

**UNITED STATES
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) April 28, 2015

BLACK HILLS CORPORATION

(Exact name of registrant as specified in its charter)

South Dakota

(State or other jurisdiction of incorporation)

001-31303

(Commission File Number)

46-0458824

(IRS Employer Identification No.)

**625 Ninth Street, PO Box 1400
Rapid City, South Dakota**
(Address of principal executive offices)

57709-1400
(Zip Code)

605.721.1700

(Registrant's telephone number, including area code)

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 (see General Instruction A.2. below):

- 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))

Item 5.02 Departure of Directors or Certain Officers; Election of Directors; Appointment of Certain Officers; Compensatory Arrangements of Certain Officers.

(e) Compensatory Arrangements

On April 28, 2015, the shareholders of Black Hills Corporation (the “Company”) approved the 2015 Omnibus Incentive Plan (the “2015 Plan”). The terms of the 2015 Plan were previously disclosed in the Company’s definitive proxy statement (the “2015 Proxy Statement”) for its 2015 Annual Meeting of Shareholders which was filed with the Securities and Exchange Commission on March 19, 2015. In addition, a copy of the 2015 Plan was filed as Appendix B to the 2015 Proxy Statement and is incorporated herein by reference.

The Form of Stock Option, Restricted Stock, Restricted Stock Units, Performance Shares and Short-Term Incentive Award Agreements under the 2015 Plan are filed as Exhibits 10.2, 10.3, 10.4, 10.5 and 10.6, respectively, to this Current Report on Form 8-K and is incorporated herein by reference.

Item 5.07 Submission of Matters to a Vote of Security Holders

The Company held its Annual Meeting of Shareholders on April 28, 2015, at which four proposals were submitted. The proposals are described in detail in the Company’s proxy statement for the Annual Meeting filed with the Securities and Exchange Commission on March 19, 2015. A quorum of shares was present for the Annual Meeting, and the final results for the votes regarding the proposals are set forth below.

1. Shareholders elected three directors to serve for a three-year term to expire at the Annual Meeting of Shareholders in 2018, and until their successors shall be duly elected and qualified. The name of each director elected, and the votes cast for each such individuals, are set forth below:

<u>Nominee</u>	<u>For</u>	<u>Withheld</u>	<u>Broker Non-Votes</u>
Michael H. Madison	35,118,215	209,201	5,796,238
Linda K. Massman	35,081,361	246,055	5,796,238
Steven R. Mills	35,111,452	215,964	5,796,238

2. Shareholders approved a proposal to ratify the appointment of Deloitte & Touche, LLP to serve as our independent registered public accounting firm for the year 2015. The votes regarding Proposal 2 were as follows:

<u>For</u>	<u>Against</u>	<u>Abstain</u>	<u>Broker Non-Votes</u>
40,749,275	242,575	131,804	-0-

3. Shareholders approved, on an advisory and non-binding basis, the compensation of the Company’s named executive officers, as disclosed in the proxy statement. The votes regarding Proposal 3 were as follows:

<u>For</u>	<u>Against</u>	<u>Abstain</u>	<u>Broker Non-Votes</u>
33,354,724	1,707,439	265,253	5,796,238

4. Shareholders approved the Black Hills Corporation 2015 Omnibus Incentive Plan. The votes regarding Proposal 4 were as follows:

<u>For</u>	<u>Against</u>	<u>Abstain</u>	<u>Broker Non-Votes</u>
33,149,010	1,939,693	238,713	5,796,238

Item 9.01 Financial Statements and Exhibits

(d) Exhibits

- 10.1 Black Hills Corporation's 2015 Omnibus Incentive Plan (filed as Appendix B to the Company's 2015 Proxy Statement filed March 19, 2015).
- 10.2 Form of Stock Option Agreement for the 2015 Omnibus Plan effective for awards granted on or after April 28, 2015.
- 10.3 Form of Restricted Stock Award Agreement for the 2015 Omnibus Plan effective for awards granted on or after April 28, 2015.
- 10.4 Form of Restricted Stock Unit Award Agreement for the 2015 Omnibus Plan effective for awards granted on or after April 28, 2015.
- 10.5 Form of Performance Share Award Agreement for the 2015 Omnibus Plan effective for awards granted on or after April 28, 2015.
- 10.6 Form of Short-term Incentive for the 2015 Omnibus Plan effective for awards granted on or after April 28, 2015.

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 hereunto duly authorized.

BLACK HILLS CORPORATION

By: /s/ Steven J. Helmers

Steven J. Helmers

Senior Vice President

and General Counsel

Date: April 30, 2015

Exhibit Index

<u>Exhibit No.</u>	<u>Description</u>
10.1	Black Hills Corporation's 2015 Omnibus Incentive Plan (filed as Appendix B to the Company's 2015 Proxy Statement filed March 19, 2015).
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10.3	Form of Restricted Stock Award Agreement for the 2015 Omnibus Plan effective for awards granted on or after April 28, 2015.
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**Black Hills Corporation
2015 Omnibus Incentive Plan
Option Award Agreement
(Effective for awards granted on or after April 28, 2015)**

Participant: _____

Date of Grant: _____

Number of Shares Covered by this Option: _____

**Number of above Shares intended to be
Incentive Stock Options ("ISOs")
within the meaning of Internal Revenue
Code §422:** _____

**Number of above shares intended to be
Nonqualified Stock Options ("NQSOs"):** _____

Option Price for each Share: _____

Date of Expiration: _____

This document constitutes part of the prospectus covering securities that have been registered under the Securities Act of 1933.

THIS AGREEMENT, effective as of the Date of Grant set forth above, represents the grant of stock options by Black Hills Corporation, a South Dakota corporation (the "Company") to the Participant named above, pursuant to the provisions of the Black Hills Corporation 2015 Omnibus Incentive Plan ("Plan").

This Agreement and the Plan together govern your rights to the award and set forth all of the conditions and limitations affecting such rights. All capitalized terms used herein shall have the meanings ascribed to them in the Plan unless specifically set forth otherwise herein. If there is any inconsistency between the terms of this Agreement and the terms of the Plan, the Plan's terms shall completely supersede and replace the conflicting terms of this Agreement. By signing below, you agree to be bound by all the provisions of the Plan and this Agreement.

1. **Grant of Stock Options.** The Company hereby grants to the Participant an Option to purchase the number of Shares set forth above, at the stated Option Price, which is 100 percent (100%) of the Fair Market Value of a Share on the Date of Grant, in the manner and subject to the terms and conditions of the Plan and this Agreement.

2. **Exercise of Stock Option.** Except as hereinafter provided, the Participant may exercise this Option at any time after the end of one year following the Date of Grant as to those Shares which have become vested according to the vesting schedule set forth below, provided that no exercise may occur subsequent to the close of business on the Date of Expiration (as defined on page 1 of this Agreement).

VESTING SCHEDULE

Date	Shares for Which Option Becomes Exercisable	Cumulative Number of Shares Available for Purchase
_____	_____	_____
_____	_____	_____
_____	_____	_____

This Option may be exercised in whole or in part, but not for less than 100 Shares at any one time, unless fewer than 100 Shares then remain subject to the Option, and the Option is then being exercised as to all such remaining Shares.

3. **Termination of Employment:**

- (a) *By death or Disability:* In the event the Participant’s employment is terminated by reason of death or disability, all Shares under this Option shall become immediately vested (100%) and the Shares may be purchased under the terms of this Agreement until the earlier of: (i) the expiration date of this Option; or (ii) the first anniversary of the date of death or Disability.
- (b) *By Retirement:* In the event of termination of employment by reason of retirement, all unvested Shares under this Option shall be forfeited and vested Shares may be purchased under the terms of this Agreement until the earlier of: (i) the expiration date of this Option; or (ii) the third anniversary date of Retirement.
- (c) *For other reasons:* Shares which are vested as of the date of termination of employment of the Participant for any reason other than those reasons set forth in 3(a) or 3(b) above may be purchased under the terms of this Agreement until the earlier of: (i) the expiration date of this Option; or (ii) 90 days following the date of termination of employment. Shares which are not vested as of the date of termination shall immediately terminate, and shall be forfeited to the Company.

4. **Change in Control.** In the event of a Change in Control, all Shares under this Option shall become immediately vested (100%) and shall remain exercisable for their entire term.

"Change in Control" of the Company shall be deemed to have occurred (as of a particular day, as specified by the Board) upon the occurrence of any of the following events:

- (a) The acquisition in a transaction or series of transactions by any Person of Beneficial Ownership of thirty percent (30%) or more of the combined voting power of the then outstanding shares of common stock of the Company; provided, however, that for purposes of this Agreement, the following acquisitions will not constitute a Change in Control: (A) any acquisition by the Company; (B) any acquisition of common stock of the Company by an underwriter holding securities of the Company in connection with a public offering thereof; and (C) any acquisition by any Person pursuant to a transaction which complies with subsections (c) (i), (ii) and (iii);
- (b) Individuals who, as of December 31, 2014 are members of the Board (the "Incumbent Board"), cease for any reason to constitute at least a majority of the members of the Board; provided, however, that if the election, or nomination for election by the Company's common shareholders, of any new director was approved by a vote of at least two-thirds of the Incumbent Board, such new director shall, for purposes of this Agreement, be considered as a member of the Incumbent Board; provided further, however, that no individual shall be considered a member of the Incumbent Board if such individual initially assumed office as a result of either an actual or threatened "Election Contest" (as described in Rule 14a-11 promulgated under the Exchange Act) or other actual or threatened solicitation of proxies or consents by or on behalf of a Person other than the Board (a "Proxy Contest") including by reason of any agreement intended to avoid or settle any Election Contest or Proxy Contest;
- (c) Consummation, following shareholder approval, of a reorganization, merger, or consolidation of the Company, or a sale or other disposition of all or substantially all of the assets of the Company (each a "Business Combination"), unless, in each case, immediately following such Business Combination, all of the following have occurred: (i) all or substantially all of the individuals and entities who were beneficial owners of shares of the common stock of the Company immediately prior to such Business Combination beneficially own, directly or indirectly, more than fifty percent (50%) of the combined voting power of the then outstanding shares of the entity resulting from the Business Combination or any direct or indirect parent corporation thereof (including, without limitation, an entity which as a result of such transaction owns the Company or all or substantially all of the Company's assets either directly or through one (1) or more subsidiaries)(the "Successor Entity"); (ii) no Person (excluding any Successor Entity or any employee benefit plan or related trust, of the Company or such Successor Entity) owns, directly or indirectly, thirty percent (30%) or more of the combined voting power of the then outstanding shares of common stock of the Successor Entity, except to the extent that such ownership existed prior to such Business Combination; and (iii) at least a majority of the members of the Board of Directors of the entity resulting from such Business Combination or any direct or indirect parent corporation thereof were members of the Incumbent Board at the time of the execution of the initial agreement or action of the Board providing for such Business Combination; or

- (d) Approval by the shareholders of the Company of a complete liquidation or dissolution of the Company, except pursuant to a Business Combination that complies with subsections (c) (i), (ii), and (iii) above.
- (e) A Change in Control shall not be deemed to occur solely because any Person (the "Subject Person") acquired Beneficial Ownership of more than the permitted amount of the then outstanding common stock as a result of the acquisition of common stock by the Company which, by reducing the number of shares of common stock then outstanding, increases the proportional number of shares Beneficially Owned by the Subject Persons, provided that if a Change in Control would occur (but for the operation of this sentence) as a result of the acquisition of common stock by the Company, and after such stock acquisition by the Company, the Subject Person becomes the Beneficial Owner of any additional common stock which increases the percentage of the then outstanding common stock Beneficially Owned by the Subject Person, then a Change in Control shall occur.
- (f) A Change in Control shall not be deemed to occur unless and until all regulatory approvals required in order to effectuate a Change in Control of the Company have been obtained and the transaction constituting the Change in Control has been consummated.

