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: April 13, 2005
(Date of earliest event reported)

APOGEE ENTERPRISES, INC.
(Exact name of registrant as specified in its charter)

Commission File Number: 0-6365

Minnesota	**41-0919654**
(State or other jurisdiction of incorporation)	**(IRS Employer Identification No.)**

**7900 Xerxes Avenue South, Suite 1800,
Minneapolis, Minnesota 55431**
(Address of principal executive offices, including zip code)

(952) 835-1874
(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:

☐ 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 1.01 Entry into a Material Definitive Agreement.

Executive Short-Term Cash Bonus Plan Metrics

On April 13, 2005, the Compensation Committee of the Board of Directors of Apogee Enterprises, Inc. (the "Company") determined that the following performance metrics will be used for determining annual incentives under the Apogee Enterprises, Inc. Executive Short-Term Cash Bonus Plan for fiscal 2006: (1) revenue and earnings per share at the corporate level, (2) revenue and earnings before taxes at the segment level, and (3) revenue and earnings before taxes at the business unit level. For each of the performance metrics there is a threshold, target and maximum performance level, which will be initially determined by management, recommended to the Compensation Committee for its consideration and approved (as modified, in its discretion) by the Compensation Committee. If the threshold performance level is achieved, 50% of the target award will be paid to the executive, and if the maximum performance level is achieved, 150% of the target award will be paid to the executive. For all performance levels between these levels, awards will be linearly interpolated. The Compensation Committee of the Board of Directors selects executive officers and other senior executives from the Company and its subsidiaries to participate in this plan.

Bonus Award Agreement with Russell Huffer

On April 13, 2005, the Company entered into a Bonus Award Agreement with Mr. Russell Huffer, the Company's Chairman, President and Chief Executive Officer, which sets forth the terms and conditions pursuant to which Mr. Huffer may receive an annual bonus award under the Apogee Enterprises, Inc. Executive Management Incentive Plan. The agreement provides that Mr. Huffer's right to receive an annual bonus award, payable in either cash or stock, will be determined based on the attainment of certain pre-set goals for fiscal 2006 relating to earnings per share and return on invested capital. In the event Mr. Huffer's employment is terminated during a Performance Period (as defined in the agreement) for any reason other than Disability (as defined in the agreement), Retirement (as defined in the agreement) or death, the agreement provides that Mr. Huffer will forfeit any and all rights under the agreement relating to such Performance Period and any other award granted under the agreement with respect to which any other Performance Period has not yet commenced. In accordance with the agreement, if Mr. Huffer's employment with the Company is terminated during the Performance Period as a result of Disability, Retirement or death, Mr. Huffer, or Mr. Huffer's estate, as applicable, will receive a pro-rata cash payment after the end of the Performance Period to the extent that the threshold, target or maximum performance level of the performance goals is achieved. The Bonus Award Agreement is attached hereto as Exhibit 10.1 and is incorporated herein by reference.

Stock Appreciation Rights (SARs) and Performance Share Grants

On April 13, 2005, the Company awarded stock appreciation rights and performance shares to its executive officers. Information regarding the terms of the awards is set forth below.

SAR Grants

The Company awarded stock-settled SARs to the following executive officers in the amounts indicated:

Name	Position	Number of SARs Awarded	Grant Price ($/Share)
Russell Huffer	Chairman, President and Chief Executive Officer	71,186	$ 14.10
Michael B. Clauer	Executive Vice President	27,351	$ 14.10
William F. Marchido	Chief Financial Officer	19,754	$ 14.10
Patricia A. Beithon	General Counsel and Corporate Secretary	17,411	$ 14.10
James S. Porter	Vice President of Strategy and Planning	5,101	$ 14.10
Gary R. Johnson	Vice President and Treasurer	3,996	$ 14.10

Such SAR awards were made pursuant to the shareholder approved Apogee Enterprises, Inc. 2002 Omnibus Stock Incentive Plan (the "2002 Stock Plan"), a copy of which is on file with the Securities and Exchange Commission as

Exhibit A to the Company's Proxy Statement for the 2002 Annual Meeting of Shareholders. The form of Stock Appreciation Rights Agreement used in connection with SAR awards to employees under the 2002 Stock Plan, including the awards to the executives listed above, is attached hereto as Exhibit 10.2 and is incorporated herein by reference (the "Form of Stock Appreciation Rights Agreement").

The SARs vest evenly over a three-year period and have a ten-year term. The SARs become immediately exercisable in full upon the occurrence of a Change in Control (as defined in the agreement). The SARs may not be transferred by the executive except by will or the laws of descent and distribution, and the SARs may only be exercised during the executive's lifetime. The SAR shall terminate and may no longer be exercised if the executive ceases to be employed by the Company, except that:

- If the executive's employment is terminated for any reason, voluntary or involuntary, other than for Cause (as defined in the agreement) or due to the executive's Early Retirement (as defined in the agreement), Retirement (as defined in the agreement), death or Disability (as defined in the agreement), the executive may at any time within a period of three months after such termination exercise the SAR to the extent the SAR was exercisable by the executive on the date of the termination of executive's employment.
- If executive's employment is terminated for Cause, the SAR shall be terminated as of the date of the act giving rise to such termination.
- In the event executive ceases to be employed by the Company by reason of Early Retirement or Retirement and shall not have fully exercised the SAR, the vesting of the SAR shall continue, and the vested portion of the SAR shall continue to be exercisable by executive, for the remaining term of the SAR; provided, that executive shall have entered into a noncompetition and nonsolicitation agreement prior to the date of Early Retirement or Retirement. Any failure by executive to observe the terms of the noncompetition and nonsolicitation agreement shall result in the immediate forfeiture of the unexercised portion of the SAR, whether or not it is then vested.
- In the event executive shall die while the SAR is still exercisable according to its terms or if employment is terminated because of a Disability while in the employ of the Company and executive shall not have fully exercised the SAR, such SAR shall become immediately exercisable in full and may be exercised at any time within 12 months after executive's death or date of termination of employment for Disability by executive, personal representatives or administrators or guardians of executive, as applicable, or by any person or persons to whom the SAR is transferred by will or the applicable laws of descent and distribution.

