

**A RESOLUTION establishing an Individual Recognition Award Plan to compensate exceptional efforts of its employees and to provide incentive for future commendable performance.**

**WHEREAS**, the KPFDD success is closely related to the performance of its employees;

**WHEREAS**, the KPFDD wishes to recognize and compensate the efforts of its employees and to provide incentives for future commendable performance

**WHEREAS**, the KPFDD desires the flexibility to establish, subject to budget and cash flow limitations, an Individual Recognition Award Plan;

**WHEREAS**, these incentives are intended to be more than an extension of an individual's evaluation and merit award in order to recognize accomplishments above and beyond those tasks that are expected to be accomplished on an ongoing basis;

**WHEREAS**, the Board of Directors may determine if and when an employee will receive an Individual Recognition Award through assessment and evaluation of the employee's service utilizing, at a minimum, the Criteria and Rating for Percentage of Recognition Awards set forth in the Individual Recognition Award Plan;

**WHEREAS**, incentive awards are funded only if there is net year-end operating revenue;

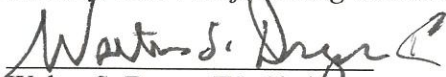
**WHEREAS**, the maximum contribution of operating profits to Individual Recognition Awards is one-third of the year-end net operating revenue;

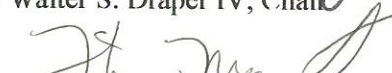
**WHEREAS**, the Board of Directors may award a lump-sum Individual Recognition Award, but in no case can that award be more than 20% of the annual base-salary of an employee; and,


**WHEREAS**, an Individual Recognition Award will not add to the employee's base pay and is an amount before any deduction for taxes and other required deductions.


**BE IT RESOLVED that the Board of Directors may, from time to time in its sole discretion grant an Individual Recognition Award to any KPFDD employee in accordance with the Individual Recognition Awards Plan attached to this resolution.**

*Adopted at a regular and open public meeting of the Kitsap Public Facilities District on the 22nd day of January, 2007, the following directors being present and voting:*


  
Walter S. Draper IV, Chair

  
Linda Berry-Maraist, Vice-chair

  
Jim Heins

  
Rick Smith

  
Stephen Stagner

  
Warren VanZee