TRAVELCENTERS OF AMERICA LLC
Form 10-K
June 06, 2014

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PART IV

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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, DC 20549

FORM 10-K

(Mark One)

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

For the fiscal year ended December 31, 2013

OR

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

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

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes 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 o No ý

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 (Do not check if a smaller reporting company)	Smaller reporting company o

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 $264.3 million based on the $10.94 closing price per common share on the New York Stock Exchange on June 28, 2013. For purposes of this calculation, an aggregate of 2,812,324 common shares held directly by, or by affiliates of, the directors and the officers of the registrant, plus 2,540,000 common shares held by Hospitality Properties Trust, or HPT, have been included in the number of common shares held by affiliates.

Number of the registrant's common shares outstanding as of June 4, 2014: 37,625,366.

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.

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WARNING CONCERNING FORWARD LOOKING STATEMENTS

THIS ANNUAL REPORT ON FORM 10-K CONTAINS STATEMENTS THAT CONSTITUTE FORWARD LOOKING STATEMENTS WITHIN THE MEANING OF THE PRIVATE SECURITIES LITIGATION REFORM ACT OF 1995 AND OTHER SECURITIES LAWS. ALSO, 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:

THIS ANNUAL REPORT STATES THAT THE OPERATIONS AT MANY OF OUR SITES ACQUIRED IN 2011, 2012 AND 2013 HAVE NOT YET REACHED THE STABILIZED FINANCIAL RESULTS WE CURRENTLY EXPECT AND THAT WE ESTIMATE THAT ACQUIRED SITES GENERALLY WILL REACH STABILIZATION IN APPROXIMATELY THE THIRD YEAR AFTER ACQUISITION. THE IMPLICATIONS OF THESE STATEMENTS ARE THAT OPERATIONS AT THESE ACQUIRED SITES WILL IMPROVE TO A LEVEL THAT WILL RESULT IN INCREASES IN OPERATING INCOME AND NET INCOME IN THE FUTURE. MANY OF THE LOCATIONS WE HAVE ACQUIRED PRODUCED OPERATING RESULTS WHICH CAUSED THE PRIOR OWNERS TO EXIT THESE BUSINESSES AND OUR ABILITY TO OPERATE THESE LOCATIONS PROFITABLY DEPENDS UPON MANY FACTORS, INCLUDING OUR ABILITY TO INTEGRATE NEW OPERATIONS INTO OUR EXISTING OPERATIONS. IN FACT, THERE ARE MANY FACTORS WHICH WILL IMPACT OUR FUTURE OPERATIONS THAT MAY CAUSE US TO OPERATE LESS PROFITABLY OR UNPROFITABLY IN ANNUAL AND/OR QUARTERLY PERIODS IN ADDITION TO THESE STATED ITEMS, INCLUDING SOME FACTORS WHICH ARE BEYOND OUR CONTROL SUCH AS SEASONALITY, THE CONDITION OF THE U.S. ECONOMY GENERALLY, THE FUTURE DEMAND FOR OUR GOODS AND SERVICES AND COMPETITION IN OUR BUSINESS;

THIS ANNUAL REPORT REFERENCES ACQUISITIONS THAT HAVE BEEN AGREED BUT THAT HAVE NOT BEEN COMPLETED AS OF THE DATE OF THIS ANNUAL REPORT AND TRAVEL CENTER GROUND UP DEVELOPMENTS UNDER CONSIDERATION FOR LAND PARCELS WE OWN. IMPLICATIONS OF THESE STATEMENTS MAY BE THAT THESE ACQUISITIONS AND DEVELOPMENT PROJECTS WILL BE COMPLETED AND THAT THEY MAY IMPROVE OUR FUTURE PROFITS. HOWEVER, THESE ACQUISITIONS ARE SUBJECT TO CONDITIONS AND MAY NOT BE COMPLETED OR MAY BE DELAYED OR THEIR TERMS MAY CHANGE. IN ADDITION, WE MAY DETERMINE TO DELAY OR NOT PROCEED WITH OUR DEVELOPMENT PROJECTS. MOREOVER, MANAGING AND INTEGRATING ACQUIRED TRAVEL CENTER AND CONVENIENCE STORE OPERATIONS AND DEVELOPMENT PROJECTS CAN BE DIFFICULT, TIME CONSUMING AND/OR MORE EXPENSIVE THAN ANTICIPATED AND INVOLVE RISKS OF FINANCIAL LOSSES. WE MAY NOT OPERATE THESE ACQUIRED OR NEWLY DEVELOPED LOCATIONS AS PROFITABLY AS WE NOW EXPECT;

THIS ANNUAL REPORT REFERENCES OUR ACQUISITION IN DECEMBER 2013 OF A COMPANY THAT OPERATES 31 CONVENIENCE STORES AND STATES THAT THE

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CONVENIENCE STORES WE ACQUIRED ARE HIGH SALES VOLUME FUEL LOCATIONS, THAT THESE CONVENIENCE STORES APPEAR TO NEED ONLY LIMITED NEAR TERM CAPITAL INVESTMENT, THAT THESE CONVENIENCE STORES WILL NOT REQUIRE A LENGTHY PERIOD TO ACHIEVE STABILIZED FINANCIAL RESULTS AND THAT WE EXPECT THAT WE MAY BE ABLE TO REALIZE SYNERGIES IN PURCHASING AND MERCHANDISING AT THESE CONVENIENCE STORES. THE IMPLICATION OF THESE STATEMENTS IS THAT THESE STORES MAY HAVE A POSITIVE IMPACT ON OUR EARNINGS AND IMPROVE OUR FUTURE PROFITS. HOWEVER, ACQUISITIONS AND MANAGING AND INTEGRATING ACQUIRED OPERATIONS CAN BE DIFFICULT, TIME CONSUMING AND/OR MORE EXPENSIVE THAN ANTICIPATED AND INVOLVE RISKS OF FINANCIAL LOSSES. CHANGES OF OWNERSHIP FREQUENTLY RESULT IN PERSONNEL CHANGES AND IN REQUIREMENTS FOR NEW SUPPLY AND SALES ARRANGEMENTS. THESE OR OTHER FACTORS MAY RESULT IN LOWER FINANCIAL PERFORMANCE THAN EXPECTED OR FINANCIAL LOSSES. ALSO, MARKET CONDITIONS AFFECTING THE CONVENIENCE STORES WE ACQUIRED MAY CHANGE IN A WAY WHICH MATERIALLY AND ADVERSELY IMPACTS THE BUSINESS OF THESE CONVENIENCE STORES. WE MAY NOT OPERATE THESE ACQUIRED SITES AS PROFITABLY AS WE NOW EXPECT;

THIS ANNUAL REPORT STATES THAT WE AND HOSPITALITY PROPERTIES TRUST, OR HPT, INTEND TO CHALLENGE THE VIRGINIA DEPARTMENT OF TRANSPORTATION, OR VDOT, VALUATION OF THE PROPERTY WE LEASED FROM HPT AND OPERATE IN ROANOKE, VA THAT WAS TAKEN BY EMINENT DOMAIN PROCEEDINGS BY THE VDOT. THE IMPLICATIONS 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;

WE STATE IN THIS ANNUAL REPORT OUR CURRENT OBSERVATIONS OF ECONOMIC AND INDUSTRY CONDITIONS. RECENT ECONOMIC DATA HAS BEEN MIXED AND IMPROVEMENTS, IF ANY, IN THE U.S. ECONOMY, IN GENERAL, OR IN THE TRUCKING OR TRAVEL CENTER INDUSTRIES SPECIFICALLY, MAY NOT CONTINUE, AND OUR FUEL AND NONFUEL SALES VOLUMES MAY DECLINE;

OUR ENVIRONMENTAL LIABILITY MAY BE GREATER THAN WE CURRENTLY ANTICIPATE. LEGISLATION AND REGULATION REGARDING CLIMATE CHANGE, INCLUDING GREENHOUSE GAS EMISSIONS, AND OTHER ENVIRONMENTAL MATTERS MAY BE ADOPTED, ADMINISTERED OR ENFORCED DIFFERENTLY IN THE FUTURE AND ANY SUCH CHANGES, THE MARKET REACTION THERETO, OR ANY GLOBAL CLIMATE CHANGES COULD ADVERSELY IMPACT OUR OPERATIONS, CAUSE US TO EXPEND SIGNIFICANT AMOUNTS AND CAUSE OUR BUSINESS AND FINANCIAL CONDITION TO DECLINE MATERIALLY;