5. **Restrictions on Transfer.** This Option may not be sold, transferred, pledged, assigned, or otherwise alienated or hypothecated, other than by will or by the laws of descent and distribution. Further, this Option shall be exercisable during the Participant's lifetime only by the Participant or the Participant's legal representative. If any assessment, pledge, transfer, or other disposition, voluntary or involuntary, of this Option shall be made, or if any attachment, execution, garnishment, or claim shall be issued against or placed upon the Option, then the Participant's right to the Option shall immediately cease and terminate and the Participant shall promptly forfeit to the Company all Options awarded under this Agreement.

6. **Recapitalization.** In the event there is any change in the Company's Shares through the declaration of stock dividends or through recapitalization resulting in stock splits or through merger, consolidation, exchange of Shares, or otherwise, the number and class of Shares subject to this Option, as well as the Option Price, may be equitably adjusted by the Committee, in its sole discretion, to prevent dilution or enlargement of rights.

7. **Procedure for Exercise of Option.** This Option may be exercised by delivery of written notice to the Company at its executive offices, addressed to the attention of its Secretary. Such notice: (a) shall be signed by the Participant or his or her legal representative; (b) shall specify the number of full Shares then elected to be purchased with respect to the Option; (c) unless a Registration Statement under the Securities Act of 1933 is in effect with respect to the Shares to be purchased, shall contain a representation of the Participant that the Shares are being acquired by him or her for investment and with no present intention of selling or transferring them, and that he or she will not sell or otherwise transfer the Shares except in compliance with all applicable securities laws and requirements of any stock exchange upon which the Shares may then be listed; and (d) shall be accompanied by payment in full of the Option Price of the Shares to be purchased, and the Participant's copy of this Agreement.

The Option Price upon exercise of this Option shall be payable to the Company in full either: (a) in cash or its equivalent (acceptable cash equivalents shall be determined at the sole discretion of the Committee); or (b) by tendering (either by actual delivery or attestation) previously acquired Shares having an aggregate Fair Market Value at the time of exercise equal to the Option Price and are free and clear of any and all claims, pledges, liens and encumbrances, or any restrictions which would in any manner restrict the transfer of such shares; or (c), by a combination of (a) and (b).

The Participant may also be permitted to exercise pursuant to a "cashless exercise" procedure as permitted under the Federal Reserve Board's Regulation T, subject to securities law restrictions.

Subject to any governing rules or regulations, as soon as practicable after receipt of written notification of exercise and full payment (including satisfaction of any applicable tax withholding), the Company shall deliver to the Participant or his or her legal representative, as the case may be, evidence of book entry Shares, or upon the Participant's request, Share certificates in an appropriate amount based upon the number of Shares purchased under the Option(s). The Shares shall be issued in the Participant's name (or, at the discretion of the Participant, jointly in the names of the Participant and the Participant's spouse). The Company shall maintain a record of all information pertaining to the Participant's rights under this Agreement, including the number of Shares for which their Option is exercisable. If the Option shall have been exercised in full, this Agreement shall be returned to the Company and canceled.

8. Forfeiture and Repayment.

- (a) In the event the Participant's employment is terminated for reasons other than those described in Sections 3 and 4 herein, all outstanding Shares under this Option shall immediately be forfeited by the Participant.
- (b) Without limiting the generality of Section 8(a), the Company reserves the right to cancel all Shares under this Option awarded hereunder, whether or not vested, and require the Participant to repay all income or gains previously realized in respect of such Shares under this Option, in the event of the occurrence of any of the following events:
 - (i) termination of Participant's employment for Cause;
 - (ii) within one year following any termination of Participant's employment, the Board determines that the Participant engaged in conduct before the Participant's termination date that would have constituted the basis for a termination of employment for Cause;
 - (iii) at any time during the Participant's employment or the twelve month period immediately following any termination of employment, Participant:
 - (x) publicly disparages the Company, any of its affiliates or any of its or their officers, directors or senior executive employees or otherwise makes any public statement that is materially detrimental to the interests or reputation of the Company, any of its affiliates or such individuals; or

(y) violates in any material respect any policy or any code of ethics or standard of behavior or conduct generally applicable to Participant, including the Code of Conduct; or

(iv) Participant engages in any fraudulent, illegal or other misconduct involving the Company or any of its affiliates, including but not limited to any breach of fiduciary duty, breach of a duty of loyalty, or interference with contract or business expectancy.

(c) If the Board determines that the Participant's conduct, activities or circumstances constitute events described in Section 8(b), in addition to any other remedies the Company has available to it, the Company may in its sole discretion:

(i) cancel any Shares under this Option awarded hereby, whether or not vested; and/or

(ii) require the Participant to repay an amount equal to all income or gain realized in respect of all such Shares under this Option. The amount of repayment shall include, without limitation, amounts received in connection with the delivery or sale of Shares under this Option or cash paid in respect of any Shares under this Option.

There shall be no forfeiture or repayment under Section 8(b) following a Change-in-Control.

(d) The Board, in its discretion, shall determine whether a Participant's conduct, activities or circumstances constitute events described in Section 8(b) and whether and to what extent the Shares under this Option awarded hereby shall be forfeited by Participant and/or a Participant shall be required to repay an amount pursuant to Section 8(c). The Board shall have the authority to suspend the payment, delivery or settlement of all or any portion of such Participant's outstanding Shares under this Option pending an investigation of a bona fide dispute regarding Participant's eligibility to receive a payment under the terms of this Agreement as determined by the Board in good faith.

(e) For purposes of applying this provision:

(i) "Cause" means any of the following:

(u) a Participant's violation of his or her material duties to the Company or any of its affiliates, which continues after written notice from the Company or any affiliate to cure such violation;

(v) Participant's willful failure to follow the lawful written directives of the Board in any material respect;

- (w) Participant's willful misconduct in connection with the performance of any of his or her duties, including but not limited to falsifying or attempting to falsify documents, books or records of the Company or any of its affiliates, making or delivering a false representation, statement or certification of compliance to the Company, misappropriating or attempting to misappropriate funds or other property of the Company or any of its affiliates, or securing or attempting to secure any personal profit in connection with any transaction entered into on behalf of the Company or any of its affiliates;
 - (x) Participant's breach of any material provisions of this Agreement or any other non-competition, non-interference, non-disclosure, confidentiality or other similar agreement executed by Participant with the Company or any of its affiliates;
 - (y) conviction (or plea of *nolo contendere*) of the Participant of any felony, or a misdemeanor involving false statement, in connection with conduct involving the Company or any of its subsidiaries or affiliates; or
 - (z) intentional engagement in any activity which would constitute or cause a breach of duty of loyalty, or any fiduciary duty to the Company or any of its subsidiaries or affiliates.
- (ii) "Code of Conduct" means any code of ethics or code of conduct now or hereafter adopted by the Company or any of its affiliates, including to the extent applicable the Company's Employee Conduct and Disclosure Policy, as amended or supplemented from time to time, and the Company's or subsidiary Risk Management Policies and Procedures, as amended, supplemented or replaced from time to time.

(f) Participant agrees that the provisions of this Section 8 are entered into in consideration of, and as a material inducement to, the agreements by the Company herein as well as an inducement for the Company to enter into this Agreement, and that, but for Participant's agreement to the provisions of this Section 8, the Company would not have entered into this Agreement.

9. **Beneficiary Designation.** The Participant may, from time to time, name any beneficiary or beneficiaries (who may be named contingently or successively) to whom any benefit under this Agreement is to be paid in case of his or her death before he or she receives any or all of such benefit. Each such designation shall revoke all prior designations by the Participant, shall be in a form prescribed by the Company, and will be effective only when filed by the Participant in writing with the Secretary of the Company during the Participant's lifetime. In the absence of any such designation, benefits remaining unpaid at the Participant's death shall be paid to the Participant's estate.

10. **Rights as a Shareholder.** The Participant shall have no rights as a shareholder of the Company with respect to the Shares subject to this Option Agreement including, without limitation, any right to dividends, until such time as the purchase price has been paid, and the Shares have been issued and delivered to him or her.

11. **Continuation of Employment.** This Option Agreement shall not confer upon the Participant any right to continuation of employment by the Company, nor shall this Option Agreement interfere in any way with the Company's right to terminate the Participant's employment at any time, for any reason. A transfer of the Participant's employment between the Company and any one of its Subsidiaries (or between Subsidiaries) shall not be deemed a termination of employment. Participant further agrees that awards made pursuant to this Agreement are discretionary, and do not constitute a benefit which the Company is obligated to make available to Participant, and therefore, nothing in this Agreement shall be deemed to constitute a contract of employment, or otherwise alter the at-will employment relationship between Participant and the Company.

12. **Limitation.** Participant shall not exercise any shares which are intended to be ISOs hereunder if and to the extent that the Participant would thereby be entitled to purchase Shares in any one calendar year, the value of which, determined at the time of the Date of Grant, would exceed \$100,000.

13. **Miscellaneous.**

- (a) This Option Agreement and the rights of the Participant hereunder are subject to all the terms and conditions of the Plan, as the same may be amended from time to time, as well as to such rules and regulations as the Committee may adopt for administration of the Plan. The Committee shall have the right to impose such restrictions on any Shares acquired pursuant to the exercise of this Option, as it may deem advisable, including, without limitation, restrictions under applicable Federal securities laws, under the requirements of any stock exchange or market upon which such Shares are then listed and/or traded, and under any blue sky or state securities laws applicable to such Shares. It is expressly understood that the Committee is authorized to administer, construe, and make all determinations necessary or appropriate to the administration of the Plan and this Option Agreement, all of which shall be binding upon the Participant.
- (b) With the approval of the Board, the Committee may terminate, amend, or modify the Plan; provided, however, that no such termination, amendment, or modification of the Plan may in any material way adversely affect the Participant's rights under this Agreement, without the written consent of the Participant.
- (c) The Company shall have the power and the right to deduct or withhold, or require the Participant to remit to the Company, an amount sufficient to satisfy federal, state, and local taxes (including Participant's FICA obligation) required by law to be withheld with respect to any exercise of the Participant's rights under this Agreement.

The Participant may elect, subject to any procedural rules adopted by the Committee, to satisfy the withholding requirement, in whole or in part, by having the Company withhold Shares having an aggregate Fair Market Value on the date the tax is to be determined, equal to the amount required to be withheld.

- (d) The Participant agrees to take all steps necessary to comply with all applicable provisions of federal and state securities law in exercising his or her rights under this Agreement.
- (e) This Agreement shall be subject to all applicable laws, rules, and regulations, and to such approvals by any governmental agencies or national securities exchanges as may be required.
- (f) All obligations of the Company under the Plan and this Agreement, with respect to this Option, shall be binding on any successor to the Company, whether the existence of such successor is the result of a direct or indirect purchase, merger, consolidation, or otherwise, of all or substantially all of the business and/or assets of the Company.
- (g) To the extent not preempted by federal law, this Agreement shall be governed by, and construed in accordance with, the laws of the State of South Dakota.

SIGNATURE PAGE FOLLOWS

The following parties have caused this Agreement to be executed as of the Date of Grant.

