UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, DC 20549

FORM 10-Q

(Mark One)

☒ **Quarterly Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934**

For the quarterly period ended June 30, 2019

OR

☐ **Transition Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934**

Commission File Number: 001-32505

TRANSMONTAIGNE PARTNERS LLC
(Exact name of registrant as specified in its charter)

Delaware (State or other jurisdiction of incorporation or organization)	**34-2037221** (I.R.S. Employer Identification No.)

1670 Broadway
Suite 3100
Denver, Colorado 80202
(Address, including zip code, of principal executive offices)
(303) 626-8200
(Telephone number, including area code)

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

Indicate by check mark whether the registrant has submitted electronically, if any, every Interactive Data File required to be submitted 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 such files). Yes ☒ No ☐

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

Large accelerated filer ☐	Accelerated filer ☒	Smaller reporting company ☐
Non-accelerated filer ☐		Emerging growth company ☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

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

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

Title of each class	Trading Symbol(s)	Name of each exchange on which registered

As of June 30, 2019, the registrant has no common units outstanding.

* The registrant is a voluntary filer of reports required to be filed by certain companies under Section 13 or 15(d) of the Securities Exchange Act of 1934 and has filed all reports that would have been required to have been filed by the registrant during the preceding 12 months had it been subject to such filing requirements during the entirety of such period.

DOCUMENTS INCORPORATED BY REFERENCE
None.

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CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS

This Quarterly Report on Form 10-Q contains "forward-looking statements" within the meaning of federal securities laws. Forward-looking statements give our current expectations, contain projections of results of operations or of financial condition, or forecasts of future events. When used in this Quarterly Report, the words "could," "may," "should," "will," "seek," "believe," "expect," "anticipate," "intend," "continue," "estimate," "plan," "target," "predict," "project," "attempt," "is scheduled," "likely," "forecast," the negatives thereof and other similar expressions are used to identify forward-looking statements, although not all forward-looking statements contain such identifying words. These forward-looking statements are based on our current expectations and assumptions about future events and are based on currently available information as to the outcome and timing of future events. You are cautioned not to place undue reliance on any forward-looking statements.

When considering forward-looking statements, you should keep in mind the risk factors and other cautionary statements described under the heading "Item 1A. Risk Factors" included in our Annual Report on Form 10-K for the year ended December 31, 2018 and the risk factors and other cautionary statements contained in our other filings with the United States Securities and Exchange Commission.

You should also understand that it is not possible to predict or identify all such factors and should not consider the following list to be a complete statement of all potential risks and uncertainties. Factors that could cause our actual results to differ materially from the results contemplated by such forward-looking statements include:

- our ability to successfully implement our business strategy;
- competitive conditions in our industry;
- actions taken by third-party customers, producers, operators, processors and transporters;
- pending legal or environmental matters;
- costs of conducting our operations;
- our ability to complete internal growth projects on time and on budget;
- general economic conditions;
- the price of oil, natural gas, natural gas liquids and other commodities in the energy industry;
- the price and availability of financing;
- large customer defaults;
- interest rates;
- operating hazards, natural disasters, weather-related delays, casualty losses and other matters beyond our control;
- uncertainty regarding our future operating results;
- changes in tax status;
- effects of existing and future laws and governmental regulations;
- the effects of future litigation; and
- plans, objectives, expectations and intentions contained in the Annual Report that are not historical.

All forward-looking statements, expressed or implied, included in this Quarterly Report are expressly qualified in their entirety by this cautionary statement. This cautionary statement should also be considered in connection with any subsequent written or oral forward-looking statements that we or persons acting on our behalf may issue.

Except as otherwise required by applicable law, we disclaim any duty to update any forward-looking statements, all of which are expressly qualified by the statements in this section, to reflect events or circumstances after the date of this Quarterly Report.

Part I. Financial Information

ITEM 1. UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS

The interim unaudited consolidated financial statements of TransMontaigne Partners LLC as of and for the three and six months ended June 30, 2019 are included herein beginning on the following page. The accompanying unaudited interim consolidated financial statements should be read in conjunction with our consolidated financial statements and related notes for the year ended December 31, 2018, together with our discussion and analysis of financial condition and results of operations, included in our Annual Report on Form 10-K, filed on March 15, 2019 with the Securities and Exchange Commission (File No. 001-32505).

TransMontaigne Partners LLC is a holding company with the following 100% owned operating subsidiaries during the three and six months ended June 30, 2019:

- TransMontaigne Operating GP L.L.C.
- TransMontaigne Operating Company L.P.
- TransMontaigne Terminals L.L.C.
- Razorback L.L.C. (d/b/a Diamondback Pipeline L.L.C.)
- TPSI Terminals L.L.C.
- TLP Finance Corp.
- TLP Operating Finance Corp.
- TPME L.L.C.
- TLP Management Services LLC

We do not have off-balance-sheet arrangements or special-purpose entities.

TransMontaigne Partners LLC and subsidiaries

Consolidated balance sheets (unaudited)

(Dollars in thousands)

	June 30, 2019	December 31, 2018
ASSETS		
Current assets:		
Cash and cash equivalents	$ 612	$ 1,026
Trade accounts receivable, net	15,924	14,049
Due from affiliates	1,925	1,953
Other current assets	7,400	8,097
Total current assets	25,861	25,125
Property, plant and equipment, net	698,926	689,170
Goodwill	9,428	9,428
Investments in unconsolidated affiliates	224,683	227,031
Right-of-use assets, operating leases	36,633	—
Other assets, net	50,389	51,254
	$ 1,045,920	$ 1,002,008
LIABILITIES AND EQUITY		
Current liabilities:		
Trade accounts payable	$ 11,123	$ 28,212
Operating lease liabilities	3,011	—
Accrued liabilities	32,635	31,946
Total current liabilities	46,769	60,158
Other liabilities	4,962	4,643
Long-term operating lease liabilities	35,541	—
Long-term debt	632,736	598,622
Total liabilities	720,008	663,423
Commitments and contingencies (Note 13)		
Equity:		
Common units - 16,229,123 issued and outstanding at December 31, 2018	—	285,095
General partner interest - 2% interest with 331,206 equivalent units outstanding at December 31, 2018	—	53,490
Member interest	325,912	—
Total equity	325,912	338,585
	$ 1,045,920	$ 1,002,008

See accompanying notes to consolidated financial statements. Prior periods have been recast as a result of the TMS Contribution (See Note 1 of Notes to consolidated financial statements).

TransMontaigne Partners LLC and subsidiaries

Consolidated statements of operations (unaudited)

(In thousands)

	Three months ended June 30,		Six months ended June 30,	
	2019	2018	2019	2018
Revenue:				
External customers	$ 57,837	$ 51,379	$ 111,604	$ 103,493
Affiliates	7,132	4,769	14,633	10,060
Total revenue	64,969	56,148	126,237	113,553
Costs and expenses:				
Operating	(26,464)	(23,562)	(51,789)	(48,064)
General and administrative expenses	(5,212)	(5,320)	(13,376)	(11,499)
Insurance expenses	(1,218)	(1,271)	(2,579)	(2,517)
Deferred compensation expense	(294)	(441)	(1,093)	(2,458)
Depreciation and amortization	(13,107)	(13,225)	(25,759)	(25,096)
Total costs and expenses	(46,295)	(43,819)	(94,596)	(89,634)
Earnings from unconsolidated affiliates	1,225	2,444	2,365	5,333
Gain from insurance proceeds	3,351	—	3,351	—
Operating income	23,250	14,773	37,357	29,252
Other expenses:				
Interest expense	(9,708)	(8,273)	(18,550)	(14,734)
Amortization of deferred debt issuance costs	(632)	(1,289)	(1,382)	(1,790)
Total other expenses	(10,340)	(9,562)	(19,932)	(16,524)
Net earnings	$ 12,910	$ 5,211	$ 17,425	$ 12,728

See accompanying notes to consolidated financial statements. Prior periods have been recast as a result of the TMS Contribution (See Note 1 of Notes to consolidated financial statements).

TransMontaigne Partners LLC and subsidiaries

Consolidated statements of equity (unaudited)

(Dollars in thousands)

	Common units	General partner interest	Member interest	Total
Balance April 1, 2018	**$ 305,668**	**$ 53,627**	**$ —**	**$ 359,295**
Distributions to unitholders	(12,735)	(3,859)	—	(16,594)
Equity-based compensation	441	—	—	441
Issuance of 21,666 common units pursuant to our savings and retention program	—	—	—	—
Settlement of tax withholdings on equity-based compensation	(317)	—	—	(317)
Contribution of cash by TransMontaigne GP to maintain its 2% general partner interest	—	16	—	16
Contribution from TLP Holdings	3,844	—	—	3,844
Net earnings for three months ended June 30, 2018	1,339	3,872	—	5,211
Balance June 30, 2018	**$ 298,240**	**$ 53,656**	**$ —**	**$ 351,896**
Balance April 1, 2019	**$ —**	**$ —**	**$ 327,378**	**$ 327,378**
Distributions to TLP Finance	—	—	(14,376)	(14,376)
Net earnings for the three months ended June 30, 2019	—	—	12,910	12,910
Balance June 30, 2019	**$ —**	**$ —**	**$ 325,912**	**$ 325,912**
Balance January 1, 2018	**$ 308,495**	**$ 53,448**	**$ —**	**$ 361,943**
Distributions to unitholders	(25,193)	(7,464)	—	(32,657)
Equity-based compensation	2,458	—	—	2,458
Issuance of 44,798 common units pursuant to our savings and retention program	—	—	—	—
Settlement of tax withholdings on equity-based compensation	(658)	—	—	(658)
Contribution of cash by TransMontaigne GP to maintain its 2% general partner interest	—	34	—	34
Contribution from TLP Holdings	8,048	—	—	8,048
Net earnings for six months ended June 30, 2018	5,090	7,638	—	12,728
Balance June 30, 2018	**$ 298,240**	**$ 53,656**	**$ —**	**$ 351,896**
Balance January 1, 2019	**$ 285,095**	**$ 53,490**	**$ —**	**$ 338,585**
Distributions to unitholders	(13,064)	(4,186)	—	(17,250)
Purchase of common units and conversion to member interest	(279,895)	(51,978)	331,873	—
Reclassification of outstanding equity-based compensation to liability	—	—	(3,346)	(3,346)
Contribution from TLP Holdings	4,829	—	—	4,829
Equity-based compensation	45	—	—	45
Distributions to TLP Finance	—	—	(14,376)	(14,376)
Net earnings for the six months ended June 30, 2019	2,990	2,674	11,761	17,425
Balance June 30, 2019	**$ —**	**$ —**	**$ 325,912**	**$ 325,912**

See accompanying notes to consolidated financial statements. Prior periods have been recast as a result of the TMS Contribution (See Note 1 of Notes to consolidated financial statements).

TransMontaigne Partners LLC and subsidiaries

Consolidated statements of cash flows (unaudited) (In thousands)

	Three months ended June 30, 2019	Three months ended June 30, 2018	Six months ended June 30, 2019	Six months ended June 30, 2018
Cash flows from operating activities:				
Net earnings	$ 12,910	$ 5,211	$ 17,425	$ 12,728
Adjustments to reconcile net earnings to net cash provided by operating activities:				
Depreciation and amortization	13,107	13,225	25,759	25,096
Earnings from unconsolidated affiliates	(1,225)	(2,444)	(2,365)	(5,333)
Distributions from unconsolidated affiliates	3,102	3,971	6,014	7,161
Equity-based compensation	—	441	45	2,458
Amortization of deferred debt issuance costs	632	1,289	1,382	1,790
Amortization of deferred revenue	(180)	(149)	(207)	(336)
Unrealized loss on derivative instruments	511	85	654	127
Gain from insurance proceeds	(3,351)	—	(3,351)	—
Changes in operating assets and liabilities:				
Trade accounts receivable, net	668	(1,078)	(1,875)	495
Due from affiliates	565	421	138	(1,688)
Other current assets	1,295	4,190	(1,206)	2,269
Amounts due under long-term terminaling services agreements, net	165	176	587	204
Right-of-use assets, operating leases	654	—	1,248	—
Deposits	—	—	10	(1)
Other assets, net	252	—	436	—
Trade accounts payable	(5,061)	(2,420)	(4,242)	(795)
Accrued liabilities	3,959	8,703	(3,166)	7,647
Operating lease liabilities	(238)	—	(993)	—
Net cash provided by operating activities	27,765	31,621	36,293	51,822
Cash flows from investing activities:				
Investments in unconsolidated affiliates	(1,076)	(114)	(1,301)	(1,264)
Return of investment in unconsolidated affiliates	—	850	—	850
Capital expenditures	(16,955)	(15,461)	(47,297)	(21,988)
Proceeds from sale of assets	—	—	—	10,025
Proceeds from insurance claims	4,988	—	4,988	—
Net cash used in investing activities	(13,043)	(14,725)	(43,610)	(12,377)
Cash flows from financing activities:				
Proceeds from senior notes	—	—	—	300,000
Borrowings under revolving credit facility	40,000	38,900	97,200	85,500
Repayments under revolving credit facility	(40,100)	(42,800)	(63,500)	(392,400)
Debt issuance costs	—	(505)	—	(7,871)
Taxes paid for equity compensation awards	—	(317)	—	(658)
Distributions paid to unitholders	—	(16,594)	(17,250)	(32,657)
Distributions to TLP Finance	(14,376)	—	(14,376)	—
Contribution from TLP Holdings and TransMontaigne GP	—	3,860	4,829	8,082
Net cash provided by (used in) financing activities	(14,476)	(17,456)	6,903	(40,004)
Increase (decrease) in cash and cash equivalents	246	(560)	(414)	(559)
Cash and cash equivalents at beginning of period	366	970	1,026	969
Cash and cash equivalents at end of period	$ 612	$ 410	$ 612	$ 410
Supplemental disclosures of cash flow information:				
Cash paid for interest	$ 4,752	$ 3,265	$ 17,962	$ 7,631
Property, plant and equipment acquired with accounts payable	$ 6,528	$ 6,546	$ 6,528	$ 6,546

See accompanying notes to consolidated financial statements. Prior periods have been recast as a result of the TMS Contribution (See Note 1 of Notes to consolidated financial statements).

TransMontaigne Partners LLC and Subsidiaries
Notes to consolidated financial statements (unaudited)

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Nature of business

TransMontaigne Partners LLC ("we," "us," "our," "the Company") provides integrated terminaling, storage, transportation and related services for companies engaged in the trading, distribution and marketing of light refined petroleum products, heavy refined petroleum products, crude oil, chemicals, fertilizers and other liquid products. We conduct our operations in the United States along the Gulf Coast, in the Midwest, in Houston and Brownsville, Texas, along the Mississippi and Ohio rivers, in the Southeast and along the West Coast.

We were originally formed as TransMontaigne Partners L.P. ("the Partnership") in February 2005 as a Delaware limited partnership. Through February 26, 2019, the Partnership's common units were listed and publicly traded on the New York Stock Exchange under the symbol "TLP". The Partnership was controlled by a general partner, TransMontaigne GP L.L.C. ("TransMontaigne GP"), which was an indirect, controlled subsidiary of ArcLight Energy Partners Fund VI, L.P. ("ArcLight"). TransMontaigne GP also held the Partnership's incentive distribution rights, which were non-voting limited partner interests with the rights set forth in the First Amended and Restated Agreement of Limited Partnership of the Partnership, dated as of May 27, 2005, as amended from time to time.

On February 26, 2019, an affiliate of ArcLight completed its previously announced acquisition of all of the Partnership's outstanding publicly traded common units not already held by ArcLight and its affiliates by way of our merger (the "Merger") with a wholly owned subsidiary of TLP Finance Holdings, LLC ("TLP Finance"), an indirect controlled subsidiary of Arclight. At the effective time of the Merger, each of the Partnership's general partner units issued and outstanding immediately prior to the acquisition effective time was converted into (i)(a) one Partnership common unit, and (b) in aggregate, a non-economic general partner interest in the Partnership, (ii) each of the Partnership's incentive distribution rights issued and outstanding immediately prior to the acquisition effective time was converted into 100 Partnership common units, (iii) our general partner distributed its common units in the Partnership (the "Transferred GP Units") to TLP Acquisition Holdings, LLC, a Delaware limited liability company ("TLP Holdings"), and TLP Holdings contributed the Transferred GP Units to TLP Finance, (iv) the Partnership converted into the Company (a Delaware limited liability company) pursuant to Section 17-219 of the Delaware Limited Partnership Act and changed its name to "TransMontaigne Partners LLC", and all of our common units owned by TLP Finance were converted into limited liability company interests ("member interest"), (v) the non-economic interest in the Company owned by our general partner was automatically cancelled and ceased to exist and our general partner merged with and into the Company with the Company surviving, and (vi) the Company became 100% owned by TLP Finance (the transactions described in the foregoing clauses (i) through (vi), collectively with the Merger, the "Take-Private Transaction").

As a result of the Take-Private Transaction, our common units ceased to be publicly traded, and our common units are no longer listed on the New York Stock Exchange. Our currently outstanding 6.125% senior unsecured notes due in 2026 remain outstanding, and we are voluntarily filing with the Securities and Exchange Commission pursuant to the covenants contained in those notes.

Effective June 1, 2019, TLP Finance contributed all of the issued and outstanding equity of its wholly-owned subsidiary, TLP Management Services LLC ("TMS" and such interest, the "TMS Interest") to the Company, and the Company immediately contributed the TMS Interest to its 100% owned operating company subsidiary TransMontaigne Operating Company L.P. (the "TMS Contribution"). Prior to the TMS Contribution, we had no employees and all of our management and operational activities were provided by TMS. Further, TMS provided all payroll programs and maintained all employee benefit programs on behalf of our Company with respect to applicable TMS employees (as well as on behalf of certain other Arclight affiliates). As a result of the TMS Contribution, we have assumed the employees and management and operational activities previously provided by TMS. The TMS Contribution has been recorded at carryover basis as a reorganization of entities under common control. As such, prior periods include the assets, liabilities, and results of operations of TMS for all periods presented.