THIS ANNUAL REPORT STATES THAT WE CURRENTLY INTEND TO CONTINUE OUR EFFORTS TO SELECTIVELY ACQUIRE ADDITIONAL PROPERTIES. THE IMPLICATIONS OF THESE STATEMENTS MAY BE THAT WE WILL BE ABLE TO CONTINUE TO IDENTIFY AND COMPLETE ADDITIONAL ACQUISITIONS. HOWEVER, WE MAY NOT SUCCEED IN IDENTIFYING AND/OR ACQUIRING OTHER PROPERTIES;

THIS ANNUAL REPORT STATES THAT DURING THE SECOND AND THIRD QUARTERS OF 2013, OUR PRIMARY COMPETITORS ENGAGED IN AGGRESSIVE

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SALES EFFORTS TO MAINTAIN AND GROW MARKET SHARE, WHICH NEGATIVELY AFFECTED OUR FUEL SALES VOLUME AND FUEL GROSS MARGIN PER GALLON, AND THAT THIS IMPACT ABATED SOMEWHAT IN THE THIRD AND FOURTH QUARTERS VERSUS THE SECOND QUARTER. THE IMPLICATION OF THESE STATEMENTS MAY BE THAT THE COMPETITIVE ENVIRONMENT WITHIN OUR INDUSTRY HAS IMPROVED AND OUR OPERATING RESULTS WILL IMPROVE. IN FACT, WE HAVE NO CONTROL OVER OUR COMPETITORS' FUTURE ACTIONS, THE COMPETITIVE ENVIRONMENT IN OUR INDUSTRY CAN CHANGE QUICKLY AND MAY CAUSE US TO OPERATE LESS PROFITABLY OR EXPERIENCE LOSSES IN THE FUTURE;

THIS ANNUAL REPORT STATES THAT OUR BUSINESS REQUIRES REGULAR CAPITAL EXPENDITURES AND THAT WE ESTIMATE THAT DURING 2014 WE WILL MAKE SUSTAINING CAPITAL INVESTMENTS OF APPROXIMATELY $65 MILLION TO $75 MILLION IN OUR EXISTING LOCATIONS, SOME OF WHICH IS EXPECTED TO BE OF THE TYPE OF IMPROVEMENTS WE TYPICALLY REQUEST HPT PURCHASE FROM US, AND CAPITAL INVESTMENTS FOR IMPROVEMENTS TO LOCATIONS WE HAVE ACQUIRED OF APPROXIMATELY $36.5 MILLION. THE AMOUNT AND TIMING OF CAPITAL EXPENDITURES ARE OFTEN DIFFICULT TO PREDICT. SOME CAPITAL PROJECTS COST MORE THAN ANTICIPATED AND THE PROCEEDS FROM THE SALES OF IMPROVEMENTS, IF ANY, TO HPT MAY BE LESS THAN OUR ESTIMATES. 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, ACQUISITIONS OR OTHER MATTERS, MAY ARISE AND CAUSE US TO SPEND MORE OR LESS THAN CURRENTLY ANTICIPATED. SOME CAPITAL PROJECTS TAKE MORE TIME TO COMPLETE THAN ANTICIPATED. AS A RESULT OF MARKET CONDITIONS OR CAPITAL CONSTRAINTS, WE MAY DEFER CERTAIN CAPITAL PROJECTS AND SUCH DEFERRAL MAY HARM OUR BUSINESS OR REQUIRE US TO MAKE LARGER CAPITAL EXPENDITURES IN THE FUTURE;

THIS ANNUAL REPORT STATES THAT WE ENTERED AN AGREEMENT WITH EQUILON ENTERPRISES LLC DOING BUSINESS AS SHELL OIL PRODUCTS US, OR SHELL, PURSUANT TO WHICH SHELL HAS AGREED TO CONSTRUCT A NETWORK OF NATURAL GAS FUELING LANES AT UP TO 100 OF OUR TRAVEL CENTERS LOCATED ALONG THE U.S. INTERSTATE HIGHWAY SYSTEM, INCLUDING TRAVEL CENTERS WE LEASE FROM HPT. NATURAL GAS FUEL USE IN THE TRUCKING INDUSTRY IS NEW AND THERE IS NO ASSURANCE THAT A TRUCKER MARKET FOR NATURAL GAS WILL DEVELOP, AND WE OR SHELL MAY DETERMINE TO ABANDON THIS PROJECT. LAND USE REGULATIONS AT OUR TRAVEL CENTERS MAY PREVENT INSTALLATION OF NATURAL GAS FUELING LANES OR THE INSTALLATION OR OPERATION OF NATURAL GAS FUELING LANES MAY REQUIRE REGULATORY APPROVALS AND SPECIALIZED EQUIPMENT AND TRAINED PERSONNEL THAT MAY NOT BE TIMELY AVAILABLE OR MAY BE MORE COSTLY THAN WE EXPECT. THE DISTANCES THAT MAY BE COVERED BY NATURAL GAS POWERED VEHICLES DEPEND UPON TECHNOLOGIES THAT ARE BEING DEVELOPED, AND IT MAY NOT BE POSSIBLE TO CROSS THE UNITED STATES USING NATURAL GAS FUEL PURCHASED AT ONLY OUR TRAVEL CENTERS. FOR THESE AND OTHER REASONS, THE INFRASTRUCTURE NECESSARY FOR NATURAL GAS POWERED TRUCKS TO TRAVEL ACROSS THE UNITED STATES MAY REQUIRE MORE TRAVEL CENTERS THAN WE HAVE OR ARE ABLE TO CREATE;

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THIS ANNUAL REPORT STATES THAT WE HAD $85.7 MILLION OF CASH AND CASH EQUIVALENTS AT DECEMBER 31, 2013, THAT THERE WERE NO LOANS OUTSTANDING UNDER OUR BANK CREDIT FACILITY AS OF THAT DATE, THAT DURING 2013, WE RECEIVED $83.9 MILLION FROM HPT FOR SALES TO HPT OF QUALIFYING IMPROVEMENTS, THAT WE EXPECT TO SELL TO HPT ADDITIONAL IMPROVEMENTS WE HAVE MADE, AND THAT WE HAVE THE ABILITY TO SELL TO HPT ADDITIONAL CAPITAL IMPROVEMENTS WE MAY MAKE IN THE FUTURE TO THE PROPERTIES WE LEASE FROM HPT, THAT IN JANUARY 2013 WE RAISED NET PROCEEDS OF APPROXIMATELY $105.1 MILLION FROM THE SALE OF SENIOR NOTES, THAT IN DECEMBER 2013 WE RAISED NET PROCEEDS OF $65.1 MILLION FROM THE ISSUANCE AND SALE OF 7,475,000 COMMON SHARES AND THAT WE OWN UNENCUMBERED REAL ESTATE THAT MAY BE AN ADDITIONAL SOURCE OF LIQUIDITY OVER TIME. THESE STATEMENTS MAY IMPLY THAT WE HAVE ABUNDANT WORKING CAPITAL LIQUIDITY. IN FACT, OUR REGULAR OPERATIONS REQUIRE LARGE AMOUNTS OF WORKING CASH. AS OF DECEMBER 31, 2013, $44.9 MILLION OF OUR BANK CREDIT FACILITY WAS USED TO PROVIDE LETTERS OF CREDIT TO OUR SUPPLIERS, INSURERS AND TAXING AUTHORITIES AND WE HAVE COLLATERALIZED OUR BANK FACILITY WITH SUBSTANTIALLY ALL OF OUR CASH, ACCOUNTS RECEIVABLE, INVENTORIES, EQUIPMENT AND INTANGIBLE ASSETS. IN ADDITION, OUR BUSINESS REQUIRES US TO MAKE SIGNIFICANT CAPITAL EXPENDITURES TO MAINTAIN OUR COMPETITIVENESS, HPT IS NOT OBLIGATED TO PURCHASE THE IMPROVEMENTS WE MAY REQUEST AND WE ARE OBLIGATED TO PAY ADDITIONAL RENT TO HPT FOR CAPITAL IMPROVEMENTS IT ACQUIRES FROM US, WE MAY BE UNABLE TO SELL ADDITIONAL DEBT OR EQUITY SECURITIES IN THE FUTURE, AND WE DO NOT KNOW THE EXTENT TO WHICH WE COULD MONETIZE OUR EXISTING UNENCUMBERED REAL ESTATE. ACCORDINGLY, WE MAY NOT HAVE SUFFICIENT WORKING CAPITAL OR CASH LIQUIDITY;

