures, inventory and supplies at the leased properties that we own may be purchased by HPT at its then fair market value. Also at termination of the New TA Leases, HPT has the right to license any of our software used in the operation of the leased properties at its then fair market value and to offer employment to employees at the leased properties; and under the HPT Leases we have agreed to cooperate in the transfer of permits, agreements and the like necessary for the operation of the leased properties.

Territorial Restrictions. Under the terms of each lease, without the consent of HPT, we generally cannot own, franchise, finance, operate, lease or manage any travel center or similar property within 75 miles in either direction along the primary interstate on which a travel center owned by HPT is located.

Non-Economic Properties. If during a lease term the continued operation of any leased property becomes non-economic in our reasonable determination and we and HPT cannot agree on an alternative use for the property, we may offer that property for sale, including the sale of HPT's interest in the property, free and clear of our leasehold interests. No sale of a property leased from HPT, however, may be completed without HPT's consent. In the event we obtain a bona-fide offer to purchase the property and HPT consents to the sale, the net sale proceeds received will be paid to HPT, exclusive of amounts associated with our personal property, which we can elect to sell to the buyers or keep, and the annual minimum rent payable shall be reduced. In the case of the New TA Leases, this rent reduction will be, at HPT's option, either the amount of such proceeds times 8.5% or the fair market rental for such property as of the commencement date of the lease; in the case of the Petro Lease, this reduction will be the amount of such proceeds times 8.5%. If we obtain a bona-fide offer to purchase the property but HPT does not consent to the sale of the property, that property will no longer be part of the lease and the minimum rent will be reduced as if the sale had been completed at the amount offered. No more than a total of 15 properties subject to the New TA Leases and no more than five properties subject to the Petro Lease may be offered for sale as non-economic properties during the applicable lease term.

Arbitration. Our leases with HPT also include arbitration provisions for the resolution of disputes, claims and controversies.

See Note 12 to the Notes to Consolidated Financial Statements in Item 15 of this Annual Report for more information about the terms of the HPT Leases and related amounts.

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Relationships with Franchisees

We have lease and franchise agreements with lessees and owners of travel centers. We collect rent and franchise, royalty and other fees under these agreements. As of December 31, 2015, 29 of our travel centers were operated by our franchisees. Five of these travel centers are owned by us and leased to franchisees. Twenty-four of these travel centers are owned, or leased from others, by our franchisees. As of December 31, 2015, one franchisee operated four travel centers, two operated two travel centers, and 21 operated one travel center each. The table below summarizes by state information as of December 31, 2015, regarding branding and ownership of the travel centers our franchisees operate and excludes travel centers we operate. Similar information for the locations we operate is included in Item 2 of this Annual Report.

	Brand Affiliation:			Ownership of Sites By:	
	TA[(1)]	Petro	Total	TA	Franchisee or Others[(1)]
Alabama	1	1	2	1	1
Georgia	1	—	1	1	—
Illinois	—	1	1	—	1
Iowa	1	—	1	—	1
Kansas	1	1	2	—	2
Minnesota	—	2	2	—	2
Missouri	2	2	4	—	4
North Carolina	—	1	1	—	1
North Dakota	—	1	1	—	1
Ohio	1	1	2	—	2
Oregon	1	—	1	—	1
Pennsylvania	1	—	1	—	1
Tennessee	2	—	2	1	1
Texas	2	—	2	2	—
Virginia	1	2	3	—	3
Wisconsin	1	2	3	—	3
Total	15	14	29	5	24

(1) Since December 31, 2015, through the date of this Annual Report we entered into a franchise agreement for one additional travel center in Texas.

Franchise Agreements

Material provisions of our franchise agreements typically include the following:

Initial Franchise Fee. The initial franchise fee for a new franchise is $1.0 million.

Term of Agreement. The initial term of a franchise agreement is generally 10 to 15 years. Our TA franchise agreements generally provide for two five year renewals on the terms then being offered to prospective franchisees at the time of the franchise renewal and our Petro franchise agreements generally provide for two five year renewals on the same terms as the expiring agreements. As of December 31, 2015, our franchise agreements had an average remaining term excluding renewal options of five years and an average remaining term including renewal options of 11 years.

Protected Territory. Under the terms of our franchise agreements for TA travel centers, generally we have agreed not to operate, or allow another person to operate, a travel center or travel center business that uses the TA brand in a specified territory for that TA branded franchise travel center. Under the terms of our franchise agreements for Petro travel centers, generally we have agreed not to operate, or allow another person to operate, a travel center or travel center business that uses the Petro brand in a specified territory for that Petro branded franchise travel center.

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Restrictive Covenants. Generally our franchisees may not operate any travel center or truck stop related business under a franchise agreement, licensing agreement or marketing plan or system of another person or entity. If the franchisee owns the franchised premises, generally for a two year period after expiration or earlier termination of our franchise agreement the franchisee may not operate the premises under a competitive brand.

Nonfuel Product Offerings. Franchisees are required to operate their travel centers in conformity with guidelines that we establish and offer any products and services that we deem to be a standard product or service in our travel centers.

Fuel Purchases, Sales and Royalties. Our franchise agreements require the franchisee to pay us a royalty fee per gallon of fuel sold based on sales of certain fuels at the franchised travel center, unless they purchase their fuel inventory from us. We also purchase receivables generated by some of our franchisees in connection with sales to common trucking fleet customers through our proprietary billing system on a non-recourse basis in return for a fee.

Royalty Payments on Nonfuel Revenues. Franchisees are required to pay us a royalty fee generally equal to between 2.0% and 4.0% of nonfuel revenues, in some cases up to a threshold amount, with a lower percentage fee payable on amounts in excess of the threshold amount and on revenues from branded QSRs.

Advertising, Promotion and Image Enhancement. Our franchisees are required to make additional payments to us as contributions to the applicable brand wide advertising, marketing and promotional expenses we incur.

Termination/Nonrenewal. Generally, we may terminate or refuse to renew a franchise agreement for default by the franchisee. Generally, we may also refuse to renew if we determine that renewal would not be in our economic interest or, in the case of TA franchisees and Petro franchisees under our current form of franchise agreement, if the franchisee will not agree to the terms in our then current form of franchise agreement.

Rights of First Refusal. During the term of each franchise agreement, we generally have a right of first refusal to purchase that facility at the price offered to a franchisee by a third party. In addition, some of our agreements give us a right to purchase the franchised center for fair market value, as determined by the parties or an independent appraiser, upon expiration or earlier termination of the franchise agreement.

Franchisee Lease Agreements

In addition to franchise fees, we also collect rent from franchisees who lease their respective travel centers from us. At December 31, 2015, there were five such leased franchisee travel centers. The current terms of the five lease agreements end between June and September 2017. Four of the five leases have one renewal option for an additional five year period; the fifth lease has no renewal option. The leases require that the franchisees notify us of their intent to renew the lease at least 90 days but not more than 180 days prior to the expiration of the current term. Among other things, renewal is contingent upon the franchisee not being in default under the expiring lease and executing our then current form of lease, the terms of which may differ from the expiring lease, including without limitation, increased rent.

Regulatory Environment

Environmental Regulation

Extensive environmental laws regulate our operations and properties. These laws may require us to investigate and clean up hazardous substances, including petroleum or natural gas products, released at our owned and leased properties. Governmental entities or third parties may hold us liable for property damage and personal injuries, and for investigation, remediation and monitoring costs incurred in connection with any contamination and regulatory compliance at our locations. We use both underground storage tanks and above ground storage tanks to store petroleum products, natural gas and other hazardous substances at our locations. We must comply with environmental laws regarding tank construction, integrity testing, leak detection and monitoring, overfill and spill control, release reporting and financial assurance for corrective action in the event of a release. At some locations we must also comply with environmental laws relative to vapor recovery or discharges to water. Under the terms of the HPT Leases, we generally have agreed to indemnify HPT for any environmental liabilities related to properties that we lease from HPT and we are required to pay all environmental related expenses incurred in the operation of the properties. Under an agreement with Shell, we have agreed to indemnify Shell and its affiliates from certain environmental liabilities incurred with respect to our travel centers where Shell has installed natural gas fueling lanes.

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For further information about these and other environmental and climate change matters, see the disclosure under the heading "Environmental Contingencies" in Note 13 to the Notes to Consolidated Financial Statements included in Item 15 of this Annual Report. In addition, for more information about these environmental and climate change matters and about the risks which may arise as a result, see elsewhere in this Annual Report, including "Warning Concerning Forward Looking Statements," Item 1A, "Risk Factors," and Item 7, "Management's Discussion and Analysis—Environmental and Climate Change Matters."

Franchise Regulation

Some states require state registration and delivery of specified disclosure documentation to potential franchisees and impose special regulations on petroleum franchises. Some state laws also impose restrictions on our ability to terminate or not renew franchises and impose other limitations on the terms of our franchise relationships or the conduct of our franchise business. A number of states include, within the scope of their petroleum franchising statutes, prohibitions against price discrimination and other allegedly anticompetitive conduct. These provisions supplement applicable federal and state antitrust laws. Federal Trade Commission regulations require that we make extensive disclosure to prospective franchisees. We believe that we are in compliance with all franchise laws applicable to our business.