TransMontaigne Partners LLC and Subsidiaries
Notes to consolidated financial statements (unaudited) (continued)

As a result of the TMS Contribution, the omnibus agreement in place in various forms since the inception of the Partnership, and immediately prior to the TMS Contribution between TMS and us, which, among other things, governed the provision of management and operational services provided for us by TMS, is no longer relevant and was terminated. Further, in connection with the TMS Contribution, we entered into the Consent and Third Amendment to Third Amended and Restated Senior Secured Credit Facility (the "Third Amendment"), which amends the Third Amended and Restated Senior Secured Credit Facility ("revolving credit facility"), dated as of March 13, 2017, among the Borrower, Wells Fargo Bank, National Association, as administrative agent, the financial institutions party thereto as lenders and the other parties thereto. The Third Amendment amends the revolving credit facility primarily to reflect the TMS Contribution and the resulting termination of the omnibus agreement.

Our basis in the assets and liabilities of TMS at December 31, 2018 was as follows (in thousands):

Cash	$ 694
Trade accounts receivable	7
Due from affiliates	456
Other current assets	456
Property, plant and equipment, net	991
Other assets, net	484
Trade accounts payable	(1,205)
Accrued and other liabilities	(3,025)
Equity	(1,142)

(b) Basis of presentation and use of estimates

Our accounting and financial reporting policies conform to accounting principles generally accepted in the United States of America ("GAAP"). The accompanying consolidated financial statements include the accounts of TransMontaigne Partners LLC and its controlled subsidiaries. Investments where we do not have the ability to exercise control, but do have the ability to exercise significant influence, are accounted for using the equity method of accounting. All inter-company accounts and transactions have been eliminated in the preparation of the accompanying consolidated financial statements. The accompanying consolidated financial statements include all adjustments (consisting of normal and recurring accruals) considered necessary to present fairly our financial position as of June 30, 2019 and December 31, 2018 and our results of operations for the three and six months ended June 30, 2019 and 2018. Certain reclassifications of previously reported amounts have been made to conform to the current year presentation.

The preparation of financial statements in conformity with GAAP requires us to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenue and expenses during the reporting periods. The following estimates, in management's opinion, are subjective in nature, require the exercise of judgment, and/or involve complex analyses: useful lives of our plant and equipment and accrued environmental obligations. Changes in these estimates and assumptions will occur as a result of the passage of time and the occurrence of future events. Actual results could differ from these estimates.

(c) Accounting for operations

Effective January 1, 2019, we adopted Accounting Standards Codification ("ASC") Topic 842, *Leases* and the series of related Accounting Standards Updates that followed (collectively referred to as "ASC 842"). The most significant changes under the new guidance include clarification of the definition of a lease, and the requirements for lessees to recognize a right-of-use asset and a lease liability for all qualifying leases in the consolidated balance sheet. Further, under ASC 842, additional disclosures are required to meet the objective of enabling users of financial

TransMontaigne Partners LLC and Subsidiaries
Notes to consolidated financial statements (unaudited) (continued)

statements to assess the amount, timing and uncertainty of cash flows arising from leases. We used the modified retrospective transition method applied at the effective date of the standard. By electing this optional transition method, information prior to January 1, 2019 has not been restated and continues to be reported under the accounting standards in effect for the period ("ASC 840") (See Note 13 of Notes to consolidated financial statements).

Effective January 1, 2018, we adopted Accounting Standards Codification ("ASC") Topic 606, *Revenue from Contracts with Customers* ("ASC 606"), applying the modified retrospective transition method, which required us to apply the new standard to (i) all new revenue contracts entered into after January 1, 2018, and (ii) revenue contracts which were not completed as of January 1, 2018. ASC 606 replaces existing revenue recognition requirements in GAAP and requires entities to recognize revenue at an amount that reflects the consideration to which we expect to be entitled in exchange for transferring goods or services to a customer. ASC 606 also requires certain disclosures regarding qualitative and quantitative information regarding the nature, amount, timing, and uncertainty of revenue and cash flows arising from contracts with customers. The adoption of ASC 606 did not result in a transition adjustment nor did it have an impact on the timing or amount of our revenue recognition (See Note 15 of Notes to consolidated financial statements).

The adoption of ASC 606 did not result in changes to our accounting for trade accounts receivable (see Note 3 of Notes to consolidated financial statements), contract assets or contract liabilities. We recognize contract assets in situations where revenue recognition under ASC 606 occurs prior to billing the customer based on our rights under the contract. Contract assets are transferred to accounts receivable when the rights become unconditional. At June 30, 2019, we did not have any contract assets related to ASC 606.

Contract liabilities primarily relate to consideration received from customers in advance of completing the performance obligation. A performance obligation is a promise in a contract to transfer goods or services to the customer. We recognize contract liabilities under these arrangements as revenue once all contingencies or potential performance obligations have been satisfied by the (i) performance of services or (ii) expiration of the customer's rights under the contract. Short-term contract liabilities include customer advances and deposits (see Note 9 of Notes to consolidated financial statements). Long-term contract liabilities include deferred revenue (See Note 10 of Notes to consolidated financial statements).

We generate revenue from terminaling services fees, pipeline transportation fees and management fees. Under ASC 606 and ASC 842, we recognize revenue over time or at a point in time, depending on the nature of the performance obligations contained in the respective contract with our customer. The contract transaction price is allocated to each performance obligation and recognized as revenue when, or as, the performance obligation is satisfied. The majority of our revenue is recognized pursuant to ASC 842. The following is an overview of our significant revenue streams, including a description of the respective performance obligations and related method of revenue recognition.

Terminaling services fees. Our terminaling services agreements are structured as either throughput agreements or storage agreements. Our throughput agreements contain provisions that require our customers to make minimum payments, which are based on contractually established minimum volumes of throughput of the customer's product at our facilities, over a stipulated period of time. Due to this minimum payment arrangement, we recognize a fixed amount of revenue from the customer over a certain period of time, even if the customer throughputs less than the minimum volume of product during that period. In addition, if a customer throughputs a volume of product exceeding the minimum volume, we would recognize additional revenue on this incremental volume. Our storage agreements require our customers to make minimum payments based on the volume of storage capacity available to the customer under the agreement, which results in a fixed amount of recognized revenue. We refer to the fixed amount of revenue recognized pursuant to our terminaling services agreements as being "firm commitments." The majority of our firm commitments under our terminaling services agreements are accounted for in accordance with ASC 842 ("ASC 842 revenue"). The remainder is recognized in accordance with ASC 606 ("ASC 606 revenue") where the minimum payment arrangement in each contract is a single performance obligation that is primarily satisfied over time through the contract term.

TransMontaigne Partners LLC and Subsidiaries
Notes to consolidated financial statements (unaudited) (continued)

Revenue recognized in excess of firm commitments and revenue recognized based solely on the volume of product distributed or injected are referred to as ancillary. The ancillary revenue associated with terminaling services include volumes of product throughput that exceed the contractually established minimum volumes, injection fees based on the volume of product injected with additive compounds, heating and mixing of stored products, product transfer, railcar handling, butane blending, proceeds from the sale of product gains, wharfage and vapor recovery. The revenue generated by these services is required to be estimated under ASC 606 for any uncertainty that is not resolved in the period of the service. We account for the majority of ancillary revenue at individual points in time when the services are delivered to the customer. The majority of our ancillary revenue is recognized in accordance with ASC 606.

Pipeline transportation fees. We earn pipeline transportation fees at our Diamondback pipeline either based on the volume of product transported or under capacity reservation agreements. Revenue associated with the capacity reservation is recognized ratably over the respective term, regardless of whether the capacity is actually utilized. We earn pipeline transportation fees at our Razorback pipeline based on an allocation of the aggregate fees charged under the capacity agreement with our customer who has contracted for 100% of our Razorback system. Pipeline transportation revenue is primarily accounted for in accordance with ASC 842.

Management fees. We manage and operate certain tank capacity at our Port Everglades South terminal for a major oil company and receive a reimbursement of its proportionate share of operating and maintenance costs. We manage and operate the Frontera joint venture and receive a management fee based on our costs incurred. We manage and operate two terminals for SeaPort Midstream Partners, LLC in Seattle, Washington and Portland, Oregon and we manage another terminal for SeaPort Sound Terminal, LLC in Tacoma, Washington and, in each case, receive a management fee based on our costs incurred plus an annual fee. We also manage additional terminal facilities that are owned by affiliates of ArcLight, including a terminal in Baltimore, Maryland (the “Baltimore Terminal”) and Lucknow-Highspire Terminals, LLC (“LHT”), which operates terminals throughout Pennsylvania encompassing approximately 9.8 million barrels of storage capacity. We manage and operate rail sites at certain Southeast terminals on behalf of a major oil company and receive reimbursement for operating and maintenance costs. We lease land under operating leases as the lessor or sublessor with third parties and affiliates. We also managed and operated for an affiliate of PEMEX, Mexico’s state-owned petroleum company, a products pipeline connected to our Brownsville terminal facility and received a management fee through August 23, 2018. Management fee revenue is recognized at individual points in time as the services are performed or as the costs are incurred and is primarily accounted for in accordance with ASC 606. Management fees related to lease revenue are accounted for in accordance with ASC 842.

(d) Cash and cash equivalents

We consider all short-term investments with a remaining maturity of three months or less at the date of purchase to be cash equivalents.

(e) Property, plant and equipment

Depreciation is computed using the straight-line method. Estimated useful lives are 15 to 25 years for terminals and pipelines and 3 to 25 years for furniture, fixtures and equipment. All items of property, plant and equipment are carried at cost. Expenditures that increase capacity or extend useful lives are capitalized. Repairs and maintenance are expensed as incurred.

We evaluate long-lived assets for impairment whenever events or changes in circumstances indicate that the carrying value of an asset group may not be recoverable based on expected undiscounted future cash flows attributable to that asset group. If an asset group is impaired, the impairment loss to be recognized is the excess of the carrying amount of the asset group over its estimated fair value.

TransMontaigne Partners LLC and Subsidiaries
Notes to consolidated financial statements (unaudited) (continued)

(f) Investments in unconsolidated affiliates

We account for our investments in unconsolidated affiliates, which we do not control but do have the ability to exercise significant influence over, using the equity method of accounting. Under this method, the investment is recorded at acquisition cost, increased by our proportionate share of any earnings and additional capital contributions and decreased by our proportionate share of any losses, distributions received and amortization of any excess investment. Excess investment is the amount by which our total investment exceeds our proportionate share of the book value of the net assets of the investment entity. We evaluate our investments in unconsolidated affiliates for impairment whenever events or circumstances indicate there is a loss in value of the investment that is other than temporary. In the event of impairment, we would record a charge to earnings to adjust the carrying amount to estimated fair value.

(g) Environmental obligations

We accrue for environmental costs that relate to existing conditions caused by past operations when probable and reasonably estimable (see Note 9 of Notes to consolidated financial statements). Environmental costs include initial site surveys and environmental studies of potentially contaminated sites, costs for remediation and restoration of sites determined to be contaminated and ongoing monitoring costs, as well as fines, damages and other costs, including direct legal costs. Liabilities for environmental costs at a specific site are initially recorded, on an undiscounted basis, when it is probable that we will be liable for such costs, and a reasonable estimate of the associated costs can be made based on available information. Such an estimate includes our share of the liability for each specific site and the sharing of the amounts related to each site that will not be paid by other potentially responsible parties, based on enacted laws and adopted regulations and policies. Adjustments to initial estimates are recorded, from time to time, to reflect changing circumstances and estimates based upon additional information developed in subsequent periods. Estimates of our ultimate liabilities associated with environmental costs are difficult to make with certainty due to the number of variables involved, including the early stage of investigation at certain sites, the lengthy time frames required to complete remediation, technology changes, alternatives available and the evolving nature of environmental laws and regulations. We periodically file claims for insurance recoveries of certain environmental remediation costs with our insurance carriers under our comprehensive liability policies (see Note 4 of Notes to consolidated financial statements).

In connection with our previous acquisitions of certain terminals from TransMontaigne LLC, a wholly owned subsidiary of NGL Energy Partners LP and the previous owner of our general partner, TransMontaigne LLC agreed to indemnify us against certain potential environmental claims, losses and expenses at those terminals. Pursuant to the acquisition agreements for each of the Florida (except Pensacola) and Midwest terminals, the Southeast terminals, the Brownsville and River terminals, and the Pensacola, Florida Terminal, TransMontaigne LLC is obligated to indemnify us against environmental claims, losses and expenses that were associated with the ownership or operation of the terminals prior to the purchase by the Company. In each acquisition agreement, TransMontaigne LLC’s maximum indemnification liability is subject to a specified time period for indemnification, cap on indemnification and satisfaction of a deductible amount before indemnification, in each case subject to certain exceptions, limitations and conditions specified therein. TransMontaigne LLC has no indemnification obligations with respect to environmental claims made as a result of additions to or modifications of environmental laws promulgated after certain specified dates. The environmental indemnification obligations remain in place and were not affected by the Take-Private Transaction.

(h) Asset retirement obligations

Asset retirement obligations are legal obligations associated with the retirement of long-lived assets that result from the acquisition, construction, development or normal use of the asset. Generally accepted accounting principles require that the fair value of a liability related to the retirement of long-lived assets be recorded at the time a legal obligation is incurred. Once an asset retirement obligation is identified and a liability is recorded, a corresponding asset is recorded, which is depreciated over the remaining useful life of the asset. After the initial measurement, the liability is adjusted to reflect changes in the asset retirement obligation. If and when it is determined that a legal obligation has been incurred, the fair value of any liability is determined based on estimates and assumptions related to retirement costs,

TransMontaigne Partners LLC and Subsidiaries
Notes to consolidated financial statements (unaudited) (continued)

future inflation rates and interest rates. Our long-lived assets consist of above-ground storage facilities and underground pipelines. We are unable to predict if and when these long-lived assets will become completely obsolete and require dismantlement. We have not recorded an asset retirement obligation, or corresponding asset, because the future dismantlement and removal dates of our long-lived assets is indeterminable and the amount of any associated costs are believed to be insignificant. Changes in our assumptions and estimates may occur as a result of the passage of time and the occurrence of future events.

(i) Deferred compensation expense

We have a savings and retention program to compensate certain employees who provide services to the Company. Prior to the Take-Private Transaction, we had the ability to settle the awards in our common units, and accordingly, we accounted for the awards as an equity award. Following the Take-Private Transaction, we index the awards to other forms of investments, and have the intent and ability to settle the awards in cash, and accordingly, we account for the awards as liability awards (see Note 12 of Notes to consolidated financial statements).

(j) Accounting for derivative instruments

Generally accepted accounting principles require us to recognize all derivative instruments at fair value in the consolidated balance sheets as assets or liabilities. Changes in the fair value of our derivative instruments are recognized in earnings.

At June 30, 2019 our derivative instruments were limited to interest rate swap agreements with an aggregate notional amount of $300 million with the agreements expiring in June 2020. The derivative instrument outstanding at December 31, 2018 expired on March 11, 2019. Pursuant to the terms of the current outstanding interest rate swap agreements, we pay a blended fixed rate of approximately 2.04% and receive interest payments based on the one-month LIBOR. The net difference to be paid or received under the interest rate swap agreements is settled monthly and is recognized as an adjustment to interest expense. The fair value of our interest rate swap agreements were determined using a pricing model based on the LIBOR swap rate and other observable market data.

(k) Income taxes

No provision for U.S. federal income taxes has been reflected in the accompanying consolidated financial statements because we are treated as a partnership for federal income tax purposes. As a partnership, all income, gains, losses, expenses, deductions and tax credits generated by us flow up to our owners.

(l) Comprehensive income

Entities that report items of other comprehensive income have the option to present the components of net earnings and comprehensive income in either one continuous financial statement, or two consecutive financial statements. As the Company has no components of comprehensive income other than net earnings, no statement of comprehensive income has been presented.

(m) Recent accounting pronouncements

In January 2017, the FASB issued ASU 2017-04, *Intangibles-Goodwill and Other: Simplifying the Test for Goodwill Impairment*, to simplify the accounting for goodwill impairment by eliminating step 2 from the goodwill impairment test. ASU 2017-04 is effective for annual reporting periods beginning after December 15, 2019, including interim periods within that reporting period. We are currently evaluating the potential impact that the adoption will have on our disclosures and financial statements.

TransMontaigne Partners LLC and Subsidiaries
Notes to consolidated financial statements (unaudited) (continued)

(2) TRANSACTIONS WITH AFFILIATES

Operations and reimbursement agreement—Frontera. We have a 50% ownership interest in the Frontera Brownsville LLC joint venture ("Frontera"). We operate Frontera, in accordance with an operations and reimbursement agreement executed between us and Frontera, for a management fee that is based on our costs incurred. Our agreement with Frontera stipulates that we may resign as the operator at any time with the prior written consent of Frontera, or that we may be removed as the operator for good cause, which includes material noncompliance with laws and material failure to adhere to good industry practice regarding health, safety or environmental matters. We recognized revenue related to this operations and reimbursement agreement of approximately \$1.4 million and \$1.3 million for the three months ended June 30, 2019 and 2018 and approximately \$3.0 million and \$2.8 million for the six months ended June 30, 2019 and 2018, respectively.