THIS ANNUAL REPORT STATES SOME OF OUR BELIEFS WITH RESPECT TO VARIOUS PENDING LITIGATION AND LITIGATION SETTLEMENTS. THESE STATEMENTS MAY IMPLY THAT WE WILL PREVAIL IN OUR LITIGATION AND THAT THE REFERENCED SETTLEMENTS WILL BE COMPLETED. IN FACT, WE MAY BE UNABLE TO PREVAIL IN OUR PENDING LITIGATION OR COMPLETE SETTLEMENTS AND ANY SETTLEMENTS OR ADVERSE RULINGS MAY HAVE A MATERIAL ADVERSE EFFECT ON OUR BUSINESS. ALSO, THE LEGAL AND OTHER EXPENSES WE MAY INCUR IN CONNECTION WITH LITIGATION WILL DEPEND, IN PART, UPON ACTIONS TAKEN BY OTHER PARTIES, WHICH ACTIONS ARE NOT WITHIN OUR CONTROL. OUR LITIGATION COSTS MAY HAVE A MATERIAL ADVERSE EFFECT ON OUR BUSINESS;

THIS ANNUAL REPORT STATES THAT WE HAVE A CREDIT FACILITY WITH A CURRENT MAXIMUM AVAILABILITY OF $200 MILLION. HOWEVER, OUR BORROWING AND LETTER OF CREDIT AVAILABILITY IS SUBJECT TO OUR HAVING QUALIFIED COLLATERAL, INCLUDING ELIGIBLE CASH, ACCOUNTS RECEIVABLE AND INVENTORIES 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. FOR EXAMPLE, WE HAD $130.8 MILLION OF BORROWING AND LETTER OF CREDIT AVAILABILITY UNDER OUR CREDIT FACILITY AS OF DECEMBER 31, 2013, OF WHICH $44.9 MILLION WAS UTILIZED FOR OUTSTANDING LETTERS OF CREDIT. ALSO, THIS ANNUAL REPORT STATES THAT THE MAXIMUM AMOUNT AVAILABLE UNDER THE CREDIT

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FACILITY MAY BE INCREASED TO $300 MILLION, SUBJECT TO AVAILABLE COLLATERAL AND LENDER PARTICIPATION. 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;

THIS ANNUAL REPORT STATES THAT LENDERS UNDER OUR CREDIT FACILITY HAVE WAIVED, UNTIL JULY 31, 2014, THE REQUIREMENT UNDER OUR CREDIT FACILITY TO FURNISH FINANCIAL STATEMENTS AS OF AND FOR THE FISCAL QUARTER ENDED MARCH 31, 2014. THIS MAY IMPLY THAT WE WILL FILE OUR QUARTERLY REPORT ON FORM 10-Q FOR THE PERIOD ENDED MARCH 31, 2014, OR THE FIRST QUARTER 10-Q, WITH THE SECURITIES AND EXCHANGE COMMISSION, OR THE SEC, BY JULY 31, 2014 OR THAT EXTENDED OR ADDITIONAL WAIVERS WILL BE OBTAINED FROM OUR LENDERS IF NECESSARY. HOWEVER, THERE CAN BE NO ASSURANCE THAT WE WILL BE ABLE TO FILE THE FIRST QUARTER 10-Q OR OTHERWISE COMPLETE AND DELIVER OUR FINANCIAL STATEMENTS FOR SUCH QUARTER BY JULY 31, 2014 OR THAT EXTENDED OR ADDITIONAL WAIVERS WILL BE OBTAINED, AND IF THEY ARE NOT OBTAINED WE MAY BE IN DEFAULT OF OUR CREDIT FACILITY. THESE OUTCOMES COULD OCCUR FOR REASONS WHICH MAY BE UNKNOWN TO US AT THIS TIME AND MAY BE BEYOND OUR CONTROL. OUR FAILURE TO FILE THE FIRST QUARTER 10-Q OR TO COMPLETE AND DELIVER FINANCIAL STATEMENTS FOR SUCH QUARTER WITHIN SPECIFIED PERIODS COULD GIVE RISE TO DEFAULTS UNDER OUR CREDIT FACILITY, THE INDENTURE GOVERNING OUR 8.25% SENIOR NOTES OR OTHER OBLIGATIONS;

THIS ANNUAL REPORT STATES THAT DURING 2013 WE RECOGNIZED A BENEFIT OF $3.9 MILLION IN OUR FUEL COST OF SALES AS A RESULT OF REFUNDS PAID OR PAYABLE TO US AS A RESULT OF THE RETROACTIVE REINSTATEMENT ON JANUARY 2, 2013, OF THE "BLENDER'S CREDIT FOR BIODIESEL AND RENEWABLE DIESEL," OR THE TAX CREDIT, THAT THIS TAX CREDIT AGAIN EXPIRED ON DECEMBER 31, 2013, AND THAT WE DO NOT EXPECT THAT THE EXPIRATION OF THIS TAX CREDIT WILL HAVE A SIGNIFICANT EFFECT ON OUR 2014 FUEL GROSS MARGIN BECAUSE OF THE FUEL MARKET PRICING DYNAMICS. IN FACT, THE MARKET PRICES FOR FUEL COULD REACT DIFFERENTLY THAN WE EXPECT AND OUR 2014 FUEL GROSS MARGIN COULD BE NEGATIVELY AFFECTED TO A GREATER EXTENT THAN WE CURRENTLY EXPECT;

THIS ANNUAL REPORT STATES THAT WE ARE IN THE PROCESS OF DESIGNING AND IMPLEMENTING IMPROVED INTERNAL CONTROLS OVER FINANCIAL REPORTING TO REMEDIATE THE MATERIAL WEAKNESSES THAT EXISTED AS OF DECEMBER 31, 2013. HOWEVER, WE MAY NOT BE SUCCESSFUL IN OUR REMEDIATION EFFORTS AND WE MAY DISCOVER OTHER MATERIAL WEAKNESSES IN INTERNAL CONTROL OVER FINANCIAL REPORTING;

WE MAY NOT REALIZE OUR EXPECTATION THAT WE WILL BENEFIT FINANCIALLY BY PARTICIPATING IN AFFILIATES INSURANCE COMPANY, OR AIC;

THIS ANNUAL REPORT STATES OUR BELIEF THAT OUR CONTINUING RELATIONSHIPS WITH HPT, REIT MANAGEMENT & RESEARCH LLC, OR RMR, AIC AND THEIR AFFILIATED AND RELATED PERSONS AND ENTITIES 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; AND

THIS ANNUAL REPORT STATES THAT GIVEN OUR PROFITABILITY OVER THE PAST THREE YEARS AND OUR CURRENT EXPECTATIONS, WE BELIEVE IT IS MORE LIKELY THAN NOT THAT WE WILL REALIZE MOST OF OUR DEFERRED TAX ASSETS AS OF DECEMBER 31, 2013, IN THE FUTURE AND THAT WE HAVE REVERSED OUR TAX VALUATION ALLOWANCE RELATED TO THOSE DEFERRED TAX ASSETS DURING 2013. THIS MAY IMPLY THAT WE WILL BE PROFITABLE IN 2014 AND THEREAFTER. HOWEVER, THERE CAN BE NO ASSURANCE WE WILL BE PROFITABLE IN 2014 OR THEREAFTER. ALSO, CHANGES IN OUR OWNERSHIP THAT MAY LIMIT OR ELIMINATE OUR ABILITY TO USE OUR NOL MAY OCCUR. OUR ESTIMATES AND ASSUMPTIONS REGARDING THE REVERSAL OF OUR DEFERRED TAX ASSET VALUATION ALLOWANCE MAY NOT BE REALIZED.