BLACK HILLS CORPORATION

By _____

Please acknowledge your agreement to participate in the Plan and this Agreement, and to abide by all of the governing terms and provisions, by signing the following representation:

Agreement to Participate

By signing a copy of this Agreement and returning it to Roxann R. Basham, Vice President Governance and Corporate Secretary of Black Hills Corporation, I acknowledge that I have read the Plan, and that I fully understand all of my rights under the Plan, as well as all of the terms and conditions which may limit my eligibility to exercise this Award. Without limiting the generality of the preceding sentence, I understand that my right to exercise this Award is conditioned upon my continued employment with Black Hills Corporation or its Subsidiaries.

Participant

Black Hills Corporation
2015 Omnibus Incentive Plan
Restricted Stock Award Agreement
(Effective for Awards granted on or after April 28, 2015)

Dear _____:

Congratulations on your selection as a Participant of Black Hills Corporation 2015 Omnibus Incentive Plan (the “Plan”). This Agreement and the Plan together govern your rights to the award and set forth all of the conditions and limitations affecting such rights. All capitalized terms shall have the meanings ascribed to them in the Plan unless specifically set forth otherwise herein. If there is any inconsistency between the terms of this Agreement and the terms of the Plan, the Plan’s terms shall supersede and replace the conflicting terms of this Agreement. By signing below, you agree to be bound by all the provisions of the Plan and this Agreement.

Overview of Your Award

1. **Number of Restricted Shares Granted.** _____ Shares
2. **Date of Grant.** _____
3. **Date of Lapse of Restrictions.**

<u>Shares</u>	<u>Date</u>
_____	_____
_____	_____
_____	_____

4. **Employment by the Company.** This Restricted Stock is awarded on the condition that the Participant remain in the employ of Black Hills Corporation and its Affiliates (the “Company”) from the Date of Grant through (and including) the Dates of Lapse of Restrictions. The Award of this Restricted Stock, however, shall not impose upon the Company any obligations to retain the Participant in its employ for any given period or upon any specific terms of employment.
5. **Certificate Legend.** Shares of Restricted Stock granted pursuant to the Plan shall be held by the Company in book entry form and shall be designated to have the following legend:

“The sale or other transfer of the shares of stock represented by this certificate, whether voluntary, involuntary, or by operation of law, is subject to certain restrictions on transfer set forth in the Black Hills Corporation 2015 Omnibus Incentive Plan and in a Restricted Stock Award Agreement. A copy of the Plan and such Restricted Stock Agreement may be obtained from the Secretary of Black Hills Corporation.”

6. **Removal of Restrictions.** Except as otherwise provided in the Plan, each of the Shares of Restricted Stock granted under this Agreement shall become freely transferable by the Participant on each of the "Dates of Lapse of Restrictions" set forth on Paragraph 3 herein.

Once the shares are released from the restrictions, the Participant shall be entitled to receive certificates representing the Shares of stock which have been vested, without the restrictive legend required by Paragraph 5 of this Agreement.

Notwithstanding the terms of this Agreement, no stock shall be issued by the Corporation while its stock transfer books are closed.

7. **Voting Rights and Dividends.** During the Period of Restriction, the Participant may exercise full voting rights and is entitled to receive all dividends and other distributions paid with respect to the Shares of Restricted Stock while they are held. If any such dividends or distributions are paid in shares of common stock of the Company, the Shares shall be subject to the same restrictions on transferability as the Shares of Restricted Stock with respect to which they were paid.
8. **Termination of Employment By Reasons of Death or Disability, and Vesting in Connection with a Change in Control.** In the event the Participant's employment is terminated by reason of Death or Disability, or in the event of a Change in Control prior to the Dates of Lapse of Restrictions, all Shares of Restricted Stock then outstanding shall immediately vest one hundred percent (100%), and as soon as is administratively practicable, the common stock representing the Shares of Restricted Stock without any restrictions or legend thereon, shall be delivered to the Participant's beneficiary or estate.

"Change in Control" of the Company shall be deemed to have occurred (as of a particular day, as specified by the Board) upon the occurrence of any of the following events:

- (a) The acquisition in a transaction or series of transactions by any Person of Beneficial Ownership of thirty percent (30%) or more of the combined voting power of the then outstanding shares of common stock of the Company; provided, however, that for purposes of this Agreement, the following acquisitions will not constitute a Change in Control: (A) any acquisition by the Company; (B) any acquisition of common stock of the Company by an underwriter holding securities of the Company in connection with a public offering thereof; and (C) any acquisition by any Person pursuant to a transaction which complies with subsections (c)(i), (ii) and (iii);
- (b) Individuals who, as of December 31, 2014 are members of the Board (the "Incumbent Board"), cease for any reason to constitute at least a majority of the members of the Board; provided, however, that if the election, or nomination for election by the Company's common shareholders, of any new director was approved by a vote of at least two-thirds of the Incumbent Board, such new director shall, for purposes of this Agreement, be considered as a member of the Incumbent Board; provided further, however, that no individual shall be considered a member of the Incumbent Board if such individual initially assumed office as a result of either an actual or threatened "Election Contest" (as described in Rule 14a-11 promulgated under the Exchange Act) or other actual or threatened solicitation of proxies or consents by or on behalf of a Person other than the Board (a "Proxy Contest") including by reason of any agreement intended to avoid or settle any Election Contest or Proxy Contest;

- (c) Consummation, following shareholder approval, of a reorganization, merger, or consolidation of the Company, or a sale or other disposition of all or substantially all of the assets of the Company (each a “Business Combination”), unless, in each case, immediately following such Business Combination, all of the following have occurred: (i) all or substantially all of the individuals and entities who were beneficial owners of shares of the common stock of the Company immediately prior to such Business Combination beneficially own, directly or indirectly, more than fifty percent (50%) of the combined voting power of the then outstanding shares of the entity resulting from the Business Combination or any direct or indirect parent corporation thereof (including, without limitation, an entity which as a result of such transaction owns the Company or all or substantially all of the Company’s assets either directly or through one (1) or more subsidiaries) (the “Successor Entity”) (ii) no Person (excluding any Successor Entity or any employee benefit plan or related trust, of the Company or such Successor Entity) owns, directly or indirectly, thirty percent (30%) or more of the combined voting power of the then outstanding shares of common stock of the Successor Entity, except to the extent that such ownership existed prior to such Business Combination; and (iii) at least a majority of the members of the Board of Directors of the entity resulting from such Business Combination or any direct or indirect parent corporation thereof were members of the Incumbent Board at the time of the execution of the initial agreement or action of the Board providing for such Business Combination; or
 - (d) Approval by the shareholders of the Company of a complete liquidation or dissolution of the Company, except pursuant to a Business Combination that complies with subsections (c)(i), (ii), and (iii) above.
 - (e) A Change in Control shall not be deemed to occur solely because any Person (the “Subject Person”) acquired Beneficial Ownership of more than the permitted amount of the then outstanding common stock as a result of the acquisition of common stock by the Company which, by reducing the number of shares of common stock then outstanding, increases the proportional number of shares Beneficially Owned by the Subject Persons, provided that if a Change in Control would occur (but for the operation of this sentence) as a result of the acquisition of common stock by the Company, and after such stock acquisition by the Company, the Subject Person becomes the Beneficial Owner of any additional common stock which increases the percentage of the then outstanding common stock Beneficially Owned by the Subject Person, then a Change in Control shall occur.
 - (f) A Change in Control shall not be deemed to occur unless and until all regulatory approvals required in order to effectuate a Change in Control of the Company have been obtained and the transaction constituting the Change in Control has been consummated.
9. **Beneficiary Designation.** The Participant may, from time to time, name any beneficiary or beneficiaries (who may be named contingently or successively) to whom any benefit under this Agreement is to be paid in case of his or her death prior to the Dates of Lapse of Restrictions. Each such designation shall revoke all prior designations by the Participant, shall be in a form prescribed by the Company, and will be effective only when filed by the Participant in writing with the Company during the Participant’s lifetime. In the absence of any such designation, benefits remaining unpaid at the Participant’s death shall be paid to the Participant’s estate.

10. Forfeiture and Repayment.

- (a) In the event the Participant's employment is terminated for reasons other than those described in Section 8 herein prior to the Dates of the Lapse of Restrictions, all outstanding Shares of unvested Restricted Stock granted hereunder shall immediately be forfeited by the Participant.
- (b) Without limiting the generality of Section 10(a), the Company reserves the right to cancel all Restricted Stock awarded hereunder, whether or not vested, and require the Participant to repay all income or gains previously realized in respect of such Restricted Stock, in the event of the occurrence of any of the following events:
 - (i) termination of Participant's employment for Cause;
 - (ii) within one year following any termination of Participant's employment, the Board determines that the Participant engaged in conduct before the Participant's termination date that would have constituted the basis for a termination of employment for Cause;
 - (iii) at any time during the Participant's employment or the twelve month period immediately following any termination of employment, Participant:
 - (x) publicly disparages the Company, any of its affiliates or any of its or their officers, directors or senior executive employees or otherwise makes any public statement that is materially detrimental to the interests or reputation of the Company, any of its affiliates or such individuals; or
 - (y) violates in any material respect any policy or any code of ethics or standard of behavior or conduct generally applicable to Participant, including the Code of Conduct; or
 - (iv) Participant engages in any fraudulent, illegal or other misconduct involving the Company or any of its affiliates, including but not limited to any breach of fiduciary duty, breach of a duty of loyalty, or interference with contract or business expectancy.
- (c) If the Board determines that the Participant's conduct, activities or circumstances constitute events described in Section 10(b), in addition to any other remedies the Company has available to it, the Company may in its sole discretion:
 - (i) cancel any Shares of Restricted Stock awarded hereby, whether or not vested; and/or
 - (ii) require the Participant to repay an amount equal to all income or gain realized in respect of all such Restricted Stock. The amount of repayment shall include, without limitation, amounts received in connection with the delivery or sale of Shares of such Restricted Stock or cash paid in respect of any Restricted Stock.

There shall be no forfeiture or repayment under Section 10(b) following a Change-in-Control.

- (d) The Board, in its discretion, shall determine whether a Participant's conduct, activities or circumstances constitute events described in Section 10(b) and whether and to what extent the Shares of Restricted Stock awarded hereby shall be forfeited by Participant and/or a Participant shall be required to repay an amount pursuant to Section 10(c). The Board shall have the authority to suspend the payment, delivery or settlement of all or any portion of such Participant's outstanding Shares of Restricted Stock pending an investigation of a bona fide dispute regarding Participant's eligibility to receive a payment under the terms of this Agreement as determined by the Board in good faith.
- (e) For purposes of applying this provision:
- (i) "Cause" means any of the following:
- (u) a Participant's violation of his or her material duties to the Company or any of its affiliates, which continues after written notice from the Company or any affiliate to cure such violation;
 - (v) Participant's willful failure to follow the lawful written directives of the Board in any material respect;
 - (w) Participant's willful misconduct in connection with the performance of any of his or her duties, including but not limited to falsifying or attempting to falsify documents, books or records of the Company or any of its affiliates, making or delivering a false representation, statement or certification of compliance to the Company, misappropriating or attempting to misappropriate funds or other property of the Company or any of its affiliates, or securing or attempting to secure any personal profit in connection with any transaction entered into on behalf of the Company or any of its affiliates;
 - (x) Participant's breach of any material provisions of this Agreement or any other non-competition, non-interference, non-disclosure, confidentiality or other similar agreement executed by Participant with the Company or any of its affiliates;
 - (y) conviction (or plea of *nolo contendere*) of the Participant of any felony, or a misdemeanor involving false statement, in connection with conduct involving the Company or any of its subsidiaries or affiliates; or
 - (z) intentional engagement in any activity which would constitute or cause a breach of duty of loyalty, or any fiduciary duty to the Company or any of its subsidiaries or affiliates.
- (ii) "Code of Conduct" means any code of ethics or code of conduct now or hereafter adopted by the Company or any of its affiliates, including to the extent applicable the Company's Employee Conduct and Disclosure Policy, as amended or supplemented from time to time, and the Company's or subsidiary Risk Management Policies and Procedures, as amended, supplemented or replaced from time to time.

