

HOLLY ENERGY PARTNERS, L.P.
HOLLY LOGISTIC SERVICES, L.L.C.
THIRD AMENDED AUDIT COMMITTEE CHARTER
Adopted by the Board of Directors
of Holly Logistic Services, L.L.C.
July 25, 2008

Organization and Membership

The Holly Logistic Services, L.L.C. Audit Committee (the "Committee") shall consist of at least three directors, one of whom shall be designated by the Board of Directors (the "Board") as the Chairman. The members of the Committee shall be elected by the Board annually and shall serve until their successors are duly elected and qualified. The Committee shall have as members only Directors of Holly Logistic Services, L.L.C. (the "Company") who are independent under the standards applicable to companies whose shares are listed on the New York Stock Exchange ("NYSE") and Section 10A(m)(3) of the Securities Exchange Act of 1934 (the "Exchange Act"). Each member of the Committee shall be financially literate as the Board determines in its reasonable business judgment, or must become financially literate within a reasonable period of time after his or her appointment to the Committee, and shall meet any additional requirements applicable under regulations of the Securities and Exchange Commission (the "SEC") and NYSE listing standards, including but not limited to the requirement that no member shall simultaneously serve on the audit committees of more than two other public companies. At least one member of the Committee shall be an "audit committee financial expert" as defined by SEC regulations. Notwithstanding the foregoing membership requirements, no action of the Committee shall be invalid by reason of any such requirement not being met at the time such action is taken.

Statement of Policy

The Committee shall provide assistance to the Board in fulfilling its oversight responsibility to the unitholders of Holly Energy Partners, L.P., a Delaware limited partnership (the "Partnership"), relating to the Partnership's financial statements and the financial reporting process, the systems of internal accounting and financial controls, the independent auditors' qualifications, independence and performance, the selection, engagement and retention of independent auditors, the annual independent audit of the Partnership's financial statements, the performance of the Partnership's internal audit function, and legal and regulatory compliance and ethics programs as established by management and the Board.

Meetings

Consistent with its duties and responsibilities, the Committee shall meet at least four times annually to review and discuss with management the financial information of the Partnership and shall meet as many additional times as the members deem necessary or appropriate to fulfill their duties in accordance with this Charter. The Committee should meet at least annually in separate executive sessions with management, those performing the internal audit function, and the independent auditors to discuss any matters that the Committee or any of these groups believes should be discussed privately. 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.

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.

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 Audit Committee or any meeting thereof.

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.

Limitations on Committee Responsibilities

Management and the independent auditors for the Partnership are accountable to the Committee. Management of the Company, acting in its capacity as general partner of the Partnership's general partner, not the Committee, is responsible for the preparation, presentation and integrity of the Partnership's financial statements. Management is responsible for maintaining appropriate accounting and financial reporting principles and policies and internal controls and procedures designed to assure compliance with accounting standards and applicable laws and regulations. The independent auditors, not the Committee, are responsible for planning and carrying out the audit of the Partnership's financial statements in accordance with professional standards, and carrying out reviews of the Partnership's quarterly financial statements prior to the filing of each quarterly report on Form 10-Q, and other procedures. In fulfilling their responsibilities hereunder, it is recognized that members of the Committee are not full-time employees of the Company or the Partnership and, although they meet the applicable membership requirements, are not acting as accountants or auditors for the Partnership or the Company. As such, it is not the duty or responsibility of the Committee or its members to conduct "field work" or other types of auditing or accounting reviews or procedures or to meet auditor independence standards. Absent actual knowledge to the contrary (which shall be promptly reported to the Board), each member of the Committee shall be entitled to rely on (i) the integrity of those persons and organizations within and independent from the Company from which the Committee receives information and (ii) the accuracy of the financial and other information provided to the Committee by persons or organizations.

Accountability of the Independent Auditors

The Partnership's independent auditors are accountable to and report directly to the Committee. The Committee shall have the sole authority and responsibility with respect to the appointment, engagement, compensation, oversight, evaluation and, where appropriate, dismissal of the Partnership's independent auditors.

Responsibilities and Processes

The Committee shall have the authority to take all actions it deems advisable to fulfill its responsibilities and duties.

The Committee has the authority to retain, on such terms as the Committee deems necessary or advisable, professional advisors to advise the Committee, including, without limitation, legal counsel, accounting experts or other consultants, which may be the same as or different from the Partnership's primary legal counsel, accounting experts and other consultants, as the Committee deems necessary or advisable in connection with the exercise of its powers and responsibilities as set forth in this Charter.

The Committee shall be responsible for the resolution of any disagreements between the independent auditors and management regarding the Partnership's accounting or financial reporting practices.