Terminaling services agreements—Brownsville terminals. We have two terminaling services agreements with Frontera relating to our Brownsville, Texas facility that will expire in June 2020, subject to automatic renewals unless terminated by either party upon 90 days' to 180 days' prior notice. In exchange for its minimum throughput commitments, we have agreed to provide Frontera with approximately 301,000 barrels of storage capacity. We recognized revenue related to these agreements of approximately \$0.7 million and \$0.6 million for the three months ended June 30, 2019 and 2018, respectively and approximately \$1.4 million and \$1.2 million for the six months ended June 30, 2019 and 2018, respectively.

Terminaling services agreement—Gulf Coast terminals. Associated Asphalt Marketing, LLC is a wholly-owned indirect subsidiary of ArcLight. Effective January 1, 2018, a third party customer assigned their terminaling services agreement relating to our Gulf Coast terminals to Associated Asphalt Marketing, LLC. The agreement will expire in April 2021, subject to two, two-year automatic renewals unless terminated by either party upon 180 days' prior notice. In exchange for its minimum throughput commitment, we have agreed to provide Associated Asphalt Marketing, LLC with approximately 750,000 barrels of storage capacity. We recognized revenue related to this agreement of approximately \$2.2 million and \$2.1 million for the three months ended June 30, 2019 and 2018, respectively and approximately \$4.5 million and \$4.3 million for the six months ended June 30, 2019 and 2018, respectively.

Operating and administrative agreement—SeaPort Midstream Partners, LLC ("SMP")- Central services. We operate two refined products terminals in Seattle, Washington and Portland, Oregon, on behalf of SMP, in accordance with an operating and administrative agreement executed between us and SMP, for a management fee that is based on our costs incurred plus an annual fee. SMP is a joint venture between SeaPort Midstream Holdings LLC, an ArcLight subsidiary, and BP West Coast Products LLC. SeaPort Midstream Holdings LLC owns 51% of SMP. The operating and administrative agreement will expire in November 2020, subject to one-year automatic renewals unless terminated by either party upon 180 days' prior notice. Our agreement with SMP stipulates that we may resign as the operator at any time with the prior written consent of SMP, or that we may be removed as the operator for good cause, which includes material noncompliance with laws and material failure to adhere to good industry practice regarding health, safety or environmental matters. We recognized revenue related to this operations and administrative agreement of approximately \$0.8 million for both the three months ended June 30, 2019 and 2018 and approximately \$1.7 million and \$1.8 million for the six months ended June 30, 2019 and 2018, respectively.

Operations and reimbursement agreement—SeaPort Sound Terminal, LLC ("SeaPort Sound")- Central services. Our subsidiary, TMS, manages a refined products terminal in Tacoma, Washington on behalf of SeaPort Midstream Holdings LLC, an ArcLight subsidiary. We receive a management fee based on our costs incurred plus an annual fee. We recognized revenue related to this operations and reimbursement agreement of approximately \$1.6 million and \$nil for the three months ended June 30, 2019 and 2018, respectively and approximately \$3.2 million and \$nil for the six months ended June 30, 2019 and 2018, respectively.

Other affiliates – Central services. We manage additional terminal facilities that are owned by affiliates of ArcLight, including the Baltimore Terminal and LHT. We recognized revenue related to reimbursements from these

TransMontaigne Partners LLC and Subsidiaries
Notes to consolidated financial statements (unaudited) (continued)

affiliates of approximately $0.4 million and $nil for the three months ended June 30, 2019 and 2018, respectively and approximately $0.8 million and $nil for the six months ended June 30, 2019 and 2018, respectively. Our management of the Baltimore Terminal terminated on July 1, 2019.

See also Note 1(a), Nature of business, for information regarding the TMS Contribution.

(3) CONCENTRATION OF CREDIT RISK AND TRADE ACCOUNTS RECEIVABLE

Our primary market areas are located in the United States along the Gulf Coast, in the Southeast, in Brownsville, Texas, along the Mississippi and Ohio Rivers, in the Midwest and along the West Coast. We have a concentration of trade receivable balances due from companies engaged in the trading, distribution and marketing of refined products and crude oil. These concentrations of customers may affect our overall credit risk in that the customers may be similarly affected by changes in economic, regulatory or other factors. Our customers' historical financial and operating information is analyzed prior to extending credit. We manage our exposure to credit risk through credit analysis, credit approvals, credit limits and monitoring procedures, and for certain transactions we may request letters of credit, prepayments or guarantees. Amounts included in trade accounts receivable that are accounted for as revenue in accordance with ASC 606 approximate $4.1 million at June 30, 2019. We maintain allowances for potentially uncollectible accounts receivable.

Trade accounts receivable, net consists of the following (in thousands):

	June 30, 2019	December 31, 2018
Trade accounts receivable	$ 16,033	$ 14,158
Less allowance for doubtful accounts	(109)	(109)
	$ 15,924	$ 14,049

The following customers accounted for at least 10% of our consolidated revenue in at least one of the periods presented in the accompanying consolidated statements of operations:

	Three months ended June 30,		Six months ended June 30,	
	2019	2018	2019	2018
NGL Energy Partners LP	19 %	23 %	20 %	22 %
RaceTrac Petroleum Inc.	9 %	12 %	10 %	11 %
Castleton Commodities International LLC	9 %	9 %	9 %	10 %

(4) OTHER CURRENT ASSETS

Other current assets was as follows (in thousands):

	June 30, 2019	December 31, 2018
Amounts due from insurance companies	$ 1,384	$ 2,861
Prepaid insurance	3,422	1,371
Additive detergent	1,284	1,218
Deposits and other assets	1,310	2,647
	$ 7,400	$ 8,097

Amounts due from insurance companies. We periodically file claims for recovery of environmental remediation costs and property claims with our insurance carriers under our comprehensive liability policies. We

TransMontaigne Partners LLC and Subsidiaries
Notes to consolidated financial statements (unaudited) (continued)

recognize our insurance recoveries in the period that we assess the likelihood of recovery as being probable. At June 30, 2019 and December 31, 2018, we have recognized amounts due from insurance companies of approximately $1.4 million and $2.9 million, respectively, representing our best estimate of our probable insurance recoveries. During the six months ended June 30, 2019, we received reimbursements from insurance companies of approximately $2.2 million. During the six months ended June 30, 2019, we increased our estimate of probable future insurance recoveries by approximately $0.7 million.

(5) PROPERTY, PLANT AND EQUIPMENT, NET

Property, plant and equipment, net was as follows (in thousands):

	June 30, 2019	December 31, 2018
Land	$ 83,451	$ 83,451
Terminals, pipelines and equipment	982,117	918,537
Furniture, fixtures and equipment	7,170	7,289
Construction in progress	35,643	64,763
	1,108,381	1,074,040
Less accumulated depreciation	(409,455)	(384,870)
	$ 698,926	$ 689,170

(6) GOODWILL

Goodwill was as follows (in thousands):

	June 30, 2019	December 31, 2018
Brownsville terminals	$ 8,485	$ 8,485
West Coast terminals	943	943
	$ 9,428	$ 9,428

Goodwill is required to be tested for impairment annually unless events or changes in circumstances indicate it is more likely than not that an impairment loss has been incurred at an interim date. Our annual test for the impairment of goodwill is performed as of December 31. The impairment test is performed at the reporting unit level. Our reporting units are our business segments (see Note 16 of Notes to consolidated financial statements). The fair value of each reporting unit is determined on a stand-alone basis from the perspective of a market participant and represents an estimate of the price that would be received to sell the unit as a whole in an orderly transaction between market participants at the measurement date. If the fair value of a reporting unit exceeds its carrying amount, goodwill of the reporting unit is not considered to be impaired.

At June 30, 2019 and December 31, 2018, our Brownsville and West Coast terminals contained goodwill. We did not recognize any goodwill impairment charges during the six months ended June 30, 2019 or during the year ended December 31, 2018 for these reporting units. However, an increase in the assumed market participants' weighted average cost of capital, the loss of a significant customer, the disposition of significant assets, or an unforeseen increase in the costs to operate and maintain the Brownsville or West Coast terminals could result in the recognition of an impairment charge in the future.

TransMontaigne Partners LLC and Subsidiaries
Notes to consolidated financial statements (unaudited) (continued)

(7) INVESTMENTS IN UNCONSOLIDATED AFFILIATES

At June 30, 2019 and December 31, 2018, our investments in unconsolidated affiliates include a 42.5% Class A ownership interest in Battleground Oil Specialty Terminal Company LLC ("BOSTCO") and a 50% ownership interest in Frontera Brownsville LLC ("Frontera"). BOSTCO is a terminal facility located on the Houston Ship Channel that encompasses approximately 7.1 million barrels of distillate, residual and other black oil product storage. Class A and Class B ownership interests share in cash distributions on a 96.5% and 3.5% basis, respectively. Class B ownership interests do not have voting rights and are not required to make capital investments. Frontera is a terminal facility located in Brownsville, Texas that encompasses approximately 1.7 million barrels of light petroleum product storage, as well as related ancillary facilities.

The following table summarizes our investments in unconsolidated affiliates:

	Percentage of ownership		Carrying value (in thousands)	
	June 30, 2019	December 31, 2018	June 30, 2019	December 31, 2018
BOSTCO	42.5 %	42.5 %	$ 200,523	$ 203,005
Frontera	50 %	50 %	24,160	24,026
Total investments in unconsolidated affiliates			$ 224,683	$ 227,031

At June 30, 2019 and December 31, 2018, our investment in BOSTCO includes approximately $6.7 million and $6.8 million, respectively, of excess investment related to a one time buy-in fee to acquire our 42.5% interest and capitalization of interest on our investment during the construction of BOSTCO amortized over the useful life of the assets. Excess investment is the amount by which our investment exceeds our proportionate share of the book value of the net assets of the BOSTCO entity.

Earnings from investments in unconsolidated affiliates was as follows (in thousands):

	Three months ended June 30,		Six months ended June 30,	
	2019	2018	2019	2018
BOSTCO	$ 563	$ 1,848	$ 1,139	$ 3,839
Frontera	662	596	1,226	1,494
Total earnings from investments in unconsolidated affiliates	$ 1,225	$ 2,444	$ 2,365	$ 5,333

Additional capital investments in unconsolidated affiliates was as follows (in thousands):

	Three months ended June 30,		Six months ended June 30,	
	2019	2018	2019	2018
BOSTCO	$ 1,076	$ —	$ 1,076	$ —
Frontera	—	114	225	1,264
Additional capital investments in unconsolidated affiliates	$ 1,076	$ 114	$ 1,301	$ 1,264

TransMontaigne Partners LLC and Subsidiaries
Notes to consolidated financial statements (unaudited) (continued)

Cash distributions received from unconsolidated affiliates was as follows (in thousands):

	Three months ended June 30, 2019	Three months ended June 30, 2018	Six months ended June 30, 2019	Six months ended June 30, 2018
BOSTCO	$ 2,289	$ 3,491	$ 4,697	$ 5,585
Frontera	813	1,330	1,317	2,426
Cash distributions received from unconsolidated affiliates	$ 3,102	$ 4,821	$ 6,014	$ 8,011

The summarized financial information of our unconsolidated affiliates was as follows (in thousands):

Balance sheets:

	BOSTCO		Frontera	
	June 30, 2019	December 31, 2018	June 30, 2019	December 31, 2018
Current assets	$ 16,700	$ 19,299	$ 5,244	$ 5,866
Long-term assets	457,793	455,984	44,596	45,115
Current liabilities	(12,235)	(12,471)	(1,484)	(2,845)
Long-term liabilities	(6,314)	(1,259)	(36)	(84)
Net assets	$ 455,944	$ 461,553	$ 48,320	$ 48,052

Statements of income:

	BOSTCO Three months ended June 30,		Frontera Three months ended June 30,	
	2019	2018	2019	2018
Revenue	$ 14,864	$ 16,908	$ 5,011	$ 6,009
Expenses	(13,229)	(11,515)	(3,687)	(4,817)
Net income	$ 1,635	$ 5,393	$ 1,324	$ 1,192

	BOSTCO Six months ended June 30,		Frontera Six months ended June 30,	
	2019	2018	2019	2018
Revenue	$ 31,470	$ 33,735	$ 10,109	$ 11,921
Expenses	(27,283)	(24,064)	(7,657)	(8,933)
Net income	$ 4,187	$ 9,671	$ 2,452	$ 2,988

TransMontaigne Partners LLC and Subsidiaries
Notes to consolidated financial statements (unaudited) (continued)

(8) OTHER ASSETS, NET

Other assets, net was as follows (in thousands):

	June 30, 2019	December 31, 2018
Customer relationships, net of accumulated amortization of $6,062 and $4,887, respectively	$ 43,368	$ 44,543
Revolving credit facility unamortized deferred issuance costs, net of accumulated amortization of $8,504 and $7,656, respectively	4,667	5,515
Amounts due under long-term terminaling services agreements	361	422
Deposits and other assets	1,993	774
	$ 50,389	$ 51,254

Customer relationships. Other assets, net include certain customer relationships primarily at our West Coast terminals. These customer relationships are being amortized on a straight-line basis over twenty years.

Revolving credit facility unamortized deferred issuance costs. Deferred issuance costs are amortized using the effective interest method over the term of the related revolving credit facility.

Amounts due under long-term terminaling services agreements. We have long-term terminaling services agreements with certain of our customers that provide for minimum payments that increase at stated amounts over the terms of the respective agreements. We recognize as revenue under ASC 842 the minimum payments under the long-term terminaling services agreements on a straight-line basis over the terms of the respective agreements. At both June 30, 2019 and December 31, 2018, we have recognized revenue in excess of the minimum payments that was due through those respective dates under the long-term terminaling services agreements resulting in an asset of approximately $0.4 million.

(9) ACCRUED LIABILITIES

Accrued liabilities was as follows (in thousands):

	June 30, 2019	December 31, 2018
Customer advances and deposits	$ 11,695	$ 11,927
Accrued property taxes	4,325	3,003
Accrued environmental obligations	1,746	1,556
Interest payable	7,838	7,814
Accrued expenses and other	7,031	7,646
	$ 32,635	$ 31,946

Customer advances and deposits. We bill certain of our customers one month in advance for terminaling services to be provided in the following month. At June 30, 2019 and December 31, 2018, we have billed and collected from certain of our customers approximately $11.7 million and $11.9 million, respectively, in advance of the terminaling services being provided. At June 30, 2019 and 2018, approximately $1.0 million and $0.4 million, respectively, of the customer advances and deposits balance is considered contract liabilities under ASC 606. Revenue recognized during the six months ended June 30, 2019 and 2018 from amounts included in contract liabilities at the beginning of the period was approximately $0.8 million and $0.5 million, respectively.

TransMontaigne Partners LLC and Subsidiaries
Notes to consolidated financial statements (unaudited) (continued)

Accrued environmental obligations. At June 30, 2019 and December 31, 2018, we have accrued environmental obligations of approximately $1.7 million and $1.6 million, respectively, representing our best estimate of our remediation obligations. During the six months ended June 30, 2019, we made payments of approximately $0.5 million towards our environmental remediation obligations. During the six months ended June 30, 2019, we increased our estimate of our future environmental remediation costs by approximately $0.6 million. Changes in our estimates of our future environmental remediation obligations may occur as a result of the passage of time and the occurrence of future events.

(10) OTHER LIABILITIES

Other liabilities was as follows (in thousands):

	June 30, 2019	December 31, 2018
Advance payments received under long-term terminaling services agreements	$ 3,247	$ 2,721
Deferred revenue	1,715	1,922
	$ 4,962	$ 4,643

Advance payments received under long-term terminaling services agreements. We have long-term terminaling services agreements with certain of our customers that provide for advance minimum payments. We recognize the advance minimum payments as revenue under ASC 842 on a straight-line basis over the term of the respective agreements. At June 30, 2019 and December 31, 2018, we have received advance minimum payments in excess of revenue recognized under these long-term terminaling services agreements resulting in a liability of approximately $3.2 million and $2.7 million, respectively.

Deferred revenue. Pursuant to agreements with our customers, we agreed to undertake certain capital projects. Upon completion of the projects, our customers have paid us amounts that will be recognized as revenue on a straight-line basis over the remaining term of the agreements. At June 30, 2019 and December 31, 2018, we have unamortized deferred revenue for completed projects of approximately $1.7 million and $1.9 million, respectively. During the six months ended June 30, 2019, we billed customers approximately $0.3 million for completed projects and recognized revenue for completed projects on a straight-line basis of approximately $0.5 million. At June 30, 2019 and 2018, approximately $0.1 million and $nil, respectively, of the deferred revenue balance is considered contract liabilities under ASC 606. Revenue recognized during the six months ended June 30, 2019 and 2018 from amounts included in contract liabilities under ASC 606 at the beginning of the period was approximately $0.1 million and $0.2 million, respectively.

(11) LONG-TERM DEBT

Long-term debt was as follows (in thousands):

	June 30, 2019	December 31, 2018
Revolving credit facility due in 2022	$ 339,700	$ 306,000
6.125% senior notes due in 2026	300,000	300,000
Senior notes unamortized deferred issuance costs, net of accumulated amortization of $1,118 and $704, respectively	(6,964)	(7,378)
	$ 632,736	$ 598,622

On February 12, 2018, the Company and TLP Finance Corp., our wholly owned subsidiary, issued at par $300 million of 6.125% senior notes. Net proceeds after $8.1 million of issuance costs, were used to repay indebtedness under our revolving credit facility. The senior notes are due in 2026 and are guaranteed on a senior unsecured basis by each of our 100% owned domestic subsidiaries that guarantee obligations under our revolving credit facility. TransMontaigne Partners LLC has no independent assets or operations unrelated to its investments in its consolidated subsidiaries. TLP Finance Corp. has no assets or operations. Our operations are conducted by subsidiaries of TransMontaigne Partners LLC through our 100% owned operating company subsidiary, TransMontaigne Operating Company L.P. None of the assets of TransMontaigne Partners LLC or a guarantor represent restricted net assets pursuant to the guidelines established by the SEC.