Gaming Regulation

As a result of our involvement in gaming operations at some of our travel centers operated through certain of our subsidiaries, we and such subsidiaries, which we refer to as our licensed subsidiaries, are currently subject to gaming regulations in Illinois, Louisiana, Montana and Nevada. Requirements under gaming regulations vary by jurisdiction but include, among other things:

- findings of suitability by the relevant gaming authorities with respect to, or licensure of, certain of our and our licensed subsidiaries' officers, directors and key employees and certain individuals having a material relationship with us or our licensed subsidiaries;
- findings of suitability by the relevant gaming authorities with respect to certain of our security holders and restrictions on ownership of certain of our securities;
- prior approval in certain circumstances by the relevant gaming authorities of public offerings of our securities;
- prior approval by the relevant gaming authorities of changes in control of us; and
- specified reporting requirements.

Holders of beneficial interests in our voting securities are subject to licensing or suitability investigations by the relevant gaming authorities under various circumstances including, generally, the attainment of certain levels of ownership of a class of voting securities, or involvement in the gaming operations of or influence over us or our licensed subsidiaries. Persons or entities seeking to acquire control over us or over operation of the license are subject to prior investigation by and approval from the relevant gaming authorities. Any beneficial owner of our voting securities, regardless of the number of shares owned, may be required by a relevant gaming authority to file an application and have their suitability reviewed in certain circumstances, including if the gaming authority has reason to believe that such ownership of our voting securities would otherwise be inconsistent with its state's gaming laws. In some jurisdictions, the applicant must pay all costs of investigations incurred in connection with such investigations. Additionally, in the event of a finding by a relevant gaming authority that a person or entity is unsuitable to be an owner of our securities, such person would be prohibited from, among other things, receiving any dividend or interest upon such securities, exercising any voting right conferred through such securities or continuing to hold our securities beyond such period of time as may be prescribed by such gaming authority, managing the licensed business and, in some cases, the shareholder may be required to divest himself or itself of our voting securities.

Certain of our and our subsidiaries' officers and directors must also file applications, be investigated and be licensed or found suitable by the relevant gaming authorities in order to hold such positions. In the event of a finding by a relevant gaming authority that a director, officer, key employee or individual with whom we or our licensed subsidiary have a material relationship is unsuitable, we or our licensed subsidiary, as applicable, may be required to sever our relationships with such individual.

Any violations by us or any of our licensed subsidiaries of the gaming regulations to which we are subject could result in fines, penalties (including the limiting, conditioning, suspension or revocation of any licenses held) and criminal actions. Additionally, certain jurisdictions, such as Nevada, empower their regulators to investigate participation by licensees in gaming outside their jurisdiction and require access to periodic reports regarding those gaming activities. Violations of laws in one jurisdiction could result in disciplinary action in other jurisdictions.

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Seasonality

Our sales volumes are lower in the first and fourth quarters than the second and third quarters of each year. In the first quarter, the movement of freight by professional truck drivers as well as motorist travel are usually at their lowest levels of each calendar year. In the fourth quarter, freight movement is lower due to vacation time taken by professional truck drivers associated with the holiday season. While our revenues are modestly seasonal, the quarterly variations in our operating results may reflect greater seasonal differences as our rent and certain other costs do not vary seasonally.

Intellectual Property

We own the "Petro Stopping Centers" and "Minit Mart" names and related trademarks and various trade names used in our business such as RoadSquad®, RoadSquad Connect™, UltraOne®, Iron Skillet®, Reserve-It!™ and others. We have the right to use the "TA", "TravelCenters of America", Country Pride® and certain other trademarks, which are owned by HPT, during the terms of each of the four New TA Leases. We also license certain trademarks used in the operation of certain of our QSRs and convenience stores and may in the future license trademarks to be used in the operation of one or more of our full service restaurants. We believe that these trademarks are important to our business, but that they could be replaced with alternative trademarks without significant disruption in our business except for changes in cost, which may be significant.

Internet Websites

Our internet website addresses are www.ta-petro.com and www.minitmart.com. Copies of our governance guidelines, code of business conduct and ethics, our insider trading policy and our policy outlining procedures for handling concerns or complaints about accounting, internal accounting controls or auditing matters and the charters of our audit, compensation and nominating and governance committees are posted on our website at www.ta-petro.com and also may be obtained free of charge by writing to our Secretary, TravelCenters of America LLC, Two Newton Place, 255 Washington Street, Suite 300, Newton, Massachusetts 02458. We make available, free of charge, on our website at www.ta-petro.com, our Annual Reports on Form 10-K, Quarterly Reports on Form 10-Q, Current Reports on Form 8-K and amendments to these reports filed or furnished pursuant to Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended, or the Exchange Act, as soon as reasonably practicable after these forms are filed with, or furnished to, the Securities and Exchange Commission, or the SEC. Any shareholder or other interested party who desires to communicate with our Independent Directors, individually or as a group, may do so by filling out a report on our website at www.ta-petro.com. Our Board of Directors also provides a process for security holders to send communications to the entire board. Information about the process for sending communications to our Board of Directors can be found on our website at www.ta-petro.com.

Item 1A. Risk Factors

Our business faces many risks. If any of the events or circumstances described in the following risks occurs, our business, financial condition or results of operations could suffer and the market prices of our equity or debt securities could decline. Investors and prospective investors should carefully consider the following risks, the risks referred to elsewhere in this Annual Report and the information contained under the heading "Warning Concerning Forward Looking Statements" before deciding whether to invest in our securities.

Risks Related to Our Business

Our operating margins are narrow.

Our operating margins are low. Fuel sales comprise the majority of our revenues and in particular generate low gross margin percentages. A small percentage decline in our future revenues or increase in our future costs, especially revenues and costs and expenses related to fuel, may cause our profits to decline or us to incur losses. Historically, our fuel margins per gallon decline during periods of rising fuel prices. Further, fuel prices and sourcing have historically been volatile, which may increase the risk of declines in revenues or increases in costs. In recent prior years, during the U.S. economic recession and periods of historically high and volatile fuel prices, we realized large operating losses. Further shifts in customer demand for our products and services, or heightened competition could result in our operating margins narrowing and incurring operating losses.

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Our financial results are affected by U.S. trucking industry economic conditions.

The trucking industry is the primary customer for our goods and services. Demand for trucking services in the U.S. generally reflects the amount of commercial activity in the U.S. economy. When the U.S. economy declines, demand for goods moved by trucks declines, and in turn demand for our products and services typically declines.

We have a substantial amount of indebtedness and rent obligations, which could adversely affect our financial condition.

Our indebtedness and rent obligations are substantial. The terms of our leases with HPT require us to pay all of our operating costs and generally fixed amounts of rent. During periods of business decline, our revenues and gross margins may decrease but our minimum rents due to HPT and the interest payable on our indebtedness do not decline. A decline in our revenues or an increase in our expenses may make it difficult or impossible for us to make payments of interest and principal on our debt or meet all of our rent obligations and could limit our ability to obtain financing for working capital, capital expenditures, acquisitions, refinancing, lease obligations or other purposes. Our substantial indebtedness and rent obligations may also increase our vulnerability to adverse economic, market and industry conditions, limit our flexibility in planning for, or reacting to, changes in our business operations or to our industry overall, and place us at a disadvantage in relation to competitors that have lower relative debt levels. If we default under our HPT leases, we may be unable to continue our business. Any or all of the above events and factors could have an adverse effect on our results of operations and financial condition.

Fuel price increases and fuel price volatility negatively affect our business.

Increasing fuel prices and fuel price volatility have several adverse impacts upon our business. First, high fuel prices result in higher truck shipping costs. This causes shippers to consider alternative means for transporting freight, which reduces trucking business and, in turn, reduces our business. Second, high fuel prices cause our trucking customers to seek cost savings throughout their businesses. This has resulted in the implementation by many of our customers of measures to conserve fuel, such as lower maximum driving speeds and reduced truck engine idling, which measures reduce total fuel consumption and in turn reduce our fuel sales. Third, higher fuel prices may result in less disposable income for our customers to purchase our nonfuel goods and services. Fourth, higher and more volatile fuel commodity prices increase the working capital needed to maintain our fuel inventory and receivables, and this increases our costs of doing business. Further, increases in fuel prices may place us at a cost disadvantage to our competitors that may have larger fuel inventory or forward contracts executed during periods of lower fuel prices. If fuel commodity prices or fuel price volatility increase, our financial results may not improve and may worsen.

Increasing truck fuel efficiency may adversely impact our business.

Government regulation and the high cost of motor fuels in recent years are causing truck manufacturers and our trucking customers to focus on fuel efficiency. The largest part of our business consists of selling motor fuel. If our trucking customers purchase less motor fuel because their trucks are operated more efficiently, our financial results will decline unless we are able to sufficiently offset those declines by selling substitute or other products or services, gaining market share, increasing our gross margins per gallon of fuel sold or reducing our operating costs. It is unclear whether we will be able to operate our travel centers profitably if the amount of motor fuels used by the U.S. trucking industry declines because of fuel use efficiencies. If and as truck fuel use efficiency continues to increase and if we are unable to sufficiently offset any resulting declines in our fuel sales volume, our profits may decline or we may incur losses.

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Climate change and other environmental legislation and regulation and market reaction thereto may decrease demand for our major product, diesel fuel, and require us to make significant capital or other expenditures, which may adversely affect our business.