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 DIESEL FUEL AND MAY ADVERSELY AFFECT OUR BUSINESS;

THE IMPACT OF CHANGES IN THE ECONOMY AND THE CAPITAL MARKETS ON US, OUR CUSTOMERS AND OUR FRANCHISEES;

COMPLIANCE WITH, AND CHANGES TO, FEDERAL, STATE AND LOCAL LAWS AND REGULATIONS, ACCOUNTING RULES, TAX RATES, ENVIRONMENTAL REGULATIONS AND SIMILAR MATTERS;

COMPETITION WITHIN THE TRAVEL CENTER AND CONVENIENCE STORE INDUSTRIES;

FUTURE FUEL PRICE INCREASES, FUEL PRICE VOLATILITY OR OTHER FACTORS MAY CAUSE US TO NEED MORE WORKING CAPITAL TO MAINTAIN OUR INVENTORIES AND CARRY OUR ACCOUNTS RECEIVABLE THAN WE NOW EXPECT;

ACQUISITIONS OR PROPERTY DEVELOPMENT MAY SUBJECT US TO ADDITIONAL OR GREATER RISKS THAN OUR CONTINUING OPERATIONS, INCLUDING THE ASSUMPTION OF UNKNOWN LIABILITIES;

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. SOME OF THESE TRENDS MAY CONTINUE, WHICH MAY ADVERSELY AFFECT OUR BUSINESS, EVEN IF FUEL PRICES DO NOT INCREASE;

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. 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 REQUIRE OUR WORKING CAPITAL NEEDS TO INCREASE. THE AVAILABILITY

AND THE TERMS OF ANY CREDIT WE MAY BE ABLE TO OBTAIN ARE UNCERTAIN;

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;

WE ARE ROUTINELY INVOLVED IN LITIGATION AND OTHER LEGAL MATTERS INCIDENTAL TO THE ORDINARY COURSE OF OUR BUSINESS. DISCOVERY AND COURT DECISIONS DURING LITIGATION OFTEN HAVE UNANTICIPATED RESULTS. LITIGATION IS USUALLY EXPENSIVE AND 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 OR OTHER MANMADE OR NATURAL DISASTERS BEYOND OUR CONTROL MAY ADVERSELY AFFECT OUR FINANCIAL RESULTS;

ALTHOUGH WE BELIEVE THAT WE BENEFIT FROM OUR CONTINUING RELATIONSHIPS WITH HPT, RMR, AIC AND THEIR AFFILIATED AND RELATED PERSONS AND ENTITIES, ACTUAL AND POTENTIAL CONFLICTS OF INTEREST WITH HPT, RMR, AIC AND THEIR AFFILIATED AND RELATED PERSONS AND ENTITIES MAY PRESENT A CONTRARY PERCEPTION OR RESULT IN LITIGATION;

AS A RESULT OF CERTAIN TRADING IN OUR SHARES DURING 2007, WE EXPERIENCED AN OWNERSHIP CHANGE AS DEFINED BY SECTION 382 OF THE INTERNAL REVENUE CODE, OR THE CODE; CONSEQUENTLY, WE MAY BE UNABLE TO USE OUR NET OPERATING LOSS GENERATED IN 2007 TO OFFSET FUTURE TAXABLE INCOME WE MAY GENERATE. IF WE EXPERIENCE ADDITIONAL OWNERSHIP CHANGES, AS DEFINED IN THE CODE, OUR ABILITY TO USE OUR NET OPERATING LOSSES GENERATED AFTER 2007 COULD BE LIMITED OR ELIMINATED; AND

OUR LIMITED LIABILITY COMPANY AGREEMENT AND BYLAWS AND CERTAIN OF OUR OTHER AGREEMENTS AND BUSINESS LICENSES, INCLUDING OUR LICENSES TO OPERATE GAMING ACTIVITIES, INCLUDE VARIOUS PROVISIONS WHICH MAY DETER A CHANGE OF CONTROL OF US AND, AS A RESULT, OUR SHAREHOLDERS MAY BE UNABLE TO REALIZE A TAKEOVER PREMIUM FOR THEIR SHARES.

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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TRAVELCENTERS OF AMERICA LLC
2013 FORM 10-K ANNUAL REPORT

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PART I

Item 1. *Business*

General

We are a limited liability company formed under Delaware law on October 10, 2006, as a wholly owned subsidiary of Hospitality Properties Trust, or HPT. From that time through January 31, 2007, we conducted no business activities. On January 31, 2007, HPT acquired TravelCenters of America, Inc., our predecessor, restructured this acquired business and distributed all of our then outstanding common shares to the shareholders of HPT. In this Annual Report on Form 10-K for the year ended December 31, 2013, or this Annual Report, we sometimes refer to these transactions as the HPT Transaction, refer to the distribution of our shares in connection with the HPT Transaction as our spin off and refer to HPT and the subsidiaries of HPT from which we lease certain properties collectively as HPT.

Business Overview

We operate and franchise 281 travel center and convenience store locations. Our customers include trucking fleets and their drivers, independent truck drivers and motorists. As of December 31, 2013, our travel center business included 247 travel centers located in 42 states in the U.S., primarily along the U.S. interstate highway system, and the province of Ontario, Canada. Our travel centers included 172 operated under the "TravelCenters of America," "TA" or related brand names, or the TA brand, including 156 that we operated and 16 that franchisees operated, and 75 that were operated under the "Petro Stopping Centers" and "Petro" brand names, or the Petro brand, including 61 that we operated and 14 that franchisees operated. Of our 247 travel centers at December 31, 2013, we owned 33, we leased or managed 189, including 184 that we leased from HPT, and franchisees owned, or leased from others, 25. We sublease to franchisees five of the travel centers we lease from HPT.

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 reduce the number of their suppliers by routing their trucks through our travel centers from coast to coast.

We offer a broad range of products and services, including diesel fuel and gasoline, truck repair and maintenance services, full service restaurants, more than 43 different brands of quick serve restaurants, or QSRs, travel stores and various driver amenities. Some of our locations include gaming operations.

The U.S. travel center and truck stop industry in which we operate 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 generally, with in excess of 6,400 travel centers and truck stops in the U.S., the largest trucking fleets tend to purchase the majority of their over the road fuel from us and our largest competitors.

As of December 31, 2013, our business included 34 convenience stores in four states with retail gas stations, primarily Kentucky, that we operate and whose primary customers are motorists. We acquired 31 of these stores in 2013 and continue to operate them under the brand name "Minit Mart." The convenience stores we operate include, on average, ten fueling positions and approximately 5,000 square feet of interior space offering merchandise and QSRs. Of our 34 convenience stores at December 31, 2013, we owned 27, we leased five, including one that we leased from HPT, and we operated two for a joint venture in which we own a minority interest.

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History

Our Predecessor. Our predecessor was formed in December 1992. At the time of the HPT Transaction, our predecessor's business included 163 travel centers, of which 140 were operated by our predecessor, 10 were operated by franchisees on sites leased from our predecessor and 13 were operated by franchisees on sites they owned or leased from others.

The HPT Transaction. We commenced business on January 31, 2007. In order to govern relations before and after our spin off, we entered into a transaction agreement with HPT and Reit Management & Research LLC, or RMR. As a result of the HPT Transaction, our spin off and the related transaction agreement, HPT acquired 146 travel centers and certain other assets previously held by our predecessor and we entered a lease of these assets with HPT, which we refer to as the TA Lease. We owned the remaining assets of our predecessor and remained obligated for our predecessor's liabilities. On January 31, 2007, HPT distributed all of our then outstanding shares to its shareholders. Other material effects of the HPT Transaction that have continuing effects on us are summarized as follows:

- We agreed with HPT that for so long as we are a tenant of HPT we will not permit: the acquisition by any person or group of beneficial ownership of 9.8% or more of the voting shares or the power to direct the management and policies of us or any of our subsidiary tenants or guarantors under our leases with HPT; the sale of a material part of our assets or those of 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.

- We provided 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.

- We 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.

- We entered into a management and shared services agreement with RMR.

- We agreed to indemnify HPT for liabilities relating to our business and operations for periods before and after our spin off.

The Petro Acquisition. On May 30, 2007, we acquired Petro Stopping Centers, L.P., or Petro, which operated or franchised 69 travel centers along the U.S. interstate highway system. We refer to this transaction as the Petro Acquisition. Simultaneously with the Petro Acquisition, HPT acquired the real estate of 40 Petro travel centers and we leased these 40 travel centers from HPT, which we refer to as the Petro Lease and which together with the TA Lease we refer to as the HPT Leases. In addition to the leasehold for these 40 travel centers, the Petro assets we acquired included the contract rights as franchisor of 24 Petro travel centers and certain other assets.

Rent Deferral Agreement and Amendment Agreement. In August 2008, we entered a rent deferral agreement with HPT. Under the terms of the deferral agreement we deferred a total of $150 million of rent payments through December 31, 2010. In January 2011, we and HPT entered an Amendment Agreement, or the Amendment Agreement, that amended the HPT Leases and our rent deferral agreement with HPT. The Amendment Agreement, among other things, reduced the minimum annual rent payable to HPT, extended the due date for the $150 million of rent that we previously deferred and ceased interest charges on that deferred rent, as further described under the heading "Our Leases With HPT" below.

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Other Significant Activities. During the fiscal year ended December 31, 2013, we completed the following other significant activities:

In January 2013, we sold $110 million aggregate principal amount of our 8.25% Senior Notes due 2028, or the Senior Notes, for net proceeds of approximately $105.1 million after underwriters' discounts and other offering expenses. The Senior Notes are unsecured. We may, at our option, at any time after January 15, 2016, redeem some or all of the Senior Notes by paying 100% of the principal amount of the Senior Notes to be redeemed plus accrued but unpaid interest, if any.