In connection with the TMS Contribution, we entered into the Consent and Third Amendment to our Third Amended and Restated Senior Secured Credit Facility ("revolving credit facility"), primarily to reflect the TMS Contribution and the resulting termination of the omnibus agreement. Our revolving credit facility as amended provides for a maximum borrowing line of credit equal to $850 million. The terms of our revolving credit facility include covenants that restrict our ability to make cash distributions, acquisitions and investments, including investments in joint ventures. We may make distributions of cash to the extent of our "available cash" as defined in our LLC agreement. We may make acquisitions and investments that meet the definition of "permitted acquisitions"; "other investments" which may not exceed 5% of "consolidated net tangible assets"; and additional future "permitted JV investments" up to $175 million, which may include additional investments in BOSTCO. The primary financial covenants contained in our revolving credit facility are (i) a total leverage ratio test (not to exceed 5.25 to 1.0), (ii) a senior secured leverage ratio test (not to exceed 3.75 to 1.0), and (iii) a minimum interest coverage ratio test (not less than 2.75 to 1.0). The principal balance of loans and any accrued and unpaid interest are due and payable in full on the maturity date, March 13, 2022. We were in compliance with all financial covenants as of and during the six months ended June 30, 2019 and the year ended December 31, 2018.

We may elect to have loans under our revolving credit facility bear interest either (i) at a rate of LIBOR plus a margin ranging from 1.75% to 2.75% depending on the total leverage ratio then in effect, or (ii) at the base rate plus a margin ranging from 0.75% to 1.75% depending on the total leverage ratio then in effect. We also pay a commitment fee on the unused amount of commitments, ranging from 0.375% to 0.5% per annum, depending on the total leverage ratio then in effect. Our obligations under our revolving credit facility are secured by a first priority security interest in favor of the lenders in the majority of our assets, including our investments in unconsolidated affiliates. For the six months ended June 30, 2019 and 2018, the weighted average interest rate on borrowings under our revolving credit facility was approximately 5.8% and 4.7%, respectively. At June 30, 2019 and December 31, 2018, our outstanding borrowings under our revolving credit facility were $339.7 million and $306 million, respectively. At both June 30, 2019 and December 31, 2018 our outstanding letters of credit were $0.4 million.

(12) DEFERRED COMPENSATION EXPENSE

We have a savings and retention program to compensate certain employees who provide services to the Company. Prior to the Take-Private Transaction, we also had a long-term incentive plan to compensate the independent directors of our general partner. Awards under the long-term incentive plan were settled in our common units, and accordingly, we accounted for the awards as an equity award. For awards to the independent directors, deferred compensation expense was approximately $nil and $0.1 million for the six months ended June 30, 2019 and 2018, respectively.

The purpose of the savings and retention program is to provide for the reward and retention of participants by providing them with awards that vest over future service periods. Awards under the program with respect to individuals providing services to the Company generally become vested as to 50% of a participant's annual award as of the first day of the month that falls closest to the second anniversary of the grant date, and the remaining 50% as of the first day of the month that falls closest to the third anniversary of the grant date, subject to earlier vesting upon a participant's attainment of the age and length of service thresholds, retirement, death or disability, involuntary termination without cause, or termination of a participant's employment following a change in control of the Company as specified in the program. The awards are increased for the value of any accrued growth based on underlying investments deemed made with respect to the awards. The awards (including any accrued growth relating thereto) are subject to forfeiture until the vesting date. The Take-Private Transaction did not accelerate the vesting of any of the awards.

A person will satisfy the age and length of service thresholds of the program upon the attainment of the earliest of (a) age sixty, (b) age fifty-five and ten years of service as an officer of any of its affiliates or predecessors, or (c) age fifty and twenty years of service as an employee of any of its affiliates or predecessors.

Prior to the Take-Private Transaction, we had the ability to settle the awards in our common units, and accordingly, we accounted for the awards as an equity award. Following the Take-Private Transaction, we index the awards to other forms of investments, and have the intent and ability to settle the awards in cash, and accordingly, we account for the awards as accrued liabilities.

For awards to employees, approximately $1.1 million and $2.3 million is included in deferred compensation expense for the six months ended June 30, 2019 and 2018, respectively.

(13) COMMITMENTS AND CONTINGENCIES

Effective January 1, 2019, we adopted Accounting Standards Codification (“ASC”) Topic 842, *Leases* and the series of related Accounting Standards Updates that followed (collectively referred to as “ASC 842”), using the modified retrospective transition method applied at the effective date of the standard. By electing this optional transition method, information prior to January 1, 2019 has not been restated and continues to be reported under the accounting standards in effect for that period (ASC 840).

The Company elected the package of practical expedients permitted under the transition guidance within the new standard, including the option to carry forward the historical lease classifications and assessment of initial direct costs, to not include leases with an initial term of less than twelve months in the lease assets and liabilities and to account for lease and non-lease components as a single lease.

We lease property including corporate offices, vehicles and land. We determine if an arrangement is a lease at inception and evaluate identified leases for operating or finance lease treatment. Operating or finance lease right-of-use assets and liabilities are recognized at the commencement date based on the present value of lease payments over the lease term. Our leases have remaining lease terms of less than one year to 42 years, some of which have options to extend or terminate the lease. For purposes of calculating operating lease liabilities, lease terms may be deemed to include options to extend or terminate the lease when it is reasonably certain that we will exercise that option.

The impact of ASC 842 on our consolidated balance sheet beginning January 1, 2019 was the recognition of right-of-use assets and lease liabilities for operating leases. Unamortized lease incentives were reclassified into right-of-

TransMontaigne Partners LLC and Subsidiaries
Notes to consolidated financial statements (unaudited) (continued)

use assets on January 1, 2019. Amounts recognized at January 1, 2019 and June 30, 2019 for operating leases was as follows (in thousands):

Right-of-use assets, operating leases - January 1, 2019	**$**	**37,881**
Amortization of right-of-use assets, January 1, 2019-March 31, 2019		(594)
Right-of-use assets, operating leases - March 31, 2019		37,287
Amortization of right-of-use assets, April 1, 2019-June 30, 2019		(654)
Right-of-use assets, operating leases - June 30, 2019	**$**	**36,633**
Operating lease liabilities - January 1, 2019	**$**	**39,545**
Liability reduction, net January 1, 2019-March 31, 2019		(755)
Operating lease liabilities - March 31, 2019		38,790
Liability reduction, net April 1, 2019-June 30, 2019		(238)
Operating lease liabilities - June 30, 2019	**$**	**38,552**
Current portion of operating lease liabilities	**$**	**3,011**
Long-term operating lease liabilities	**$**	**35,541**

No impact was recorded to the statement of operations or beginning equity for ASC 842.

Beginning January 1, 2019, operating right-of-use assets and operating lease liabilities are recognized based on the present value of lease payments over the lease term at commencement date. Operating leases in effect prior to January 1, 2019 were recognized at the present value of the remaining payments on the remaining lease term as of January 1, 2019. The Company uses its incremental borrowing rate based on the information available at the commencement date in determining the present value of lease payments. We have certain land and vehicle lease agreements with lease and non-lease components, which are accounted for separately. We have elected the practical expedient to account for the remainder of our lease agreements and non-lease components as a single lease component. Non-lease payments include payments for taxes and other operating and maintenance expenses incurred by the lessor but payable by us in connection with the leasing arrangement. As of June 30, 2019, the Company was party to certain subleasing arrangements whereby the Company, as the primary obligor on the lease, has recognized sublease income for lease payments made by affiliates to the lessor.

Following are components of our lease costs (in thousands):

	Three months ended June 30, 2019	Six months ended June 30, 2019
Operating leases	$ 1,157	$ 2,226
Short-term and variable leases	233	505
Total lease costs	$ 1,390	$ 2,731

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Other information related to our operating leases was as follows (in thousands, except lease term and discount rate):

	Three months ended June 30, 2019	Six months ended June 30, 2019
Cash outflows for operating leases	$ 756	$ 1,970
Sublease income as primary obligor	$ 247	$ 493

	June 30, 2019
Weighted average remaining lease term (years)	19.61
Weighted average discount rate	5.2%

Undiscounted cash flows owed by the Company to lessors pursuant to contractual agreements in effect as of June 30, 2019 and related imputed interest was as follows (in thousands):

2019 (remainder of the year)	$ 2,032
2020	4,529
2021	4,423
2022	4,413
2023	3,883
Thereafter	43,474
Total lease payments	62,754
Less imputed interest	(24,202)
Present value of operating lease liabilities	$ 38,552

At December 31, 2018, future minimum lease payments under operating leases accounted for under ASC 840 was as follows (in thousands):

Years ending December 31:	
2019	$ 4,050
2020	4,308
2021	3,973
2022	3,050
2023	2,508
Thereafter	6,287
	$ 24,176

Contract commitments. At June 30, 2019, we have contractual commitments of approximately $28.0 million for the supply of services, labor and materials related to capital projects that currently are under development. We expect that these contractual commitments will primarily be paid during the year ending December 31, 2019.

Legal proceedings. We are party to various legal, regulatory and other matters arising from the day-to-day operations of our business that may result in claims against us. While the ultimate impact of any proceedings cannot be predicted with certainty, our management believes that the resolution of any of our pending legal proceedings will not have a material adverse effect on our business, financial position, results of operations or cash flows.

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Notes to consolidated financial statements (unaudited) (continued)

(14) DISCLOSURES ABOUT FAIR VALUE

GAAP defines fair value, establishes a framework for measuring fair value and expands disclosures about fair value measurements. GAAP also establishes a fair value hierarchy that prioritizes the use of higher-level inputs for valuation techniques used to measure fair value. The three levels of the fair value hierarchy are: (1) Level 1 inputs, which are quoted prices (unadjusted) in active markets for identical assets or liabilities; (2) Level 2 inputs, which are inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly; and (3) Level 3 inputs, which are unobservable inputs for the asset or liability.

The fair values of the following financial instruments represent our best estimate of the amounts that would be received to sell those assets or that would be paid to transfer those liabilities in an orderly transaction between market participants at that date. Our fair value measurements maximize the use of observable inputs. However, in situations where there is little, if any, market activity for the asset or liability at the measurement date, the fair value measurement reflects our judgments about the assumptions that market participants would use in pricing the asset or liability based on the best information available in the circumstances. The following methods and assumptions were used to estimate the fair value of financial instruments at June 30, 2019 and December 31, 2018.

Cash equivalents. The carrying amount approximates fair value because of the short-term maturity of these instruments. The fair value is categorized in Level 1 of the fair value hierarchy.

Derivative instruments. The carrying amount of our interest rate swaps was determined using a pricing model based on the LIBOR swap rate and other observable market data. The fair value is categorized in Level 2 of the fair value hierarchy.

Debt. The carrying amount of our revolving credit facility debt approximates fair value since borrowings under the facility bear interest at current market interest rates. The estimated fair value of our $300 million publicly traded senior notes at June 30, 2019 was approximately $290.5 million based on observable market trades. The fair value of our debt is categorized in Level 2 of the fair value hierarchy.

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Notes to consolidated financial statements (unaudited) (continued)

(15) REVENUE FROM CONTRACTS WITH CUSTOMERS

The majority of our terminaling services agreements contain minimum payment arrangements, resulting in a fixed amount of revenue recognized, which we refer to as “firm commitments” and are accounted for in accordance with ASC 842, *Leases* (“ASC 842 revenue”). The remainder is recognized in accordance with ASC 606, *Revenue from Contracts with Customers* (“ASC 606 revenue”).

The following table provides details of our revenue disaggregated by category of revenue (in thousands):

	Three months ended June 30,		Six months ended June 30,	
	2019	2018	2019	2018
Terminaling services fees:				
Firm commitments (ASC 842/840 revenue)	$ 44,493	$ 39,149	$ 85,177	$ 77,855
Firm commitments (ASC 606 revenue)	3,953	3,549	7,438	6,976
Total firm commitments revenue	48,446	42,698	92,615	84,831
Ancillary revenue (ASC 606 revenue)	9,616	9,390	20,147	18,820
Ancillary revenue (ASC 842/840 revenue)	1,502	290	2,477	1,918
Total ancillary revenue	11,118	9,680	22,624	20,738
Total terminaling services fees	59,564	52,378	115,239	105,569
Pipeline transportation fees (ASC 842/840 revenue)	853	794	1,702	1,663
Management fees (ASC 606 revenue)	4,207	2,890	8,294	6,081
Management fees (ASC 842/840 revenue)	345	86	1,002	240
Total management fees	4,552	2,976	9,296	6,321
Total revenue	$ 64,969	$ 56,148	$ 126,237	$ 113,553

The following table includes our estimated future revenue associated with our firm commitments under terminaling services fees which is expected to be recognized as ASC 606 revenue in the specified period related to our future performance obligations as of the end of the reporting period (in thousands):

Estimated Future ASC 606 Revenue by Segment

	Gulf Coast Terminals	Midwest Terminals	Brownsville Terminals	River Terminals	Southeast Terminals	West Coast Terminals	Central Services	Total
2019 (remainder of the year)	$ 2,325	$ 280	$ —	$ 573	$ —	$ 2,672	$ —	$ 5,850
2020	1,809	560	—	1,039	—	3,876	—	7,284
2021	1,391	47	—	519	—	3,748	—	5,705
2022	959	—	—	—	—	1,033	—	1,992
2023	—	—	—	—	—	—	—	—
Thereafter	—	—	—	—	—	—	—	—
Total estimated future ASC 606 revenue	$ 6,484	$ 887	$ —	$ 2,131	$ —	$ 11,329	$ —	$ 20,831

Our estimated future ASC 606 revenue, for purposes of the tabular presentation above, excludes estimates of future rate changes due to changes in indices or contractually negotiated rate escalations and is generally limited to contracts that have minimum payment arrangements. The balances disclosed include the full amount of our customer commitments accounted for as ASC 606 revenue as of June 30, 2019 through the expiration of the related contracts. The balances disclosed exclude all performance obligations for which the original expected term is one year or less, the term of the contract with the customer is open and cannot be estimated, the contract includes options for future purchases or the consideration is variable.

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Notes to consolidated financial statements (unaudited) (continued)

Estimated future ASC 606 revenue in the table above excludes revenue arrangements accounted for in accordance with ASC 842 in the amount of $94.7 million for the remainder of 2019, $157.2 million for 2020, $124.5 million for 2021, $93.5 million for 2022, $79.5 million for 2023 and $526.7 million thereafter.

(16) BUSINESS SEGMENTS

We provide integrated terminaling, storage, transportation and related services to companies engaged in the trading, distribution and marketing of refined petroleum products, crude oil, chemicals, fertilizers and other liquid products. Our chief operating decision maker is the Company's chief executive officer. The Company's chief executive officer reviews the financial performance of our business segments using disaggregated financial information about "net margins" for purposes of making operating decisions and assessing financial performance. "Net margins" is composed of revenue less operating costs and expenses. Accordingly, we present "net margins" for each of our business segments: (i) Gulf Coast terminals, (ii) Midwest terminals, (iii) Brownsville terminals, (iv) River terminals, (v) Southeast terminals, (vi) West Coast terminals and (vii) Central services. Our Central services segment primarily represents the costs of employees performing operating oversight functions, engineering, health, safety and environmental services to our terminals and terminals that we operate or manage, including for affiliate terminals owned by ArcLight. In addition, Central services represent the cost of employees at affiliate terminals owned by ArcLight that we operate. We receive a fee from these affiliates based on our costs incurred.