Climate change legislation and regulation, including those addressing greenhouse gas emissions, and market reaction to any such legislation or regulation or to climate change concerns, may decrease the demand for our major product, diesel fuel, and may require us to make significant capital or other expenditures. Legislative and regulatory initiatives requiring increased truck fuel efficiency have accelerated in the U.S. and these mandates have and may continue to result in decreased demand for diesel fuel, which could have a material adverse effect on our business, financial condition and results of operations. Increased costs incurred by our suppliers as a result of climate change or other environmental legislation or regulation may be passed on to us in the prices we pay for our fuel supplies, but we may not be able to pass on those increased costs to our customers. Increased fuel costs resulting from these reasons would likely have similar effects on our business, operations and liquidity as discussed elsewhere regarding high fuel costs, including decreased demand for our fuel at our locations, increased working capital needs and decreased fuel gross margins. Moreover, technological changes developed or changes in customer transportation or fueling preferences, including as a result of or in response to any such legislation, regulation or market reaction, may require us to make significant capital or other expenditures to adopt those technologies or to address those changed preferences and may decrease the demand for products and services sold at our locations. For example, federal and state governmental requirements addressing emissions from trucks and other motor vehicles, such as the U.S. Environmental Protection Agency's, or the EPA's, gasoline and diesel sulfur control requirements that limit the concentration of sulfur in motor fuel, as well as President Obama's February 2014 order that his administration develop and implement new fuel efficiency standards for medium and heavy duty commercial trucks by March 2016, could negatively impact our business. Pursuant to the President's executive order, in June 2015 the EPA and the National Highway Traffic Safety Administration proposed a new regulation that would phase in more stringent greenhouse gas emission and fuel efficiency standards for medium and heavy duty vehicles beginning in model year 2021 (model year 2018 for certain trailers) through model year 2027. The proposed regulation would reduce fuel usage between 8% and 24% (depending on vehicle category) by model year 2027. Further, legislation and regulations that limit carbon emissions may cause our energy costs at our locations to increase.

An interruption in our fuel supplies would materially adversely affect our business.

To mitigate the risks arising from fuel price volatility, we generally maintain limited fuel inventory. Accordingly, an interruption in our fuel supplies would materially adversely affect our business. Interruptions in fuel supplies may be caused by local conditions, such as a malfunction in a particular pipeline or terminal, by weather related events, such as hurricanes in the areas where petroleum or natural gas is extracted or refined, or by national or international conditions, such as government rationing, acts of terrorism, wars and the like. Further, our fuel suppliers may fail to provide us with fuel due to these or other reasons. Any limitation in available fuel supplies or on the fuel we can offer for sale may cause our profits to decline or us to experience losses.

Our storage and dispensing of petroleum products and natural gas create the potential for environmental damages, and compliance with environmental laws is often expensive.

Our business is subject to laws relating to the protection of the environment. The travel centers and convenience stores we operate include fueling areas, truck repair and maintenance facilities and tanks for the storage and dispensing of petroleum products, natural gas, waste and other hazardous substances, all of which create the potential for environmental damage. As a result, we regularly incur environmental clean up costs. Environmental laws expose us to the possibility that we may become liable to reimburse governments or others for damages and costs they incur in connection with environmental hazards or liable for fines and penalties for failure to comply with environmental laws. We cannot predict what environmental legislation or regulations may be enacted or how existing laws or regulations will be administered or interpreted with respect to our products or activities in the future; more stringent laws, more vigorous enforcement policies or stricter interpretation of existing laws in the future could cause us to expend significant amounts or experience losses.

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Under the leases between us and HPT, we generally have agreed to indemnify HPT from environmental liabilities it may incur arising at any of the properties we lease from HPT. Under our agreement with Shell, we have agreed to indemnify Shell and its affiliates from certain environmental liabilities they may incur with respect to our travel centers where natural gas fueling lanes have been installed. Although we maintain insurance policies which cover our environmental liabilities, that coverage may not adequately cover liabilities we may incur. To the extent we incur material amounts for environmental matters for which we do not receive insurance or other third party reimbursement or for which we have not recognized a liability in prior years, our operating results may be materially adversely affected. In addition, to the extent we fail to comply with environmental laws and regulations, or we become subject to costs and requirements not similarly experienced by our competitors, our competitive position may be harmed. Also, to the extent we are or become obligated to fund any such liabilities, such funding obligation could materially adversely affect our liquidity and financial position.

Our growth strategies and our travel centers and convenience stores require regular and substantial capital investment. We may be unable to access the capital necessary to invest in our locations or fund acquisitions.

Our growth strategies and business depend upon our ability to raise additional capital at reasonable costs to invest in our travel centers and convenience stores and to fund acquisitions and investments that we believe are important to maintain our competitiveness. All of our travel centers and many of our convenience stores are open for business 24 hours per day, 365 days per year. Due to the nature and intensity of the uses of our locations, they require regular and substantial expenditures for maintenance and capital investments to remain functional and attractive to customers. Although we may request that HPT purchase future renovations, improvements and equipment at the properties that we lease from HPT, HPT is not obligated to purchase any amounts and such purchases only relate to improvements to facilities leased from HPT by us and not to facilities that we have acquired and own or to general business improvements, such as improvements to our information technology networks and systems, or IT systems.

Due to the volatility in the availability of capital to businesses on a global basis and the increased volatility in most debt and equity markets generally, our ability to raise reasonably priced capital is not guaranteed; we may be unable to raise reasonably priced capital because of reasons related to our business, market perceptions of our prospects, the terms or amount of our outstanding indebtedness, the terms or amount of our rent obligations or for reasons beyond our control, such as market conditions. If we are unable to raise reasonably priced capital, our business and profits may decline and our growth strategies may fail.

The travel center industry is highly competitive and principally consists of a small number of large competitors.

We believe that large trucking fleets and long haul trucking fleets tend to purchase the large majority of their fuel at travel centers and truck stops that are located at or near interstate highway exits from us or our largest competitors. Based on the number of locations, we, Pilot and Love's are the largest companies in our industry. Increased competition between the major competitors in the travel center and truck stop business could result in a reduction of our gross margins or an increase in our expenses or capital improvement costs, which could negatively affect our profitability and our liquidity.

There is limited competition among third party fuel card companies and suppliers for truck tires.

Most of our trucking customers transact business with us by use of fuel cards, which are issued by third party fuel card companies. The fuel card industry has only a few significant participants, including Comdata, the largest issuer of fuel cards, and EFS. If these large fuel card companies increase their transaction fees to us, we may not be able to recover the increased expense through higher prices to customers and we may be required to increase our investment in working capital, which could negatively affect our business. In addition, the manufacture of truck tires that we sell at our travel centers is dominated by a limited number of large manufacturers. We may be unable to pass increased costs to our customers that we may be charged for truck tires and any increased costs we may seek to recover may reduce the number of truck tires we sell.

The convenience store industry is subject to intense competition.

The convenience store industry in the U.S. and in the geographic areas in which we operate is highly competitive and fragmented with ease of entry and constant change in the number and types of retailers offering the products and services similar to those we provide. We compete with other convenience store chains, independent convenience stores, supermarkets, drugstores, discount clubs, motor fuel service stations, mass merchants, fast food operations and other similar retail outlets. In recent years, several non-traditional retailers, such as supermarkets, club stores and mass merchants, have begun to compete directly with convenience stores, particularly in the sale of motor fuel and their market share is expected to grow. Increased competition or new entrants to the industry could result in reduction of our gross margins. Based on the number of locations, we are not one of the largest companies in the convenience store industry.

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We rely upon trade creditors for a significant amount of our working capital and the availability of alternative sources of financing may be limited.

Our fuel purchases are our largest operating cost. Historically, we have paid for our fuel purchases after delivery. In the past, as our fuel costs increased with the increase in commodity market prices, some of our fuel suppliers were unwilling to adjust the amounts of our available trade credit to accommodate the increased costs of the fuel volumes that we purchase; for example, a $10.0 million amount of trade credit will allow us to purchase five million gallons of fuel at $2.00 per gallon, but only 3.33 million gallons at $3.00 per gallon. Also, our historical financial results and general U.S. economic conditions have caused some fuel suppliers to request letters of credit or other forms of security for our purchases. We cannot predict how high or low fuel prices may be in the future, and fuel commodity prices significantly impact our working capital requirements.

We rely on information technology in our operations, and any material failure, inadequacy, interruption or security failure of information technology could harm our business.

We rely on IT systems, including the internet, to process, transmit and store electronic information, including financial records and personally identifiable information such as employee and payroll data and workforce scheduling information, and to manage or support a variety of business processes, including our supply chain, retail sales, credit card payments and authorizations, financial transactions, banking and numerous other processes and transactions. We purchase some of the IT systems we use from vendors on whom our IT systems materially depend. We rely on commercially available and proprietary IT systems, software, tools and monitoring to provide security for processing, transmission and storage of confidential customer information, such as payment card and credit information. In addition, the IT systems we use for transmission and approval of payment card transactions, and the technology utilized in payment cards themselves, may put payment card data at risk; and some of these IT systems are determined and controlled by the payment card suppliers and not by us. Although we take various actions to protect and maintain the security of the IT systems we use and the data maintained in them, it is possible that our security measures will not prevent the improper functioning of or damage to the IT systems we use, or the improper access to such IT systems or disclosure of personally identifiable or confidential information, such as in the event of a cyber attack. Security breaches, including physical or electronic break ins, computer viruses, attacks by hackers and similar breaches, can create system disruptions, shutdowns or unauthorized disclosure of confidential information. Any compromise or breach of our IT systems could cause material interruptions in our operations, damage our reputation, require significant expenditures to determine the severity and scope of the breach, subject us to material liability claims, material claims of banks and credit card companies or regulatory penalties, reduce our customers' willingness to conduct business with us and could have a material adverse effect on our business, financial condition and results of operations. Moreover, if we have not adopted technologies to support chip and PIN credit and charge cards by the deadlines set by the credit card companies, those companies will not pay us for fraudulent transactions occurring at our locations with those companies' cards. Further, the failure of the IT systems we use to operate effectively, or problems we may experience with maintaining the IT systems we currently use or transitioning to upgraded or replacement systems, could significantly harm our business and operations and cause us to incur significant costs to remediate such problems.