On April 15, 2013, we entered an agreement with Equilon Enterprises LLC doing business as Shell Oil Products US, or Shell, pursuant to which Shell has agreed to construct a network of natural gas fueling lanes for trucks at up to 100 of our travel centers located along the U.S. interstate highway system, including travel centers we lease from HPT and to supply natural gas for sale to customers at these locations, and we have agreed to operate such fueling lanes. In connection with that agreement, on April 15, 2013, we and HPT amended the HPT Leases to revise the calculation of percentage rent payable by us under the HPT Leases, as further described under the heading "Our Leases With HPT" below.

In December 2013, we issued 7,475,000 common shares in an underwritten public offering, raising proceeds of approximately $65.1 million after underwriters' discounts and commissions and other costs of the offering.

In December 2013, we acquired for $67.9 million a business that operates 31 convenience stores with retail gasoline stations in Kentucky and Tennessee.

Recent Developments

On March 17, 2014, we filed a Form 12b-25 with the SEC indicating that we were unable to file this Annual Report within the time period prescribed by the Securities Exchange Act of 1934, as amended, or the Exchange Act, due to unanticipated delays encountered in connection with our accounting for income taxes as well as general delays encountered in connection with the completion of our accounting processes and procedures. On May 13, 2014, we filed a second Form 12b-25 indicating that as a result of the delay in completing this Annual Report, we were also unable to file the First Quarter 10-Q within the time period prescribed by the Exchange Act.

Our Growth Strategy

Acquisitions and Development. Pressure from difficult economic and industry conditions of the past several years has caused some, and may cause further, financial challenges for some travel center operators and may in the future result in opportunities to acquire locations at attractive prices. We believe these conditions led to our acquisitions during 2011 of six travel centers and two properties ancillary to existing travel centers for an aggregate amount of $38.0 million. During 2012, we acquired, for an aggregate amount of $52.3 million, 10 travel centers and the businesses of our franchisees at four travel centers that such franchisees previously had subleased from us. During 2013, we acquired, for an aggregate amount of $46.2 million, nine travel centers and the business of a franchisee at a travel center such franchisee had previously subleased from us. Additionally, in December 2013, we acquired for $67.9 million a business that operates 31 convenience stores with retail gasoline stations in Kentucky and Tennessee. Further, as of December 31, 2013, we had entered an agreement to acquire an additional travel center for a total of $3 million, which acquisition was completed in January 2014. During 2014 to the date of this Annual Report, we entered agreements to acquire two additional travel centers for a total of $21.5 million. We expect to complete these acquisitions in the second or third quarters of 2014, but these purchases are subject to conditions and may not occur, may be delayed or

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the terms may change. We currently intend to continue our efforts to selectively acquire additional properties.

We own seven parcels of undeveloped land suitable for developing travel centers. We have begun to plan to develop travel centers on two of these parcels starting during 2014 or 2015 and may decide to build additional travel centers or other facilities on the other five parcels in the future. We occasionally consider purchasing properties for future development, and we expect to continue to do so in the future.

Existing Properties. We believe we have opportunities to increase revenues and profits through continued investment in our existing properties, including those locations we acquired during 2011 through the date of this annual report. These opportunities include 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 dispensers and possible expansion of offerings to include items not previously offered by us, such as natural gas refueling as noted above.

Franchising. In 2011, we added four franchise travel centers. Two of these travel centers are located in Virginia and one travel center is located in each of Alabama and Tennessee. Although we added no franchise sites in 2012 or 2013, we may selectively expand our business through franchising in the future. During 2011, 2012 and 2013, we acquired the operations of one, eight and four, respectively, of our former franchisees who elected to exit those businesses.

Our Locations

At December 31, 2013, our 281 locations consisted of:

- 179 travel centers and one convenience store leased from HPT and operated by us;
- Five travel centers leased from HPT and subleased to and operated by our franchisees;
- 33 travel centers and 27 convenience stores we own and operate;
- Three travel centers and four convenience stores that we operate on sites owned by parties other than HPT or us;
- Two travel centers and two convenience stores we operate for a joint venture in which we own a minority interest; and
- 25 travel centers that are operated by our franchisees on sites they own or lease from parties other than us.

Our travel centers include 172 operated under the TA and related brands and 75 operated under the Petro brand. Our typical travel center includes:

- over 25 acres of land with parking for 189 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 diesel exhaust fluid at the diesel lanes; and
- a travel 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.

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Our convenience stores include 31 that we operate under the Minit Mart brand and three we operate under other brands. Our typical convenience store includes ten fueling positions and approximately 5,000 square feet of interior space offering merchandise and prepared foods on approximately 2 acres of land.

Properties. The physical layouts of our locations vary from site to site. The majority of the developed acreage at our travel centers consists of truck and car fuel islands, separate truck and car parking lots, a main building that contains a full service restaurant and one or more QSRs, a travel store, a truck maintenance and repair shop and other amenities. Most of our TA travel center locations have one building with separate service areas and most of our Petro travel center locations have several separate buildings. Our convenience store properties include a single building and parking lot.

Product and Service Offering. 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 also sell branded and unbranded gasoline at motorist fuel islands. As of December 31, 2013, we offered branded gasoline at 258 of our 281 locations and unbranded gasoline at 8 of our locations (7 of which are operated by franchisees of ours). We did not offer gasoline at 15 of our locations.

Diesel Exhaust Fluid. Diesel exhaust fluid, or DEF, is an additive that is required by most truck engines manufactured after 2010. As of December 31, 2013, DEF is offered from dispensers on the diesel fueling island at all of the travel centers we operate and nearly all of our franchised 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 43 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, 2013, 217 of our travel centers included a full service restaurant, 190 of our travel centers and convenience stores offered at least one QSR, and there were a total of 359 QSRs in our 281 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 2013 and 2014. Our 235 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 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.

Roadside Repair. RoadSquad® is a roadside truck service program that operates 24 hours per day, seven days per week and includes a fleet of approximately 430 service trucks we own and trucks owned by our franchisees. 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 that operates 24 hours per day, seven days per week to dispatch our RoadSquad® vehicles and third party roadside service providers. RoadSquad Connect™ includes service providers in 47 U.S. states and one Canadian province with a total of nearly 1,400 locations. We also offer truck and trailer repair services at customer facilities through a service program we refer to as RoadSquad OnSite®.

Travel Stores. At each of our travel centers we offer a travel store that offers merchandise to truck drivers, motorists, recreational vehicle operators and bus drivers and passengers. Our travel stores have a selection of over 4,000 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 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.

Additional Driver Services. We believe that trucking fleets can improve the retention and recruitment of truck drivers by directing them to visit high quality, full service travel centers. 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 are an authorized Verizon Wireless dealer and currently offer Verizon Wireless products and services at 21 of our travel centers. 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 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 video game room;
- a laundry area with washers and dryers;
- private showers;
- exercise facilities; and
- areas designated for truck drivers only, including a theater or big screen television room with a video player and comfortable seating.

Operating Segment

We manage our business on the basis of one operating segment. Please refer to the consolidated financial statements included in Item 15 of this Annual Report for revenue, operating profit and asset data. We have only a single travel center located in a foreign country, Canada, and the revenues and

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assets related to our operations in Canada are not material. The following table sets forth the composition of our total revenues by type for each of the three years ended December 31, 2013.

	Year Ended December 31,		
	2013	2012	2011
Revenues:			
Fuel	81.5%	83.0%	83.7%
Nonfuel	18.3%	16.8%	16.1%
Rent and royalties from franchisees	0.2%	0.2%	0.2%
Total revenues	100.0%	100.0%	100.0%

Operations

Fuel. 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, and we sell fuel to our customers at prices that we establish daily or are indexed to market prices and 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 very few suppliers for diesel fuel in that market and we may have only one viable supplier. We have single sources of supply for gasoline at each of our locations that offer branded gasoline; we generally purchase gasoline from multiple sources for our locations that offer unbranded gasoline. We offer biodiesel at a number of our travel centers and have a limited number of suppliers for this product at those sites at which we sell biodiesel. We expect to begin selling liquefied natural gas, or LNG, at certain of our travel centers during the second quarter of 2014. 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 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 with customers.

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 for lubricants. We believe that our relationships with these and our other suppliers are satisfactory. 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 inventory and supplies at lower total acquisition costs. These warehouses are leased and include a total of approximately 181,400 square feet of space.