(f) Participant agrees that the provisions of this Section 10 are entered into in consideration of, and as a material inducement to, the agreements by the Company herein as well as an inducement for the Company to enter into this Agreement, and that, but for Participant's agreement to the provisions of this Section 10, the Company would not have entered into this Agreement.

11. **Transferability.** This Restricted Stock is not transferable by the Participant, whether voluntarily or involuntarily, by operation of laws or otherwise, during the Restriction Period, except as provided in the Plan. If any assessment, pledge, transfer, or other disposition, voluntary or involuntary, of this Restricted Stock shall be made, or if any attachment, execution, garnishment, or claim shall be issued against or placed upon the Restricted Stock, then the Participant's right to the Restricted Stock shall immediately cease and terminate and the Participant shall promptly forfeit to the Company all Restricted Stock awarded under this Agreement.

12. **Tax Treatment.** The following is a brief summary of the principal federal income tax consequences related to grants of restricted stock. This summary is based on the Company's understanding of present federal income tax law and regulations. The summary does not purport to be complete or applicable to every specific situation.

The value of restricted stock granted to the Participant will be taxable to the Participant in the year in which it is no longer subject to substantial risk of forfeiture (i.e., when the restrictions lapse). When the restrictions lapse, there is an ordinary income tax event to the Participant equal to the number of shares multiplied by the market price of the shares at the time the restrictions lapse. The Participant must satisfy federal and state withholding requirements and may do so by having the Company sell sufficient shares to meet the withholding requirements.

The Participant has the option to make a Code Section 83(b) election on a grant of restricted stock. Code Section 83(b) allows the Participant to choose to be taxed immediately on the amounts received in connection with a substantially "nonvested" right (i.e., compensation that has not been constructively received). This is accomplished by the Participant filing an election with the IRS stating that he or she will pay ordinary income on the value as measured at the time of grant. Any future appreciation in the stock property will be treated as capital gain when sold. This election must be made within 30 days of the Date of Grant.

If the Participant elects Section 83(b) treatment and later forfeits the subject stock, he or she will not be entitled to any refund for the taxes paid; however, he or she will be entitled to treat the forfeiture as a sale of the stock at a loss (i.e., capital loss) (*limited to the amount paid for shares--typically zero*).

13. **Withholding.**

Tax Withholding. The Company shall have the power and the right to deduct or withhold, or require the Participant to remit to the Company, an amount sufficient to satisfy federal, state and local taxes (including Participant's FICA obligation), domestic or foreign, required by law or regulation to be withheld with respect to any taxable event arising as a result of this Plan.

Share Withholding. With respect to withholding required upon the lapse of restrictions or upon any other taxable event arising as a result of the Awards granted hereunder, the Participants may satisfy the withholding requirement by having the Company withhold shares, having a Fair Market Value on the date the tax is to be determined, equal to the minimum statutory total tax that could be

imposed on the transaction. Share withholding shall be the default method for covering taxes. The Participant must make an election to pay the taxes with a cash payment. The cash payment election shall be irrevocable, made in writing, signed by the Participant, and shall be subject to any restrictions or limitations that the Committee, in its sole discretion, deems appropriate.

14. **Requirements of Law.** The issuance of Shares under the Plan shall be subject to all applicable laws, rules, and regulations, and to such approvals by any governmental agencies or national securities exchanges as may be required.
15. **Inability to Obtain Authorization.** The inability of the Company to obtain authority from any regulatory body having jurisdiction, which authority is deemed by the Company's counsel to be necessary to the lawful issuance of any Shares hereunder, shall relieve the Company of any liability in respect of the failure to issue such Shares as to which such requisite authority shall not have been obtained.
16. **Severability.** In the event any provision of this Agreement shall be held to be illegal or invalid for any reason, the illegality or invalidity shall not affect the remaining parts of this Agreement, and the Agreement shall be construed and enforced as if the illegal or invalid provision had not been included.
17. **Continuation of Employment.** This Agreement shall not confer upon the Participant any right to continuation of employment by the Company, nor shall this Agreement interfere in any way with the Company's right to terminate the Participant's employment at any time, for any reason. Participant further agrees that awards made pursuant to this Agreement are discretionary, and do not constitute a benefit which the Company is obligated to make available to Participant, and therefore, nothing in this Agreement shall be deemed to constitute a contract of employment, or otherwise alter the at-will employment relationship between Participant and the Company.
18. **Applicable Laws and Consent to Jurisdiction.** The validity, construction, interpretation and enforceability of this Agreement shall be determined and governed by the laws of the State of South Dakota without giving effect to the principles of conflicts of law. For the purpose of litigating any dispute that arises under this Agreement, the parties hereby consent to exclusive jurisdiction in South Dakota and agree that such litigation shall be conducted in the courts of Pennington County or the federal courts of the United States for the District of South Dakota, Western Division.
19. **Miscellaneous.** The Plan may be amended at any time, and from time to time, by a written instrument approved by the Board of Directors of Black Hills Corporation. No termination, amendment or modification of the Plan shall adversely affect in any material way any Award previously granted under the Plan, without the written consent of the Participant holding such Award, except as required by law.

The Plan and this Agreement are binding upon Participant, as well as his/her heirs, executors, personal representatives, trustees, attorneys, agents, administrators, and successors.

Please refer any questions you may have regarding your restricted stock to Roxann R. Basham, Vice President Governance and Corporate Secretary. Once again, congratulations on receipt of your restricted stock.

Sincerely,

Roxann R. Basham
Vice President Governance and Corporate Secretary

Please acknowledge your agreement to participate in the Plan and this Agreement, and to abide by all of the governing terms and provisions, by signing the following representation:

Agreement to Participate

By signing a copy of this Agreement and returning it to Roxann R. Basham, Vice President Governance and Corporate Secretary of Black Hills Corporation, I acknowledge that I have read the Plan, and that I fully understand all of my rights under the Plan, as well as all of the terms and conditions which may limit my eligibility to exercise this Award. Without limiting the generality of the preceding sentence, I understand that my right to exercise this Award is conditioned upon my continued employment with Black Hills Corporation or its Subsidiaries.

Black Hills Corporation
2015 Omnibus Incentive Plan
Restricted Stock Unit Agreement
(Effective for Awards granted on or after April 28, 2015)

Dear _____:

Congratulations on your award under the Black Hills Corporation 2015 Omnibus Incentive Plan (the “Omnibus Plan”) and your participation in the Black Hills Corporation Nonqualified Deferred Compensation Plan (the “NDC Plan”) (collectively, the “Plans”). This Agreement and the Plans together govern your rights to the award and set forth all of the conditions and limitations affecting such rights. All capitalized terms shall have the meanings ascribed to them in the respective Plan unless specifically set forth otherwise herein. If there is any inconsistency between the terms of this Agreement and the terms of the Plans, the Plans’ terms shall supersede and replace the conflicting terms of this Agreement. By signing below, you agree to be bound by all the provisions of the Plans and this Agreement.

Overview of Your Award.

1. **Number of Restricted Stock Units Granted.** _____ Restricted Stock Units (“RSUs”), each unit corresponding to one share of Black Hills Corporation common stock. Each RSU constitutes only an unsecured promise of the Company to deliver a share of common stock to the Participant under the terms of the NDC Plan. As a holder of RSUs, the Participant has only the rights of a general unsecured creditor of the Company.
2. **Date of Grant.** _____
3. **Date of Vesting.** Subject to continued employment under Section 4 below, the RSUs shall vest and become nonforfeitable in accordance with the following schedule (each date is a “Vesting Date”):

<u>Shares</u>	<u>Date</u>
_____	_____
_____	_____
_____	_____

4. **Employment by the Company.** This Restricted Stock Unit Award is awarded on the condition that the Participant remain in the employ of Black Hills Corporation and its Affiliates (the “Company”) from the Date of Grant through (and including) the Vesting Dates. The Award of these RSUs, however, shall not impose upon the Company any obligations to retain the Participant in its employ for any given period or upon any specific terms of employment.

5. **Termination of Employment by Reasons of Death or Disability, and Vesting in Connection with a Change in Control.** In the event the Participant's employment is terminated by reason of Death or Disability, or in the event of a Change in Control prior to any one of the Vesting Dates, all RSUs then unvested and outstanding shall immediately vest one hundred percent (100%), and, as soon as is administratively practicable, the awards shall be settled in accordance with Section 7.

"Change in Control" of the Company shall be deemed to have occurred (as of a particular day, as specified by the Board) upon the occurrence of any of the following events:

- (a) The acquisition in a transaction or series of transactions by any Person of Beneficial Ownership of thirty percent (30%) or more of the combined voting power of the then outstanding shares of common stock of the Company; provided, however, that for purposes of this Agreement, the following acquisitions will not constitute a Change in Control: (A) any acquisition by the Company; (B) any acquisition of common stock of the Company by an underwriter holding securities of the Company in connection with a public offering thereof; and (C) any acquisition by any Person pursuant to a transaction which complies with subsections (c) (i), (ii) and (iii);
- (b) Individuals who, as of December 31, 2014 are members of the Board (the "Incumbent Board"), cease for any reason to constitute at least a majority of the members of the Board; provided, however, that if the election, or nomination for election by the Company's common shareholders, of any new director was approved by a vote of at least two-thirds of the Incumbent Board, such new director shall, for purposes of this Agreement, be considered as a member of the Incumbent Board; provided further, however, that no individual shall be considered a member of the Incumbent Board if such individual initially assumed office as a result of either an actual or threatened "Election Contest" (as described in Rule 14a-11 promulgated under the Exchange Act) or other actual or threatened solicitation of proxies or consents by or on behalf of a Person other than the Board (a "Proxy Contest") including by reason of any agreement intended to avoid or settle any Election Contest or Proxy Contest;
- (c) Consummation, following shareholder approval, of a reorganization, merger, or consolidation of the Company, or a sale or other disposition of all or substantially all of the assets of the Company (each a "Business Combination"), unless, in each case, immediately following such Business Combination, all of the following have occurred: (i) all or substantially all of the individuals and entities who were beneficial owners of shares of the common stock of the Company immediately prior to such Business Combination beneficially own, directly or indirectly, more than fifty percent (50%) of the combined voting power of the then outstanding shares of the entity resulting from the Business Combination or any direct or indirect parent corporation thereof (including, without limitation, an entity which as a result of such transaction owns the Company or all or substantially all of the Company's assets either directly or through one (1) or more subsidiaries)(the "Successor Entity"); (ii) no Person (excluding any Successor Entity or any employee benefit plan or related trust, of the Company or such Successor Entity) owns, directly or indirectly, thirty percent (30%) or more of the combined voting power of the then outstanding shares of common stock of the Successor Entity, except to the extent that such ownership existed prior to such Business Combination; and (iii) at least a majority of the members of the Board of Directors of the entity resulting from such Business Combination or any direct or indirect parent corporation thereof were members of the Incumbent Board at the time of the execution of the initial agreement or action of the Board providing for such Business Combination; or

- (d) Approval by the shareholders of the Company of a complete liquidation or dissolution of the Company, except pursuant to a Business Combination that complies with subsections (c) (i), (ii), and (iii) above.
- (e) A Change in Control shall not be deemed to occur solely because any Person (the "Subject Person") acquired Beneficial Ownership of more than the permitted amount of the then outstanding common stock as a result of the acquisition of common stock by the Company which, by reducing the number of shares of common stock then outstanding, increases the proportional number of shares Beneficially Owned by the Subject Persons, provided that if a Change in Control would occur (but for the operation of this sentence) as a result of the acquisition of common stock by the Company, and after such stock acquisition by the Company, the Subject Person becomes the Beneficial Owner of any additional common stock which increases the percentage of the then outstanding common stock Beneficially Owned by the Subject Person, then a Change in Control shall occur.
- (f) A Change in Control shall not be deemed to occur unless and until all regulatory approvals required in order to effectuate a Change in Control of the Company have been obtained and the transaction constituting the Change in Control has been consummated.

