



2011 Employee and Compensation Committee Policy, Guidelines and Procedures

The Agency establishes and maintains an Employee and Compensation Committee (the "Committee") which shall consist of three (3) members of the Agency board (the "Board") and serve based upon Board appointment. The Committee has been established for the purposes of and is charged with reviewing employee performance, employee compensation (including incentive compensation), employee contracts (if any) and all policy related matters pertaining to employees of the Agency. The Committee shall make recommendations to the full board on all matters regarding employment and employee policy.

Committee Members. The three members of the Committee are appointed by the Board and shall serve at the pleasure of the board.

Employees. The Agency shall employ no less than an Executive Director (President & CEO) and such other employees as the Board shall designate. Each employee shall be an "at will" employee such that employment may be terminated for any lawful reason by either the Agency or employee. At the discretion of the Board, employment terms, responsibilities and conditions may be set forth and established under individual employment contracts (each an "Employment Contract"). Each Employee Contract shall, among other things, set forth the employee's title, annual compensation, term of employment and specifies employee duties and responsibilities.

Committee Meetings. The Committee shall meet as needed but no less than once annually on or about December 15 (or such other reasonable date) of each year (the "Annual Committee Meeting"). At the Annual Committee Meeting, the Committee shall review, among other things, (i) the Agency's general performance relative to budget, capital investment and jobs created, (ii) the Executive Director's (President & CEO) performance for the current year, (iii) compensation adjustments, (iv) incentive compensation (as set forth below) and (v) such other matters deemed appropriate by the Committee relating to employment and performance or as otherwise directed by the Board. The Executive Director (President & CEO) and Sr. Leadership team (Sr. VP Operations and CFO) will have responsibility for conducting a formal performance evaluation of the agency employees and to overview employee performance with the Committee as directed by the Committee and Board.

Following the Annual Committee Meeting and the Executive Directors' (President & CEO) performance review, the Committee shall report its findings and recommendations to the Board at an upcoming meeting. Such recommendations shall include annual compensation adjustments, job responsibility and Employment Contract review as required. In addition, the Committee shall review and report on incentive compensation for the current year's performance based on the established performance evaluation program including the established incentive compensation criteria. The Committee shall amend, supplement and modify the performance evaluation program and other incentive compensation criteria at the direction of the Board. Any such changes, amendments or modifications shall be in compliance with all applicable law. The Board shall make all final determinations with respect to policy as it pertains to employee matters, including, term of employment, contract modifications and total compensation. The responsibility for hiring decisions and compensation level determination for staff "at will" employees is the responsibility of the President & CEO provided it is in accordance with existing board approved policies and within the established board approved budget for employee costs for the year in question.

Incentive compensation. The Agency maintains a performance evaluation program with specific performance criteria and corresponding dollar amounts of incentive compensation (the "Program"). The Program shall be reviewed at the Annual Committee Meeting for the purpose of determining the amount of incentive compensation, if any, to be paid to each employee based upon individual employee achievement in the context of achieving organizational results. The Compensation Committee puts forth the incentive compensation award recommendations, based upon individual and organizational achievement consistent with the established performance evaluation program, to the Board for final review and vote in public session. The performance evaluation program, including incentive compensation performance criteria,

shall be adjusted on an annual basis. Annual adjustments to the performance evaluation program will occur, including review and board approval, by the end of April of the current calendar year and will be revised in accordance with the current year's budget and established performance goals.

The Committee and the Board shall independently verify the performance criteria information provided by employees for the purpose of determining incentive compensation.