Upon exercise of an SAR, the executive will receive the number of shares of the Company's common stock that has a total value which is equivalent to the difference between the grant price of the SAR and the fair market value of the Company's common stock on the date of exercise. If, at any time prior to the full exercise of a SAR, the executive engages in any Forfeiture Activity (as defined in the agreement), then the SAR will immediately terminate and all unexercised rights to receive shares of the Company's common stock (whether exercisable or not) will be immediately forfeited. In addition, if the executive engages in any Forfeiture Activity within one year after exercising all or part of a SAR, then (1) all shares of common stock received by the executive as a result of all exercises of the SAR made within such 12-month period, plus any period subsequent to the date of such Forfeiture Activity and prior to the Company's delivery of a demand notice to the executive (collectively, the "Forfeiture Period") and (2) all consideration received by the executive pursuant to the transfer of any such shares made by the executive during the Forfeiture Period, must be delivered or paid to the Company within 30 days of a written demand by the Company.

Performance Shares

The Company awarded to the following executive officers (i) the number of shares of common stock of the Company equal to the below number of performance shares at target (the "Issued Shares") and (ii) the right to receive an amount of additional shares of common stock equal to the difference between the maximum number of performance shares and the target number of performance shares (the "Additional Shares" and, together with the Issued Shares, the "Performance Shares").

Name	Effective Date of Award	Measuring Period - Fiscal Years	Number of Shares Subject to Award		
			Threshold	Target	Maximum
Russell Huffer	4/13/2005	2005-08	21,277	42,553	85,106
Michael B. Clauer	4/13/2005	2005-08	9,537	19,074	38,148
William F. Marchido	4/13/2005	2005-08	7,577	15,154	30,308
Patricia A. Beithon	4/13/2005	2005-08	6,678	13,356	26,712
James S. Porter	4/13/2005	2005-08	3,913	7,826	15,652
Gary R. Johnson	4/13/2005	2005-08	2,230	4,459	8,918

Such Performance Share awards were made pursuant to the 2002 Stock Plan. The form of Performance Share Agreement used in connection with performance share awards under the 2002 Stock Plan, including the awards to the executives listed above, is attached hereto as Exhibit 10.3 and is incorporated herein by reference (the "Form of Performance Share Agreement").

The Issued Shares are subject to forfeiture and certain other restrictions set forth in the Form of Performance Share Agreement during the period commencing on February 27, 2005 and ending on March 1, 2008 (the "Performance Period"). The number of Issued Shares that may be retained and the number of Additional Shares, if any, that may be issued for each executive is dependant upon the Company's Average Return on Invested Capital, Cumulative Earnings Per Share, and Market Share Growth at the end of the Performance Period in comparison to certain preset targets. The threshold, target and maximum amounts of Performance Shares that may be earned by the executives are set forth in the above table. Upon vesting, the restrictions on the Issued Shares lapse and the shares become transferable and non-forfeitable. All Issued Shares not deemed to have been earned and vested at the end of the Performance Period will be forfeited and transferred back to the Company. In the event the executive's employment is terminated during the Performance Period, the Performance Shares shall be immediately and irrevocably forfeited, unless the executive's termination is by reason of:

- involuntary termination without Cause (as defined in the agreement),
- Early Retirement or Retirement (as defined in the agreement),
- Disability (as defined in the agreement), or
- death.

In the event the executive's employment is terminated prior to the end of the Performance Period by reason of involuntary termination without Cause, the executive shall be entitled to retain, and receive, if applicable, a pro-rata portion (based on the amount of time elapsed between the beginning of the Performance Period and the date of termination) of the Performance Shares after the end of the Performance Period to the extent that the threshold, target or maximum performance level of the Performance Goals is achieved. In the event the executive's employment is terminated prior to the end of the Performance Period by reason of Early Retirement, Retirement, Disability or death, the executive or the executive's estate, as applicable, shall be entitled to retain, and receive, if applicable, the Performance Shares after the end of the Performance Period to the extent that the threshold, target or maximum performance level of the Performance Goals is achieved. In the event of a Change in Control (as defined in the agreement) prior to the end of the Performance Period, the executive shall be entitled to retain a pro-rata portion of the Issued Shares based on the amount of time elapsed between the beginning of the Performance Period and the date of the Change in Control.

The descriptions in this Current Report on Form 8-K of the Bonus Award Agreement, Form of Stock Appreciation Rights Agreement and Form of Performance Share Agreement are qualified in their entirety by reference to the attached forms of such agreements.

Item 9.01 Financial Statements and Exhibits.

(c) Exhibits.

