

HOLLY ENERGY PARTNERS LP

Form 8-K

August 31, 2006

**SECURITIES AND EXCHANGE COMMISSION**

**Washington, D.C. 20549**

**FORM 8-K**

**CURRENT REPORT**

**Pursuant to Section 13 or 15(d) of the**

**Securities Exchange Act of 1934**

**Date of Report (Date of earliest event reported): August 28, 2006**

**HOLLY ENERGY PARTNERS, L.P.**

(Exact name of Registrant as specified in its charter)

**Delaware**

(State or other  
jurisdiction of incorporation)

**001-32225**

(Commission File Number)

**20-0833098**

(I.R.S. Employer  
Identification Number)

**100 Crescent Court,**

**Suite 1600**

**Dallas, Texas**

(Address of principal  
executive offices)

**75201-6915**

(Zip code)

Registrant's telephone number, including area code: **(214) 871-3555**

**Not applicable**

(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
  - Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
  - Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
  - Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
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**Item 1.01. Entry into a Material Definitive Agreement.**

On August 28, 2006, the Board of Directors of Holly Logistic Services, L.L.C. (the Company ) approved changes in the compensation paid to the Company s non-employee directors. Effective August 28, 2006, each director who is not an officer of the Company or Holly Corporation will receive compensation for service as a director as follows:

- (a) An annual cash retainer of \$30,000, payable in four quarterly installments (previously \$25,000);
- (b) A \$1,500 meeting fee for attendance at each in-person meeting of the Board of Directors or a Board committee, a \$1,500 meeting fee for attendance at each telephone meeting of the Board of Directors or a Board committee that lasts more than two hours, and a \$750 meeting fee for attendance at each telephone meeting of the Board of Directors or a Board committee that lasts from one-half hour up to two hours (previously \$1,500 for every meeting, with a maximum of one committee meeting per day).
- (c) An annual grant of restricted units equal in value to \$40,000 on the date of grant, with a vesting period of one year (previously \$40,000 with a vesting period of three years).

In addition, the non-employee directors who serve as chairpersons of the Audit and Conflicts Committees will each receive an annual retainer of \$7,500 (previously each \$5,000). The non-employee director who serves as chairperson of the Compensation Committee will receive an annual retainer of \$5,000 (no change).

**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.

**HOLLY ENERGY PARTNERS, L.P.**

By: **HEP Logistics Holdings, L.P.**  
its General Partner

By: **Holly Logistic Services, L.L.C.**  
its General Partner

By: /s/ ERIN O. ROYSTON  
Erin O. Royston  
Secretary

Date: August 31, 2006