Notwithstanding the above provisions of this definition, to the extent that any payment under the Agreement due to a Change in Control is subject to Code Section 409A for deferred compensation, then the term Change in Control shall be construed in a manner that is consistent with Code Section 409A(a)(2)(A)(v), but only to the extent inconsistent with the above provisions as determined by the Board.

6. Forfeiture and Repayment.

- (a) In the event the Participant's employment is terminated for reasons other than those described in Section 5 herein prior to the Vesting Dates, then all outstanding RSUs granted hereunder that are unvested shall immediately be forfeited by the Participant.
- (b) Without limiting the generality of Section 6(a), the Company reserves the right to cancel all Restricted Stock Units awarded hereunder, whether or not vested, and require the Participant to repay all income or gains previously realized in respect of such Restricted Stock Units, in the event of the occurrence of any of the following events:

- (i) termination of Participant's employment for Cause;
 - (ii) within one year following any termination of Participant's employment, the Board determines that the Participant engaged in conduct before the Participant's termination date that would have constituted the basis for a termination of employment for Cause;
 - (iii) at any time during the Participant's employment or the twelve month period immediately following any termination of employment, Participant:
 - (x) publicly disparages the Company, any of its affiliates or any of its or their officers, directors or senior executive employees or otherwise makes any public statement that is materially detrimental to the interests or reputation of the Company, any of its affiliates or such individuals; or
 - (y) violates in any material respect any policy or any code of ethics or standard of behavior or conduct generally applicable to Participant, including the Code of Conduct; or
 - (iv) Participant engages in any fraudulent, illegal or other misconduct involving the Company or any of its affiliates, including but not limited to any breach of fiduciary duty, breach of a duty of loyalty, or interference with contract or business expectancy.
- (c) If the Board determines that the Participant's conduct, activities or circumstances constitute events described in Section 6(b), in addition to any other remedies the Company has available to it, the Company may in its sole discretion:
- (i) cancel any Restricted Stock Units awarded hereby, whether or not vested; and/or
 - (ii) require the Participant to repay an amount equal to all income or gain realized in respect of all such Restricted Stock Units. The amount of repayment shall include, without limitation, amounts received in connection with the delivery or sale of Shares associated with such Restricted Stock Units or cash paid in respect of any Restricted Stock Units.

There shall be no forfeiture or repayment under Section 6(b) following a Change-in-Control.

- (d) The Board, in its discretion, shall determine whether a Participant's conduct, activities or circumstances constitute events described in Section 6(b) and whether and to what extent the Shares or Restricted Stock Units awarded hereby shall be forfeited by Participant and/or a Participant shall be required to repay an amount pursuant to Section 6(c). The Board shall have the authority to suspend the payment, delivery or settlement of all or any portion of such Participant's outstanding Shares or Restricted Stock Units pending an investigation of a bona fide dispute regarding Participant's eligibility to receive a payment under the terms of this Agreement as determined by the Board in good faith.
- (e) For purposes of applying this provision:
- (i) "Cause" means any of the following:
- (u) a Participant's violation of his or her material duties to the Company or any of its affiliates, which continues after written notice from the Company or any affiliate to cure such violation;
 - (v) Participant's willful failure to follow the lawful written directives of the Board in any material respect;
 - (w) Participant's willful misconduct in connection with the performance of any of his or her duties, including but not limited to falsifying or attempting to falsify documents, books or records of the Company or any of its affiliates, making or delivering a false representation, statement or certification of compliance to the Company, misappropriating or attempting to misappropriate funds or other property of the Company or any of its affiliates, or securing or attempting to secure any personal profit in connection with any transaction entered into on behalf of the Company or any of its affiliates;
 - (x) Participant's breach of any material provisions of this Agreement or any other non-competition, non-interference, non-disclosure, confidentiality or other similar agreement executed by Participant with the Company or any of its affiliates;
 - (y) conviction (or plea of *nolo contendere*) of the Participant of any felony, or a misdemeanor involving false statement, in connection with conduct involving the Company or any of its subsidiaries or affiliates; or
 - (z) intentional engagement in any activity which would constitute or cause a breach of duty of loyalty, or any fiduciary duty to the Company or any of its subsidiaries or affiliates.

(ii) “Code of Conduct” means any code of ethics or code of conduct now or hereafter adopted by the Company or any of its affiliates, including to the extent applicable the Company’s Employee Conduct and Disclosure Policy, as amended or supplemented from time to time, and the Company’s or subsidiary Risk Management Policies and Procedures, as amended, supplemented or replaced from time to time.

(f) Participant agrees that the provisions of this Section 6 are entered into in consideration of, and as a material inducement to, the agreements by the Company herein as well as an inducement for the Company to enter into this Agreement, and that, but for Participant’s agreement to the provisions of this Section 6, the Company would not have entered into this Agreement.

7. Settlement of RSU Award.

Settlement. The Company shall credit to Participant’s Account under the NDC Plan (or any successor Plan that may be adopted by the Company) as soon as practicable following the execution of this Agreement, the number of units specified above; provided, however, that any RSUs deferred remain subject to (a) the relevant Vesting Date for such portion of the Award and (b) any cancellation of the RSUs pursuant to Section 6. If the RSU does not vest, the deferral into the NDC Plan shall be null and void. The form and timing of payment with respect to any vested RSU shall be made pursuant to the terms and conditions of the NDC Plan.

Dividend and Stock Split Equivalents. For so long as Participant holds RSUs in his or her Account under the NDC Plan, at the time any dividend is paid with respect to a share of common stock or any forward stock split occurs, the Company shall pay to Participant on the same date (or as soon as practicable thereafter) in respect of each RSU held by the Participant as of the record date for such dividend or split an amount at the Company’s sole, absolute and unfettered discretion, in cash, common stock, or other property, or in a combination thereof, in each case having a value equal to the dividend or split. Such amounts shall vest and shall be paid at the same time as the underlying RSU award is settled.

8. **Beneficiary Designation.** The Participant may, from time to time, name any beneficiary or beneficiaries (who may be named contingently or successively) to whom any benefit under this Agreement and the NDC Plan is to be paid. The designation of a beneficiary shall be made in accordance with the beneficiary designation procedures specified in the NDC Plan.

9. **Transferability.** The RSUs are not transferable by the Participant, whether voluntarily or involuntarily, by operation of laws or otherwise, except as provided in the Plans. If any assessment, pledge, transfer, or other disposition, voluntary or involuntary, of the RSUs shall be made, or if any attachment, execution, garnishment, or claim shall be issued against or placed upon the RSUs, then the Participant’s right to the RSUs shall immediately cease and terminate and the Participant shall promptly forfeit to the Company all RSUs awarded under this Agreement.

10. **Withholding.** The Company shall have the power and the right to deduct or withhold, or require the Participant to remit to the Company, an amount sufficient to satisfy federal, state and local taxes (including Participant's FICA obligation), domestic or foreign, required by law or regulation to be withheld with respect to any taxable event arising as a result of this Agreement as specified under the NDC Plan.
11. **Requirements of Law.** The issuance of Shares under the Plans following settlement of the RSUs shall be subject to all applicable laws, rules, and regulations, and to such approvals by any governmental agencies or national securities exchanges as may be required.
12. **Inability to Obtain Authorization.** The inability of the Company to obtain authority from any regulatory body having jurisdiction, which authority is deemed by the Company's counsel to be necessary to the lawful issuance of any Shares hereunder, shall relieve the Company of any liability in respect of the failure to issue such Shares as to which such requisite authority shall not have been obtained.
13. **Severability.** In the event any provision of this Agreement shall be held to be illegal or invalid for any reason, the illegality or invalidity shall not affect the remaining parts of this Agreement, and the Agreement shall be construed and enforced as if the illegal or invalid provision had not been included.
14. **Continuation of Employment.** This Agreement shall not confer upon the Participant any right to continuation of employment by the Company, nor shall this Agreement interfere in any way with the Company's right to terminate the Participant's employment at any time, for any reason. Participant further agrees that awards made pursuant to this Agreement are discretionary, and do not constitute a benefit which the Company is obligated to make available to Participant, and therefore, nothing in this Agreement shall be deemed to constitute a contract of employment, or otherwise alter the at-will employment relationship between Participant and the Company.
15. **Applicable Laws and Consent to Jurisdiction.** The validity, construction, interpretation and enforceability of this Agreement shall be determined and governed by the laws of the State of South Dakota without giving effect to the principles of conflicts of law. For the purpose of litigating any dispute that arises under this Agreement, the parties hereby consent to exclusive jurisdiction in South Dakota and agree that such litigation shall be conducted in the courts of Pennington County or the federal courts of the United States for the District of South Dakota, Western Division.
16. **Miscellaneous.** The Plans may be amended at any time, and from time to time, by a written instrument approved by the Board of Directors of Black Hills Corporation. No termination, amendment or modification of the Plans shall adversely affect in any material way any Award previously granted under the Plans, without the written consent of the Participant holding such Award, except as required by law.

The Plans and this Agreement are binding upon Participant, as well as his/her heirs, executors, personal representatives, trustees, attorneys, agents, administrators, and successors.

17. **Six Month Delay.** Notwithstanding any provision in this Agreement to the contrary, if the payment of any benefit under the NDC Plan that was credited pursuant to this Agreement would be subject to additional taxes and interest under Code Section 409A because the timing of such payment is not delayed as provided in Section 409A for a “specified employee” (within the meaning of Section 409A), then if the Executive is a “specified employee”, any such payment that the executive would otherwise be entitled to receive during the first six months following the date of termination of employment shall be accumulated and paid or provided, as applicable, within sixty (60) days after the date, that is six months following the date of termination of employment, or such earlier date upon which such amount can be paid or provided under Section 409A without being subject to such additional taxes and interest such as, for example, upon the death of Participant.

Please refer any questions you may have regarding your RSU award to Roxann R. Basham, Vice President Governance and Corporate Secretary. Once again, congratulations on receipt of your award.

Sincerely,

Roxann R. Basham
Vice President Governance and Corporate Secretary

Please acknowledge your agreement to participate in the Plans and this Agreement, and to abide by all of the governing terms and provisions, by signing the following representation:

Agreement to Participate

By signing a copy of this Agreement and returning it to Roxann R. Basham, Vice President Governance and Corporate Secretary of Black Hills Corporation, I acknowledge that I have read the Plans, and that I fully understand all of my rights under the Plans, as well as all of the terms and conditions which may limit my eligibility to exercise this Award. Without limiting the generality of the preceding sentence, I understand that my right to exercise this Award is conditioned upon my continued employment with Black Hills Corporation or its Subsidiaries.