The following exhibits are being filed with this Form 8-K:

10.1 Bonus Award Agreement between the Company and Russell Huffer dated as of April 13, 2005.

10.2 Form of Stock Appreciation Rights Agreement under the Apogee Enterprises, Inc. 2002 Omnibus Stock Incentive Plan.

10.3 Form of Performance Share Agreement under the Apogee Enterprises, Inc. 2002 Omnibus Stock Incentive Plan.

SIGNATURE

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.

APOGEE ENTERPRISES, INC.

By: /s/ William F. Marchido

William F. Marchido
Chief Financial Officer

Date: April 19, 2005

EXHIBIT INDEX

Exhibit Number	Description
10.1	Bonus Award Agreement between the Company and Russell Huffer dated as of April 13, 2005.
10.2	Form of Stock Appreciation Rights Agreement under the Apogee Enterprises, Inc. 2002 Omnibus Stock Incentive Plan.
10.3	Form of Performance Share Agreement under the Apogee Enterprises, Inc. 2002 Omnibus Stock Incentive Plan.

Exhibit 10.1

APOGEE ENTERPRISES, INC.
EXECUTIVE MANAGEMENT INCENTIVE PLAN

BONUS AWARD AGREEMENT
Fiscal Year 2006

Section 1. Establishment

This Bonus Award Agreement (the "Agreement") is entered into as of the 13th day of April, 2005, by and between Apogee Enterprises, Inc., a Minnesota corporation (the "Company"), and Russell Huffer, an individual resident of the State of Minnesota ("Participant").

Section 2. The Plan

The Company has established the Apogee Enterprises, Inc., Executive Management Incentive Plan (the "Plan") for certain executive officers. Participant has been selected by the Compensation Committee of the Company's Board of Directors (the "Committee") to be eligible to participate in the Plan. Participant hereby acknowledges receipt of a copy of the Plan. The Annual Bonus Award made to Participant hereby is subject to all of the terms and conditions of the Plan, which terms and conditions are hereby incorporated by reference herein and made a part hereof.

Section 3. Conditions to Participation

As a condition to participate in the Plan and to receive an Annual Bonus Award, Participant shall execute and return to the Committee a duplicate of this Agreement.

Section 4. Performance Based Award

(a) *Performance-Based Award*. The Annual Bonus Award is intended to be a Performance-Based Award within the meaning of the Plan, and all of the terms and conditions of this Award shall be interpreted in such a manner so as to qualify all compensation paid hereunder as "qualified performance-based compensation" within the meaning of Section 162(m) of the Internal Revenue Code of 1986, as amended (the "Code").

(b) *Performance Objectives.* The right to receive a Performance-Based Award shall be determined solely on account of the attainment of one or more pre-established, objective performance goals selected by the Committee in connection with the grant of the Performance-Based Award. Such performance goals may apply to the Participant individually, to an identifiable business unit of the Company and/or to the Company as a whole. The performance objectives and the target and range of the possible Annual Bonus Award for the Participant for the current performance period are set forth in Appendix I.

(c) *Performance Periods.* The Performance Period for this Annual Bonus Award shall be the 2006 fiscal year of the Company. Following the close of the 2006 fiscal year and prior to payment of any amount to the Participant under the Plan, the Committee must certify in writing as to the attainment of the Performance Objectives upon which any payments to the Participant for the 2006 fiscal year are to be based.

Section 5. Earned Awards

As soon as practicable after the end of the Performance Period, the extent to which the Performance Objectives relating to such Performance Period have been met shall be determined in writing by the Committee. As provided for in the Plan, the maximum Annual Bonus Award which may be awarded to the Participant pursuant to the Plan with respect to any performance period shall not exceed $1,500,000.

Section 6. Award Payments

On or around May 1 following the close of the 2006 fiscal year, and following the determination of the extent to which the Performance Objectives have been met and the amount of the Annual Bonus Award earned by the Participant, the Participant shall be paid either in cash or shares of Common Stock of the Company. The Committee shall determine whether such payment will be made in cash or stock. The Committee shall retain sole and full discretion to reduce, in whole or in part, the amount of any Annual Bonus Award otherwise payable to the Participant under the Plan. Payment of the Annual Bonus Award may be made, subject to any deferred compensation election which may be permitted pursuant to any deferred compensation plan of the Company on which the Participant participates, at such times, with such restrictions and with such conditions as the Committee, in its sole discretion, may determine at the time of the grant of the Annual Bonus Award.

Section 7. Termination of Employment

(a) If the Participant's employment with the Company or its subsidiaries is terminated during a Performance Period for any reason other than Disability or Retirement (as such terms are defined below) or death, the Participant shall forfeit any and all rights under the Plan and this Agreement relating to such Performance Period and any other Award granted under this Agreement with respect to which any other Performance Period has not yet commenced.

(b) If the Participant's employment with the Company or its subsidiaries is terminated during a Performance Period as a result of Disability or Retirement (as such terms are defined below) or death, the Participant or the Participant's beneficiary or estate shall receive a cash settlement after such Performance Period has expired and all performance calculations have been made. Such settlement shall be computed by:

(i) determining the Annual Bonus Award at the end of the Performance Period that would have been earned if the Participant's employment had continued through the Performance Period, and

(ii) multiplying the result in (i) by a fraction, the numerator of which is the number of full fiscal weeks in such Performance Period that the Participant was an employee of the Company or its subsidiaries and the denominator of which is the number of full fiscal weeks comprising the Performance Period.