Many of our labor costs cannot be easily reduced without adversely affecting our business.

To maintain and manage our operations requires certain minimum staffing levels to operate our travel centers and certain convenience stores 24 hours per day, 365 days per year, and we attempt to manage our staffing so to avoid excess, unused capacity. As a result, it may be difficult for us to affect future reductions in our staff without adversely affecting our business prospects. Certain aspects of our business require higher skilled personnel, such as truck service technicians. Hiring, training and maintaining higher skilled personnel can be costly, particularly if turnover is high. Further, as we grow our business, particularly the aspects of our business that require higher skilled personnel, we may experience increased difficulty with staffing those positions with qualified personnel and may incur greater costs to do so. Also, certain opportunities for sales may be lost if staffing levels are reduced too much or if we are unable to maintain a sufficient number of higher skilled employees. In addition, costs for health care and other benefits, due to regulation, market factors or otherwise, may further increase our labor costs.

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Our sales could be harmed if we or our suppliers, franchisors, licensors or franchisees become associated with negative publicity.

We operate our travel centers nationwide and operate our convenience stores under a small number of brand names. We sell branded gasoline at most of our locations and many of our locations have QSRs operating under brands we do not own. In addition, we resell numerous other products we obtain from third parties. If the companies or brands associated with our products and offerings become associated with negative publicity, our customers may avoid purchasing these products and offerings, including at our locations, and may avoid visiting our locations because of our association with the particular company or brand. As noted elsewhere in this Annual Report, the control we may exercise over our franchisees is limited. Negative publicity or reputational damage relating to any of our franchisees may be imputed to our entire company and business. If we were to experience these or other instances of negative publicity or reputational damage, our sales and results of operations may be harmed.

Territorial restrictions placed on us by our leases with HPT and our franchise agreements with our franchisees could impair our ability to grow our business.

Under our leases with HPT, without the consent of HPT, we generally cannot own, franchise, finance, operate, lease or manage any travel center or similar property within 75 miles in either direction along the primary interstate on which a travel center owned by HPT is located. Under the terms of our franchise agreements for TA travel centers, generally we have agreed not to operate, or allow another person to operate, a travel center or travel center business that uses the TA brand in a specified territory for that TA branded franchise location. Under the terms of our franchise agreements for Petro travel centers, generally we have agreed not to operate, or allow another person to operate, a travel center or travel center business that uses the Petro brand in a specified territory for that Petro branded franchise location. As a result of these restrictions, we may be unable to develop, acquire or franchise a travel center in an area in which an additional travel center may be profitable, thereby losing an opportunity for future growth of our business.

Privatization of toll roads or of rest areas may negatively affect our business.

Some states have privatized their toll roads that are part of the interstate highway system. We believe it is likely that tolls will increase on privatized highways. In addition, some states may increase tolls for their own account. If tolls are introduced or increased on highways in the proximity of our locations, our business at those travel centers may decline because truckers and motorists may seek alternative routes. Similarly, some states have privatized or are considering privatizing their publicly owned highway rest areas. If publicly owned rest areas along highways are privatized and converted to travel centers in the proximity of some of our locations, our business at those locations may decline and we may experience losses.

Labor disputes or other events may arise that restrict, reduce or otherwise negatively impact the movement of goods in the United States, which may adversely impact parts of the trucking industry that are our customers and may adversely impact our financial results at travel centers we operate.

A meaningful aspect of the U.S. trucking industry involves the movement of goods across the U.S. Events that restrict, reduce or otherwise negatively impact the movement of those goods may adversely impact the trucking industry. In 2015, there were extended labor disputes at U.S. west coast ports which slowed the loading and unloading of goods at those ports. A large percentage of the goods which are loaded and unloaded at those ports are transported to and from those ports by trucking companies, including some who are our customers. Future labor disputes could disrupt the transportation of goods across the U.S. and remain unresolved for a prolonged period. Such a disruption may materially and adversely affect our business and our ability to operate profitable travel centers and meet our rent obligations may be adversely affected.

We may be unable to utilize our net operating loss carryforwards.

Section 382 of the U.S. Code, or the Code, imposes limitations on the ability of a company taxable as a corporation that undergoes an "ownership change," as defined by the Code, to use its net operating loss carryforwards and certain other tax benefits and deductions to reduce its tax liability. If we experience an ownership change, our net operating loss and tax credit carryforwards, which currently are expected to be utilized to offset future taxable income, may be subject to limitations on usage or elimination. In 2009, our bylaws were amended to impose certain restrictions on the transfer of our shares in order to help us preserve the tax treatment of our net operating losses and other tax benefits (see below for a discussion of the risks related to our ownership limitations under the heading "Risks Arising from

Certain Relationships of Ours and Our Organization and Structure").

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Changes in lease accounting standards may materially and adversely affect us.

The Financial Account Standards Board, or FASB, recently adopted new accounting rules, to be effective for our fiscal year ending December 31, 2019, that will require companies to capitalize all leases on their balance sheets by recognizing a lessee's rights and obligations. When the rules are effective, we will be required to account for the HPT Leases in the assets and liabilities on our balance sheet, where previously we accounting for such leases on an "off balance sheet" basis. As a result, a significant amount of lease related assets and liabilities will be recorded on our balance sheet and we may be required to make other changes to the recording and classification of our lease related expenses. Though these changes will not have any direct impact on our overall financial condition, these changes could cause investors or others to believe that we are highly leveraged and could change the calculations of financial metrics and covenants, as well as third party financial models regarding our financial condition.

Our business could be adversely impacted if there are deficiencies in our disclosure controls and procedures or our internal control over financial reporting.

The design and effectiveness of our disclosure controls and procedures and our internal control over financial reporting may not prevent all errors, misstatements or misrepresentations. In prior years, we have determined that we had material weaknesses in our internal control over financial reporting. These material weaknesses were previously remediated; however, while management will continue to review the effectiveness of our disclosure controls and procedures and our internal control over financial reporting, there can be no guarantee that our internal control over financial reporting will be effective in accomplishing all control objectives all of the time. Deficiencies, including any material weaknesses, in our internal control over financial reporting could result in misstatements of our results of operations or our financial statements or could otherwise materially and adversely affect our business, reputation, results of operations, financial condition or liquidity.

Risks Related to Our Acquisition and Development Plans

Acquisitions may be more difficult, costly or time consuming than expected and the anticipated benefits of a particular transaction may not be fully realized.

Travel centers and convenience stores that we acquire often require substantial improvements in order to be brought up to our standards. For our travel center acquisitions, these improvements often require an extended period of time to plan, design, permit and complete, often followed by a period of time to mature and become part of our customers' supply networks. We estimate that the travel centers we acquire or develop generally will achieve stabilized financial results in approximately the third year after acquisition and that the convenience stores that we acquire will generally reach financial stabilization within one year after acquisition, but the actual results can vary widely from these estimates due to many factors, some of which are outside our control. If improvements are more difficult, costly or time consuming than expected or if reaching maturity takes longer than expected or does not occur at all, our business, financial condition or results of operations could be negatively affected.

Additionally, the success of any acquisition, including the realization of anticipated benefits and cost savings, will depend, in part, on our ability to successfully combine the acquiree's business and ours. The renovation and integration may be more difficult, costly or time consuming than expected, may result in the loss of key employees or business disruption to us, or may adversely affect our ability to maintain relationships with customers, suppliers and employees or to fully achieve the anticipated benefits and cost savings of the acquisition. If we experience difficulties with the renovation and integration process for a particular acquisition, the anticipated benefits of the transaction may not be realized fully or at all, or may take longer to realize than expected. Renovation and integration efforts may also divert management attention and resources. These matters could have an adverse effect on us for an undetermined period after completion of a transaction.

Further, if we are successful in our effort to acquire the Quaker Steak & Lube® business it will be a new entry for us into the casual dining business outside of our travel center format. While we have experience operating casual dining restaurants in travel centers, that experience may not transfer to the Quaker Steak & Lube® business to the extent we expect.

We may not complete our planned travel center development projects within the time frame or for the investment we anticipate, or at all, and the anticipated benefits of the new travel centers may not be fully realized.

Developing a new location is more risky than buying an existing operating location. Our planned travel center development projects could be delayed or not completed or could require a greater investment of capital or management time, or both, than we expect. Additionally, if we design, plan, permit or construct a project but do not complete it, we may incur substantial costs without realizing any expected benefits. Also, the travel centers we construct may not generate the financial returns we anticipate.

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Risks Arising from Certain Relationships of Ours and Our Organization and Structure

Our business is subject to possible conflicts of interest with HPT and RMR.