Black Hills Corporation
2015 Incentive Compensation Plan
Performance Share Award Agreement
(for Awards granted on or after April 28, 2015)

Performance Period January 1, _____ - December 31, _____

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Black Hills Corporation
2015 Omnibus Incentive Plan
Performance Share Award Agreement

Performance Period January 1, _____ - December 31, _____

You have been selected to be a participant in the Black Hills Corporation 2015 Omnibus Incentive Plan (the “Plan”), as specified below:

Participant: _____

Target Performance Share Award: _____ shares

Performance Period: January 1, ____ to December 31, ____

Performance Measure: Total Shareholder Return (“TSR”).

Peer Index:

ALLETE Inc.	ALE	MGE Energy Inc.	MGEE
Alliant Energy Corp	LNT	OGE Energy Corp	OGE
Avista Corp	AVA	Piedmont Natural Gas	PNY
Cleco Corp	CNL	PNM Resources, Inc.	PNM
El Paso Electric Co.	EE	Portland General Electric Co.	POR
Great Plains Energy Inc.	GXP	Questar Corp	STR
IDACORP Inc.	IDA	Southwest Gas Corp	SWX
The Laclede Group, Inc.	LG	UIL Holdings Corp	UIL
MDU Resources Group Inc.	MDU	Vectren Corp	VVC
National Fuel Gas Co.	NFG	Westar Energy Inc.	WR
Northwest Natural Gas Co.	NWN	WGL Holdings Inc.	WGL
Northwestern Corp	NWE		

THIS AGREEMENT (the “Agreement”) effective January 1, _____, represents the grant of Performance Shares by Black Hills Corporation, a South Dakota corporation (the “Company”), to the Participant named above, pursuant to the provisions of the Plan.

The Plan provides a complete description of the terms and conditions governing the Performance Shares. If there is any inconsistency between the terms of this Agreement and the terms of the Plan, the Plan’s terms shall completely supersede and replace the conflicting terms of this Agreement.

All capitalized terms shall have the meanings ascribed to them in the Plan, unless specifically set forth otherwise herein.

The parties hereto agree as follows:

Article 1. Performance Period

The Performance Period commences on January 1, _____ and ends on December 31, _____.

Article 2. Value of Performance Shares

Each Performance Share shall represent and have a value equal to one share of common stock of the Company.

Notwithstanding anything herein to the contrary, the Performance Shares shall have no value whatsoever if the Ending Stock Price (as defined herein) is not at least equal to 75 percent of the Beginning Stock Price (as defined herein), taking into account any adjustments made pursuant to Paragraph 4.4 of the Plan.

Article 3. Performance Shares and Achievement of Performance Measure

- (a) The number of Performance Shares to be earned under this Agreement shall be based upon the achievement of pre-established TSR performance goals as set by the Compensation Committee of the Board of Directors (the "Committee") for the Performance Period, based on the following chart:

TSR Performance Relative to Companies in Peer Index	Payout (% of Target)
85 th Percentile or Above	200%
80 th Percentile	175%
70 th Percentile	150%
60 th Percentile	125%
50 th Percentile	100%
40 th Percentile	75%
30 th Percentile	50%
Below the 30 th Percentile	0%

Interpolation shall be used to determine the percentile rank in the event the Company's Percentile Rank does not fall directly on one of the ranks listed in the above chart.

For this purpose, Total Shareholder Return shall be determined as follows:

$$\text{Total Shareholder Return} = \frac{\text{Change in Stock Price} + \text{Dividends Paid}}{\text{Beginning Stock Price}}$$

Beginning Stock Price shall mean the average closing price on the applicable stock exchange of one share of stock for the twenty (20) trading days immediately prior to the first day of the Performance Period; Ending Stock Price shall mean the average closing price on the applicable stock exchange of one share of stock for the last twenty (20) trading days of the Performance Period; Change in Stock Price shall mean the difference between the Beginning Stock Price and the Ending Stock Price; and Dividends Paid shall mean the total of all dividends paid on one (1) share of stock during the Performance Period.

Following the Total Shareholder Return determination, the Company's Percentile Rank shall be determined as follows:

Percentile Rank shall be determined by listing from highest Total Shareholder Return to lowest Total Shareholder Return each company in the Peer Index (excluding the Company). The top company would have a one hundred percentile (100%) rank and the bottom company would have a zero percentile (0.0%) rank. Each company in between would be one hundred divided by n minus one ($100/(n-1)$) above the company below it, where "n" is the total number of companies in the Peer Index. The Company percentile rank would then be interpolated based on the Company TSR. The Companies in the Peer Index shall remain constant throughout the entire Performance Period.

Article 4. Termination Provisions

Except as provided below in this Article 4 and in Article 5, a Participant shall be eligible for payment of awarded Performance Shares, as determined in Article 3, only if the Participant's employment with the Company continues through the end of the Performance Period.

If participant Retires, suffers a Disability, or dies during the Performance Period, the Participant (or the Participant's estate) shall be entitled to that proportion of the number of Performance Shares as such Participant is entitled to under Article 3 for such Performance Period that the number of full months of participation during the Performance Period bears to the total number of months in the Performance Period. The form and timing of the payment of such Performance Shares shall be as set forth in Article 8.

"Retirement" or "Retires" means a Separation from service by a Participant on or after (i) attaining the age of 55 with at least 5 years of service, or (ii) attaining the age of 65.

"Separation from service" (as defined in Treasury Regulation Section 1.409A-1(h)) during the Performance Period other than (i) due to Retirement, Disability, or death, or (ii) following a Change in Control shall require forfeiture of this entire award, with no payment to the Participant.

Article 5. Change in Control

Notwithstanding anything herein to the contrary, in the event of a Change in Control, the Participant shall be entitled to that proportion of the number of Performance Shares as such Participant is entitled to under Article 3 for such Performance Period that the number of full months of participation during the Performance Period (as of the effective date of the Change in Control) bears to the total number of months in the Performance Period. When there is a Change in Control, the TSR shall be calculated as set forth in Article 3, except that the Ending Stock Price shall mean the average closing price on the applicable stock exchange of one share of stock for the twenty (20) trading days immediately prior to the Change in Control. Performance Shares shall be paid out to the Participant in cash within thirty (30) days of the effective date of the Change in Control.

"Change in Control" of the Company shall be deemed to have occurred (as of a particular day, as specified by the Board) upon the occurrence of any of the following events:

- (a) The acquisition in a transaction or series of transactions by any Person of Beneficial Ownership of thirty percent (30%) or more of the combined voting power of the then outstanding shares of common stock of the Company; provided, however, that for purposes of this Agreement, the following acquisitions will not constitute a Change in Control: (A) any acquisition by the Company; (B) any acquisition of common stock of the Company by an underwriter holding securities of the Company in connection with a public offering thereof; and (C) any acquisition by any Person pursuant to a transaction which complies with subsections (c) (i), (ii) and (iii);
- (b) Individuals who, as of December 31, 2014 are members of the Board (the "Incumbent Board"), cease for any reason to constitute at least a majority of the members of the Board; provided, however, that if the election, or nomination for election by the Company's common shareholders, of any new director was approved by a vote of at least two-thirds of the Incumbent Board, such new director shall, for purposes of this Plan, be considered as a member of the Incumbent Board; provided further, however, that no individual shall be considered a member of the Incumbent Board if such individual initially assumed office as a result of either an actual or threatened "Election Contest" (as described in Rule 14a-11 promulgated under the Exchange Act) or other actual or threatened solicitation of proxies or consents by or on behalf of a Person other than the Board (a "Proxy Contest") including by reason of any agreement intended to avoid or settle any Election Contest or Proxy Contest;
- (c) Consummation, following shareholder approval, of a reorganization, merger, or consolidation of the Company, or a sale or other disposition of all or substantially all of the assets of the Company (each a "Business Combination"), unless, in each case, immediately following such Business Combination, all of the following have occurred: (i) all or substantially all of the individuals and entities who were beneficial owners of shares of the common stock of the Company immediately prior to such Business Combination beneficially own, directly or indirectly, more than fifty percent (50%) of the combined voting power of the then outstanding shares of the entity resulting from the Business Combination or any direct or indirect parent corporation thereof (including, without limitation, an entity which as a result of such transaction owns the Company or all or substantially all of the Company's assets either directly or through one (1) or more subsidiaries) (the "Successor Entity"); (ii) no Person (excluding any Successor Entity or any employee benefit plan or related trust, of the Company or such Successor Entity) owns, directly or indirectly, thirty percent (30%) or more of the combined voting power of the then outstanding shares of common stock of the Successor Entity, except to the extent that such ownership existed prior to such Business Combination; and (iii) at least a majority of the members of the Board of Directors of the entity resulting from such Business Combination or any direct or indirect parent corporation thereof were members of the Incumbent Board at the time of the execution of the initial agreement or action of the Board providing for such Business Combination; or
- (d) Approval by the shareholders of the Company of a complete liquidation or dissolution of the Company, except pursuant to a Business Combination that complies with subsections (c) (i), (ii), and (iii) above.

- (e) A Change in Control shall not be deemed to occur solely because any Person (the "Subject Person") acquired Beneficial Ownership of more than the permitted amount of the then outstanding common stock as a result of the acquisition of common stock by the Company which, by reducing the number of shares of common stock then outstanding, increases the proportional number of shares Beneficially Owned by the Subject Persons, provided that if a Change in Control would occur (but for the operation of this sentence) as a result of the acquisition of common stock by the Company, and after such stock acquisition by the Company, the Subject Person becomes the Beneficial Owner of any additional common stock which increases the percentage of the then outstanding common stock Beneficially Owned by the Subject Person, then a Change in Control shall occur.
- (f) A Change in Control shall not be deemed to occur unless and until all regulatory approvals required in order to effectuate a Change in Control of the Company have been obtained and the transaction constituting the Change in Control has been consummated.

Notwithstanding the above provisions of this definition, to the extent that any payment under the Agreement due to a Change in Control is subject to Code Section 409A for deferred compensation, then the term "Change in Control" shall be construed in a manner that is consistent with Code Section 409A(a)(2)(A)(v), but only to the extent inconsistent with the above provisions as determined by the Board.

Article 6. Forfeiture and Repayment.

- (a) In the event the Participant incurs a separation from service for a reason other than those described in Article 4 herein during the Performance Period this entire award will be forfeited, unless the separation from service follows a Change in Control.
- (b) Without limiting the generality of Article 6(a), the Company reserves the right to cancel all Performance Shares awarded hereunder, whether or not vested, and require the Participant to repay all income or gains previously realized in respect of such Performance Shares, in the event of the occurrence of any of the following events:
 - (i) termination of Participant's employment for Cause;
 - (ii) within one year following any termination of Participant's employment, the Board determines that the Participant engaged in conduct before the Participant's termination date that would have constituted the basis for a termination of employment for Cause;
 - (iii) at any time during the Participant's employment or the twelve month period immediately following any termination of employment, Participant:
 - (x) publicly disparages the Company, any of its affiliates or any of its or their officers, directors or senior executive employees or otherwise makes any public statement that is materially detrimental to the interests or reputation of the Company, any of its affiliates or such individuals; or
 - (y) violates in any material respect any policy or any code of ethics or standard of behavior or conduct generally applicable to Participant, including the Code of Conduct; or
 - (iv) Participant engages in any fraudulent, illegal or other misconduct involving the Company or any of its affiliates, including but not limited to any breach of fiduciary duty, breach of a duty of loyalty, or interference with contract or business expectancy.