Unless the Participant has delivered to the Company a beneficiary designation in a form acceptable to the Company, the cash settlement shall be made according to the laws of descent and distribution upon the death of the Participant.

(c) *Disability.* For purposes of this Agreement, "Disability" is as defined in the Company's Tax Relief Investment Plan (1999 Restatement).

(d) *Retirement.* For purposes of this Agreement, "Retirement" is defined as retirement at age sixty-five.

Section 8. Nature of Payments

Any and all cash or stock payments pursuant to any Annual Bonus Award granted hereunder shall constitute special incentive payments to the Participant, and such payments shall not be taken into account in computing the amount of the Participant's salary or compensation for purposes of determining any pension, retirement, death or other benefits under (i) any pension, retirement, profit sharing, bonus, life insurance or other employee benefit plan of the Company or any Affiliate or (ii) any agreement between the Company (or any Affiliate) and the Participant, except to the extent that such plan or agreement expressly provides to the contrary.

Section 9. Interpretations

This Agreement is subject in all respects to the terms of the Plan. In the event that any provision of this Agreement is inconsistent with the terms of the Plan, the terms of the Plan shall govern. Any question of administration or interpretation arising under this Agreement shall be determined by the Committee, and such determination shall be final and conclusive upon all parties in interest.

Section 10. Governing Law

This Bonus Award Agreement shall be governed by and construed in accordance with the internal laws, and not the laws of conflicts, of the State of Minnesota.

IN WITNESS WHEREOF, the parties hereto have entered into this Agreement as of the date first set forth herein.

APOGEE ENTERPRISES, INC.

By: ______________________________

Its: ______________________________

PARTICIPANT

____

APOGEE ENTERPRISES, INC.
2002 OMNIBUS STOCK INCENTIVE PLAN

Stock Appreciation Rights Agreement

This STOCK APPRECIATION RIGHTS AGREEMENT (this "*Agreement*") is made this __ day of __________, 20__, by and between Apogee Enterprises, Inc., a Minnesota corporation (the "*Company*"), and __________, an individual resident of __________, __________ ("*Employee*").

WHEREAS, the Company desires and has taken all necessary action to grant stock appreciation rights to Employee under the Apogee Enterprises, Inc. 2002 Omnibus Stock Incentive Plan, as amended from time to time (the "*Plan*"), subject to the terms and conditions of this Agreement; and

WHEREAS, Employee desires to accept such grant.

NOW, THEREFORE, in consideration of the premises and of the mutual covenants contained in this Agreement, the parties agree as follows:

SECTION 1
Grant of Stock Appreciation Rights

The Company hereby grants to Employee the stock appreciation rights (the "*SAR*") with respect to ______ shares (the "*Shares*") of Common Stock of the Company. The grant price of the SAR is $______ per share (the "*Grant Price*"), which is the Fair Market Value (as defined in the Plan) of a share of Common Stock of the Company on the date hereof. The SAR is issued under the Plan and is subject to its terms and conditions as well as the terms and conditions set forth in this Agreement. A copy of the Plan will be furnished to Employee upon request. Capitalized terms used herein but not defined herein shall have the meanings assigned to them in the Plan.

SECTION 2
Term and Vesting Schedule

2.1 Term. Unless earlier terminated in accordance with the terms of this Agreement, the SAR shall terminate at 5:00 p.m. Minneapolis time, on __________, 20__ , *i.e.*, 10 years from the date hereof.

2.2 Vesting Schedule. Except as otherwise provided in this Agreement, the SAR may be exercised by Employee in accordance with the following schedule:

On or after each of the following dates	**Number of Rights Exercisable**
______________	______________
______________	______________
______________	______________
______________	______________
______________	______________

2.3 Change in Control. Notwithstanding any installment or delayed exercise provision contained in this Agreement that would result in the SAR becoming exercisable in full or in part at a later date, upon the occurrence of a Change in Control, the SAR shall become immediately exercisable in full. As used herein, a "*Change in Control*" shall mean:

(a) a change in control of a nature that would be required to be reported in response to Item 6(e) of Schedule 14A of Regulation 14A promulgated under the Securities Exchange Act of 1934, as amended (the "*Exchange Act*"), or successor provision thereto, whether or not the Company is then subject to such reporting requirement including, without limitation, any of the following events:

(i) the consummation of any consolidation or merger of the Company in which the Company is not the continuing or surviving corporation or pursuant to which shares of the Company's Common Stock would be converted into cash, securities, or other property, other than a merger of the Company in which all or substantially all of the holders of the Company's Common Stock immediately prior to the consolidation or merger own more than 65% of the common stock of the surviving corporation immediately after the merger in the same relative proportions as their ownership of the Company's Common Stock immediately prior to the consolidation or merger;

(ii) any sale, lease, exchange or other transfer (in one transaction or a series of related transactions) of all, or substantially all, of the assets of the Company;

(iii) any reorganization, reverse stock split, or recapitalization of the Company which would result in a Change in Control; or

(iv) any transaction or series of related transactions having, directly or indirectly, the same effect as any of the foregoing; or any agreement, contract, or other arrangement providing for any of the foregoing.

(b) any "person" (as such term is used in Sections 13(d) and 14(d) of the Exchange Act) is or becomes the "Beneficial Owner" (as defined in Rule 13d-3 promulgated under the Exchange Act), directly or indirectly, of securities of the Company representing 35% or more of the combined voting power of the Company's then outstanding securities;

(c) the Continuing Directors (as hereinafter defined) cease to constitute a majority of the Company's Board of Directors; or

(d) the majority of the Continuing Directors determine in their sole and absolute discretion that there has been a change in control of the Company.