The Company shall provide for appropriate funding, as determined by the Committee, for payment of compensation to the independent auditors employed by the Partnership for the purpose of rendering or issuing an audit report or related work or performing other audit, review or attest services for the Partnership and to any persons performing internal audit functions, legal counsel, accounting advisors or other consultants employed by the Committee.

The Committee may perform any other activities consistent with this Charter, the Company's Certificate of Formation and Limited Liability Company Agreement, the rules of the NYSE, and governing law as the Committee or the Board deems necessary or appropriate.

The Committee will, as it deems necessary in its business judgment, carry out the following processes:

a. **Relationship with Independent Auditors:**

1. Annually select and engage the Partnership's independent auditors retained to audit the financial statements of the Company and the Partnership.
2. Review and pre-approve the independent auditor's auditing services (including comfort letters), non-audit services (subject to any applicable de minimis exception) and related fees.

3. Review the Partnership's disclosures in the Partnership's periodic reports filed with the SEC regarding any approved non-audit services provided or to be provided by the independent auditors.
4. Actively engage in a dialogue with the independent auditors with respect to any disclosed relationships or services that may impact the objectivity and independence of the independent auditors and take, or recommend the full Board take, appropriate action to oversee the independence of the independent auditors.
5. Provide for the rotation of the lead audit partner having responsibility for the audit and the concurring review partner responsible for reviewing the audit in accordance with applicable NYSE listing standards and applicable rules and regulations of the SEC.
6. Set, and periodically review and modify as appropriate, clear policies with respect to the Company's hiring of employees or former employees of the Company's or the Partnership's independent auditors.
7. Annually obtain reports from, and discuss such reports with, the independent auditors regarding (i) the independent auditors' proposed audit scope and approach, (ii) the independent auditors' objectivity and independence, and (iii) the firm's internal quality-control procedures, any material issues raised by the most recent internal quality-control review or peer review of the firm, or any inquiry or investigation of the firm, and steps to deal with any such issues.
8. Periodically obtain and review reports from the independent auditors that include (i) all critical accounting policies and practices used; (ii) all alternative treatments of financial information within generally accepted accounting principles ("GAAP") that have been discussed with management, the ramifications of the alternative treatments, and the treatment preferred by the independent auditors; and (iii) other material written communications between the independent auditors and management.
9. Annually review and evaluate the performance of the external auditors including the lead partner of the independent auditor team.
10. If applicable, annually approve a report meeting the requirements of any applicable regulations of the SEC for inclusion in the Partnership's proxy statement relating to the Partnership's annual meeting of unitholders, if any, and/or its Annual Report on Form 10-K.

b. Relationship with Independent Auditors & Management:

11. Review with management and the independent auditors the Partnership's Quarterly Reports on Form 10-Q and Annual Reports on Form 10-K prior to the

filing of each such report. Such review shall be conducted by the Committee or by the Chairman or a member designated by the Chairman.

12. Review and discuss with management (including general counsel) and the independent auditors the Partnership's quarterly and annual financial information, including matters required to be reviewed under applicable legal, regulatory or NYSE requirements.
13. Review and, as appropriate, discuss with financial management (i) the Partnership's earnings releases, including the use of any "non-GAAP financial measures," and (ii) financial information and earnings guidance provided to analysts and rating agencies.
14. Upon completion of any annual audit, meet separately with the independent auditors and management and review the Partnership's financial statements and related notes, the results of their audit, any report or opinion rendered in connection therewith, any significant difficulties encountered during the course of the audit, including any restrictions on the scope of work or access to required information, any significant disagreements with management concerning accounting or disclosure matters, any significant adjustment proposed by the independent auditors, and the adequacy and integrity of the Partnership's internal accounting controls and the extent to which major recommendations made by the independent auditors have been implemented or resolved.
15. Regularly review with the Partnership's independent auditors any audit problems or difficulties and management's responses.
16. Upon completion of any annual audit, review and consider with the independent auditors and management the matters required to be discussed by Statement of Auditing Standards No. 61, as amended. These discussions shall include consideration of the quality of the Partnership's accounting principles as applied in its financial reporting, including review of estimates, reserves and accruals, review of judgmental areas, review of audit adjustments whether or not recorded and such other inquiries as may be appropriate. Based on the foregoing review, the Committee shall make its recommendation to the Board as to the inclusion of the Partnership's audited financial statements in the Partnership's Annual Report on Form 10-K.
17. Discuss with management (including general counsel) and the independent auditors the adequacy and effectiveness of the Partnership's accounting and financial controls, including the Partnership's system to monitor and manage business risk, and legal and ethical compliance programs.
18. Review with management the procedures used to document internal controls for the financial reporting process.