- (c) If the Board determines that the Participant's conduct, activities or circumstances constitute events described in Article 6(b), in addition to any other remedies the Company has available to it, the Company may in its sole discretion:
- (i) cancel any Performance Shares awarded hereby, whether or not issued; and/or
 - (ii) require the Participant to repay an amount equal to all income or gain realized in respect of all such Performance Shares. The amount of repayment shall include, without limitation, amounts received in connection with the delivery or sale of Shares of such Performance Shares or cash paid in respect of any Performance Shares.

There shall be no forfeiture or repayment under Article 6(b) following a Change-in-Control.

- (d) The Board, in its discretion, shall determine whether a Participant's conduct, activities or circumstances constitute events described in Article 6(b) and whether and to what extent the Performance Shares awarded hereby shall be forfeited by Participant and/or a Participant shall be required to repay an amount pursuant to Article 6(c). The Board shall have the authority to suspend the payment, delivery or settlement of all or any portion of such Participant's outstanding Performance Shares pending an investigation of a bona fide dispute regarding Participant's eligibility to receive a payment under the terms of this Agreement as determined by the Board in good faith.

- (e) For purposes of applying this provision:
- (i) “Cause” means any of the following:
 - (u) a Participant’s violation of his or her material duties to the Company or any of its affiliates, which continues after written notice from the Company or any affiliate to cure such violation;
 - (v) Participant’s willful failure to follow the lawful written directives of the Board in any material respect;
 - (w) Participant’s willful misconduct in connection with the performance of any of his or her duties, including but not limited to falsifying or attempting to falsify documents, books or records of the Company or any of its affiliates, making or delivering a false representation, statement or certification of compliance to the Company, misappropriating or attempting to misappropriate funds or other property of the Company or any of its affiliates, or securing or attempting to secure any personal profit in connection with any transaction entered into on behalf of the Company or any of its affiliates;
 - (x) Participant’s breach of any material provisions of this Agreement or any other non-competition, non-interference, non-disclosure, confidentiality or other similar agreement executed by Participant with the Company or any of its affiliates;
 - (y) conviction (or plea of *nolo contendere*) of the Participant of any felony, or a misdemeanor involving false statement, in connection with conduct involving the Company or any of its subsidiaries or affiliates; or
 - (z) intentional engagement in any activity which would constitute or cause a breach of duty of loyalty, or any fiduciary duty to the Company or any of its subsidiaries or affiliates.
 - (ii) “Code of Conduct” means any code of ethics or code of conduct now or hereafter adopted by the Company or any of its affiliates, including to the extent applicable the Company’s Employee Conduct and Disclosure Policy, as amended or supplemented from time to time, and the Company’s or subsidiary Risk Management Policies and Procedures, as amended, supplemented or replaced from time to time.
- (f) Participant agrees that the provisions of this Article 6 are entered into in consideration of, and as a material inducement to, the agreements by the Company herein as well as an inducement for the Company to enter into this Agreement, and that, but for Participant’s agreement to the provisions of this Article 6, the Company would not have entered into this Agreement.

Article 7. Dividends

During the Performance Period, all dividends and other distributions paid with respect to the shares of common stock shall accrue for the benefit of the Participant to be paid out to the Participant pursuant to Article 8.

Article 8. Form and Timing of Payment of Performance Shares

Payment of the Performance Shares, including accrued dividends, shall be made fifty percent (50%) in cash and fifty percent (50%) in shares of Company stock.

Payment of Performance Shares shall be made within sixty (60) calendar days following the close of the Performance Period, subject to the following:

- (a) The Participant shall have no right with respect to any Award or a portion thereof, until such award shall be paid to such Participant.
- (b) If the Committee determines, in its sole discretion, that a Participant at any time has willfully engaged in any activity that the Committee determines was or is harmful to the Company, any unpaid pending Award will be forfeited by such Participant.
- (c) All appropriate taxes will be withheld from the cash portion of the award.

Article 9. Nontransferability

Performance Shares may not be sold, transferred, pledged, assigned, or otherwise alienated or hypothecated, other than by will or by the laws of descent and distribution. Further, except as otherwise provided in a Participant's Award Agreement, a Participant's rights under the Plan shall be exercisable during the Participant's lifetime only by the Participant or the Participant's legal representative. The terms hereof shall be binding on the executors, administrators, heirs and successors of the Participant.

Article 10. Administration

This Agreement and the rights of the Participant hereunder are subject to all the terms and conditions of the Plan, as the same may be amended from time to time by the Board of Directors, as well as to such rules and regulations as the Committee may adopt for administration of the Plan. It is expressly understood that the Committee is authorized to administer, construe, and make all determinations necessary or appropriate to the administration of the Plan and this Agreement, in its sole discretion, all of which shall be binding upon the Participant.

Any inconsistency between the Agreement and the Plan shall be resolved in favor of the Plan.

Article 11. Miscellaneous

- (a) The selection of any employee for participation in the Plan shall not give such Participant any right to be retained in the employ of the Company. The right and power of the Company to dismiss or discharge any Participant at-will, is specifically reserved. Such Participant or any person claiming under or through the Participant shall not have any right or interest in the Plan or any Award thereunder, unless and until all terms, conditions, and provisions of the Plan that affect such Participant have been complied with as specified herein.
- (b) With the approval of the Board, the Committee may terminate, amend, or modify the Plan; provided, however, that no such termination, amendment, or modification of the Plan may in any way adversely affect the Participant's rights under this Agreement without the Participant's written consent, except as required by law.
- (c) Participant shall not have voting rights with respect to the Performance Shares. Participant shall obtain voting rights upon the settlement of Performance Shares and distribution into shares of common stock of the Company.
- (d) The Participant may defer such Participant's receipt of the payment of cash and the delivery of shares of common stock, that would otherwise be due to such Participant by virtue of the satisfaction of the performance goals with respect to the Performance Shares, pursuant to the rules of the Black Hills Corporation Nonqualified Deferred Compensation Plan and the procedures set forth by the Compensation Committee. If the Participant elects to defer the receipt of the award, the Participant will be required to pay any necessary taxes from their own funds. They will not be allowed to have their deferred award reduced for tax withholding.
- (e) This Agreement shall be subject to all applicable laws, rules, and regulations, and to such approvals by any governmental agencies or national securities exchanges as may be required.
- (f) To the extent not preempted by federal law, this Agreement shall be governed by, and construed in accordance with, the laws of the State of South Dakota.
- (g) Any awards received by Participant are subject to the provisions of the Stock Ownership Guidelines approved by the Board of Directors.
- (h) Waiver and Modification. The provisions of this Agreement may not be waived or modified unless such waiver or modification is in writing and signed by the Company.
- (i) Compliance with Exchange Act. If the Participant is subject to Section 16 of the Exchange Act, Performance Shares granted pursuant to the Award are intended to comply with all applicable conditions of Rule 16b-3 or its successors under the Exchange Act.

The following parties have caused this Agreement to be executed effective as of January 1, _____.

Black Hills Corporation

By: _____

Participant

Black Hills Corporation
Short- Term Incentive Plan for Officers
Award Agreement
(Effective for Plan Years Beginning on or after January 1, 2016)

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Black Hills Corporation
Short-Term Incentive Plan for Officers
Award Agreement

(Effective for Plan Years Beginning on or after January 1, 2016)

You have been selected to be a participant in the Black Hills Corporation Short-Term Incentive Plan (the "STIP"). The STIP is granted under the Cash-Based Awards provisions of the Black Hills Corporation 2015 Omnibus Incentive Plan (the "Plan").

Target STIP Award: _____ percent of base salary

Performance Period: January 1, _____ to December 31, _____

Performance Measure: Earnings Per Share ("EPS").

THIS AGREEMENT (the "Agreement") effective _____, represents the award opportunity under the STIP provided by Black Hills Corporation, a South Dakota corporation (the "Company"), to the Participant named above, pursuant to the provisions of the Plan.

The Plan provides a complete description of the terms and conditions governing the award. If there is any inconsistency between the terms of this Agreement and the terms of the Plan, the Plan's terms shall completely supersede and replace the conflicting terms of this Agreement.

All capitalized terms shall have the meanings ascribed to them in the Plan, unless specifically set forth otherwise herein.

The parties hereto agree as follows:

Article 1. Effective Date and Purpose of Plan

The Performance Period commences on January 1, _____ and ends on December 31, _____.

Article 2. Definitions

Unless the context otherwise specifically requires, the following words as used herein shall have the following meanings:

"BASE SALARY" shall mean the annual base salary in effect for a Participant at the end of a plan year, including any compensation reduction under a cash or deferred arrangement under Section 401(k) of the Internal Revenue Code, under a flexible benefit program under Section 125 of the Internal Revenue Code, or under the Black Hills Corporation Nonqualified Deferred Compensation Plan, but not including any amounts paid to the Participant as overtime, bonus, commission or incentive compensation, nor reimbursements and expense allowances, fringe benefits, moving expenses, nonqualified deferred compensation, or welfare benefits.

"BOARD" means the Board of Directors of the Company.

"COMMITTEE" shall mean the Compensation Committee of the Board.

"COMPANY" shall mean Black Hills Corporation, a South Dakota corporation with principal offices in the state of South Dakota.

"EMPLOYEE" shall mean any person who is in the regular full-time employment of the Company or a Subsidiary, as determined by the personnel rules and practices of the Company or a Subsidiary. The term does not include persons who are retained by the Company or a Subsidiary solely as consultants.

"INCENTIVE AWARD" shall mean the incentive compensation to be awarded to a Participant as determined under Article 5.

"PARTICIPANTS" shall mean those eligible employees elected to participate in the Plan under Article 3 below.

"PLAN" means the 2015 Omnibus Incentive Plan.

"PLAN YEAR" shall mean the 12 months beginning on January 1 and ending on the following December 31.

"SUBSIDIARY" shall mean any business organization in which Company, directly or indirectly, owns a majority of its voting power or voting equity securities or equity interest.

Article 3. Eligibility and Participants

Employees eligible to participate in this Plan shall be the officers of the Company or a Subsidiary as designated by the Committee.

Article 4. Administration of the Plan

This Agreement and the rights of the Participant hereunder are subject to all the terms and conditions of the Plan, as the same may be amended from time to time by the Board, as well as to such rules and regulations as the Committee may adopt for administration of the Plan. It is expressly understood that the Committee is authorized to administer, construe, and make all determinations necessary or appropriate to the administration of the Plan and this Agreement, in its sole discretion, all of which shall be binding upon the Participant.

Any inconsistency between the Agreement and the Plan shall be resolved in favor of the Plan.

Article 5. Target Incentive Award and Performance Measures

Participant was assigned a target incentive award determined as a percent of a Participant's Base Salary. Participant shall have the opportunity to earn various percentages of the target incentive award. The percentage of the target incentive award to be earned by the Participant shall be determined by the application of objective performance measurements determined by the Committee, such as earnings per share. The application of the Participant's target incentive award to actual performance results creates the actual award for each Participant ("Incentive Award"). Attached hereto as Attachment 1, is the performance measures to be used for the ____ Plan Year.

Article 6. Termination Provisions

Except as provided below in this Article 6 and in Article 7, a Participant shall be eligible for payment of the Incentive Award, as determined in Article 5, only if the Participant's employment with the Company or a Subsidiary continues through the date of payment.