"*Continuing Director*" shall mean any person who is a member of the Board of Directors of the Company, who is not an Acquiring Person (as hereinafter defined) or an Affiliate or Associate (as hereinafter defined) of an Acquiring Person, or a representative of an Acquiring Person or of any such Affiliate or Associate, and who (i) was a member of the Board of Directors on the date of this Agreement as first written above or (ii) subsequently becomes a member of the Board of Directors, if such person's initial nomination for election or initial election to the Board of Directors is recommended or approved by a majority of the Continuing Directors. For purposes of this Section 2.3, "*Acquiring Person*" shall mean any "person" (as such term is used in Sections 13(d) and 14(d) of the Exchange Act) who or which, together with all Affiliates and Associates of such person, is the Beneficial Owner of 10% or more of the shares of Common Stock of the Company then outstanding, but shall not include the Company, any subsidiary of the Company or any employee benefit plan of the Company or of any subsidiary of the Company or any entity holding shares of Common Stock organized, appointed or established for, or pursuant to the terms of, any such plan; and, for purposes of this Section 2.3 only, "*Affiliate*" and "*Associate*" shall have the respective meanings ascribed to such terms in Rule 12b-2 promulgated under the Exchange Act.

2.4 <u>Non-Transferability</u>. During the lifetime of Employee, the SAR shall be exercisable only by Employee and shall not be assignable or transferable by Employee, other than by will or the laws of descent and distribution.

SECTION 3
<u>Effect of Death or Termination of Employment</u>

The SAR shall terminate and may no longer be exercised if Employee ceases to be employed by the Company or its affiliates, except as otherwise provided in this Section 3 or elsewhere in this Agreement. Notwithstanding the provisions set forth below, in no case may the SAR be exercised to any extent by anyone after the termination date of the SAR.

3.1 <u>Termination without Cause</u>. If Employee's employment shall be terminated for any reason, voluntary or involuntary, other than for Cause or due to Employee's Early Retirement, Retirement, death or Disability, Employee may at any time within a period of three months after such termination exercise the SAR to the extent the SAR was exercisable by Employee on the date of the termination of Employee's employment.

As used herein, "*Cause*" shall mean (i) the willful and continued failure by Employee substantially to perform his or her duties and obligations (other than any such failure resulting from his or her incapacity due to physical or mental illness), (ii) Employee's conviction or plea bargain of any felony or gross misdemeanor involving moral turpitude, fraud or misappropriation of funds or (iii) the willful engaging by Employee in misconduct which causes substantial injury to the Company or its affiliates, its other employees or the employees of its affiliates or its clients or the clients of its affiliates, whether monetarily or otherwise. For purposes of this paragraph, no action or failure to act on Employee's part shall be considered "willful" unless done or omitted to be done, by Employee in bad faith and without reasonable belief that his or her action or omission was in the best interests of the Company.

As used herein, "*Disability*" shall mean any physical or mental condition which would qualify Employee for a disability benefit under any long-term disability plan maintained by the Company or any Affiliate (as defined in Section 2.3) then employing Employee.

As used herein, "*Early Retirement*" shall mean Employee's voluntary retirement from the Company at any time at which Employee is then at least 50 years of age and has been employed by the Company for at least 15 years, and "*Retirement*" shall mean Employee's normal termination of his or her employment relationship with the Company at age 65.

3.2 Termination for Cause. If Employee's employment shall be terminated for Cause, the SAR shall be terminated as of the date of the act giving rise to such termination.

3.3 Early Retirement or Retirement. In the event Employee shall cease to be employed by the Company by reason of Early Retirement or Retirement and shall not have fully exercised the SAR, the vesting of the SAR shall continue, and the vested portion of the SAR shall continue to be exercisable by Employee, for the remaining term of the SAR; *provided*, that Employee shall have entered into a noncompetition and nonsolicitation agreement in form acceptable to the Company prior to the date of Early Retirement or Retirement and shall observe every term thereof for the remaining term of this Agreement. Any failure by Employee to observe such terms shall result in the immediate forfeiture of the unexercised portion of the SAR, whether or not it is then vested. Furthermore, the Committee (as defined in the Plan) reserves the right, exercisable by the Committee within 30 days following the date of Employee's Early Retirement or Retirement, to cause the remaining unvested portion of the SAR to be accelerated, in whole or in part, to the date of Early Retirement or Retirement.

3.4 Death or Disability. In the event Employee shall die while the SAR is still exercisable according to its terms or if employment is terminated because Employee has a Disability (as hereinafter defined) while in the employ of the Company and Employee shall not have fully exercised the SAR, such SAR shall become immediately exercisable in full and may be exercised at any time within 12 months after Employee's death or date of termination of employment for Disability by Employee, personal representatives or administrators or guardians of Employee, as applicable, or by any person or persons to whom the SAR is transferred by will or the applicable laws of descent and distribution, but in no event shall the SAR remain exercisable longer than the original term of the SAR.

SECTION 4
Manner of Exercise of SAR

4.1 Notice. The SAR may be exercised by delivery to the Company of a written notice which shall state that Employee elects to exercise the SAR as to the number of Rights specified in the notice as of the date specified in the notice.

