

HOLLY ENERGY PARTNERS, L.P.
HOLLY LOGISTIC SERVICES, L.L.C.
SECOND AMENDED COMPENSATION COMMITTEE CHARTER

Adopted by the Board of Directors
Of Holly Logistic Services, L.L.C.
April 25, 2008

The Board of Directors (the "Board") of Holly Logistic Services, L.L.C. (the "Company"), the general partner of HEP Logistics Holdings, L.P., the general partner of Holly Energy Partners, L.P. (the "Partnership") has established the Compensation Committee (the "Committee") of the Board with the authority, responsibility and specific duties described in this Compensation Committee Charter.

Purposes

The purposes of the Committee are:

1. To review, evaluate, and approve the agreements, plans, policies and programs of the Company to compensate the executive officers, directors and other key employees of the Company;
2. To cause the preparation of a report on executive compensation to be included in the Partnership's annual report on Form 10-K each year;
3. To otherwise discharge the Board's responsibilities relating to compensation of the Company's officers and directors; and
4. To perform such other functions as the Board may assign to the Committee from time to time.

Composition

The Committee shall consist of at least three members, all of whom must be independent members of the Board. One of the members shall serve as the chairperson of the Committee.

The Board shall appoint the members of the Committee. The chairperson of the Committee shall be designated by the Board or, if no such designation is made, shall be selected by the affirmative vote of a majority of the members of the Committee. The Board may remove or replace the chairperson and any other member of the Committee at any time by the affirmative vote of a majority of the members of the Board.

Authority and Responsibilities

The Committee is delegated all authority of the Board as may be required or advisable to fulfill the purposes of the Committee. The Committee may form and delegate some or all of its authority to subcommittees when it deems appropriate. Without limiting the generality of the preceding statements, the Committee shall have authority, and is entrusted with the direct responsibility, to take the following actions:

1. Each year the Committee shall review and make recommendations to the Board with respect to the compensation of all outside directors.
2. Each year, the Committee shall review and approve for key officers whose compensation is substantially all allocated to the Partnership or the Company and, as appropriate for the Chairman of the Board and Chief Executive Officer:
 - benefits and perquisites paid by the Company; and
 - employment agreements, severance arrangements, and change-in-control agreements and provisions issued by the Company.
3. Each year, the Committee shall review and make recommendations to the Board with respect to awards granted under the Holly Energy Partners, L.P. Long-Term Incentive Plan and the Holly Logistic Services, L.L.C. Annual Incentive Compensation Plan.
4. Each year, the Committee shall cause a report to be prepared on executive compensation as required by the SEC to be included in the Company's annual report on Form 10-K filed with the SEC.
5. The Committee shall have the sole authority to retain, amend the engagement with, and terminate any compensation consultant to be used to assist in the evaluation of compensation. The Committee shall have sole authority to approve the consultant's fees and other retention terms and shall have authority to cause the Company to pay the fees and expenses of such consultants. The Committee shall also have authority to obtain advice and assistance from internal or external legal, accounting or other advisors, to approve the fees and expenses of such outside advisors, and to cause the Company to pay the fees and expenses of such outside advisors.

Procedures

1. *Meetings.* The Committee shall meet as often as may be deemed necessary or appropriate in its judgment at the call of its chairperson, two or more members of the Committee, or the Chairman of the Board and Chief Executive Officer. Meetings may, at the discretion of the Committee, include members of the Company's management, independent consultants, and such other persons as the Committee or its chairperson may determine. The Committee may meet in person, by telephone conference call, or in any other manner in which the Board is permitted to meet under law or the Company's Limited Liability Company Agreement, but the Committee shall strive to meet in person whenever possible.
2. *Quorum and Approval.* A majority of the members of the Committee shall constitute a quorum. The Committee shall act on the affirmative vote of a majority of members present at a meeting at which a quorum is

present. The Committee may also act by unanimous written consent in lieu of a meeting.

3. Rules. The Committee may determine additional rules and procedures, including designation of a chairperson pro tempore in the absence of the chairperson and designation of a secretary of the Compensation Committee or any meeting thereof.
4. Reports. The Committee shall make regular reports to the Board, directly or through the chairperson.
5. Review of Charter. Each year the Committee shall review the need for changes in this Charter and recommend any proposed changes to the Board for approval.
6. Performance Review. Each year the Committee shall review and evaluate its own performance and shall submit itself to the review and evaluation of the Board.
7. Fees. Each member of the Committee shall be paid the fee set by the Board for his or her services as a member of, or chairperson of, the Committee.