Our business is subject to possible conflicts of interest, as follows:

- We have six Directors: one of whom, Barry M. Portnoy, is also a managing trustee of HPT, the Chairman of RMR, which provides management services to us and to HPT, a director and an executive officer of The RMR Group Inc., which is the managing member of RMR, and an owner and trustee of ABP Trust (formerly known as Reit Management & Research Trust), which is the controlling shareholder of The RMR Group Inc.; one of whom, Arthur G. Koumantzelis, is a former trustee of HPT from prior to when we became a separate public company; one of whom, Lisa Harris Jones, is a member of a law firm that previously had provided professional services to RMR; and one of whom, Thomas M. O’Brien, is a former executive officer of HPT from before we became a separate public company. Further, Mr. Portnoy and a majority of our Independent Directors are members of the boards of trustees or boards of directors of other public companies to which RMR or its affiliates provides management services.
- Mr. O'Brien, our President and Chief Executive Officer, Andrew J. Rebholz, our Executive Vice President, Chief Financial Officer and Treasurer, and Mark R. Young, our Executive Vice President and General Counsel, are also officers of RMR.
- We lease a large majority of our travel centers from HPT.
- RMR provides us business management services pursuant to a business management agreement and property management services at our headquarters building pursuant to a property management agreement, and RMR provides business and property management services to HPT.
- In the event of conflicts between us and RMR, any affiliate of RMR or any publicly owned entity with which RMR has a relationship, including HPT, our business management agreement allows RMR to act on its own behalf and on behalf of HPT or such other entity rather than on our behalf.
- RMR's simultaneous contractual obligations to us and HPT create potential conflicts of interest, or the appearance of such conflicts.

In an agreement with HPT entered in 2007 in connection with our spin off from HPT, we granted HPT a right of first refusal to purchase, lease, mortgage or otherwise finance any interest we own in a travel center before we sell, lease, mortgage or otherwise finance that travel center with another party. Under that agreement, we also granted HPT and other entities to which RMR provides management services a right of first refusal to acquire or finance any real estate of the types in which they invest before we do. These rights of first refusal could limit our ability to purchase or finance our properties or properties we may wish to invest in or acquire in the future. Also, under this agreement we agreed not to take any action that might reasonably be expected to have a material adverse impact on HPT’s ability to qualify as a real estate investment trust, or REIT. We entered into and completed certain sale, purchase and lease agreements with HPT during 2015 regarding travel center properties and related assets. For more information regarding those transactions, as well as our relationship and leases with HPT, see Note 12 to the Notes to Consolidated Financial Statements included in Item 15 of this Annual Report.

We believe that our historical and ongoing business dealings with HPT and RMR have benefited us and that, despite the foregoing possible conflicts of interest, the transactions we have entered with HPT and RMR since our creation as a separate public company have been commercially reasonable and not less favorable than otherwise available to us. Nonetheless, in the past, in particular following periods of volatility in the overall market or declines in the market price of a company’s securities, shareholder litigation, dissident shareholder director nominations and dissident shareholder proposals have often been instituted against companies alleging conflicts of interest in business dealings with affiliated and related persons and entities. Our relationships with HPT, RMR, AIC, the other businesses and entities to which RMR provides management services, Barry M. Portnoy and other related parties of RMR may precipitate such activities. These activities, if instituted against us, could result in substantial costs and a diversion of our management’s attention even if the action is unfounded.

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We have significant commercial arrangements with RMR and HPT and we are dependent on those arrangements in operating our business.

We are party to a business management agreement with RMR whereby RMR assists us with various aspects of our business. Most of the travel centers that we operate are leased by us, principally from HPT. As a result of these factors, we are dependent on our arrangements with RMR and HPT in operating our business and any adverse developments at these companies or in those arrangements could have a material adverse effect on our business and our ability to conduct our operations.

Ownership limitations and certain other provisions in our limited liability company agreement, bylaws and certain material agreements may deter, delay or prevent a change in our control or unsolicited acquisition proposals.

Our limited liability company agreement, or our LLC agreement, and bylaws contain provisions which prohibit any shareholder from owning more than 9.8% and 5% of the number or value of any class or series of our outstanding shares. The 9.8% ownership limitation in our LLC agreement is consistent with our contractual obligations with HPT to not take actions that may conflict with HPT's status as a REIT under the Code. The 5% ownership limitation in our bylaws is intended to help us preserve the tax treatment of our tax credit carryforwards, net operating losses and other tax benefits. We also believe these provisions promote good orderly governance. These provisions inhibit acquisitions of a significant stake in us and may deter, delay or prevent a change in our control or unsolicited acquisition proposals that a shareholder may consider favorable. Additionally, provisions contained in our LLC agreement and bylaws may have a similar impact, including, for example, provisions relating to:

- the division of our Directors into three classes, with the term of one class expiring each year;
- the authority of our Board of Directors, and not our shareholders, to adopt, amend or repeal our bylaws and to fill vacancies on the Board of Directors;
- limitations on the ability of shareholders to cause a special meeting of shareholders to be held and a prohibition on shareholders acting by written consent unless the consent is a unanimous consent of all our shareholders entitled to vote on the matter;
- required qualifications for an individual to serve as a Director and a requirement that certain of our Directors be "Managing Directors" and other Directors be "Independent Directors," as defined in the governing documents;
- the power of our Board of Directors, without shareholders' approval, to authorize and issue additional shares of any class or type on terms that it determines;
- limitations on the ability of our shareholders to propose nominees for election as Directors and propose other business to be considered at a meeting of shareholders;
- a requirement that an individual Director may only be removed for cause and then only by unanimous vote of the other Directors; and a 75% shareholders' vote and cause requirements for removal of our entire Board of Directors;
- a 75% shareholders' vote requirement for shareholder nominations and other proposals that are not approved by our Board of Directors;
- our election to be governed by Section 203 of the Delaware General Corporation Law, which would prohibit us from engaging in a business combination with an interested shareholder, generally a person that together with its affiliates owns or within the last three years has owned 15% of our voting shares, for a period of three years after the date of the transaction in which the person became an interested shareholder, unless the business combination is approved in a prescribed manner;
- requirements that shareholders comply with regulatory requirements (including Illinois, Louisiana, Montana and Nevada gaming and Indiana insurance licensing requirements) affecting us which could effectively limit share ownership of us, including in some cases, to 5% of our outstanding shares; and
- requirements that any person nominated to be a Director comply with any clearance and pre-clearance requirements of state gaming or insurance licensing laws applicable to our business.

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In addition, the HPT Leases, our business management agreement with RMR and our credit agreement for our $200 million secured revolving credit facility, or our Credit Facility, each provide that our rights and benefits under those agreements may be terminated in the event that anyone acquires more than 9.8% of our shares or we experience some other change in control, as defined in those agreements, without the consent of HPT, RMR or the lenders under the Credit Facility, respectively, and that pursuant to our shareholders agreement with respect to AIC, AIC and the other shareholders of AIC may have rights to acquire our interests in AIC if such an acquisition occurs or if we experience some other change of control. In addition, our obligation to repay deferred rent then outstanding under our amended leases with HPT may be accelerated if, among other things, a Director not nominated or appointed by the then members of our Board of Directors is elected to our Board of Directors or if our shareholders adopt a proposal (other than a precatory proposal) not recommended for adoption by the then members of our Board of Directors. For these reasons, among others, our shareholders may be unable to realize a change of control premium for securities they own or otherwise effect a change of our policies or a change of our control.

Our rights and the rights of our shareholders to take action against our Directors, officers, HPT and RMR are limited.

Our LLC agreement eliminates the personal liability of each of our Directors to us and our shareholders for monetary damages for breach of fiduciary duty as our Director, except for a breach of the Director's duty of loyalty to us or our shareholders as modified by our LLC agreement, for acts or omissions not in good faith or which involved intentional misconduct or a knowing violation of law, or for any transaction from which the Director derived an improper personal benefit. Our LLC agreement also provides that our Directors and officers, HPT, RMR, and the respective directors and officers of HPT and RMR shall not be liable for monetary damages to us or our shareholders for losses sustained or liabilities incurred as a result of any act or omission by any of them unless there has been a final, nonappealable judgment entered by a court determining that such person or entity acted in bad faith or engaged in fraud, willful misconduct or, in the case of a criminal matter, acted with knowledge that his, her or its conduct was unlawful.

Our LLC agreement also generally requires us to indemnify, to the fullest extent permitted by law, our present and former Directors and officers, HPT, RMR, and the respective directors and officers of HPT and RMR for losses they may incur arising from claims or actions in which any of them may be involved in connection with any act or omission by such person or entity in good faith on behalf of or with respect to us. We also have similar obligations to our Directors and officers under individual indemnification agreements with such persons. In addition, we may be obligated to pay or reimburse the expenses incurred by our present and former Directors and officers, HPT, RMR, and the respective directors and officers of HPT and RMR without requiring a preliminary determination of their ultimate entitlement to indemnification. As a result, we and our shareholders may have more limited rights against our present and former Directors and officers, HPT, RMR, and the respective directors, trustees and officers of HPT and RMR than might otherwise exist absent the provisions in our LLC agreement and our indemnification agreements or that might exist with other companies, which could limit our shareholders' recourse in the event of actions not in our shareholders' best interest.

Disputes with HPT and RMR and shareholder litigation against us or our Directors and officers may be referred to binding arbitration proceedings.

Our contracts with HPT and RMR provide that any dispute arising under those contracts may be referred to binding arbitration proceedings. Similarly, our LLC agreement and bylaws provide that actions by our shareholders against us or against our Directors and officers, including derivative and class actions, may be referred to binding arbitration proceedings. As a result, we and our shareholders would not be able to pursue litigation for these disputes in courts against HPT, RMR or our Directors and officers if the disputes were referred to arbitration. In addition, the ability to collect attorney's fees or other damages may be limited in the arbitration proceedings, which may discourage attorneys from agreeing to represent parties wishing to commence such a proceeding.

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We may experience losses from our business dealings with AIC.