4.2 Amount of Payment. The per Share amount payable to Employee in Shares upon exercise of the SAR shall be the excess, if positive, of the Fair Market Value (as defined in the Plan) of one Share, on the date of exercise, over the Grant Price as set forth above.

4.3 Manner of Payment. Only whole shares of Common Stock shall be issued or delivered, and any fractional shares shall be rounded down to the nearest share. The Company shall pay Employee amounts due upon exercise of the SAR within 14 days after exercise, except that the Company shall withhold or collect from Employee such amounts as are required by any applicable federal or state income tax laws or regulations for payroll withholding, income or other tax purposes.

SECTION 5
Forfeiture of SAR and SAR Gain Resulting From Certain Activities

If, at any time prior to the full exercise of the SAR granted hereunder, Employee engages in any Forfeiture Activity (as defined below), then the SAR shall immediately terminate effective as of the date that such Forfeiture Activity first occurred, with the result being that all unexercised rights to receive Shares hereunder (whether exercisable or not) shall be immediately forfeited. In addition to the foregoing, if Employee engages in any Forfeiture Activity within one year after an exercise by Employee of all or part of the SAR, then (i) all Shares received by Employee as a result of all exercises of the SAR made within such twelve month period, plus any period subsequent to the date of such Forfeiture Activity and prior to the Company's delivery of a demand notice to Employee hereunder (collectively, the "Forfeiture Period") and (ii) all consideration received by Employee pursuant to the transfer of any such Shares made by Employee during the Forfeiture Period, must be delivered or paid to the Company within 30 days of a written demand by the Company.

As used herein, Employee shall be deemed to have engaged in a "*Forfeiture Activity*" if Employee (i) directly or indirectly, engages in any business activity on his or her own behalf or as a partner, stockholder, director, trustee, principal, agent, employee, consultant or otherwise of any person or entity which is in any respect in competition with or competitive with the Company or solicits, entices or induces any employee or representative of the Company to engage in any such activity, (ii) directly or indirectly solicits, entices or induces (or assists any other person or entity in soliciting, enticing or inducing) any customer or potential customer (or agent, employee or consultant of any customer or potential customer) with whom Employee had contact in the course of his or her employment with the Company to deal with a competitor of the Company or (iii) fails to hold in a fiduciary capacity for the benefit of the Company all confidential information, knowledge and data, including customer lists and information, business plans and business strategy ("*Confidential Data*") relating in any way to the business of the Company for so long as such Confidential Data remains confidential.

If any court of competent jurisdiction shall determine that the foregoing forfeiture provision is invalid in any respect, the court so holding may limit such covenant either or both in time, in area or in any other manner which the court determines such that the covenant shall be enforceable against Employee. Employee shall acknowledge that the remedy of law for any breach of the foregoing covenant not to compete will be inadequate, and that the Company shall be entitled, in addition to any remedy of law, to preliminary and permanent injunctive relief.

SECTION 6
Miscellaneous

6.1 Plan Provisions Control. In the event that any provision of this Agreement conflicts with or is inconsistent in any respect with the terms of the Plan, the terms of the Plan shall control.

6.2 No Rights of Shareholders. Neither Employee, Employee's legal representative nor a permissible assignee of this SAR shall have any of the rights and privileges of a shareholder of the Company with respect to the Shares, unless and until such Shares have been issued in the name of Employee, Employee's legal representative or permissible assignee, as applicable.

6.3 No Right to Employment. The grant of the SAR shall not be construed as giving Employee the right to be retained in the employ of, or as giving a director of the Company or an Affiliate (as defined in the Plan) the right to continue as a director of the Company or an Affiliate with, the Company or an Affiliate, nor will it affect in any way the right of the Company or an Affiliate to terminate such employment or position at any time, with or without cause. In addition, the Company or an Affiliate may at any time dismiss Employee from employment, or terminate the term of a director of the Company or an Affiliate, free from any liability or any claim under the Plan or this Agreement. Nothing in this Agreement shall confer on any person any legal or equitable right against the Company or any Affiliate, directly or indirectly, or give rise to any cause of action at law or in equity against the Company or an Affiliate. The SAR granted hereunder shall not form any part of the wages or salary of Employee for purposes of severance pay or termination indemnities, irrespective of the reason for termination of employment. Under no circumstances shall any person ceasing to be an employee of the Company or any Affiliate be entitled to any compensation for any loss of any right or benefit under this Agreement or Plan which such employee might otherwise have enjoyed but for termination of employment, whether such compensation is claimed by way of damages for wrongful or unfair dismissal, breach of contract or otherwise. By participating in the Plan, Employee shall be deemed to have accepted all the conditions of the Plan and this Agreement and the terms and conditions of any rules and regulations adopted by the Committee and shall be fully bound thereby.

6.4 Governing Law. The validity, construction and effect of the Plan and this Agreement, and any rules and regulations relating to the Plan and this Agreement, shall be determined in accordance with the internal laws, and not the law of conflicts, of the State of Minnesota.

6.5 Severability. If any provision of this Agreement is or becomes or is deemed to be invalid, illegal or unenforceable in any jurisdiction or would disqualify this Agreement under any law deemed applicable by the Committee, such provision shall be construed or deemed amended to conform to applicable laws, or if it cannot be so construed or deemed amended without, in the determination of the Committee, materially altering the purpose or intent of the Plan or this Agreement, such provision shall be stricken as to such jurisdiction or this Agreement, and the remainder of this Agreement shall remain in full force and effect.