If Participant Retires, suffers a Disability, or dies during the Performance Period, the Participant (or the Participant's estate) shall be entitled to that proportion of the Incentive Award as such Participant is entitled to under Article 5 for such Performance Period that the number of full months of participation during the Performance Period bears to the total number of months in the Performance Period. The form and timing of the payment of such Performance Shares shall be as set forth in Article 9.

"Retirement" or "Retires" means a Separation from service by a Participant on or after (i) attaining the age of 55 with at least 5 years of service, or (ii) attaining the age of 65.

"Separation from service" (as defined in Treasury Regulation Section 1.409A-1(h)) during the Performance Period other than (i) due to Retirement, Disability, or Death, or (ii) following a Change in Control shall require forfeiture of this entire award, with no payment to the Participant.

Article 7. Change in Control

Notwithstanding anything herein to the contrary, in the event of a Change in Control, the Participant shall be entitled to that proportion target incentive award as such Participant is entitled to under Article 5 for such Performance Period that the number of full months of participation during the Performance Period (as of the effective date of the Change in Control) bears to the total number of months in the Performance Period.

"Change in Control" of the Company shall be deemed to have occurred (as of a particular day, as specified by the Board) upon the occurrence of any of the following events:

- (a) The acquisition in a transaction or series of transactions by any Person of Beneficial Ownership of thirty percent (30%) or more of the combined voting power of the then outstanding shares of common stock of the Company; provided, however, that for purposes of this Agreement, the following acquisitions will not constitute a Change in Control: (A) any acquisition by the Company; (B) any acquisition of common stock of the Company by an underwriter holding securities of the Company in connection with a public offering thereof; and (C) any acquisition by any Person pursuant to a transaction which complies with subsections (c) (i), (ii) and (iii);
- (b) Individuals who, as of December 31, 2014 are members of the Board (the "Incumbent Board"), cease for any reason to constitute at least a majority of the members of the Board; provided, however, that if the election, or nomination for election by the Company's common shareholders, of any new director was approved by a vote of at least two-thirds of the Incumbent Board, such new director shall, for purposes of this Plan, be considered as a member of the Incumbent Board; provided further, however, that no individual shall be considered a member of the Incumbent Board if such individual initially assumed office as a result of either an actual or threatened "Election Contest" (as described in Rule 14a-11 promulgated under the Exchange Act) or other actual or threatened solicitation of proxies or consents by or on behalf of a Person other than the Board (a "Proxy Contest") including by reason of any agreement intended to avoid or settle any Election Contest or Proxy Contest;

- (c) Consummation, following shareholder approval, of a reorganization, merger, or consolidation of the Company, or a sale or other disposition of all or substantially all of the assets of the Company (each a "Business Combination"), unless, in each case, immediately following such Business Combination, all of the following have occurred: (i) all or substantially all of the individuals and entities who were beneficial owners of shares of the common stock of the Company immediately prior to such Business Combination beneficially own, directly or indirectly, more than fifty percent (50%) of the combined voting power of the then outstanding shares of the entity resulting from the Business Combination or any direct or indirect parent corporation thereof (including, without limitation, an entity which as a result of such transaction owns the Company or all or substantially all of the Company's assets either directly or through one (1) or more subsidiaries)(the "Successor Entity"); (ii) no Person (excluding any Successor Entity or any employee benefit plan or related trust, of the Company or such Successor Entity) owns, directly or indirectly, thirty percent (30%) or more of the combined voting power of the then outstanding shares of common stock of the Successor Entity, except to the extent that such ownership existed prior to such Business Combination; and (iii) at least a majority of the members of the Board of Directors of the entity resulting from such Business Combination or any direct or indirect parent corporation thereof were members of the Incumbent Board at the time of the execution of the initial agreement or action of the Board providing for such Business Combination; or
- (d) Approval by the shareholders of the Company of a complete liquidation or dissolution of the Company, except pursuant to a Business Combination that complies with subsections (c) (i), (ii), and (iii) above.
- (e) A Change in Control shall not be deemed to occur solely because any Person (the "Subject Person") acquired Beneficial Ownership of more than the permitted amount of the then outstanding Common Stock as a result of the acquisition of common stock by the Company which, by reducing the number of shares of common stock then outstanding, increases the proportional number of shares Beneficially Owned by the Subject Persons, provided that if a Change in Control would occur (but for the operation of this sentence) as a result of the acquisition of common stock by the Company, and after such stock acquisition by the Company, the Subject Person becomes the Beneficial Owner of any additional common stock which increases the percentage of the then outstanding common stock Beneficially Owned by the Subject Person, then a Change in Control shall occur.
- (f) A Change in Control shall not be deemed to occur unless and until all regulatory approvals required in order to effectuate a Change in Control of the Company have been obtained and the transaction constituting the Change in Control has been consummated.

Notwithstanding the above provisions of this definition, to the extent that any payment under the Agreement due to a Change in Control is subject to Code Section 409A for deferred compensation, then the term "Change in Control" shall be construed in a manner that is consistent with Code Section 409A (a) (2)(A)(v), but only to the extent inconsistent with the above provisions as determined by the Board.

Article 8. Forfeiture and Repayment

- (a) In the event the Participant incurs a separation from service for a reason other than those described in Article 6 herein during the Performance Period this entire award will be forfeited, unless the separation from service follows a Change in Control.
- (b) Without limiting the generality of Article 8(a), the Company reserves the right to cancel the Incentive Award awarded hereunder, whether or not earned, and require the Participant to repay all income or gains previously realized in respect of such Incentive Award, in the event of the occurrence of any of the following events:
 - (i) termination of Participant's employment for Cause;
 - (ii) within one year following any termination of Participant's employment, the Board determines that the Participant engaged in conduct before the Participant's termination date that would have constituted the basis for a termination of employment for Cause;
 - (iii) at any time during the Participant's employment or the twelve month period immediately following any termination of employment, Participant:
 - (x) publicly disparages the Company, any of its affiliates or any of its or their officers, directors or senior executive employees or otherwise makes any public statement that is materially detrimental to the interests or reputation of the Company, any of its affiliates or such individuals; or
 - (y) violates in any material respect any policy or any code of ethics or standard of behavior or conduct generally applicable to Participant, including the Code of Conduct; or
 - (iv) Participant engages in any fraudulent, illegal or other misconduct involving the Company or any of its affiliates, including but not limited to any breach of fiduciary duty, breach of a duty of loyalty, or interference with contract or business expectancy.
- (c) If the Board determines that the Participant's conduct, activities or circumstances constitute events described in Article 8(b), in addition to any other remedies the Company has available to it, the Company may in its sole discretion:

- (i) cancel any Incentive Award, whether or not issued; and/or
- (ii) require the Participant to repay an amount equal to all income or gain realized in respect of all such Incentive Award. The amount of repayment shall include, without limitation, amounts received in connection with the delivery or sale of Shares of such Incentive Award or cash paid in respect of any Incentive Award.

There shall be no forfeiture or repayment under Article 8(b) following a Change-in-Control.

- (d) The Board, in its discretion, shall determine whether a Participant's conduct, activities or circumstances constitute events described in Article 8(b) and whether and to what extent the Incentive Award shall be forfeited by Participant and/or a Participant shall be required to repay an amount pursuant to Article 8(c). The Board shall have the authority to suspend the payment, delivery or settlement of all or any portion of such Participant's outstanding Incentive Award pending an investigation of a bona fide dispute regarding Participant's eligibility to receive a payment under the terms of this Agreement as determined by the Board in good faith.
- (e) For purposes of applying this provision:
 - (i) "Cause" means any of the following:
 - (u) a Participant's violation of his or her material duties to the Company or any of its affiliates, which continues after written notice from the Company or any affiliate to cure such violation;
 - (v) Participant's willful failure to follow the lawful written directives of the Board in any material respect;
 - (w) Participant's willful misconduct in connection with the performance of any of his or her duties, including but not limited to falsifying or attempting to falsify documents, books or records of the Company or any of its affiliates, making or delivering a false representation, statement or certification of compliance to the Company, misappropriating or attempting to misappropriate funds or other property of the Company or any of its affiliates, or securing or attempting to secure any personal profit in connection with any transaction entered into on behalf of the Company or any of its affiliates;
 - (x) Participant's breach of any material provisions of this Agreement or any other non-competition, non-interference, non-disclosure, confidentiality or other similar agreement executed by Participant with the Company or any of its affiliates;

- (y) conviction (or plea of *nolo contendere*) of the Participant of any felony, or a misdemeanor involving false statement, in connection with conduct involving the Company or any of its subsidiaries or affiliates; or
 - (z) intentional engagement in any activity which would constitute or cause a breach of duty of loyalty, or any fiduciary duty to the Company or any of its subsidiaries or affiliates.
- (ii) “Code of Conduct” means any code of ethics or code of conduct now or hereafter adopted by the Company or any of its affiliates, including to the extent applicable the Company’s Employee Conduct and Disclosure Policy, as amended or supplemented from time to time, and the Company’s or subsidiary Risk Management Policies and Procedures, as amended, supplemented or replaced from time to time.
- (f) Participant agrees that the provisions of this Article 8 are entered into in consideration of, and as a material inducement to, the agreements by the Company herein as well as an inducement for the Company to enter into this Agreement, and that, but for Participant’s agreement to the provisions of this Article 8, the Company would not have entered into this Agreement.

Article 9. Payment of Incentive Award

The Incentive Award shall be paid to the Participant in the form of 50 percent cash and 50 percent common stock of the Company after required tax withholding. Participants who have stock ownership guidelines in place and have met the guidelines established may elect to receive the payment 100 percent cash after required tax withholding.

Stock utilized for any Incentive Award will be from shares authorized under the Plan. The value of stock to be included in any Incentive Award shall be determined by reference to the closing price of such stock on the New York Stock Exchange on the last trading day on which such shares were traded preceding the date the Incentive Awards are paid.

Article 10. Powers of Board of Directors

The Board of Directors may suspend or terminate the Plan, in whole or in part, at any time, or may, from time to time, amend the Plan in such respects as the Board may deem advisable, provided that no such amendment shall withdraw the administration and interpretation of the Plan from the Committee.

Article 11. Assignability

No right to receive payments under this Agreement shall be subject to voluntary or involuntary alienation, assignment or transfer.

Article 12. No Contract of Employment

Neither the action taken by the Company in establishing the Plan or any action taken by it or by the Committee under the provisions hereof or any provision of the Plan shall be construed as giving to any Participant the right to be retained in the employment of the Company.

Article 13. Right to Incentive Award

Notwithstanding anything contained herein, no Participant shall have any right to receive any Incentive Award until the Committee determines the amount of the Incentive Award, which determination is to be made in January of each Plan Year based on the application of the target incentives and performance measures to the preceding year and no Participant shall be considered to have earned any portion of any Incentive Award until determination by the Committee. The Committee reserves the right in its sole discretion to not grant any Incentive Award whether or not any Participant has met target incentive and performance measures; provided, that in the event of a Change in Control, a Participant's Incentive Award shall be determined as of the date of the Change in Control and shall be paid 30 days after the day of the Change in Control.

Article 14. Governing Law

This agreement shall be governed by and construed in accordance with the laws of the State of South Dakota.

Article 15. No Tax Qualified or ERISA Plan

This is not intended to be a tax qualified plan nor a plan for the purposes of ERISA.

The following parties have caused this Agreement to be executed effective as of January 1, ____.

Black Hills Corporation

By: _____

Participant

Date