TransMontaigne Partners LLC and Subsidiaries
Notes to consolidated financial statements (unaudited) (continued)

The financial performance of our business segments was as follows (in thousands):

	Three months ended June 30, 2019	Three months ended June 30, 2018	Six months ended June 30, 2019	Six months ended June 30, 2018
Gulf Coast Terminals:				
Terminaling services fees	$ 16,978	$ 16,465	$ 33,144	$ 32,638
Management fees	5	86	14	183
Revenue	16,983	16,551	33,158	32,821
Operating costs and expenses	(5,458)	(5,413)	(10,907)	(11,245)
Net margins	11,525	11,138	22,251	21,576
Midwest Terminals				
Terminaling services fees	2,751	2,405	5,241	4,824
Pipeline transportation fees	453	433	906	866
Revenue	3,204	2,838	6,147	5,690
Operating costs and expenses	(821)	(743)	(1,406)	(1,455)
Net margins	2,383	2,095	4,741	4,235
Brownsville Terminals:				
Terminaling services fees	2,566	1,977	4,863	4,043
Pipeline transportation fees	400	361	796	797
Management fees	1,439	1,892	3,098	3,996
Revenue	4,405	4,230	8,757	8,836
Operating costs and expenses	(2,304)	(2,135)	(4,490)	(4,176)
Net margins	2,101	2,095	4,267	4,660
River Terminals:				
Terminaling services fees	2,392	2,589	4,754	5,343
Revenue	2,392	2,589	4,754	5,343
Operating costs and expenses	(1,523)	(1,805)	(3,009)	(3,641)
Net margins	869	784	1,745	1,702
Southeast Terminals:				
Terminaling services fees	21,752	19,510	43,128	39,749
Management fees	257	194	478	377
Revenue	22,009	19,704	43,606	40,126
Operating costs and expenses	(5,968)	(5,714)	(12,092)	(12,333)
Net margins	16,041	13,990	31,514	27,793
West Coast Terminals:				
Terminaling services fees	13,125	9,432	24,109	18,972
Management fees	8	—	17	—
Revenue	13,133	9,432	24,126	18,972
Operating costs and expenses	(4,534)	(3,465)	(8,504)	(6,570)
Net margins	8,599	5,967	15,622	12,402
Central Services:				
Management fees	2,843	804	5,689	1,765
Revenue	2,843	804	5,689	1,765
Operating costs and expenses	(5,856)	(4,287)	(11,381)	(8,644)
Net margins	(3,013)	(3,483)	(5,692)	(6,879)
Total net margins	38,505	32,586	74,448	65,489
General and administrative expenses	(5,212)	(5,320)	(13,376)	(11,499)
Insurance expenses	(1,218)	(1,271)	(2,579)	(2,517)
Deferred compensation expense	(294)	(441)	(1,093)	(2,458)
Depreciation and amortization	(13,107)	(13,225)	(25,759)	(25,096)
Earnings from unconsolidated affiliates	1,225	2,444	2,365	5,333
Gain from insurance proceeds	3,351	—	3,351	—
Operating income	23,250	14,773	37,357	29,252
Other expenses	(10,340)	(9,562)	(19,932)	(16,524)
Net earnings	$ 12,910	$ 5,211	$ 17,425	$ 12,728

TransMontaigne Partners LLC and Subsidiaries
Notes to consolidated financial statements (unaudited) (continued)

Supplemental information about our business segments is summarized below (in thousands):

	Three months ended June 30, 2019							
	Gulf Coast Terminals	Midwest Terminals	Brownsville Terminals	River Terminals	Southeast Terminals	West Coast Terminals	Central Services	Total
Revenue:								
External customers	$ 14,743	$ 3,204	$ 2,356	$ 2,392	$ 22,009	$ 13,133	$ —	$ 57,837
Affiliate customers	2,240	—	2,049	—	—	—	2,843	7,132
Revenue	$ 16,983	$ 3,204	$ 4,405	$ 2,392	$ 22,009	$ 13,133	$ 2,843	$ 64,969
Capital expenditures	$ 1,614	$ 108	$ 3,623	$ 679	$ 8,788	$ 1,885	$ 258	$ 16,955
Identifiable assets	$ 128,771	$ 19,292	$ 78,474	$ 44,777	$ 247,649	$ 279,742	$ 12,578	$ 811,283
Cash and cash equivalents								612
Investments in unconsolidated affiliates								224,683
Revolving credit facility unamortized deferred issuance costs, net								4,667
Other								4,675
Total assets								$ 1,045,920

	Three months ended June 30, 2018							
	Gulf Coast Terminals	Midwest Terminals	Brownsville Terminals	River Terminals	Southeast Terminals	West Coast Terminals	Central Services	Total
Revenue:								
External customers	$ 14,480	$ 2,838	$ 2,336	$ 2,589	$ 19,704	$ 9,432	$ —	$ 51,379
Affiliate customers	2,071	—	1,894	—	—	—	804	4,769
Revenue	$ 16,551	$ 2,838	$ 4,230	$ 2,589	$ 19,704	$ 9,432	$ 804	$ 56,148
Capital expenditures	$ 1,814	$ 35	$ 2,024	$ 345	$ 9,152	$ 2,082	$ 9	$ 15,461

	Six months ended June 30, 2019							
	Gulf Coast Terminals	Midwest Terminals	Brownsville Terminals	River Terminals	Southeast Terminals	West Coast Terminals	Central Services	Total
Revenue:								
External customers	$ 28,616	$ 6,147	$ 4,355	$ 4,754	$ 43,606	$ 24,126	$ —	$ 111,604
Affiliate customers	4,542	—	4,402	—	—	—	5,689	14,633
Revenue	$ 33,158	$ 6,147	$ 8,757	$ 4,754	$ 43,606	$ 24,126	$ 5,689	$ 126,237
Capital expenditures	$ 3,068	$ 387	$ 11,451	$ 1,166	$ 24,437	$ 6,468	$ 320	$ 47,297
Identifiable assets	$ 128,771	$ 19,292	$ 78,474	$ 44,777	$ 247,649	$ 279,742	$ 12,578	$ 811,283
Cash and cash equivalents								612
Investments in unconsolidated affiliates								224,683
Revolving credit facility unamortized deferred issuance costs, net								4,667
Other								4,675
Total assets								$ 1,045,920

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	Six months ended June 30, 2018							
	Gulf Coast Terminals	Midwest Terminals	Brownsville Terminals	River Terminals	Southeast Terminals	West Coast Terminals	Central Services	Total
Revenue:								
External customers	$ 28,538	$ 5,690	$ 4,824	$ 5,343	$ 40,126	$ 18,972	$ —	$ 103,493
Affiliate customers	4,283	—	4,012	—	—	—	1,765	10,060
Revenue	$ 32,821	$ 5,690	$ 8,836	$ 5,343	$ 40,126	$ 18,972	$ 1,765	$ 113,553
Capital expenditures	$ 3,180	$ 336	$ 2,467	$ 892	$ 12,435	$ 2,645	$ 33	$ 21,988

(17) SUBSEQUENT EVENT

No subsequent transactions or events warranted recognition or disclosure in the accompanying financials or notes thereto.

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

RECENT DEVELOPMENTS

Take-Private Transaction

On February 26, 2019, an affiliate of ArcLight completed its previously announced acquisition of all of the Partnership's outstanding publicly traded common units not already held by ArcLight and its affiliates by way of our merger (the "Merger") with a wholly owned subsidiary of TLP Finance Holdings, LLC ("TLP Finance"), an indirect controlled subsidiary of Arclight. At the effective time of the Merger, each of the Partnership's general partner units issued and outstanding immediately prior to the acquisition effective time was converted into (i)(a) one Partnership common unit, and (i)(b) in aggregate, a non-economic general partner interest in the Partnership, (ii) each of the Partnership's incentive distribution rights issued and outstanding immediately prior to the acquisition effective time was converted into 100 Partnership common units, (iii) our general partner distributed its common units in the Partnership (the "Transferred GP Units") to TLP Acquisition Holdings, LLC, a Delaware limited liability company ("TLP Holdings"), and TLP Holdings contributed the Transferred GP Units to TLP Finance, (iv) the Partnership converted into the Company (a Delaware limited liability company) pursuant to Section 17-219 of the Delaware Limited Partnership Act and changed its name to "TransMontaigne Partners LLC", and all of our common units owned by TLP Finance were converted into limited liability company interests, (v) the non-economic interest in the Company owned by our general partner was automatically cancelled and ceased to exist and our general partner merged with and into the Company with the Company surviving, and (vi) the Company became 100% owned by TLP Finance (the transactions described in the foregoing clauses (i) through (vi), collectively with the Merger, the "Take-Private Transaction").

As a result of the Take-Private Transaction, our common units ceased to be publicly traded and our common units are no longer listed on the New York Stock Exchange. In connection with the Take-Private Transaction, the Company prepared and filed a post-effective amendment to its Form S-3 registration statement in effect to deregister all securities of the Partnership that had been registered for issuance and remained unsold as of the effectiveness of the Take-Private Transaction. Our currently outstanding 6.125% senior unsecured notes due in 2026 remain outstanding, and the Company is voluntarily filing with the Securities and Exchange Commission pursuant to the covenants contained in those notes.

Further, as a result of the Take-Private Transaction, effective June 1, 2019, TLP Finance contributed all of the issued and outstanding equity of its wholly-owned subsidiary, TLP Management Services LLC ("TMS," and such interest, the "TMS Interest") to the Company, and the Company immediately contributed the TMS Interest to its 100% owned operating company subsidiary, TransMontaigne Operating Company L.P. (the "TMS Contribution"). Prior to the TMS Contribution, we had no employees and all of our management and operational activities were provided by TMS. Further, TMS provided all payroll programs and maintained all employee benefit programs on behalf of our Company with respect to applicable TMS employees (as well as on behalf of certain other Arclight affiliates). As a result of the TMS Contribution, we have assumed the employees and management and operational activities previously provided by TMS. The TMS Contribution has been recorded at carryover basis as a reorganization of entities under common control. As such, prior periods include the assets, liabilities, and results of operations of TMS for all periods presented.

As a result of the TMS Contribution, the omnibus agreement in place in various forms since the inception of the Partnership, and immediately prior to the TMS Contribution between TMS and us, which, among other things, governed the provision of management and operational services provided for us by TMS, is no longer relevant and was terminated.

Further, in connection with the TMS Contribution, we entered into the Consent and Third Amendment to Third Amended and Restated Senior Secured Credit Facility (the "Third Amendment"), which amends the Third Amended and Restated Senior Secured Credit Facility ("revolving credit facility"), dated as of March 13, 2017, among the Borrower, Wells Fargo Bank, National Association, as administrative agent, the financial institutions party thereto as lenders and the other parties thereto. The Third Amendment amends the revolving credit facility primarily to reflect the TMS Contribution and the resulting termination of the omnibus agreement.

Expansion of Assets

Expansion of our Brownsville operations. Our Brownsville expansion project, which is underpinned by new long-term agreements, includes the construction of approximately 630,000 barrels of additional liquids storage capacity and the conversion of our Diamondback pipeline to transport diesel and gasoline to the U.S./Mexico border. The Diamondback pipeline is comprised of an 8" pipeline that previously transported propane approximately 16 miles from our Brownsville facilities to the U.S./Mexico border, as well as a 6" pipeline, which runs parallel to the 8" pipeline, that has been idle and can be used to transport additional refined products. The first tanks of the additional liquids storage capacity were placed into commercial service during the first quarter of 2019. We expect to recommission the Diamondback pipeline and resume operations on both the 8" pipeline and the previously idle 6" pipeline by the end of 2019, with the remaining additional liquids storage capacity being placed into commercial service at the same time. The anticipated aggregate cost of the terminal expansion and pipeline recommissioning is estimated to be approximately $55 million.

Expansion of our Collins terminal. Our Collins, Mississippi terminal complex is strategically located for the bulk storage market and is the only independent terminal capable of receiving from, delivering to, and transferring refined petroleum products between the Colonial and Plantation pipeline systems. During the first quarter of 2019 we completed construction of approximately 870,000 barrels of new storage capacity at our Collins terminal, which is supported by a new long-term, fee-based terminaling services agreement with a third party customer. To facilitate our further expansion of tankage at our Collins terminal, we also entered into an agreement with Colonial Pipeline Company for significant improvements to the Colonial Pipeline receipt and delivery manifolds and our related receipt and delivery facilities. The improvements are expected to come online in the second half of 2019. The improvements will result in significant increased flexibility for our Collins terminal customers including the simultaneous receipt and delivery of gasoline from and to Colonial's Line 1 at full line rates including the ability to receive and deliver segregated batches at these rates; a dedicated and segregated line for the receipt and delivery of distillates from and to Colonial's Line 2; and a dedicated and segregated line for the receipt and delivery of jet fuel from and to Colonial's Line 2. The anticipated cost of the approximately 870,000 barrels of new storage capacity and our share of the improvements to the pipeline connections is approximately $60 million. We are currently in active discussions with several other existing and prospective customers regarding additional future capacity at our Collins terminal.

Expansion of our West Coast terminals. During the first quarter of 2019 and pursuant to a new long-term terminaling services agreement, we completed the construction of an additional 125,000 barrels of storage capacity at our Richmond West Coast terminal. The cost of constructing this new capacity was approximately $8 million. We are also pursuing other high-return investment opportunities similar to this at these terminals.

CRITICAL ACCOUNTING POLICIES AND ESTIMATES

A summary of the significant accounting policies that we have adopted and followed in the preparation of our consolidated financial statements is detailed in Note 1 of Notes to consolidated financial statements as of and for the three and six months ended June 30, 2019. Certain of these accounting policies require the use of estimates. The following estimates, in management's opinion, are subjective in nature, require the exercise of judgment, and involve complex analyses: useful lives of our plant and equipment and accrued environmental obligations. These estimates are based on our knowledge and understanding of current conditions and actions we may take in the future. Changes in these estimates will occur as a result of the passage of time and the occurrence of future events. Subsequent changes in these estimates may have a significant impact on our financial condition and results of operations.

RESULTS OF OPERATIONS—THREE MONTHS ENDED JUNE 30, 2019 AND 2018

The following discussion and analysis of the results of operations and financial condition should be read in conjunction with the accompanying unaudited consolidated financial statements.

ANALYSIS OF REVENUE

Total revenue. We derive revenue from our operations by charging fees for providing integrated terminaling, transportation and related services. Our total revenue by category was as follows (in thousands):

Total Revenue by Category

	Three months ended June 30,	
	2019	2018
Terminaling services fees	$ 59,564	$ 52,378
Pipeline transportation fees	853	794
Management fees	4,552	2,976
Revenue	$ 64,969	$ 56,148

See discussion below for a detailed analysis of terminaling services fees, pipeline transportation fees and management fees included in the table above.

We operate our business and report our results of operations in seven principal business segments: (i) Gulf Coast terminals, (ii) Midwest terminals, (iii) Brownsville terminals, (iv) River terminals, (v) Southeast terminals, (vi) West Coast terminals and (vii) Central services. Our Central services segment primarily represents the costs of employees performing operating oversight functions, engineering, health, safety and environmental services to our terminals and other terminals, including affiliate terminals, we manage or operate, and reimbursement fees received from the other terminals, including affiliate terminals, we manage or operate. The aggregate revenue of each of our business segments was as follows (in thousands):

Total Revenue by Business Segment

	Three months ended June 30,	
	2019	2018
Gulf Coast terminals	$ 16,983	$ 16,551
Midwest terminals	3,204	2,838
Brownsville terminals	4,405	4,230
River terminals	2,392	2,589
Southeast terminals	22,009	19,704
West Coast terminals	13,133	9,432
Central services	2,843	804
Revenue	$ 64,969	$ 56,148

Total revenue by business segment is presented and further analyzed below by category of revenue.

Terminaling services fees. Our terminaling services agreements are structured as either throughput agreements or storage agreements. Our throughput agreements contain provisions that require our customers to make minimum payments, which are based on contractually established minimum volume of throughput of the customer's product at our facilities over a stipulated period of time. Due to this minimum payment arrangement, we recognize a fixed amount of revenue from the customer over a certain period of time, even if the customer throughputs less than the minimum volume of product during that period. In addition, if a customer throughputs a volume of product exceeding the minimum volume, we would recognize additional revenue on this incremental volume. Our storage agreements require our customers to make minimum payments based on the volume of storage capacity available to the customer under the agreement, which results in a fixed amount of recognized revenue.

We refer to the fixed amount of revenue recognized pursuant to our terminaling services agreements as being "firm commitments." Revenue recognized in excess of firm commitments and revenue recognized based solely on the volume of product distributed or injected are referred to as "ancillary." In addition, "ancillary" revenue also includes fees received from ancillary services including heating and mixing of stored products, product transfer, railcar handling, butane blending, proceeds from the sale of product gains, wharfage and vapor recovery.

The terminaling services fees by business segments were as follows (in thousands):

Terminaling Services Fees by Business Segment

	Three months ended June 30,	
	2019	2018
Gulf Coast terminals	$ 16,978	$ 16,465
Midwest terminals	2,751	2,405
Brownsville terminals	2,566	1,977
River terminals	2,392	2,589
Southeast terminals	21,752	19,510
West Coast terminals	13,125	9,432
Central services	—	—
Terminaling services fees	$ 59,564	$ 52,378

The increase in terminaling services fees at our Brownsville terminals is primarily a result of placing into service new tank capacity. The increase in terminaling services fees at our Southeast terminals is primarily a result of placing into service new tank capacity at our Collins, Mississippi terminal. The increase in terminaling services fees at our West Coast terminals is primarily a result of contracting available capacity to third-party customers and placing into service new tank capacity.

Included in terminaling services fees for the three months ended June 30, 2019 and 2018 are fees charged to affiliates of approximately $2.9 million and $2.7 million, respectively.

The "firm commitments" and "ancillary" revenue included in terminaling services fees were as follows (in thousands):

Firm Commitments and Ancillary Revenue

	Three months ended June 30,	
	2019	2018
Firm commitments	$ 48,446	$ 42,698
Ancillary	11,118	9,680
Terminaling services fees	$ 59,564	$ 52,378

The remaining terms on the terminaling services agreements that generated "firm commitments" for the three months ended June 30, 2019 are as follows (in thousands):

Less than 1 year remaining	$ 11,798	24%
1 year or more, but less than 3 years remaining	17,747	37%
3 years or more, but less than 5 years remaining	8,872	18%
5 years or more remaining [1]	10,029	21%
Total firm commitments for the three months ended June 30, 2019	$ 48,446	

[1] We have a terminaling services agreement with a third party relating to our Southeast terminals that will continue in effect through February 1, 2023, after which it shall automatically continue unless and until the third party

provides at least 24 months' prior notice of its intent to terminate the agreement. Effective at any time from and after July 31, 2040, we have the right to terminate the agreement by providing at least 24 months' prior notice of our intent to terminate the agreement. We do not believe the third party will terminate the agreement prior to July 31, 2040; therefore, we have presented the firm commitments related to this terminaling services agreement in the 5 years or more remaining category in the table above.