As of December 31, 2015, we have purchased substantially all of our property insurance in a program designed and reinsured in part by AIC and we periodically consider the possibilities for expanding our relationship with AIC to other types of insurance. As of December 31, 2015, we, ABP Trust, HPT and four other companies to which RMR provides management services each own 14.3% of AIC, and we and those other AIC shareholders participate in a combined property insurance program designed and reinsured in part by AIC. Our principal reason for investing in AIC and for purchasing insurance in these programs is to seek to obtain improved insurance coverages at lower costs than may be otherwise available to us or by participating in any profits which we may realize as an owner of AIC. While we believe we have in the past benefitted from these arrangements, these beneficial financial results may not occur in the future, and we may need to invest additional capital in order to continue to pursue these results. AIC’s business involves the risks typical of an insurance business, including the risk that it may be insufficiently capitalized. Accordingly, financial benefits from our business dealings with AIC may not be achieved in the future, and we may experience losses from these dealings.

The licenses, permits and related approvals for our operations may restrict ownership of us, or prevent or delay any change of control of us.

We have travel center locations in Illinois, Louisiana, Montana and Nevada which include gaming operations. As a result, we and our subsidiaries involved in these operations are subject to gaming regulations in those states. Under state gaming regulations, which can vary by jurisdiction:

- shareholders whose ownership of our securities exceeds certain thresholds may be required to report their holdings to and to be licensed, found suitable or approved by the relevant state gaming authorities;
- persons seeking to acquire control over us or over the operation of our gaming license are subject to prior investigation by and approval from the relevant gaming authorities;
- persons who wish to serve as one of our Directors or officers may be required to be approved, found suitable and in some cases licensed, by the relevant state gaming authorities; and
- the relevant state gaming authorities may limit our involvement with or ownership of securities by persons they determine to be unsuitable.

As an owner of AIC, we are licensed and approved as an insurance holding company; and any shareholder who owns or controls 10% or more of our securities or anyone who wishes to solicit proxies for election of, or to serve as, one of our Directors or for another proposal of business not approved by our Board of Directors may be required to receive pre-clearance from the relevant insurance regulators.

The gaming and insurance regulations to which we are subject may discourage or prevent investors from nominating persons to serve as our Directors, from purchasing our securities, from attempting to acquire control of us or otherwise implementing changes that they consider beneficial.

Risks Related to Our Securities

Our shares have experienced significant price and trading volume volatility and may continue to do so.

Since we became a publicly traded company in January 2007, our shares have experienced significant share price and trading volatility, which may continue. The market price of our common shares has fluctuated and could fluctuate significantly in the future in response to various factors and events, including, but not limited to, the risks set out in this Annual Report, as well as:

- the liquidity of the market for our common shares;
- our historic policy to not pay cash dividends;
- changes in our operating results;
- issuances of additional common shares and sales of our common shares by holders of large blocks of our common shares, such as HPT or our officers or directors.
- a lack of analyst coverage, changes in analysts' expectations and unfavorable research reports; and
- general economic and industry trends and conditions.

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In addition, in the past, following periods of volatility in the overall market and the market price of a company's securities, securities class action litigation has often been instituted against these companies. This litigation, if instituted against us, could result in substantial costs and a diversion of our management's attention and resources.

Investors may not benefit financially from investing in our Senior Notes.

The indenture under which the 8.25% Senior Notes due 2028, the 8.00% Senior Notes due 2029, and the 8.00% Senior Notes due 2030, which we refer to collectively as the Senior Notes, were issued contains no financial covenants or other provisions that would afford the holders of the Senior Notes any substantial protection in the event we participate in a material transaction. In addition, the indenture does not limit the amount of indebtedness we may incur or our ability to pay dividends, make distributions or repurchase our common shares. Additionally, investors in our Senior Notes may be adversely affected as a result of the following:

- the Senior Notes are unsecured and effectively subordinated to all of our existing and future secured indebtedness to the extent of the value of the assets securing such indebtedness;
- an active trading market for the Senior Notes may not be maintained or be liquid;
- we depend upon our subsidiaries for cash flow to service our debt, and the Senior Notes are structurally subordinated to the payment of the indebtedness, lease and other liabilities and any preferred equity of our subsidiaries;
- the Senior Notes are not rated;
- redemption may adversely affect noteholders' return on the Senior Notes; and
- an increase in market interest rates and other factors could result in a decrease in the value of the Senior Notes.

Our Credit Facility imposes restrictive covenants on us, and a default under the agreements relating to our Credit Facility or under our indenture governing our Senior Notes could have a material adverse effect on our business and financial condition.

Our Credit Facility requires us and our subsidiaries, among other obligations, to maintain a specified financial ratio under certain circumstances and to satisfy certain financial tests. In addition, our Credit Facility restricts, among other things, our ability to incur debt and liens, make certain investments and pay dividends and other distributions including, under certain circumstances, payments on the Senior Notes. Under certain circumstances, we are required to seek permission from the lenders under our Credit Facility to engage in specified corporate actions.

Various risks, uncertainties and events beyond our control could affect our ability to comply with these covenants. Failure to comply with these covenants (or similar covenants contained in future financing agreements) could result in a default under our Credit Facility, indenture and other agreements containing cross default provisions, which, if not cured or waived, could have a material adverse effect on our business, financial condition and results of operations. A default could permit lenders or holders to accelerate the maturity of the debt under these agreements and to foreclose upon any collateral securing the debt and to terminate any commitments to lend. Under these circumstances, we might not have sufficient funds or other resources to satisfy all of our obligations, including our obligations under the Senior Notes. In addition, a default under our Credit Facility or indenture would also constitute a default under the HPT Leases due to cross default provisions in the HPT Leases. In addition, the limitations imposed by financing agreements on our ability to incur additional debt and to take other actions might significantly impair our ability to obtain other financing. If our indebtedness were to be accelerated, our assets may not be sufficient to repay such indebtedness in full. In such circumstances, we could be forced into bankruptcy or liquidation and, as a result, investors could lose their investment in our securities.

Item 1B. Unresolved Staff Comments

None.

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Item 2. Properties

The table below summarizes by state information as of December 31, 2015, regarding branding and ownership of the properties we operate and excludes properties operated by franchisees. Similar information for the locations our franchisees operate is included under the heading "Relationships with Franchisees" in Item 1 of this Annual Report.

	Brand Affiliation:				Ownership of Sites by:			
	TA	Petro	Minit Mart(1)(2)	Total	TA	HPT	Joint Venture	Others(3)
Alabama	3	3	—	6	2	4	—	—
Arizona	5	2	—	7	—	7	—	—
Arkansas	2	2	—	4	—	4	—	—
California	9	4	2	15	—	11	4	—
Colorado	4	1	2	7	4	3	—	—
Connecticut	3	—	—	3	—	3	—	—
Florida	6	1	—	7	—	7	—	—
Georgia	6	3	—	9	1	8	—	—
Idaho	1	—	—	1	—	1	—	—
Illinois	7	2	33	42	28	9	—	5
Indiana	8	6	1	15	6	9	—	—
Iowa	2	—	—	2	1	1	—	—
Kansas	1	1	20	22	21	1	—	—
Kentucky	2	2	68	72	48	3	—	21
Louisiana	4	3	—	7	—	7	—	—
Maryland	3	—	—	3	—	3	—	—
Michigan	6	—	—	6	1	5	—	—
Minnesota	1	—	18	19	17	1	—	1
Mississippi	1	1	—	2	—	1	—	1
Missouri	4	1	37	42	37	5	—	—
Montana	2	—	—	2	2	—	—	—
Nebraska	2	1	—	3	—	3	—	—
Nevada	3	3	—	6	1	5	—	—
New Hampshire	1	—	—	1	—	1	—	—
New Jersey	3	1	—	4	—	4	—	—
New Mexico	5	2	—	7	—	6	—	1
New York	5	1	—	6	—	6	—	—
North Carolina	3	1	—	4	1	3	—	—
North Dakota	1	—	—	1	1	—	—	—
Ohio	9	4	11	24	9	14	—	1
Oklahoma	3	1	—	4	—	4	—	—
Oregon	2	1	—	3	—	3	—	—
Pennsylvania	8	2	—	10	1	9	—	—
Rhode Island	1	—	—	1	1	—	—	—
South Carolina	4	1	—	5	2	3	—	—
Tennessee	6	2	3	11	4	7	—	—
Texas	11	8	—	19	2	17	—	—
Utah	2	—	—	2	—	2	—	—
Virginia	3	—	—	3	—	3	—	—

Washington	1	1	—	2	—	2	—	—
West Virginia	2	—	—	2	—	2	—	—
Wisconsin	2	—	9	11	9	2	—	—
Wyoming	3	1	—	4	—	4	—	—
Ontario, Canada	1	—	—	1	1	—	—	—
Total	161	62	204	427	200	193	4	30

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(1) Since December 31, 2015, through the date of this Annual Report we acquired two and five properties in Missouri and Illinois, respectively.

(2) Includes recently acquired convenience stores not yet rebranded Minit Mart and one Minit Mart branded convenience store we own and lease to a dealer. Excludes Minit Mart branded stores located within our travel centers.

(3) We lease these properties from, or manage these properties for, parties other than HPT.

Item 3. Legal Proceedings

The disclosure under the heading "Legal Proceedings" in Note 13 to the Notes to Consolidated Financial Statements in Item 15 of this Annual Report is incorporated herein by reference.

Item 4. Mine Safety Disclosures

Not applicable.

PART II

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

Market information. Our common shares are traded on the New York Stock Exchange, or NYSE, under the symbol "TA". Set forth below, for the periods indicated, are the high and low sales prices for our common shares as reported on the NYSE:

2015	High	Low
First Quarter	$17.67	$12.15
Second Quarter	18.10	14.35
Third Quarter	16.95	10.18
Fourth Quarter	12.67	9.02
2014	High	Low
First Quarter	$9.80	$8.00
Second Quarter	9.11	7.18
Third Quarter	11.85	8.38
Fourth Quarter	12.85	8.37

The closing price of our common shares on the NYSE on February 29, 2016, was $8.63 per share.