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, a company affiliated with Pilot Travel Centers LLC, or Pilot Flying J. We accept fuel cards as payment at our travel centers and we receive payment for our accounts receivable from these fuel card companies on a daily basis.

Our Leases With HPT

We have two leases with HPT, the TA Lease for 145 properties, and the Petro Lease for 40 Petro properties. Two of our subsidiaries are the tenants under the leases, and we, and in the case of our TA Lease certain of our subsidiaries, guarantee the tenants' obligations under the leases. The following are summaries of the material terms of these leases, as amended.

Term. The TA Lease expires on December 31, 2022. The Petro Lease expires on June 30, 2024, and may be extended by us for up to two additional periods of 15 years each.

Operating Costs. The HPT Leases are "triple net" leases, which require us to pay all costs incurred in the operation of the leased properties, including personnel, utilities, acquiring inventories, providing services to customers, insurance, paying real estate and personal property taxes, environmental related expenses, underground storage tank removal costs and ground lease payments at those properties at which HPT leases the property from the owner and subleases it to us.

Rent. As of December 31, 2013, the TA Lease requires us to pay minimum rent to HPT in an amount of $159.3 million per year through December 31, 2022 and the Petro Lease requires us to pay minimum rent to HPT of $60.2 million through June 30, 2024.

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.

Starting in 2012, the TA Lease requires us to pay additional rent that generally is calculated as follows: an amount equal to 3% of increases in nonfuel gross revenues and 0.3% of increases in gross fuel revenues at the 145 properties covered by the TA Lease over the respective gross revenue amounts for the year 2011. Additional rent attributable to fuel revenues is subject to a maximum each year calculated by reference to changes in the consumer price index. Additional rent under the TA Lease was $2.1 million and $1.5 million for the years ended December 31, 2013 and 2012, respectively. The Petro Lease requires us to pay additional rent calculated using the same formula as in the TA Lease, except that such payments started in 2013 and are calculated using the revenues of the 40 leased Petro properties in excess of revenues for the year 2012 and the additional rent under the Petro Lease is subject to the waiver of payment of the first $2.5 million of such additional rent. The amount of percentage rent that would have been payable under the Petro Lease for the year ended December 31, 2013, was $0.4 million; because this amount was waived, we did not recognize it as an expense in 2013. In connection with the agreement we entered into with Shell, on April 15, 2013, we and HPT amended the HPT Leases to revise the calculation of percentage rent payable by us under the HPT Leases, with the intended effect that the amount of percentage rent would be unaffected by the type of fuel sold, whether diesel fuel or natural gas.

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On August 11, 2008, we entered a rent deferral agreement with HPT. Under the terms of the deferral agreement, through December 31, 2010, we had deferred $150 million of rent payable to HPT, the maximum amount we were able to defer and which was contractually due to HPT by July 1, 2011. As part of the Amendment Agreement, we and HPT amended the rent deferral agreement, so that $107.1 million of our deferred rent obligation will be due and payable on December 31, 2022, the remaining $42.9 million of our deferred rent obligation will be due and payable on June 30, 2024, and effective January 1, 2011, interest does not accrue on our deferred rent obligation; provided, however, that the deferred rent obligation shall be accelerated and interest shall begin to accrue thereon if certain events provided in the Amendment Agreement occur, including a change of control of us.

On August 13, 2013, the travel center located in Roanoke, VA, that we leased from HPT under the TA Lease was taken by eminent domain proceedings brought by the Virginia Department of Transportation, or VDOT, in connection with planned highway construction. The TA Lease provides that the annual rent payable by us is reduced by 8.5% of the amount of the proceeds HPT receives from the taking or, at HPT's option, the fair market value rent of the property on the commencement date of the TA Lease. In January 2014, HPT received proceeds from VDOT of $6.2 million, which is a portion of VDOT's estimate of the value of the property, and as a result our annual rent under the TA Lease was reduced by $0.5 million effective January 6, 2014. We and HPT intend to challenge VDOT's estimate of the property's value. HPT has entered a lease agreement with VDOT to lease this property through August 2014 for $40,000 per month, and under the terms of the TA Lease we will be responsible to pay this ground lease rent. We sublease this property from HPT and plan to continue operating it as a travel center through August 2014.

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.

Environmental Matters. We also are required generally to indemnify HPT for certain environmental matters and for liabilities which arise during the terms of the leases from ownership or operation of the leased properties.

Indemnification and Insurance. With limited exceptions, we indemnify HPT from liabilities which 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 as 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 leases generally require that HPT be named as an additional insured under our insurance policies.

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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 TA Lease, 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 TA Lease; (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 million or more for the TA Lease, or $20 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
- 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.

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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 TA Lease, HPT has the right to license any of our software used in the operation of the leased properties thereunder at its then fair market value and to offer employment to employees at the leased properties thereunder; and under both leases we have agreed to cooperate in the transfer of permits, agreements and the like necessary for the operation of the leased properties thereunder.

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 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 TA Lease, this 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 TA Lease 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.

For further information about the HPT Leases and related amounts, see Note 17 to the Notes to Consolidated Financial Statements in Item 15 of this Annual Report, which is incorporated herein by reference. In addition, for more information about these transactions and relationships and about the risks which may arise as a result of these transactions and relationships, see elsewhere in this Annual Report, including "Warning Concerning Forward Looking Statements" and Item 1A, "Risk Factors".

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, 2013, 30 of our travel centers were operated by our franchisees. Five of these travel centers are leased by us from HPT and subleased by us to a franchisee. Twenty five of these travel centers are owned, or leased from others, by our franchisees. As of December 31, 2013, one franchisee operated four travel centers, two operated two travel centers, and 22 operated one travel center each. The table below summarizes by state information as of December 31, 2013, regarding branding and ownership of the travel centers our

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franchisees operate. Similar information for the locations we operate is included in Item 2 of this Annual Report.

	Brand Affiliation of Sites[(1)]			Ownership of Sites By:[(1)]	
	TA	Petro	Total	HPT	Franchisee or Others
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	2	1	3		3
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	16	14	30	5	25

(1) Includes only travel centers operated by our franchisees and excludes sites we operate.

Franchise Agreements

Material provisions of our franchise agreements typically include the following:

Initial Franchise Fee. The initial franchise fee for a new franchise is $1,000,000.

Term of Agreement. The initial term of a franchise agreement is generally ten to fifteen 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 and conditions as the expiring agreements. As of December 31, 2013, our franchise agreements had an average remaining term excluding renewal options of five years and an average remaining term including renewal options of 13 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.

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 with 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% and 4% 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 Sublease Agreements

In addition to franchise fees, we also collect rent from franchisees who sublease their respective travel centers from us. At December 31, 2013, there were five such subleased franchisee travel centers. During 2012 and 2013, we acquired the operations at four and one travel centers, respectively, that previously had been subleased from us by franchisees. The current terms of the five remaining sublease agreements end between June and September 2017. Four of the five remaining subleases have one renewal option for an additional five year period; the fifth sublease has no further renewal options. The subleases require that the franchisees notify us of their intent to renew the sublease 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 sublease and executing our then current form of sublease, the terms of which may differ from the expiring sublease, including without limitation, increased rent. The material provisions of our sublease agreements typically include the following:

Operating Costs. Under the terms of our existing leases, the sublessee is responsible for the payment of all costs and expenses in connection with the operation of the leased travel centers, typically excluding certain environmental costs, certain maintenance costs and real estate taxes.

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Rent. Under the terms of our existing leases, the sublessee must pay annual fixed rent equal to the sum of:

- base rent (annual base rent for the five subleases aggregated $4.3 million as of December 31, 2013);
- improvement rent, if any, which is defined as an amount equal to a certain percentage of the cost of certain capital improvements we fund after we and the sublessee agree that the improvements may enhance the value of the leased premises; and
- an annual inflator generally equal to the percentage increase in the consumer price index.

Use of the Leased Travel Center. The leased travel center must be operated as a travel center in compliance with all laws, including all environmental laws.

Termination/Nonrenewal. The subleases contain terms and provisions regarding termination and nonrenewal, which are substantially the same as the terms and provisions of the related franchise agreements. The subleases are cross defaulted with the related franchise agreements. In certain circumstances we may reimburse the franchisee for a portion of the franchisee's cost of certain capital improvements upon termination of the sublease.

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 through certain of our subsidiaries, we and such subsidiaries, which we refer to as our licensed subsidiaries, are currently subject to gaming regulations in 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 securityholders 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

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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 his or its 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.

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.