6.6 No Trust or Fund Created. Neither the Plan nor this Agreement shall create or be construed to create a trust or separate fund of any kind or a fiduciary relationship between the Company or any Affiliate and Employee or any other person. To the extent that any person acquires a right to receive payments from the Company or any Affiliate pursuant to an Agreement, such right shall be no greater than the right of any unsecured general creditor of the Company or any Affiliate.

6.7 Headings. Headings are given to the Sections and subsections of this Agreement solely as a convenience to facilitate reference. Such headings shall not be deemed in any way material or relevant to the construction or interpretation of this Agreement or any provision thereof.

6.8 Conditions Precedent to Issuance of Shares. Shares shall not be issued pursuant to the exercise of the SAR unless such exercise and the issuance and delivery of the applicable Shares pursuant thereto shall comply with all relevant provisions of law, including, without limitation, the Securities Act of 1933, as amended, the Exchange Act, the rules and regulations promulgated thereunder, the requirements of any applicable stock exchange or the Nasdaq National Market and the Minnesota Business Corporation Act. As a condition to the exercise of the purchase price relating to the SAR, the Company may require that the person exercising or paying the purchase price represent and warrant that the Shares are being purchased only for investment and without any present intention to sell or distribute such Shares if, in the opinion of counsel for the Company, such a representation and warranty is required by law.

IN WITNESS WHEREOF, the Company and Employee have executed this Agreement on the date set forth in the first paragraph.

APOGEE ENTERPRISES, INC.

By: ______________________________

Name: ______________________________

Title: ______________________________

[EMPLOYEE]

By: ______________________________

Name: ______________________________

PERFORMANCE SHARE AGREEMENT

GRANTED TO	GRANT DATE	NUMBER OF PERFORMANCE SHARES	SOCIAL SECURITY NUMBER
[Name]		[# of Shares at Threshold]	
[Street]	__/__/20__	[# of Shares at Target]	[SSN]
[City], [State] [Postal]		[# of Shares at Maximum]	

1. **The Grant**. Apogee Enterprises, Inc., a Minnesota corporation (the "*Company*"), hereby grants to the individual named above (the "*Employee*"), as of the above Grant Date, (i) the number of shares of common stock of the Company ("*Common Stock*") equal to the above number of performance shares at Target (the "*Issued Shares*") and (ii) the right to receive an amount of additional shares of Common Stock equal to the difference between the Maximum number of performance shares and the Target number of performance shares (the "*Additional Shares*" and, together with the Issued Shares, the "*Performance Shares*"), in each case, on the terms and conditions set forth in this Performance Share Agreement (this "*Agreement*") and in the Apogee Enterprises, Inc. 2002 Omnibus Stock Incentive Plan, as amended from time to time (the "*Plan*").

2. **Performance Period**. The Performance Period for purposes of determining whether the Issued Shares will be retained and whether the Additional Shares will be issued shall be fiscal years 20__ through 20__.

3. **Performance Goals**. The Performance Goals for purposes of determining whether the Issued Shares will be retained and whether the Additional Shares will be issued are set forth in the attached Performance Goals Schedule.

4. **Vesting**. The determination of whether the Issued Shares will be retained and whether the Additional Shares will be issued will be based on whether and to what extent the Threshold, Target or Maximum performance level of the Performance Goals is achieved, as set forth in the attached Performance Goals Schedule and as determined by the Compensation Committee of the Company's Board of Directors (the "*Committee*") in its sole discretion. Vesting of the Issued Shares and issuance of any Additional Shares will occur as soon as practicable after the Committee determines, in its sole discretion after the end of the Performance Period, whether, and the extent to which, the Performance Goals have been achieved.

5. **Restrictions on Transfer**. The Issued Shares, and the right to receive the Additional Shares, may not be sold, assigned, transferred or pledged, other than by will or the laws of descent and distribution, and any such attempted transfer shall be void.

6. **Forfeiture**. In the event the Employee's employment is terminated during the Performance Period, the Performance Shares shall be immediately and irrevocably forfeited, unless the Employee's termination is by reason of:

   - involuntary termination without Cause (as defined in the Addendum to this Agreement),
   - Early Retirement or Retirement (as defined in the Addendum to this Agreement),
   - Disability (as defined in the Addendum to this Agreement), or
   - death.

   In the event the Employee's employment is terminated prior to the end of the Performance Period by reason of involuntary termination without Cause, the Employee shall be entitled to retain, and receive, if applicable, a pro-rata portion (based on the amount of time elapsed between the beginning of the Performance Period and the date of termination) of the Performance Shares after the end of the Performance Period to the extent that the Threshold, Target or Maximum performance level of the Performance Goals is achieved, as set forth in the attached Performance Goals Schedule and as determined by the Committee in its sole discretion. In the event the Employee's employment is terminated prior to the end of the Performance Period by reason of Early Retirement,

Retirement, Disability or death, the Employee or the Employee's estate, as applicable, shall be entitled to retain, and receive, if applicable, the Performance Shares after the end of the Performance Period to the extent that the Threshold, Target or Maximum performance level of the Performance Goals is achieved, as set forth in the attached Performance Goals Schedule and as determined by the Committee in its sole discretion. In the event of a Change in Control (as defined in the Addendum to this Agreement) prior to the end of the Performance Period, the Employee shall be entitled to retain a pro-rata portion of the Issued Shares based on the amount of time elapsed between the beginning of the Performance Period and the date of the Change in Control.