Holders. As of February 29, 2016, there were 770 shareholders of record of our common shares.

Dividends. We have never paid or declared any cash dividends on our common shares. At present, we intend to retain our future earnings, if any, to fund the operations and growth of our business. Furthermore, our Credit Facility restricts our payment of cash dividends on our common shares, unless certain requirements under the Credit Facility are met, including that excess availability is not less than 20% after any such payment, and our rent deferral agreement with HPT prohibits us from paying any dividends while any deferred rent remains unpaid. Our future decisions concerning the payment of dividends on our common shares will depend upon our results of operations, financial condition and capital expenditure plans, as well as other factors as our Board of Directors, in its discretion, may consider relevant, and the extent to which the declaration or payment of dividends may be limited by agreements we have entered or cause us to lose the benefits of certain of our agreements.

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Stock issuable under equity compensation plans. The equity compensation plan information set forth in Item 12 of this Annual Report is incorporated by reference herein.
Recent sales of unregistered securities. There were no sales of our unregistered securities by us during the fourth quarter of 2015.
Issuer purchases of equity securities. The following table provides information about our purchases of our equity securities during the quarter ended December 31, 2015:

Calendar Month	Number of Shares Purchased[1]	Average Price Paid per Share	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs	Maximum Approximate Dollar Value of Shares that May Yet Be Purchased Under the Plans or Programs
December 2015	196,591	$9.37	—	$—
Total	196,591	$9.37	—	$—

(1) During 2015, all common share purchases were made to satisfy share awards recipients' tax withholding and payment obligations in connection with the vesting of awards of restricted common shares, which were repurchased by us based on their fair market value on the repurchase date. On December 14, 2015, we retired all 196,591 of our then treasury shares, no par value, with a carrying value of $1,842,058.

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Item 6. Selected Financial Data

The following table presents selected historical financial information for each of the last five fiscal years. The information set forth below with respect to fiscal years 2015, 2014 and 2013 was derived from, and should be read in conjunction with, the audited consolidated financial statements included in Item 15 of this Annual Report. The information set forth below with respect to fiscal years 2012 and 2011 was derived from, and should be read in conjunction with, the audited consolidated financial statements included in our 2012 Annual Report on Form 10-K. The following information should also be read in conjunction with "Management's Discussion and Analysis of Financial Condition and Results of Operations" included elsewhere in this Annual Report.

(in thousands, except per share and site counts unless indicated otherwise)	Year Ended December 31, 2015	2014	2013	2012	2011
Statement of Income and Comprehensive Income Data:					
Revenues:					
Fuel	$4,055,448	$6,149,449	$6,481,252	$6,636,297	$6,603,329
Nonfuel	1,782,761	1,616,802	1,450,792	1,344,755	1,271,085
Rent and royalties from franchisees	12,424	12,382	12,687	14,672	14,443
Total revenues	5,850,633	7,778,633	7,944,731	7,995,724	7,888,857
Income from operations	78,297	113,640	21,190	41,470	32,400
Net income	27,719	60,969	31,623	32,198	23,574
Net income per common share:					
Basic and diluted	$0.72	$1.62	$1.06	$1.12	$0.98
Balance Sheet Data (end of period):					
Total assets	$1,635,094	$1,402,817	$1,238,772	$1,012,880	$1,011,893
Sale leaseback financing obligation, noncurrent portion(1)	20,719	82,591	83,762	82,195	97,765
Deferred rent obligation(2)	150,000	150,000	150,000	150,000	150,000
Senior Notes	330,000	230,000	110,000	—	—
Other Operating Data:					
Total fuel sold (gallons)(3)	2,130,103	2,024,790	2,034,929	2,039,960	2,087,416
Number of sites (end of period):					
Company operated travel centers	223	220	217	206	192
Company operated convenience stores	203	34	34	4	4
Franchisee operated travel centers	5	5	5	6	10
Franchisee owned and operated travel centers	24	25	25	29	33
Dealer operated convenience store	1	—	—	—	—
Total locations	456	284	281	245	239

(1) See Note 12 to the Notes to Consolidated Financial Statements included in Item 15 of this Annual Report for more information about our sale leaseback financing obligation.

(2) The deferred rent obligation is due and payable $42,915, $29,324, $29,107, $27,421 and $21,233 on June 30, 2024, and December 31, 2026, 2028, 2029 and 2030, respectively, and the obligation does not bear interest unless certain events provided under the applicable agreement occur.

(3) Includes all fuel we sold, both at our retail locations and also on a wholesale basis, including to a joint venture in which we own a noncontrolling interest but excludes the retail fuel sales at travel centers operated by our franchisees.

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Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations
The following discussion should be read in conjunction with the Consolidated Financial Statements and related notes included in Item 15 of this Annual Report. Amounts are in thousands of dollars and gallons unless indicated otherwise.

Company Overview
TravelCenters of America LLC, which we refer to as the Company or we, us and our, is a Delaware limited liability company that operates and franchises 456 travel center and convenience store locations. Our customers include trucking fleets and their drivers, independent truck drivers and highway and local motorists. We offer a broad range of products and services, including diesel fuel and gasoline, as well as nonfuel products and services such as truck repair and maintenance services, full service restaurants, more than 39 different brands of quick service restaurants, or QSRs, travel/convenience stores and various driver amenities. We also collect rents, royalties and other fees from our tenants, franchisees and dealers.
We manage our business on the basis of two reportable segments: travel centers and convenience stores. See Note 15 to the Notes to Consolidated Financial Statements included in Item 15 of this Annual Report for more information about our segments. We have a single travel center located in a foreign country, Canada, that we do not consider material to our operations.
As of December 31, 2015, our business included 252 travel centers in 43 states in the United States, or U.S., primarily along the U.S. interstate highway system, and the province of Ontario, Canada. Our travel centers included 176 operated under the "TravelCenters of America" and "TA" brand names, or the TA brand, including 161 that we operated and 15 that franchisees operated, including five we lease to franchisees, and 76 operated under the "Petro Stopping Centers" and "Petro" brand names, or the Petro brand, including 62 that we operated and 14 that franchisees operated. Of our 252 travel centers at December 31, 2015, we owned 32, we leased 194, including 192 that we leased from Hospitality Properties Trust, or HPT, we operated two for a joint venture and our franchisees owned or leased from others 24. Substantially all of our travel centers include a convenience store, at least one restaurant, a truck service/repair facility and fueling lanes for trucks and passenger vehicles. We report this portion of our business as our travel center segment.
As of December 31, 2015, our business also included 204 convenience stores not located on a travel center property in 11, primarily Midwestern, states of the U.S. We operate our convenience stores primarily under the "Minit Mart" brand name, or the Minit Mart brand. Of these 204 convenience stores at December 31, 2015, we owned 173 and we leased or managed 29, including one that we leased from HPT, and we operated two for a joint venture in which we own a noncontrolling interest. Additionally, we collect rent from one dealer who operates a convenience store we own. We report this portion of our business as our convenience store segment.

Executive Summary
Our revenues and income are subject to material changes as a result of market prices and the availability of diesel fuel and gasoline. These factors are subject to the worldwide petroleum products supply chain, which historically has experienced price and supply volatility and shocks as a result of, among other things, severe weather, terrorism, political crises, military actions and variations in demand that are often the result of changes in the macroeconomic environment. Over the past few years there has been significant volatility in the cost of fuel. During the years ended December 31, 2015 and 2014, the price we pay for fuel generally trended downward, ending at a lower price than at the start of the year. At the end of 2015, diesel oil futures contract prices were approximately 43% below the prices experienced at the end of 2014. Some current economic forecasts reflect continued depressed prices for fuel; however, as noted above, various factors and events can cause fuel prices to change, sometimes suddenly and sharply. Due to the price volatility of fuel products we buy and our pricing to fuel customers, we believe that fuel revenue is not a reliable metric for analyzing our results of operations from period to period. As a result solely of changes in fuel prices, our fuel revenue may materially increase or decrease, in both absolute amounts and on a percentage basis, without a comparable change in fuel sales volumes or in fuel gross margin. We therefore consider fuel volume and fuel gross margin to be better measures of comparative performance. We generally are able to pass changes in our cost

for fuel products to customers, but typically with a delay, such that during periods of rising fuel commodity prices fuel gross margins per gallon tend to be lower than they otherwise may have been and during periods of falling fuel commodity prices fuel gross margins per gallon tend to be higher than they otherwise may have been. Increases and volatility in the prices we pay for fuel can have negative effects on our sales and profitability and increase our working capital requirements. For more information about fuel market risks that may affect us and our actions to mitigate those risks, see Item 7A, "Quantitative and Qualitative Disclosures About Market Risk" elsewhere in this Annual Report.

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We believe that demand for fuel by trucking companies will tend to be reduced over time for any given level of economic activity by technological innovations that permit, and regulatory changes that encourage, require or give rise to, improved fuel efficiency of motor vehicle engines and other fuel conservation practices. We believe these factors were significant contributors to the modest increases in the level of fuel sales volumes we realized on a same site basis for 2015, as compared to 2014, despite generally improving economic conditions during 2015. Fuel volumes primarily increased in 2015 as a result of locations acquired during 2014 and 2015.