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 and from us or our largest competitors. Based on the number of locations, Pilot Flying J, and Love's Travel Stops and Country Stores, Inc., or Love's, and we are the largest companies in our 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 is based on the quality, variety and pricing of the wide array of nonfuel product, service and amenities offerings. Our truck repair and maintenance facilities compete with the truck repair and maintenance facilities at Pilot Flying J and Love's locations. These two competitors have increased their respective numbers of truck repair and maintenance facilities over the past few years but do not have as large a chain of repair and maintenance facilities as we do. 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 travel 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.

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.

We believe we may be able to compete successfully for the following reasons:

- 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 and large parking lots, we may be able to attract fleet and independent professional truck drivers and motorists.

- Many of our employees have substantial experience in operating our business.

- As a publicly owned company to which RMR provides some business management services, we may have stronger capitalization and opportunities to raise capital than some of our competitors.

- Our continuing relationship with HPT and RMR may provide us opportunities to expand our business in the future.

HPT is not obligated to provide us with opportunities to lease additional properties, and we may not be able to find other sources of capital sufficient to maintain or grow our travel center business. Also, some of our competitors may have more resources than we do; and some of our competitors have vertically integrated fuel, fuel card 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.

Convenience Stores

The convenience store industry is highly competitive with ease of entry and constant change 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, 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. We believe that we may have a competitive advantage in this market because at an average of approximately 5,000 square feet, our convenience stores are larger than the average convenience store, which average is approximately 2,900 square feet according to the National

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Association of Convenience Stores, enabling us to have a larger variety of product and service offerings.

Environmental and Climate Change Matters

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. We use both underground storage tanks and above ground storage tanks to store petroleum products, natural gas and waste 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. In addition, legislation and regulation regarding climate change, including greenhouse gas emissions, and other environmental matters may be adopted or administered and enforced differently in the future, which could adversely impact our business. For instance, federal and state governmental requirements addressing emissions from trucks and other motor vehicles, such as the U.S. Environmental Protection Agency's gasoline and diesel sulfur control requirements that limit the concentration of sulfur in motor gasoline and diesel fuel, as well as President Obama's recent 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. While the costs of our environmental compliance in the past have not had a material adverse impact on us, it is impossible to predict the ultimate effect changing circumstances and changing environmental laws may have on us in the future. Under the terms of our 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 these properties. Under our agreement with Shell, we have agreed to indemnify Shell and its affiliates from certain environmental liabilities incurred with respect to our travel centers where natural gas fueling lanes are installed by Shell. Also, legislation and regulations that limit carbon emissions may cause our energy costs at our locations to increase.

For further information about these and other environmental and climate change matters, see the disclosure under the heading "Environmental Matters" in Note 18 to the Notes to Consolidated Financial Statements included in Item 15 of this Annual Report, which disclosure is incorporated herein by reference. 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."

Intellectual Property

We own no patents. 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" and other trademarks historically used by our predecessor, which are owned by HPT, during the term of the TA Lease. 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.

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Seasonality

Assuming little variation in fuel prices, our revenues are usually lowest in the first quarter of a year when movement of freight by professional truck drivers and motorist travel are typically at their lowest levels of the year, and our revenues in the fourth quarter of a year are often somewhat lower than those of the second and third quarters because, although the beginning of the fourth quarter is often positively impacted by increased movement of freight in preparation for various national holidays, that positive impact is often more than offset by a reduction in freight movement caused by vacation time associated with those holidays taken by professional truck drivers toward the end of the year. While our revenues are modestly seasonal, the quarterly variations in our operating results may reflect greater seasonal differences because our rent and certain other costs do not vary seasonally.

Employees

As of December 31, 2013, we employed approximately 20,670 people on a full or part time basis. Of this total, approximately 20,000 were employees at our company operated sites, 600 performed managerial, operational or support services at our headquarters or elsewhere and 70 employees staffed our distribution centers. Thirty of our employees at two travel centers are represented by unions. We believe that our relationship with our employees is satisfactory.

Internet Website

Our internet website address is www.tatravelcenters.com. Copies of our governance guidelines, code of business conduct and ethics, 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 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 or at our website. We make available, free of charge, on our website, 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 Exchange Act, as soon as reasonably practicable after these forms are filed with, or furnished to, 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. 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 can be found on our website. Our website address is included several times in this Annual Report as a textual reference only and the information in the website is not incorporated by reference into this Annual Report.

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 trading price of our equity 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 operations have produced losses.

From when we began operations on January 31, 2007, through 2010 our business produced losses. Although some of our historical results were impacted by separation obligations with our former

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management, business reorganizations and other costs that did not recur and we have been profitable in 2011, 2012 and 2013, we believe our losses in prior periods were also the result of the general decline of the U.S. and world economies over which we have no control. We cannot provide any assurance that we will be able to operate profitably in future periods.

Our operating margins are narrow.

Our total revenues for the year ended December 31, 2013, were $7.9 billion, while the sum of our cost of goods sold (excluding depreciation) and site level operating expenses for the same period totaled $7.5 billion. Fuel sales in particular generate low gross margin percentages. Our fuel sales for the year ended December 31, 2013, were $6.5 billion and our gross margin on fuel sales was $0.3 billion, or approximately 5.3% of fuel sales. A small percentage decline in our future revenues or increase in our future costs and expenses, especially revenues and costs and expenses related to fuel, may cause our profits to decline or us to incur losses.

Our financial results are affected by U.S. 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 our products and services typically declines. For example, in the recent past declines in housing construction led to less lumber and construction materials being shipped, and these reduced shipments resulted in fewer customers and lower sales volumes at our travel centers. While the U.S. economy recently has been slowly growing over the past several quarters and trucking activity measures reflect growth in that industry, the strength and sustainability of any economic recovery is uncertain. If the U.S. economy continues to operate as it has over the past few years, or if it worsens, our financial results may not improve and may decline.

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

As of December 31, 2013, we had total consolidated indebtedness of $154.9 million, consisting of letters of credit outstanding under our credit facility and $110 million of our 8.25% Senior Notes due 2028. As of December 31, 2013, we also had deferred rent obligations of $150 million, $107.1 of which is due on December 31, 2022, and $42.9 million of which is due on June 30, 2024, and substantial ongoing obligations under our leases. Together, these obligations are substantial and could limit our ability to obtain financing for working capital, capital expenditures, acquisitions, refinancing, lease obligations or other purposes. They 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 debt levels. Any or all of the above events and factors could have an adverse effect on our results of operations and financial condition.

We are obligated to pay material amounts of rent to HPT.

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, like the one we experienced during the recent recession, our revenues and gross margins may decrease but our minimum rents due to HPT do not decline. A decline in our revenues or an increase in our expenses may make it difficult or impossible for us to meet all of our obligations and, if we default under our HPT leases, we may be unable to continue our business.

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

High fuel prices and the inability to project future prices 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 many customer measures to conserve fuel, such as lower maximum driving speeds and reduced truck engine idling reducing total fuel consumption and 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 inventories 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 and longer maintained fuel inventory that may have been purchased 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 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 or increasing our gross margins per gallon of fuel sold on lower volumes of fuel sales. 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 increase our sales of other products and services to gain market share or to increase our profit margins on lower fuel volumes, our profits may decline or we may incur losses.

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 United States, 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. Further, legislation and regulations that limit carbon emissions may cause our energy costs at our locations to increase. 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 gasoline and

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diesel sulfur control requirements that limit the concentration of sulfur in motor gasoline and diesel fuel, could negatively impact our business by making the fuel more expensive and causing our customers to buy less. For more information regarding climate change matters and their possible adverse impact on us, please see Item 7, "Management's Discussion and Analysis Environmental and Climate Change Matters."

Our travel centers require regular and substantial maintenance and capital investments.

Our travel centers are open for business 24 hours per day, 365 days per year. Also, many of our travel centers were originally constructed more than 25 years ago. Because of the age of many of our travel centers and because of the nature and intensity of the uses of our travel centers, our travel centers require regular and substantial expenditures for maintenance and capital investments to remain functional and attractive to customers. If we cannot access capital necessary to maintain our properties, our business may decline and our profits may decline or we may incur losses. Also, deferring certain capital expenditures in the near term may require us to make even larger amounts of capital expenditures in the future.

Although we may request that HPT purchase future renovations, improvements and equipment at the travel centers that we lease from HPT, HPT is not obligated to purchase any amounts and any amounts it purchases will result in an increase in our rent payable to HPT.

Our failure to prepare and timely file our periodic reports with the SEC may adversely affect our access to the public markets to raise debt or equity capital as necessary to make required investments in our properties or to implement our business strategies.