Pipeline transportation fees. We earned pipeline transportation fees at our Diamondback pipeline under a capacity reservation agreement. Revenue associated with the capacity reservation agreement is recognized ratably over the respective term, regardless of whether the capacity is actually utilized. Once our Brownsville terminal expansion efforts are complete, including the conversion of our Diamondback pipeline to transport diesel and gasoline, we then expect to earn pipeline transportation fees at our Diamondback pipeline based on the volume of product transported subject to minimum volume commitments. We earn pipeline transportation fees at our Razorback pipeline based on an allocation of the aggregate fees charged under the capacity agreement with our customer who has contracted for 100% of our Razorback system. The pipeline transportation fees by business segments were as follows (in thousands):

Pipeline Transportation Fees by Business Segment

	Three months ended June 30,	
	2019	2018
Gulf Coast terminals	$ —	$ —
Midwest terminals	453	433
Brownsville terminals	400	361
River terminals	—	—
Southeast terminals	—	—
West Coast terminals	—	—
Central services	—	—
Pipeline transportation fees	$ 853	$ 794

Management fees. We manage and operate certain tank capacity at our Port Everglades South terminal for a major oil company and receive a reimbursement of its proportionate share of operating and maintenance costs. We manage and operate the Frontera joint venture and receive a management fee based on our costs incurred. We manage and operate two terminals for SeaPort Midstream Partners, LLC in Seattle, Washington and Portland, Oregon and we manage and operate another terminal for SeaPort Sound in Tacoma, Washington and, in each case, receive a management fee based on our costs incurred plus an annual fee. We also manage additional terminal facilities that are owned by affiliates of ArcLight, including a terminal in Baltimore, Maryland (the "Baltimore Terminal")and Lucknow-Highspire Terminals, LLC, ("LHT"), which operates terminals throughout Pennsylvania encompassing approximately 9.8 million barrels of storage capacity. We manage and operate rail sites at certain Southeast terminals on behalf of a major oil company and receive reimbursement for operating and maintenance costs. We lease land under operating leases as the lessor or sublessor with third parties and affiliates. We also managed and operated for an affiliate of PEMEX, Mexico's state-owned petroleum company, a products pipeline connected to our Brownsville terminal facility and received a management fee through August 23, 2018.

The management fees by business segments were as follows (in thousands):

Management Fees by Business Segment

	Three months ended June 30, 2019	2018
Gulf Coast terminals	$ 5	$ 86
Midwest terminals	—	—
Brownsville terminals	1,439	1,892
River terminals	—	—
Southeast terminals	257	194
West Coast terminals	8	—
Central services	2,843	804
Management fees	$ 4,552	$ 2,976

The increase in Central services management fees is a result of operating and managing additional terminal facilities that are owned by affiliates of ArcLight including SeaPort Sound, Baltimore Terminal and LHT. We began to operate SeaPort Sound and the Baltimore Terminal in November 2018, and we began to manage LHT starting January 1, 2019.

Included in management fees for the three months ended June 30, 2019 and 2018 are fees charged to affiliates of approximately $4.2 million and $2.1 million, respectively.

ANALYSIS OF COSTS AND EXPENSES

The operating costs and expenses of our operations include wages and employee benefits, utilities, communications, repairs and maintenance, rent, property taxes, vehicle expenses, environmental compliance costs, materials and supplies. Consistent with historical trends across our terminaling and transportation facilities, repairs and maintenance expenses can vary from period to period based on project maintenance schedules and other factors such as weather. The operating costs and expenses of our operations were as follows (in thousands):

Operating Costs and Expenses

	Three months ended June 30, 2019	2018
Wages and employee benefits	$ 12,755	$ 10,515
Utilities and communication charges	2,550	2,123
Repairs and maintenance	3,493	2,205
Office, rentals and property taxes	3,627	3,407
Vehicles and fuel costs	263	253
Environmental compliance costs	1,076	923
Other	2,700	4,136
Operating costs and expenses	$ 26,464	$ 23,562

The operating costs and expenses of our business segments were as follows (in thousands):

Operating Costs and Expenses by Business Segment

	Three months ended June 30,	
	2019	2018
Gulf Coast terminals	$ 5,458	$ 5,413
Midwest terminals	821	743
Brownsville terminals	2,304	2,135
River terminals	1,523	1,805
Southeast terminals	5,968	5,714
West Coast terminals	4,534	3,465
Central services	5,856	4,287
Operating costs and expenses	$ 26,464	$ 23,562

The increase in Central services operating costs and expenses is a result of operating additional terminal facilities that are owned by affiliates of ArcLight including SeaPort Sound and the Baltimore Terminal. We began to operate these terminals in November 2018.

General and administrative expenses cover the costs of corporate functions such as legal, accounting, treasury, insurance administration and claims processing, information technology, human resources, credit, payroll, taxes and other corporate services. General and administrative expenses also include third party accounting costs associated with annual and quarterly reports and tax return preparation and distribution, and legal fees. The general and administrative expenses were approximately $5.2 million and $5.3 million for the three months ended June 30, 2019 and 2018, respectively.

Insurance expenses include charges for insurance premiums to cover costs of insuring activities such as property, casualty, pollution, automobile, directors' and officers' liability, and other insurable risks. For the three months ended June 30, 2019 and 2018, the expense associated with insurance was approximately $1.2 million and $1.3 million, respectively.

Deferred compensation expense includes expense associated with awards granted to certain key officers and employees who provide service to us that vest over future service periods and, prior to the Take-Private Transaction, grants to the independent directors of our general partner under our long-term incentive plan (which was terminated in connection with the Take-Private Transaction). Prior to the Take-Private Transaction, we had the intent and ability to settle the deferred compensation awards in our common units, and accordingly, we accounted for the awards as an equity award; following the Take-Private Transaction, we have the intent and ability to settle the awards in cash. The expenses associated with these deferred compensation awards were approximately $0.3 million and $0.4 million for the three months ended June 30, 2019 and 2018, respectively.

For the three months ended June 30, 2019 and 2018, depreciation and amortization expense was approximately $13.1 million and $13.2 million, respectively.

For the three months ended June 30, 2019 and 2018, interest expense was approximately $9.7 million and $8.3 million, respectively. The increase in interest expense is primarily attributable to financing our growth capital projects with additional debt and increases in LIBOR based interest rates.

ANALYSIS OF INVESTMENTS IN UNCONSOLIDATED AFFILIATES

Our investments in unconsolidated affiliates include a 42.5% Class A ownership interest in BOSTCO and a 50% ownership interest in Frontera. BOSTCO is a terminal facility located on the Houston Ship Channel that encompasses approximately 7.1 million barrels of distillate, residual and other black oil product storage. Class A and Class B ownership interests share in cash distributions on a 96.5% and 3.5% basis, respectively. Class B ownership interests do not have voting rights and are not required to make capital investments. Frontera is a terminal facility located in Brownsville, Texas that encompasses approximately 1.7 million barrels of light petroleum product storage, as well as related ancillary facilities.

Earnings from investments in unconsolidated affiliates was as follows (in thousands):

	Three months ended June 30, 2019	Three months ended June 30, 2018
BOSTCO	$ 563	$ 1,848
Frontera	662	596
Total earnings from investments in unconsolidated affiliates	$ 1,225	$ 2,444

Additional capital investments in unconsolidated affiliates was as follows (in thousands):

	Three months ended June 30, 2019	Three months ended June 30, 2018
BOSTCO	$ 1,076	$ —
Frontera	—	114
Additional capital investments in unconsolidated affiliates	$ 1,076	$ 114

Cash distributions received from unconsolidated affiliates was as follows (in thousands):

	Three months ended June 30, 2019	Three months ended June 30, 2018
BOSTCO	$ 2,289	$ 3,491
Frontera	813	1,330
Cash distributions received from unconsolidated affiliates	$ 3,102	$ 4,821

RESULTS OF OPERATIONS—SIX MONTHS ENDED JUNE 30, 2019 AND 2018

The following discussion and analysis of the results of operations and financial condition should be read in conjunction with the accompanying unaudited consolidated financial statements.

ANALYSIS OF REVENUE

Total revenue. We derive revenue from our operations by charging fees for providing integrated terminaling, transportation and related services. Our total revenue by category was as follows (in thousands):

Total Revenue by Category

	Six months ended June 30, 2019	Six months ended June 30, 2018
Terminaling services fees	$ 115,239	$ 105,569
Pipeline transportation fees	1,702	1,663
Management fees	9,296	6,321
Revenue	$ 126,237	$ 113,553

See discussion below for a detailed analysis of terminaling services fees, pipeline transportation fees and management fees included in the table above.

We operate our business and report our results of operations in seven principal business segments: (i) Gulf Coast terminals, (ii) Midwest terminals, (iii) Brownsville terminals, (iv) River terminals, (v) Southeast terminals, (vi) West Coast terminals and (vii) Central services. Our Central services segment primarily represents the costs of employees performing operating oversight functions, engineering, health, safety and environmental services to our terminals and other terminals, including affiliate terminals, we manage or operate, and reimbursement fees received from the other terminals, including affiliate terminals, we manage or operate. The aggregate revenue of each of our business segments was as follows (in thousands):

Total Revenue by Business Segment

	Six months ended June 30, 2019	Six months ended June 30, 2018
Gulf Coast terminals	$ 33,158	$ 32,821
Midwest terminals	6,147	5,690
Brownsville terminals	8,757	8,836
River terminals	4,754	5,343
Southeast terminals	43,606	40,126
West Coast terminals	24,126	18,972
Central services	5,689	1,765
Revenue	$ 126,237	$ 113,553

Total revenue by business segment is presented and further analyzed below by category of revenue.

Terminaling services fees. Our terminaling services agreements are structured as either throughput agreements or storage agreements. Our throughput agreements contain provisions that require our customers to make minimum payments, which are based on contractually established minimum volume of throughput of the customer's product at our facilities over a stipulated period of time. Due to this minimum payment arrangement, we recognize a fixed amount of revenue from the customer over a certain period of time, even if the customer throughputs less than the minimum volume of product during that period. In addition, if a customer throughputs a volume of product exceeding the minimum volume, we would recognize additional revenue on this incremental volume. Our storage agreements require our customers to make minimum payments based on the volume of storage capacity available to the customer under the agreement, which results in a fixed amount of recognized revenue.

We refer to the fixed amount of revenue recognized pursuant to our terminaling services agreements as being "firm commitments." Revenue recognized in excess of firm commitments and revenue recognized based solely on the volume of product distributed or injected are referred to as "ancillary." In addition, "ancillary" revenue also includes fees received from ancillary services including heating and mixing of stored products, product transfer, railcar handling, butane blending, proceeds from the sale of product gains, wharfage and vapor recovery.

The terminaling services fees by business segments were as follows (in thousands):

Terminaling Services Fees by Business Segment

	Six months ended June 30,	
	2019	2018
Gulf Coast terminals	$ 33,144	$ 32,638
Midwest terminals	5,241	4,824
Brownsville terminals	4,863	4,043
River terminals	4,754	5,343
Southeast terminals	43,128	39,749
West Coast terminals	24,109	18,972
Central services	—	—
Terminaling services fees	$ 115,239	$ 105,569

The increase in terminaling services fees at our Brownsville terminals is primarily a result of placing into service new tank capacity. The increase in terminaling services fees at our Southeast terminals is primarily a result of placing into service new tank capacity at our Collins, Mississippi terminal. The increase in terminaling services fees at our West Coast terminals is primarily a result of contracting available capacity to third-party customers and placing into service new tank capacity.

Included in terminaling services fees for the six months ended June 30, 2019 and 2018 are fees charged to affiliates of approximately $5.9 million and $5.5 million, respectively.

The "firm commitments" and "ancillary" revenue included in terminaling services fees were as follows (in thousands):

Firm Commitments and Ancillary Revenue

	Six months ended June 30,	
	2019	2018
Firm commitments	$ 92,615	$ 84,831
Ancillary	22,624	20,738
Terminaling services fees	$ 115,239	$ 105,569

The remaining terms on the terminaling services agreements that generated "firm commitments" for the six months ended June 30, 2019 are as follows (in thousands):

Less than 1 year remaining	$ 21,898	24%
1 year or more, but less than 3 years remaining	35,524	38%
3 years or more, but less than 5 years remaining	14,434	16%
5 years or more remaining [1]	20,759	22%
Total firm commitments for the six months ended June 30, 2019	$ 92,615	

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[1] We have a terminaling services agreement with a third party relating to our Southeast terminals that will continue in effect through February 1, 2023, after which it shall automatically continue unless and until the third party

provides at least 24 months' prior notice of its intent to terminate the agreement. Effective at any time from and after July 31, 2040, we have the right to terminate the agreement by providing at least 24 months' prior notice of our intent to terminate the agreement. We do not believe the third party will terminate the agreement prior to July 31, 2040; therefore, we have presented the firm commitments related to this terminaling services agreement in the 5 years or more remaining category in the table above.

Pipeline transportation fees. We earned pipeline transportation fees at our Diamondback pipeline under a capacity reservation agreement. Revenue associated with the capacity reservation agreement is recognized ratably over the respective term, regardless of whether the capacity is actually utilized. Once our Brownsville terminal expansion efforts are complete, including the conversion of our Diamondback pipeline to transport diesel and gasoline, we then expect to earn pipeline transportation fees at our Diamondback pipeline based on the volume of product transported subject to minimum volume commitments. We earn pipeline transportation fees at our Razorback pipeline based on an allocation of the aggregate fees charged under the capacity agreement with our customer who has contracted for 100% of our Razorback system. The pipeline transportation fees by business segments were as follows (in thousands):

Pipeline Transportation Fees by Business Segment

	Six months ended June 30,	
	2019	2018
Gulf Coast terminals	$ —	$ —
Midwest terminals	906	866
Brownsville terminals	796	797
River terminals	—	—
Southeast terminals	—	—
West Coast terminals	—	—
Central services	—	—
Pipeline transportation fees	$ 1,702	$ 1,663

Management fees. We manage and operate certain tank capacity at our Port Everglades South terminal for a major oil company and receive a reimbursement of its proportionate share of operating and maintenance costs. We manage and operate the Frontera joint venture and receive a management fee based on our costs incurred. We manage and operate two terminals for SeaPort Midstream Partners, LLC in Seattle, Washington and Portland, Oregon and we manage and operate another terminal for SeaPort Sound in Tacoma, Washington and, in each case, receive a management fee based on our costs incurred plus an annual fee. We also manage additional terminal facilities that are owned by affiliates of ArcLight, including the Baltimore Terminal and LHT, which operates terminals throughout Pennsylvania encompassing approximately 9.8 million barrels of storage capacity. We manage and operate rail sites at certain Southeast terminals on behalf of a major oil company and receive reimbursement for operating and maintenance costs. We lease land under operating leases as the lessor or sublessor with third parties and affiliates. We also managed and operated for an affiliate of PEMEX, Mexico's state-owned petroleum company, a products pipeline connected to our Brownsville terminal facility and received a management fee through August 23, 2018.

The management fees by business segments were as follows (in thousands):

Management Fees by Business Segment

	Six months ended June 30, 2019	Six months ended June 30, 2018
Gulf Coast terminals	$ 14	$ 183
Midwest terminals	—	—
Brownsville terminals	3,098	3,996
River terminals	—	—
Southeast terminals	478	377
West Coast terminals	17	—
Central services	5,689	1,765
Management fees	$ 9,296	$ 6,321

The increase in Central services management fees is a result of operating and managing additional terminal facilities that are owned by affiliates of ArcLight including SeaPort Sound, Baltimore Terminal and LHT. We began to operate SeaPort Sound and the Baltimore Terminal in November 2018, and we began to manage LHT starting January 1, 2019.

Included in management fees for the six months ended June 30, 2019 and 2018 are fees charged to affiliates of approximately $8.7 million and $4.6 million, respectively.

ANALYSIS OF COSTS AND EXPENSES

The operating costs and expenses of our operations include wages and employee benefits, utilities, communications, repairs and maintenance, rent, property taxes, vehicle expenses, environmental compliance costs, materials and supplies. Consistent with historical trends across our terminaling and transportation facilities, repairs and maintenance expenses can vary from period to period based on project maintenance schedules and other factors such as weather. The operating costs and expenses of our operations were as follows (in thousands):

Operating Costs and Expenses

	Six months ended June 30, 2019	Six months ended June 30, 2018
Wages and employee benefits	$ 24,966	$ 21,620
Utilities and communication charges	5,385	4,548
Repairs and maintenance	6,547	6,751
Office, rentals and property taxes	7,064	6,706
Vehicles and fuel costs	542	492
Environmental compliance costs	1,950	1,710
Other	5,335	6,237
Operating costs and expenses	$ 51,789	$ 48,064

The operating costs and expenses of our business segments were as follows (in thousands):

Operating Costs and Expenses by Business Segment

	Six months ended June 30,	
	2019	2018
Gulf Coast terminals	$ 10,907	$ 11,245
Midwest terminals	1,406	1,455
Brownsville terminals	4,490	4,176
River terminals	3,009	3,641
Southeast terminals	12,092	12,333
West Coast terminals	8,504	6,570
Central services	11,381	8,644
Operating costs and expenses	$ 51,789	$ 48,064

The increase in Central services operating costs and expenses is a result of operating additional terminal facilities that are owned by affiliates of ArcLight including SeaPort Sound and the Baltimore Terminal. We began to operate these terminals in November 2018.

General and administrative expenses cover the costs of corporate functions such as legal, accounting, treasury, insurance administration and claims processing, information technology, human resources, credit, payroll, taxes and other corporate services. General and administrative expenses also include third party accounting costs associated with annual and quarterly reports and tax return preparation and distribution, and legal fees. The general and administrative expenses were approximately $13.4 million and $11.5 million for the six months ended June 30, 2019 and 2018, respectively.

Insurance expenses include charges for insurance premiums to cover costs of insuring activities such as property, casualty, pollution, automobile, directors' and officers' liability, and other insurable risks. For the six months ended June 30, 2019 and 2018, the expense associated with insurance was approximately $2.6 million and $2.5 million, respectively.

Deferred compensation expense includes expense associated with awards granted to certain key officers and employees who provide service to us that vest over future service periods and, prior to the Take-Private Transaction, grants to the independent directors of our general partner under our long-term incentive plan (which was terminated in connection with the Take-Private Transaction). Prior to the Take-Private Transaction, we had the intent and ability to settle the deferred compensation awards in our common units, and accordingly, we accounted for the awards as an equity award; following the Take-Private Transaction, we have the intent and ability to settle the awards in cash. The expenses associated with these deferred compensation awards were approximately $1.1 million and $2.5 million for the six months ended June 30, 2019 and 2018, respectively.

For the six months ended June 30, 2019 and 2018, depreciation and amortization expense was approximately $25.8 million and $25.1 million, respectively.