Our fuel gross margins in 2015 were lower than those in 2014, principally because the decline in fuel prices during 2014 was more rapid and acute than the decline in fuel prices in 2015. Generally, declining fuel costs are not immediately reflected in fuel retail prices, and such a condition often increases our fuel gross margins. In addition, supply conditions in 2014 were generally more favorable than those in 2015, which also contributed to the higher gross margin in 2014.

The decrease in our net income for 2015, as compared to 2014, was primarily due to decreases in fuel gross margin, as noted above, increases in expenses resulting from our acquisitions and the 2015 loss on extinguishment of debt, as further described below under "Transaction Agreement with HPT". These decreases were partially offset by an increase in nonfuel gross margin.

Factors Affecting Comparability

Transaction Agreement with HPT

In June 2015 we entered into a transaction agreement, or the Transaction Agreement, with our principal landlord, HPT, pursuant to which among other things, (i) we and HPT amended and restated the TA lease pursuant to which we then leased 144 properties from HPT into four leases, with initial lease terms ending in 2026, 2028, 2029 and 2030 and each subject to two 15 year renewal periods at our option (these four leases are collectively referred to herein as the "New TA Leases"), (ii) we sold to HPT 14 travel centers owned by us and certain assets we owned at 11 properties that we leased from HPT and leased back these properties and assets from HPT, (iii) we purchased from HPT five travel centers that we then leased from HPT and (iv) we agreed to sell to HPT five travel centers upon the completion of their development, which is expected to be completed before June 30, 2017, at a purchase price equal to their development costs, including the cost of the land, which costs are estimated to be not more than $118,000 in the aggregate, and we agreed to lease back these development properties.

During the year ended December 31, 2015, we received proceeds of $279,383 from the aforementioned sale to HPT of 14 owned travel centers and certain assets at 11 properties currently leased from HPT and purchased the five above referenced travel centers from HPT for $45,042. The sale of these travel centers and assets generated an aggregate gain of $133,668, which was deferred and will be amortized as a reduction of our rent expense over the terms of the New TA Leases. The purchase of the five travel centers resulted in a loss on extinguishment of debt of $10,502. The loss on extinguishment of debt arose because the lease of these properties had been accounted for as a financing and the purchase prices paid for the properties exceeded the unamortized balance of the sale leaseback financing obligation. As of December 31, 2015, we leased from HPT a total of 153 properties under the New TA Leases for total minimum annual rent of $190,745.

See Note 12 to the Notes to Consolidated Financial Statements included in Item 15 of this Annual Report for more information about this transaction with HPT.

Recently Acquired Sites

Since our acquisition program began in 2011 and through December 31, 2015, we have acquired 37 travel centers and 201 convenience stores. We invested $320,909 to acquire, renovate and upgrade these travel center properties and $388,308 to acquire, renovate and upgrade these convenience store properties. We expect to invest an additional $24,582 to complete the renovation and upgrade of certain of these travel centers and $18,978 to complete the rebranding, expansion and improvements of certain of these convenience stores. While the results of these properties are reflected in our consolidated results of operations from the date of each acquisition, the stabilized returns we expect from these properties may not yet be fully realized.

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We believe the improvements we have made and plan to make at our recently acquired travel centers will continue to improve the financial results at these locations. Typical improvements we make at acquired travel centers include adding truck repair facilities and nationally branded QSRs, paving parking lots, rebranding gasoline offerings, replacing outdated fuel dispensers, installing diesel exhaust fluid dispensing systems, changing signage, installing point of sale and other information technology networks and systems and general building and cosmetic upgrades. The improvements to travel center properties we acquire are often substantial and require a long period of time to plan, design, permit and complete, and after completed then require a period of time to become part of our customers' supply networks and produce stabilized financial results. We estimate that the travel centers we acquire generally will reach financial stabilization in approximately the third year after acquisition, but the actual result can vary widely from this estimate due to many factors, some of which are outside our control. As of December 31, 2015, the travel centers acquired since the beginning of 2011 have been owned by us for an average of 36 months, and the planned renovations have been completed at 30 of these acquired travel centers for an average of 31 months.

Improvements that we typically make at acquired convenience stores include rebranding the site to the Minit Mart brand, adding QSRs, rebranding gasoline offerings and completing any required deferred maintenance. We estimate that the convenience stores that we acquire will generally reach financial stabilization within one year after acquisition, but the actual results can vary widely from the estimate due to many factors, some of which are outside our control. As of December 31, 2015, the convenience stores acquired since 2013 have been owned by us for an average of eight months, and the planned renovations have been completed at 57 of these acquired convenience stores for an average of five months.

The 37 travel centers and 201 convenience stores we acquired since the beginning of 2011 through December 31, 2015, have produced, from the beginning of each period or, if later, the dates we began to operate them, the following amounts of revenues in excess of cost of goods sold and site level operating expenses:

Revenues in excess of cost of goods sold	Year Ended December 31,		
and site level operating expenses	2015	2014	2013
Travel Centers	$54,883	$52,737	$26,073
Convenience Stores	15,808	7,589	405

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Results of Operations

Consolidated Financial Results

The following table presents changes in our operating results for the year ended December 31, 2015, as compared with the year ended December 31, 2014 and for the year ended December 31, 2014, as compared with the year ended December 31, 2013.

	2015	Change from 2014	2014	Change from 2013	2013
Revenues:					
Fuel	$4,055,448	(34.1)%	$6,149,449	(5.1)%	$6,481,252
Nonfuel	1,782,761	10.3 %	1,616,802	11.4 %	1,450,792
Rent and royalties from franchisees	12,424	0.3 %	12,382	(2.4)%	12,687
Total revenues	5,850,633	(24.8)%	7,778,633	(2.1)%	7,944,731
Cost of goods sold (excluding depreciation):					
Fuel	3,640,954	(36.4)%	5,720,949	(6.8)%	6,139,080
Nonfuel	819,995	11.0 %	738,871	13.2 %	652,824
Total cost of goods sold	4,460,949	(30.9)%	6,459,820	(4.9)%	6,791,904
Operating expenses:					
Site level operating	885,646	8.6 %	815,611	7.9 %	755,942
Selling, general and administrative	121,767	14.0 %	106,823	(0.6)%	107,447
Real estate rent	231,591	6.6 %	217,155	3.7 %	209,320
Depreciation and amortization	72,383	10.4 %	65,584	11.3 %	58,928
Total operating expenses	1,311,387	8.8 %	1,205,173	6.5 %	1,131,637
Income from operations	78,297	(31.1)%	113,640	436.3 %	21,190
Acquisition costs	5,048	335.2 %	1,160	(54.0)%	2,523
Interest expense, net	22,545	34.9 %	16,712	2.3 %	16,336
Income from equity investees	4,056	25.8 %	3,224	20.6 %	2,674
Loss on extinguishment of debt	10,502	NM	—	NM	—
Income before income taxes	44,258	(55.3)%	98,992	NM	5,005
(Provision) benefit for income taxes	(16,539)	(56.5)%	(38,023)	NM	26,618
Net income	$27,719	(54.5)%	$60,969	92.8 %	$31,623

Revenues. Revenues for 2015 were $5,850,633, a decrease of $1,928,000, or 24.8%, from 2014 that resulted from a decrease in fuel revenue that was partially offset by an increase in nonfuel revenue. Revenues for 2014 were $7,778,633, a decrease of $166,098, or 2.1%, from 2013 that resulted from a decrease in fuel revenue that was partially offset by an increase in nonfuel revenue.

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Fuel revenues for 2015 were $4,055,448, a decrease of $2,094,001, or 34.1%, from 2014. Fuel revenues for 2014 were $6,149,449, a decrease of $331,803, or 5.1%, from 2013. The tables below show the change in sales volumes and fuel revenues for each of our reportable segments.

	Fuel Gallons Sold			
	2015	Change from 2014	2014	Change from 2013	2013
Travel centers	1,974,744	0.8 %	1,958,512	(2.1)%	2,001,246
Convenience stores	121,604	203.6 %	40,048	473.2 %	6,987
Corporate and other[1]	33,755	28.7 %	26,230	(1.7)%	26,696
Consolidated totals	2,130,103	5.2 %	2,024,790	(0.5)%	2,034,929

	Fuel Revenues				
	2015	Change from 2014	2014	Change from 2013	2013
Travel centers	$3,763,415	(36.9)%	$5,961,764	(6.5)%	$6,378,801
Convenience stores	224,894	98.6 %	113,221	443.6 %	20,828
Corporate and other[1]	67,139	(9.8)%	74,464	(8.8)%	81,623
Consolidated totals	$4,055,448	(34.1)%	$6,149,449	(5.1)%	$6,481,252

(1) Included within corporate and other are unallocated corporate expenses, our distribution center operations and all other businesses which do not meet the definition of a travel center or convenience store and which individually are not material to our operations.

Fuel revenues for the 2015 period reflected the significant decreases in market prices for fuel partially offset by increases in sales volume in both the travel center and convenience store segments, as compared to the 2014 period, primarily due to acquisitions. Wholesale fuel sales increased primarily as a result of our acquisitions in the second half of 2015. Fuel revenues for the 2014 period reflected decreases in both market prices for fuel and sales volume, as compared to 2013. Wholesale fuel sales decreased in 2014 primarily as a result of acquiring during the fourth quarter of 2013 the operations of a franchised site that formerly purchased fuel from us.

Nonfuel revenues for 2015 were $1,782,761, an increase of $165,959, or 10.3%, from 2014, as a result of growth in nonfuel revenues in both our travel center and convenience store segments. Nonfuel revenues for 2014 were $1,616,802, an increase of $166,010, or 11.4%, from 2013, primarily as a result of increases in nonfuel