We are not current in our reporting requirements with the SEC, and, as a result, are not able to use our shelf registration statement on Form S-3 to access the public markets to raise debt or equity capital. This limitation could adversely affect our ability to make the capital investments necessary to maintain our properties or prevent us from pursuing transactions or implementing business strategies that we might otherwise believe are beneficial to our business. Until we have regained and maintained timely compliance with our reporting obligations under the Exchange Act for a period of no less than twelve full consecutive calendar months, we will be ineligible to use shorter and less costly filings, such as a registration statement on Form S-3, to register our securities for sale. We may use a registration statement on Form S-1 to register a sale of our securities to raise capital or complete acquisitions, but doing so would likely increase transaction costs and the time required to raise capital and adversely impact our ability to raise capital or complete acquisitions in a timely manner.

We may not complete our pending acquisitions within the time frame we anticipate, or at all, which could have a negative effect on us.

Our pending acquisitions are subject to satisfaction of closing conditions, which could delay or prevent completion, cause us to incur additional costs, or both. If we do not consummate one or more pending acquisitions within the expected time frame, or at all, it could have a negative effect on our ability to execute on our growth strategy or financial performance. Additionally, if we incur substantial expenses in connection with the negotiation and completion of a particular transaction and it is not completed, we would have incurred these expenses without realizing the expected benefits of the transaction.

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

Travel centers that we acquire often require substantial improvements in order to be brought up to our standards, which improvements 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' networks. We estimate that our travel center acquisitions generally will reach stabilization in approximately the third year after acquisition, but actual results can vary widely from this estimate. 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 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 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. 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.

The obligations and liabilities with respect to an acquisition, some of which may be unanticipated or unknown, may be greater than we have anticipated which may diminish the value of the acquisition to us.

We may acquire obligations and liabilities in a particular transaction, some of which may not have been disclosed to us, may not be reflected or reserved for in the acquiree's historical financial statements, or may be greater than we have anticipated. These obligations and liabilities could have a material adverse effect on our business, financial condition or results of operations.

We may not complete our planned travel center development projects within the time frame or for the investment we anticipate, or at all.

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.

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 million amount of trade credit will allow us to purchase 5 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.

In light of economic, industry and global credit market conditions and our historical operating losses, the availability and terms of any credit we may be able to obtain are uncertain. Although we maintain a credit facility permitting borrowings of up to $200 million, we typically utilize a large portion of that facility for issuances of letters of credit to our fuel suppliers to secure our fuel purchases and to taxing authorities (or surety bond providers) for fuel taxes. In addition, our qualified collateral historically has been below the amount required to permit the entire $200 million under the

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credit facility to be available to us for borrowings. At December 31, 2013, a total of $130.8 million was available to us for loans and letters of credit under the credit facility, of which we had used $44.9 million for outstanding letters of credit issued under that facility to secure certain purchases, insurance, fuel tax and other trade obligations. Any increased investment in working capital decreases our financial flexibility to use our capital for other business purposes or to fund our operations and may cause us to suffer losses. We received a waiver, until July 31, 2014, of the requirement under our credit facility to furnish unaudited consolidated financial statements as of and for the fiscal quarter ended March 31, 2014 within 45 days of such quarter end. If we are unable to furnish these financial statements within this time period or obtain an extension of the waiver, we may be unable to borrow under our credit facility, which could affect our ability to meet our business obligations or grow our business.

Our credit facility is secured by substantially all of our cash, accounts receivable, inventory, equipment and intangible assets and imposes restrictions on our ability to incur additional indebtedness or to grant security interests in our assets. Further, under the HPT Leases, subject to certain exceptions, our tenant subsidiaries may not incur debt secured by any of their assets used in the operation of the leased travel centers without HPT's consent. Because security interests in a significant amount of our assets have already been granted and we are contractually limited in our ability to incur additional debt or grant security interests, our ability to obtain additional financing may be limited.

Further, our failure to timely file this Annual Report with the SEC, consequent inability to use our shelf registration statement on Form S-3 until we have regained and maintained timely compliance with our reporting obligations under the Exchange Act for a period of not less than twelve full consecutive calendar months and the material weaknesses in our internal control over financial reporting may negatively impact our ability to issue new debt and equity securities or the timing and terms of such an issuance.

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. These tests include maintenance of certain financial ratios any time that excess availability under the credit facility falls below 15% of the maximum credit limit of $200 million, until such time that the excess availability has been greater than 15% of the maximum credit limit for thirty consecutive days. 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.

Our credit facility also requires that we furnish certain of our financial statements to our lenders within specified time periods. Additionally, the indenture governing our Senior Notes requires that we file our Exchange Act reports within prescribed time periods. If we are unable to furnish these financial statements or reports within the prescribed time periods, or, in the case of our credit facility, obtain a waiver, we may be in default under our credit facility or under the indenture governing the Senior Notes, which could give rise to adverse consequences, including giving lenders or holders of our Senior Notes the right to exercise certain remedies, such as demanding immediate repayment of amounts owed, and restrictions on our ability to borrow. If we are unable to borrow under our credit facility, we may be unable to meet our business obligations or grow our business. Effective May 31, 2014, we received a waiver from our lenders extending until July 31, 2014, our requirement to furnish our quarterly financial statements as of and for the fiscal quarter ended March 31, 2014.

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, 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.

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 inventories. 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 and other hazardous substances, all of which create the potential for environmental damage. As a result, we regularly incur environmental clean up costs. Our balance sheet as of December 31, 2013, included an accrued liability of $7.5 million for environmental remediation and related costs. Because of the uncertainties associated with environmental expenditures, it is possible that future expenditures could be substantially higher than this amount. 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.

In our experience, the risk of being subject to regulatory review and proceedings for environmental related matters is greater in certain jurisdictions, such as the State of California. We have significant operations in the State of California and are currently and have in the past been subject to regulatory review and proceedings for environmental related matters and may in the future be subject to similar reviews and proceedings in that state or elsewhere. Although to date our environmental regulatory matters in the State of California have not resulted in settlements or judgments against us, or otherwise resulted in our paying or agreeing to pay amounts, which have had, or which we expect would reasonably be likely to have, a material adverse effect on our business, there can be no assurance that they will not have such an effect or that environmental regulatory reviews or proceedings elsewhere would not have such an effect on us.

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.

Consolidation of our competitors and the third party fuel card companies may negatively affect our business.

In 2010, the largest companies in our industry based on diesel fuel volume combined to form Pilot Flying J. As a result of this combination, increased competitive pressure could negatively impact our sales volumes and profitability and increase our site level operating expenses and selling, general and administrative expenses. In addition, 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 Network, Inc., or Comdata, the largest issuer of fuel cards, and Electronic Funds Source, LLC, or EFS, a company affiliated with Pilot Flying J. EFS is the product of the combination during 2011 and 2012 of the fuel card businesses of Transportation Clearing House LLC, EFS Transportation Services, Inc., and T-Check Systems, each previously one of the larger competitors to Comdata in the fuel card industry, making, we believe, EFS the second largest competitor in the fuel card industry. We are unable to determine the full extent and effect the combined Pilot Flying J may have on our financial position, results of operations, or competitive position, although we believe the combination enables Pilot Flying J to substantially alter the competitive conditions in the travel center industry. Further, we are unable to determine the extent of the effect that competition, or lack thereof, between Comdata and EFS in particular, may result in future increases in our transaction fee expenses or working capital requirements, or both.

Our convenience stores are subject to a number of risks particular to the convenience store industry that, if materialized, could have a material adverse effect on our business, results of operations or financial condition.

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. Additionally, a large number of our convenience stores are located in Kentucky, making our convenience store business particularly vulnerable to changes in economic conditions in Kentucky.

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Many of our labor costs are fixed and cannot be reduced without adversely affecting our business.

To maintain and manage our operations requires certain minimum staffing levels to operate our travel centers 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 effect future reductions in our staff without adversely affecting our business prospects. Also, certain opportunities for sales may be lost when labor is reduced.

Our customers may become unable to pay us when we extend credit.

We sell some of our products on credit. Customers purchasing fuel or other goods or services on credit from us may default on their obligations to pay, or they may extend the payment periods, for products sold to them on credit. In light of the challenging economic conditions that have existed in the U.S. generally during and since the recent recession and in the trucking industry specifically, and the slow and uneven recovery and expansion of the U.S. economy since the recession, the risk that some of our customers may not pay us may be greater at present than it had been prior to the recession. Also, to the extent that we are unable to collect receivables owed to us in a timely fashion, we may be required to increase amounts invested in our working capital, which could have a material adverse effect on our business, results of operations or financial condition.

We are involved in litigation whic