For the six months ended June 30, 2019 and 2018, interest expense was approximately $18.6 million and $14.7 million, respectively. The increase in interest expense is primarily attributable to financing our growth capital projects with additional debt and increases in LIBOR based interest rates.

ANALYSIS OF INVESTMENTS IN UNCONSOLIDATED AFFILIATES

Our investments in unconsolidated affiliates include a 42.5% Class A ownership interest in BOSTCO and a 50% ownership interest in Frontera. BOSTCO is a terminal facility located on the Houston Ship Channel that encompasses approximately 7.1 million barrels of distillate, residual and other black oil product storage. Class A and Class B ownership interests share in cash distributions on a 96.5% and 3.5% basis, respectively. Class B ownership interests do not have voting rights and are not required to make capital investments. Frontera is a terminal facility located in Brownsville, Texas that encompasses approximately 1.7 million barrels of light petroleum product storage, as well as related ancillary facilities.

Earnings from investments in unconsolidated affiliates was as follows (in thousands):

	Six months ended June 30,	
	2019	2018
BOSTCO	$ 1,139	$ 3,839
Frontera	1,226	1,494
Total earnings from investments in unconsolidated affiliates	$ 2,365	$ 5,333

Additional capital investments in unconsolidated affiliates was as follows (in thousands):

	Six months ended June 30,	
	2019	2018
BOSTCO	$ 1,076	$ —
Frontera	225	1,264
Additional capital investments in unconsolidated affiliates	$ 1,301	$ 1,264

Cash distributions received from unconsolidated affiliates was as follows (in thousands):

	Six months ended June 30,	
	2019	2018
BOSTCO	$ 4,697	$ 5,585
Frontera	1,317	2,426
Cash distributions received from unconsolidated affiliates	$ 6,014	$ 8,011

LIQUIDITY AND CAPITAL RESOURCES

Our primary liquidity needs are to fund our debt service obligations, working capital requirements and capital projects, including additional investments and expansion, development and acquisition opportunities. We expect to fund any additional investments, capital projects and future expansion, development and acquisition opportunities with cash flows from operations and additional borrowings under our revolving credit facility.

Net cash provided by (used in) operating activities, investing activities and financing activities were as follows (in thousands):

	Six months ended June 30,	
	2019	2018
Net cash provided by operating activities	$ 36,293	$ 51,822
Net cash used in investing activities	$ (43,610)	$ (12,377)
Net cash provided by (used in) financing activities	$ 6,903	$ (40,004)

The decrease in net cash provided by operating activities is primarily related to the timing of working capital requirements.

The increase in net cash used in investing activities is primarily related to additional construction spend in 2019. In addition for the three months ended June 30, 2019 we received an approximately $5.0 million one-time insurance settlement related to a tank at our Gulf Coast terminals that was damaged by fire.

Additional investments and expansion capital projects at our terminals have been approved and currently are, or will be, under construction with estimated completion dates that extend primarily through the fourth quarter of 2019. At June 30, 2019, the remaining expenditures to complete the approved projects are estimated to be approximately $51 million. These expenditures primarily relate to the construction costs associated with our Collins, Mississippi terminal expansion and our expansion of the Brownsville operations.

The change in net cash provided by (used in) financing activities includes an increase of approximately $40.6 million in net borrowings under our debt agreements primarily to fund additional growth capital projects and $7.9 million in debt issuance costs in the first quarter of last year related to issuing senior notes in February 2018.

Third amended and restated senior secured credit facility. In connection with the TMS contribution, we entered into the Consent and Third Amendment to our Third Amended and Restated Senior Secured Credit Facility (“revolving credit facility”), primarily to reflect the TMS Contribution and the resulting termination of the omnibus agreement. Our revolving credit facility provides for a maximum borrowing line of credit of up to $850 million. At our request, the maximum borrowing line of credit may be increased by an additional $250 million, subject to the approval of the administrative agent and the receipt of additional commitments from one or more lenders. The terms of our revolving credit facility include covenants that restrict our ability to make cash distributions, acquisitions and investments, including investments in joint ventures. We may make distributions of cash to the extent of our “available cash” as defined in our LLC agreement. We may make acquisitions and investments that meet the definition of “permitted acquisitions”; “other investments” which may not exceed 5% of “consolidated net tangible assets”; and additional future “permitted JV investments” up to $175 million, which may include additional investments in BOSTCO. The principal balance of loans and any accrued and unpaid interest are due and payable in full on the maturity date, March 13, 2022.

We may elect to have loans under our revolving credit facility bear interest either (i) at a rate of LIBOR plus a margin ranging from 1.75% to 2.75% depending on the total leverage ratio then in effect, or (ii) at the base rate plus a margin ranging from 0.75% to 1.75% depending on the total leverage ratio then in effect. We also pay a commitment fee on the unused amount of commitments, ranging from 0.375% to 0.5% per annum, depending on the total leverage ratio then in effect. Our obligations under our revolving credit facility are secured by a first priority security interest in favor of the lenders in the majority of our assets, including our investments in unconsolidated affiliates. At June 30, 2019, our outstanding borrowings under our revolving credit facility were $339.7 million.

Our revolving credit facility also contains customary representations and warranties (including those relating to organization and authorization, compliance with laws, absence of defaults, material agreements and litigation) and customary events of default (including those relating to monetary defaults, covenant defaults, cross defaults and bankruptcy events). The primary financial covenants contained in our revolving credit facility are (i) a total leverage ratio test (not to exceed 5.25 to 1.0), (ii) a senior secured leverage ratio test (not to exceed 3.75 to 1.0), and (iii) a minimum interest coverage ratio test (not less than 2.75 to 1.0). These financial covenants are based on a non-GAAP, defined financial performance measure within our revolving credit facility known as “Consolidated EBITDA.” We were in compliance with all financial covenants as of and during the six months ended June 30, 2019 and the year ended December 31, 2018.

If we were to fail either financial performance covenant, or any other covenant contained in our revolving credit facility, we would seek a waiver from our lenders under such facility. If we were unable to obtain a waiver from our lenders and the default remained uncured after any applicable grace period, we would be in breach of our revolving credit facility, and the lenders would be entitled to declare all outstanding borrowings immediately due and payable.

	Three months ended				Twelve months ending
	September 30, 2018	December 31, 2018	March 31, 2019	June 30, 2019	June 30, 2019
Financial performance covenant tests:					
Consolidated EBITDA (1)	$ 36,063	$ 31,564	$ 31,474	$ 38,234	$ 137,335
Material Project credit (2)	663	8,220	765	—	9,648
Consolidated EBITDA for the leverage ratios (1)	$ 36,726	$ 39,784	$ 32,239	$ 38,234	$ 146,983
Revolving credit facility debt					339,700
6.125% senior notes due in 2026					300,000
Consolidated funded indebtedness					$ 639,700
Senior secured leverage ratio					**2.31**
Total leverage ratio					**4.35**
Consolidated EBITDA for the interest coverage ratio (1)	$ 36,063	$ 31,564	$ 31,474	$ 38,234	$ 137,335
Consolidated interest expense (1) (3)	$ 8,464	$ 8,396	$ 8,699	$ 9,197	$ 34,756
Interest coverage ratio					**3.95**
Reconciliation of consolidated EBITDA to cash flows provided by operating activities:					
Consolidated EBITDA for the total leverage ratio (1)	$ 36,726	$ 39,784	$ 32,239	$ 38,234	$ 146,983
Material Project credit (2)	(663)	(8,220)	(765)	—	(9,648)
Interest expense	(8,608)	(8,558)	(8,842)	(9,708)	(35,716)
Unrealized loss on derivative instruments	144	162	143	511	960
Gain from insurance proceeds	—	—	—	(3,351)	(3,351)
Amortization of deferred revenue	(119)	131	(27)	(180)	(195)
Change in operating assets and liabilities	3,122	4,819	(8,824)	2,259	1,376
Cash flows provided by operating activities	$ 30,602	$ 28,118	$ 13,924	$ 27,765	$ 100,409

(1) Reflects the calculation of Consolidated EBITDA and Consolidated interest expense in accordance with the definition for such financial metrics in our revolving credit facility.

(2) Reflects percentage of completion pro forma credit related to the Collins terminal expansion and the Brownsville operations expansion that qualify as a "Material Project" under the terms of our revolving credit facility.

(3) Consolidated interest expense, used in the calculation of the interest coverage ratio, excludes unrealized gains and losses recognized on our derivative instruments.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

The information contained in this Item 3 updates, and should be read in conjunction with, information set forth in Part II, Item 7A of our Annual Report on Form 10-K, filed on March 15, 2019, in addition to the interim unaudited consolidated financial statements, accompanying notes and Management's Discussion and Analysis of Financial Condition and Results of Operations presented in Part 1, Items 1 and 2 of this Quarterly Report on Form 10-Q. There are no material changes in the market risks faced by us from those reported in our Annual Report on Form 10-K for the year ended December 31, 2018.

Market risk is the risk of loss arising from adverse changes in market rates and prices. A principal market risk to which we are exposed is interest rate risk associated with borrowings under our revolving credit facility. Borrowings under our revolving credit facility bear interest at a variable rate based on LIBOR or the lender's base rate. We manage a portion of our interest rate risk with interest rate swaps, which reduce our exposure to changes in interest rates by converting variable interest rates to fixed interest rates. At June 30, 2019 our derivative instruments were limited to interest rate swap agreements with an aggregate notional amount of $300 million with the agreements expiring in June 2020. Pursuant to the terms of the current outstanding interest rate swap agreements, we pay a blended fixed rate of approximately 2.04% and receive interest payments based on the one-month LIBOR. The net difference to be paid or received under the interest rate swap agreement is settled monthly and is recognized as an adjustment to interest expense. At June 30, 2019, we had outstanding borrowings of $339.7 million under our revolving credit facility. Based on the outstanding balance of our variable-interest-rate debt at June 30, 2019, the terms of our interest rate swap agreements and assuming market interest rates increase or decrease by 100 basis points, the potential annual increase

e or decrease in interest expense is approximately $0.4 million.

We do not purchase or market products that we handle or transport and, therefore, we do not have material direct exposure to changes in commodity prices, except for the value of product gains arising from certain of our terminaling services agreements with our customers. We do not use derivative commodity instruments to manage the commodity risk associated with the product we may own at any given time. Generally, to the extent we are entitled to retain product pursuant to terminaling services agreements with our customers, we sell the product to our customers on a contractually established periodic basis; the sales price is based on industry indices.

ITEM 4. CONTROLS AND PROCEDURES

We maintain disclosure controls and procedures that are designed to ensure that information required to be disclosed by us in the reports that we file or submit to the Securities and Exchange Commission under the Securities Exchange Act of 1934, as amended, is recorded, processed, summarized and reported within the time periods specified by the Commission's rules and forms, and that information is accumulated and communicated to the management of the Company, including the Company's principal executive and principal financial officer (whom we refer to as the Certifying Officers), as appropriate to allow timely decisions regarding required disclosure. The management of the Company evaluated, with the participation of the Certifying Officers, the effectiveness of our disclosure controls and procedures as of June 30, 2019, pursuant to Rule 13a-15(b) under the Exchange Act. Based upon that evaluation, the Certifying Officers concluded that, as of June 30, 2019, our disclosure controls and procedures were effective. There were no changes in our internal control over financial reporting that occurred during our most recently completed fiscal quarter that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

Part II. Other Information

ITEM 1. LEGAL PROCEEDINGS

See Part I, Item 1 Note 13 to our unaudited consolidated financial statements entitled "Legal proceedings" which is incorporated into this item by reference.

ITEM 1A. RISK FACTORS

In addition to the other information set forth in this report, you should carefully consider the risk factors and other cautionary statements described under the heading "Item 1A. Risk Factors" included in our Annual Report on Form 10-K filed on March 15, 2019, which could materially affect our businesses, financial condition, or future results. Additional risks and uncertainties not currently known to us or that we currently deem to be immaterial also may materially adversely affect our business, financial condition, or future results.

There have been no material changes from risk factors as previously disclosed in our Annual Report on Form 10-K for the year ended December 31, 2018, filed on March 15, 2019.

ITEM 6. EXHIBITS

Exhibit number	Description of exhibits
10.1	Third Amendment to Third Amended and Restated Senior Secured Credit Facility, dated as of June 3, 2019, by and among TransMontaigne Operating Company L.P., as borrower, Wells Fargo Bank, National Association, as administrative agent, and the lenders party thereto.
31.1	Certification of Chief Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
31.2	Certification of Chief Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
32.1	Certification of Chief Executive Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
32.2	Certification of Chief Financial Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
101	The following financial information from the Quarterly Report on Form 10-Q of TransMontaigne Partners LLC and subsidiaries for the quarter ended June 30, 2019, formatted in XBRL (eXtensible Business Reporting Language): (i) consolidated balance sheets, (ii) consolidated statements of operations, (iii) consolidated statements of equity, (iv) consolidated statements of cash flows and (v) notes to consolidated financial statements.

SIGNATURES

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

Date: August 9, 2019

TransMontaigne Partners LLC

By: /s/ Frederick W. Boutin

Frederick W. Boutin
Chief Executive Officer

By: /s/ Robert T. Fuller

Robert T. Fuller
Chief Financial Officer

EXECUTION VERSION

CONSENT AND THIRD AMENDMENT TO THIRD AMENDED AND RESTATED SENIOR SECURED CREDIT FACILITY

THIS CONSENT AND THIRD AMENDMENT TO THIRD AMENDED AND RESTATED SENIOR SECURED CREDIT FACILITY (this "Agreement") is dated as of June 1, 2019, among TRANSMONTAIGNE OPERATING COMPANY L.P. (the "Borrower"), each of the Lenders (as defined below) party hereto, and WELLS FARGO BANK, NATIONAL ASSOCIATION, in its capacity as administrative agent for the Lenders (the "Agent").

W I T N E S S E T H :

WHEREAS, the Borrower, certain banks and other lenders party thereto (the "Lenders"), and the Agent executed and delivered that certain Third Amended and Restated Senior Secured Credit Facility dated as of March 13, 2017, as amended by that certain First Amendment to Third Amended and Restated Senior Secured Credit Facility dated as of December 14, 2017, and by that certain Second Amendment to Third Amended and Restated Senior Secured Credit Facility dated as of February 26, 2019 (as further amended, restated, modified, or supplemented from time to time, the "Credit Agreement");

WHEREAS, reference is made to that certain Contribution Agreement, dated as of June 1, 2019 (the "Contribution Agreement"), by and among TLP Finance Holdings, LLC, a Delaware limited liability company (the "Transferor"), TransMontaigne Partners LLC, and the Borrower, pursuant to which the Transferor is indirectly contributing all of its limited liability company interests of TLP Management Services LLC, a Delaware limited liability company ("TLP Management Services"), to the Borrower (such transaction, the "Transaction"). Immediately upon consummation of the Transaction, and as a result thereof, TLP Management Services will be a wholly-owned, direct Subsidiary of the Borrower.

WHEREAS, the Borrower has requested that the Agent and the Lenders party hereto (constituting Required Lenders) (i) consent to the Borrower's entry into the Contribution Agreement, which entry is prohibited by Section 9.8 of the Credit Agreement and (ii) otherwise modify certain provisions of the Credit Agreement to account for the consummation and effectiveness of the Transaction; and

WHEREAS, the Agent and the Required Lenders are willing to grant the requested consent and modifications set forth herein, subject to the terms and conditions set forth herein.

NOW, THEREFORE, for and in consideration of the above premises and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged by the parties hereto, each of the parties hereto hereby covenant and agree as follows:

1. Definitions. Unless otherwise specifically defined herein, each term used herein which is defined in the Credit Agreement shall have the meaning assigned to such term in the Credit Agreement. Each reference to "hereof," "hereunder," "herein," and "hereby" and each other similar reference and each reference to "this Agreement" and each other similar reference contained in the Credit Agreement shall from and after the Third Amendment Effective Date refer to the Credit Agreement as amended hereby.

2. Limited Consent. Pursuant to Section 9.8 of the Credit Agreement, the Borrower is not permitted to enter into any transaction with, including, without limitation, the purchase, sale or exchange of property or the rendering of any service or the payment of any management, advisory or similar fees to, any Subsidiary or Affiliate of any Credit Party (other than another Credit Party), subject to certain exceptions set forth therein. Subject to the satisfaction of the conditions precedent set forth in Section 4 below and the other limitations contained herein and notwithstanding anything in Section 9.8 of the Credit Agreement to the contrary, the Agent and the Required Lenders, pursuant to Section 14.9 of the Credit Agreement, hereby consent to the execution by the Borrower of the Contribution Agreement and entry by the Borrower into the Transaction.

3. Amendments to Credit Agreement. Upon the Third Amendment Effective Date and pursuant to Section 14.9 of the Credit Agreement:

(a) The definition of "Omnibus Agreement" in Section 1.1 of the Credit Agreement is hereby deleted in its entirety.

(b) The definition of "Permitted Restricted Payment" in Section 1.1 of the Credit Agreement is hereby amended by amending and restating clause (c) thereof in its entirety as follows:

"(c) other Restricted Payments made to Partners that are necessary to enable Partners to pay its expenses incurred in the ordinary course of business, including professional expenses, directors fees, and transactional expenses incurred in connection with a Permitted Acquisition, and"

(c) Section 5.1(f) of the Credit Agreement is hereby amended by deleting the text "and the Omnibus Agreement".

(d) Section 6.29 of the Credit Agreement is hereby amended by deleting the text "the Omnibus Agreement,".

(e) Section 9.8 of the Credit Agreement is hereby amended and restated in its entirety as follows:

"9.8 No Affiliate Transactions.

Enter into any transaction with, including, without limitation, the purchase, sale or exchange of property or the rendering of any service or the payment of any management, advisory or similar fees to, any Subsidiary or Affiliate of any Credit Party (other than another Credit Party) except (a) in the ordinary course of such Credit Party's or Restricted Subsidiaries' business and upon fair and reasonable terms no less favorable to such Credit Party or Restricted Subsidiary than could be obtained in a comparable arm's-length transaction with an unaffiliated Person, (b) as permitted under Section 9.6, (c) Guarantees of any Joint Venture permitted under clause (h) of the definition of Permitted Investments, (d) employment and severance arrangements (including equity incentive plans and employee benefit plans and arrangements) with their respective officers and employees in the ordinary course of business, (e) payment of customary fees and reasonable out of pocket costs to, and indemnities for the benefit of, directors, officers and employees of the Credit Parties and their Subsidiaries in the ordinary course of business to the extent attributable to the ownership or operation of the Credit Parties and their Restricted Subsidiaries, (f) the payment of fees and expenses with respect to the consummation of this Credit Agreement, (g) transactions with any Joint Venture which, when considered together with all other transactions between such Credit Party or Restricted Subsidiary, on the one hand, and the applicable Joint Venture, on the other hand, are upon fair and reasonable terms no less favorable to such Credit Party or Restricted Subsidiary than could be obtained in a comparable arm's-length transaction with an unaffiliated Person, (h) transactions approved by the conflicts committee of the board of directors (or comparable governing body) of Partners as being fair to the applicable Credit Party or Restricted Subsidiary, and (i) transactions that do not require or result in the Credit Parties' making payments, transferring assets, or incurring liabilities (including, without limitation, contingent liabilities) in an amount in excess of $500,000 per transaction per fiscal year."

(f) Section 9.16 of the Credit Agreement is hereby amended by deleting the text "the Omnibus Agreement,".

(g) Section 11.1 of the Credit Agreement is hereby amended by amending and restating clause (m) thereof in its entirety as follows:

"(m) any event of default on the part of a Credit Party shall have occurred under any Specified Contract to which any Credit Party is a party, or any Specified Contract is terminated in whole or in part, if such event of default or termination would reasonably be expected to result in a Material Adverse Effect after taking into account any replacement therefor."

(h) A new Section 14.27 is hereby inserted into the Credit Agreement as follows:

"Section 14.27. Acknowledgement Regarding Any Supported QFCs. To the extent that the Credit Documents provide support, through a guarantee or otherwise, for any Swap Obligations or any other agreement or instrument that is a QFC (such support, "QFC Credit Support", and each such QFC, a "Supported QFC"), the parties acknowledge and agree as follows with respect to the resolution power of the Federal Deposit Insurance Corporation under the Federal Deposit Insurance Act and Title II of the Dodd-Frank Wall Street Reform and Consumer Protection Act (together with the regulations promulgated thereunder, the "U.S. Special Resolution Regimes") in respect of such Supported QFC and QFC Credit Support (with the provisions below applicable notwithstanding that the Credit Documents and any Supported QFC may in fact be stated to be governed by the laws of the State of New York and/or of the United States or any other state of the United States):

(a) In the event a Covered Entity that is party to a Supported QFC (each, a "Covered Party") becomes subject to a proceeding under a U.S. Special Resolution Regime, the transfer of such Supported QFC and the benefit of such QFC

Credit Support (and any interest and obligation in or under such Supported QFC and such QFC Credit Support, and any rights in property securing such Supported QFC or such QFC Credit Support) from such Covered Party will be effective to the same extent as the transfer would be effective under the U.S. Special Resolution Regime if the Supported QFC and such QFC Credit Support (and any such interest, obligation and rights in property) were governed by the laws of the United States or a state of the United States. In the event a Covered Party or a BHC Act Affiliate of a Covered Party becomes subject to a proceeding under a U.S. Special Resolution Regime, Default Rights under the Credit Documents that might otherwise apply to such Supported QFC or any QFC Credit Support that may be exercised against such Covered Party are permitted to be exercised to no greater extent than such Default Rights could be exercised under the U.S. Special Resolution Regime if the Supported QFC and the Credit Documents were governed by the laws of the United States or a state of the United States. Without limitation of the foregoing, it is understood and agreed that rights and remedies of the parties with respect to a Defaulting Lender shall in no event affect the rights of any Covered Party with respect to a Supported QFC or any QFC Credit Support.

(b) As used in this Section 14.27, the following terms have the following meanings:

"BHC Act Affiliate" of a party means an "affiliate" (as such term is defined under, and interpreted in accordance with, 12 U.S.C. 1841(k)) of such party.

"Covered Entity" means any of the following: (i) a "covered entity" as that term is defined in, and interpreted in accordance with, 12 C.F.R. § 252.82(b); (ii) a "covered bank" as that term is defined in, and interpreted in accordance with, 12 C.F.R. § 47.3(b); or (iii) a "covered FSI" as that term is defined in, and interpreted in accordance with, 12 C.F.R. § 382.2(b).

"Default Right" has the meaning assigned to that term in, and shall be interpreted in accordance with, 12 C.F.R. §§ 252.81, 47.2 or 382.1, as applicable.

"QFC" has the meaning assigned to the term "qualified financial contract" in, and shall be interpreted in accordance with, 12 U.S.C. 5390(c)(8)(D)."

4. Conditions Precedent. This Agreement shall become effective only upon satisfaction of each of the following conditions precedent (the date of such satisfaction, the "Third Amendment Effective Date"):

(a) The Agent shall have received each of the following, each in form and substance reasonably satisfactory to the Agent:

(i) counterparts of this Agreement duly executed by the Borrower, the Required Lenders, and the Agent;

(ii) counterparts of the Consent and Reaffirmation of the Guarantors attached hereto duly executed by each of the Guarantors;

(iii) a duly executed certificate of the Borrower stating that the Borrower is in compliance with the covenants set forth in Sections 8.1 through 8.3 of the Credit Agreement with respect to the covenant levels at the time of the most recent Compliance Certificate, in each case, immediately before and after giving pro forma effect to the Transaction and attaching calculations demonstrating such compliance;

(iv) an executed copy of the Contribution Agreement; and

(v) (A) an executed copy of Amendment No. 3 (the "TopCo Credit Agreement Amendment") to that certain Senior Secured Credit Facility, dated as of November 25, 2018 (the "TopCo Credit Facility"), among the Transferor, as borrower, the financial institutions from time to time party thereto, as lenders, and the other parties thereto, and all conditions precedent to the TopCo Credit Agreement Amendment shall have been met or waived in accordance with the terms thereof and (B) evidence that all security interests arising pursuant to the TopCo Credit Facility or any security agreement, pledge agreement or other agreement related thereto in the equity interests of TLP Management Services and its Subsidiaries and any of their other assets and property, real or personal, tangible or intangible, shall have been terminated and released.

(b) the Borrower shall have paid to the Agent all fees and expenses due and payable under the Credit Agreement (including the fees of counsel to the extent invoiced at least one (1) Business Day prior to the Third Amendment Effective Date) and in connection with this Agreement.

5. Limitation; Effect of Agreement. Any foregoing consent is only effective in the specific instances and for the specific purposes for which it is given and shall not be effective for any other purpose, and no provision of the Credit Agreement or any other Credit Document is amended or waived in any way other than as provided herein. Except as set forth expressly hereinabove, all terms of the Credit Agreement and the other Credit Documents shall be and remain in full force and effect, and shall constitute the legal, valid, binding, and enforceable obligations of the Borrower and the other Credit Parties party thereto.

6. No Novation or Mutual Departure. The Borrower expressly acknowledges and agrees that (i) there has not been, and this Agreement does not constitute or establish, a novation with respect to the Credit Agreement or any of the Credit Documents, or a mutual departure from the strict terms, provisions, and conditions thereof other than with respect to the consent and amendments in Sections 2 and 3 above, and (ii) nothing in this Agreement shall affect or limit the Agent's or any Lender's right to demand payment of liabilities owing from the Borrower or any other Credit Party to the Agent and the Lenders under, or to demand strict performance of the terms, provisions and conditions of, the Credit Agreement and the other Credit Documents, to exercise any and all rights, powers and remedies under the Credit Agreement or the other Credit Documents or at law or in equity, or to do any and all of the foregoing, immediately at any time after the occurrence of a Default or an Event of Default under the Credit Agreement or the other Credit Documents.

7. Ratification and Restatement. The Borrower hereby (i) restates, ratifies, and reaffirms each and every term, covenant, and condition set forth in the Credit Agreement and the other Credit Documents to which it is a party, as of the date hereof and the Third Amendment Effective Date, in each case, after giving effect to the Transaction and the terms hereof and (ii) restates and renews each and every representation and warranty heretofore made by it in the Credit Agreement and the other Credit Documents as fully as if made on the date hereof and the Third Amendment Effective Date and with specific reference to this Agreement and any other Credit Documents executed or delivered in connection herewith (except with respect to representations and warranties made as of an expressed date, in which case such representations and warranties shall be true and correct as of such date). This Agreement constitutes a Credit Document.

8. No Default. To induce the Agent and the Lenders to enter into this Agreement and to continue to make advances pursuant to the Credit Agreement (subject to the terms and conditions hereof), the Borrower hereby acknowledges and agrees that, as of the date hereof and the Third Amendment Effective Date, and, in each case, after giving effect to the Transaction and the terms hereof, there exists (i) no Default or Event of Default and (ii) no right of offset, defense, counterclaim, claim, or objection in favor of the Borrower arising out of or with respect to any of the Loans or other obligations of the Borrower owed to the Lenders under the Credit Agreement or any Credit Document.

9. Release. In consideration of the amendments contained herein, the Borrower hereby waives and releases each of the Lenders, the Agent and the Issuing Bank from any and all claims and defenses, known or unknown as of the date hereof and as of the Third Amendment Effective Date, with respect to the Credit Agreement and the other Credit Documents and the transactions contemplated thereby.

10. Counterparts. This Agreement may be executed in any number of counterparts and by different parties hereto in separate counterparts and transmitted by facsimile to the other parties, each of which when so executed and delivered by facsimile shall be deemed to be an original and all of which counterparts, taken together, shall constitute but one and the same instrument. This Agreement may be executed by each party on separate copies, which copies, when combined so as to include the signatures of all parties, shall constitute a single counterpart of this Agreement.

11. Fax or Other Transmission. Delivery by one or more parties hereto of an executed counterpart of this Agreement via e-mail, facsimile, telecopy, or other electronic method of transmission pursuant to which the signature of such party can be seen (including, without limitation, Adobe Corporation's Portable Document Format) shall have the same force and effect as the delivery of an original executed counterpart of this Agreement. Any party delivering an executed counterpart of this Agreement by facsimile or other electronic method of transmission shall also deliver an original executed counterpart, but the failure to do so shall not affect the validity, enforceability or binding effect of this Agreement.

12. Section References. Section titles and references used in this Agreement shall be without substantive meaning or content of any kind whatsoever and are not a part of the agreements among the parties hereto evidenced hereby.

13. Recitals Incorporated Herein. The preamble and the recitals to this Agreement are hereby incorporated herein by this reference.

14. Further Assurances. The Borrower agrees to take such further actions as the Agent shall reasonably request in connection herewith to evidence the agreements herein contained.

15. Severability. Any provision of this Agreement which is prohibited or unenforceable shall be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof in that jurisdiction or affecting the validity or enforceability of such provision in any other jurisdiction.

16. Governing Law; Jury Trial; Submission to Jurisdiction. This Agreement shall be governed by and construed and interpreted in accordance with the laws of the State of New York. Sections 14.2 and 14.3 of the Credit Agreement shall apply as if set forth in full herein modified *mutatis mutandis*.

[*Signature Pages Follow*]

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed by its duly authorized officer as of the day and year first above written.

BORROWER:

TRANSMONTAIGNE OPERATING COMPANY L.P.

By: TransMontaigne Operating GP L.L.C., its sole general partner

By: ____________________________________
Name:
Title:

<u>AGENT AND LENDERS</u>:

WELLS FARGO BANK, NATIONAL ASSOCIATION,
as Agent and as a Lender

By: ______________________________
Name: ______________________________
Title: ______________________________

SIGNATURE PAGE TO THE CONSENT AND THIRD AMENDMENT TO THIRD AMENDED AND RESTATED SENIOR SECURED CREDIT FACILITY, DATED AS OF THE DATE HEREOF, AMONG TRANSMONTAIGNE OPERATING COMPANY L.P., EACH LENDER PARTY HERETO AND WELLS FARGO BANK, NATIONAL ASSOCIATION, AS ADMINISTRATIVE AGENT

Name of Institution: ______________________________,
as a Lender

By: ______________________________
Name:
Title:

[If second signature block is necessary]

By: ______________________________
Name:
Title:

CONSENT AND REAFFIRMATION

June 1, 2019

Each of the undersigned (i) acknowledges receipt of the foregoing Consent and Third Amendment to Third Amended and Restated Senior Secured Credit Facility (the "Agreement"), (ii) consents to the execution and delivery of the Agreement by the parties thereto, and (iii) reaffirms all of its obligations and covenants under that certain Second Amended and Restated Full Recourse Guaranty Agreement, dated as of March 13, 2017 (as amended, restated, supplemented, or otherwise modified from time to time, the "Guaranty Agreement"), executed by it, or later joined by it, and agrees that none of such obligations and covenants shall be limited by the execution and delivery of the Agreement.

Each of the undersigned confirms and reaffirms, as of the date hereof, (a) its guarantee of the Obligations (including, without limitation, the increase in Revolving Credit Commitments) under the Guaranty Agreement, and (b) its grant of Liens on the Collateral to secure the Obligations (including, without limitation, the Obligations with respect to the increase in Revolving Credit Commitments) pursuant to the Security Documents.

As of the date hereof, each of the undersigned hereby represents and warrants that the representations and warranties of such Credit Party set forth in the Guaranty Agreement and the Security Agreement to which such Credit Party is a party, are true and correct in all material respects.

As of the date hereof, each of the undersigned hereby agrees to and acknowledges the language set forth in the new Section 14.27 of the Credit Agreement and further acknowledges that Section 14.27 of the Credit Agreement shall apply to all Credit Documents (including, without limitation, the Guaranty Agreement) as if set forth in full therein.

This Consent and Reaffirmation may be executed in any number of counterparts and by different parties hereto in separate counterparts, each of which when so executed and delivered shall be deemed to be an original and all of which counterparts, taken together, shall constitute but one and the same instrument. Capitalized terms used in this Consent and Reaffirmation without definition shall have the respective meanings ascribed thereto in the Agreement.

[*Signature Pages Follow*]

TRANSMONTAIGNE PARTNERS LLC, a Delaware limited liability company

By: ______________________________
Name:
Title:

TRANSMONTAIGNE OPERATING COMPANY L.P., a Delaware limited partnership

By: TransMontaigne Operating GP L.L.C., its sole general partner

By: ______________________________
Name:
Title:

TRANSMONTAIGNE OPERATING GP L.L.C., a Delaware limited liability company

By: ______________________________
Name:
Title:

TRANSMONTAIGNE TERMINALS L.L.C., a Delaware limited liability company

By: ______________________________
Name:
Title:

RAZORBACK L.L.C.,
a Delaware limited liability company

By: ________________________________
Name:
Title:

TPME L.L.C.,
a Delaware limited liability company

By: ________________________________
Name:
Title:

TPSI TERMINALS L.L.C.,
a Delaware limited liability company

By: ________________________________
Name:
Title:

TLP FINANCE CORP.,
a Delaware corporation

By: ________________________________
Name:
Title:

TLP OPERATING FINANCE CORP.,
a Delaware corporation

By: ________________________________
Name:
Title:

Exhibit 31.1

Certification Pursuant to
Section 302 of the Sarbanes-Oxley Act of 2002

I, Frederick W. Boutin, Chief Executive Officer of TransMontaigne Partners LLC, a Delaware limited liability company (the "Company"), certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of TransMontaigne Partners LLC for the fiscal quarter ended June 30, 2019;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: August 9, 2019

/s/ Frederick W. Boutin
Frederick W. Boutin
Chief Executive Officer

Exhibit 31.2

Certification Pursuant to
Section 302 of the Sarbanes-Oxley Act of 2002

I, Robert T. Fuller, Chief Financial Officer of TransMontaigne Partners LLC, a Delaware limited liability company (the "Company"), certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of TransMontaigne Partners LLC for the fiscal quarter ended June 30, 2019;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: August 9, 2019

/s/ Robert T. Fuller
Robert T. Fuller
Chief Financial Officer

Exhibit 32.1

Certification of Chief Executive Officer
Pursuant to 18 U.S.C. Section 1350, as adopted pursuant to
Section 906 of the Sarbanes-Oxley Act of 2002
(18 U.S.C. Section 1350)

The undersigned, the Chief Executive Officer of TransMontaigne Partners LLC, a Delaware limited liability company (the "Company"), hereby certifies that, to his knowledge on the date hereof:

(a) the Quarterly Report on Form 10-Q of the Company for the fiscal quarter ended June 30, 2019, filed on the date hereof with the Securities and Exchange Commission (the "Report") fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(b) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ Frederick W. Boutin
Frederick W. Boutin
Chief Executive Officer
August 9, 2019

Exhibit 32.2

Certification of Chief Financial Officer
Pursuant to 18 U.S.C. Section 1350, as adopted pursuant to
Section 906 of the Sarbanes-Oxley Act of 2002
(18 U.S.C. Section 1350)

The undersigned, the Chief Financial Officer of TransMontaigne Partners LLC, a Delaware limited liability company (the “Company”), hereby certifies that, to his knowledge on the date hereof:

(a) the Quarterly Report on Form 10-Q of the Company for the fiscal quarter ended June 30, 2019, filed on the date hereof with the Securities and Exchange Commission (the “Report”) fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(b) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ Robert T. Fuller
Robert T. Fuller
Chief Financial Officer
August 9, 2019