7. **Rights**. Upon issuance of the Issued Shares, the Employee will, subject to the restrictions of this Agreement and the Plan, have all of the rights of a shareholder with respect to the Issued Shares (including voting rights and the right to receive any dividends or other distributions (whether cash, stock, or otherwise) paid on the Issued Shares during the Performance Period), unless and until such Issued Shares are forfeited. Nothing herein shall be deemed to grant the Employee any rights as a holder of shares of Common Stock with respect to the Additional Shares to be received, if any, unless and until such Additional Shares are actually issued to the Employee as provided herein.

8. **Legend**. The Company will imprint the following legend upon each of the certificates representing the Issued Shares issued in the name of the Employee or the Employee's beneficiary on the books of the Company, and such legend shall be and remain upon such certificates, as well as any reissuance thereof, unless and until removed pursuant to the reissuance of certificates upon vesting of the Issued Shares in accordance with this Agreement:

   "The securities represented by this certificate are subject to a Performance Share Agreement, dated __________, 200__, by and between Apogee Enterprises, Inc. and the registered owner of such securities, and may not be sold, transferred, pledged, hypothecated, encumbered, liened, or otherwise disposed of unless in compliance with the terms of such Performance Share Agreement, a copy of which is on file at the principal office of Apogee Enterprises, Inc."

9. **Income Taxes**. The Employee is liable for any federal, state and local income or other taxes applicable upon the grant of the Issued Shares, the receipt of the Additional Shares, or subsequent disposition of any of the Performance Shares, and the Employee acknowledges that he or she should consult with his or her own tax advisor regarding the applicable tax consequences. Upon vesting of the Issued Shares and/or issuance of the Additional Shares by the Company, the Employee shall promptly pay to the Company in cash, and/or the Company may withhold from the Employee's compensation or from the Additional Shares or any cash payable in lieu of some or all of such Additional Shares an amount necessary to pay, all applicable taxes required by the Company to be withheld or collected upon such payment and/or issuance of Additional Shares.

10. **Acknowledgment**. This award of Performance Shares shall not be effective until the Employee dates and signs the form of Acknowledgment below and returns a signed copy of this Agreement to the Company. By signing the Acknowledgment, the Employee agrees to the terms and conditions of this Agreement and the Plan and acknowledges receipt of a copy of the prospectus related to the Plan.

ACKNOWLEDGMENT:

____
EMPLOYEE'S SIGNATURE

____
DATE

____
SOCIAL SECURITY NUMBER

APOGEE ENTERPRISES, INC.

By: ______________________________
[Name]
[Title]

ADDENDUM TO
PERFORMANCE SHARE AGREEMENT

The following terms used in the Agreement have the following meanings:

"*Acquiring Person*" shall mean any "person" (as such term is used in Sections 13(d) and 14(d) of the Exchange Act) who or which, together with all Affiliates and Associates of such person, is the Beneficial Owner (as defined in Rule 13d-3 promulgated under the Exchange Act) of 10% or more of the shares of Common Stock of the Company then outstanding, but shall not include the Company, any subsidiary of the Company or any employee benefit plan of the Company or of any subsidiary of the Company or any entity holding shares of Common Stock organized, appointed or established for, or pursuant to the terms of, any such plan.

"*Affiliate*" and "*Associate*" shall have the respective meanings ascribed to such terms in Rule 12b-2 promulgated under the Exchange Act.

"*Cause*" shall mean:

(i) the willful and continued failure by Employee substantially to perform his or her duties and obligations (other than any such failure resulting from his or her incapacity due to physical or mental illness),

(ii) Employee's conviction or plea bargain of any felony or gross misdemeanor involving moral turpitude, fraud or misappropriation of funds, or

(iii) the willful engaging by Employee in misconduct which causes substantial injury to the Company or its Affiliates, its other employees or the employees of its Affiliates or its clients or the clients of its Affiliates, whether monetarily or otherwise. For purposes of this paragraph, no action or failure to act on Employee's part shall be considered "willful" unless done or omitted to be done, by Employee in bad faith and without reasonable belief that his or her action or omission was in the best interests of the Company.

"*Change in Control*" shall mean:

(i) a change in control of a nature that would be required to be reported in response to Item 6(e) of Schedule 14A of Regulation 14A promulgated under the Exchange Act, or successor provision thereto, whether or not the Company is then subject to such reporting requirement including, without limitation, any of the following events:

(A) the consummation of any consolidation or merger of the Company in which the Company is not the continuing or surviving corporation or pursuant to which shares of the Company's common stock would be converted into cash, securities, or other property, other than a merger of the Company in which all or substantially all of the holders of the Company's common stock immediately prior to the consolidation or merger own more than 65% of the common stock of the surviving corporation immediately after the merger in the same relative proportions as their ownership of the Company's common stock immediately prior to the consolidation or merger;

(B) any sale, lease, exchange or other transfer (in one transaction or a series of related transactions) of all, or substantially all, of the assets of the Company;

(C) any reorganization, reverse stock split, or recapitalization of the Company which would result in a Change in Control; or

(D) any transaction or series of related transactions having, directly or indirectly, the same effect as any of the foregoing; or any agreement, contract, or other arrangement providing for any of the foregoing.

(ii) any “person” (as such term is used in Sections 13(d) and 14(d) of the Exchange Act) is or becomes the “Beneficial Owner” (as defined in Rule 13d-3 promulgated under the Exchange Act), directly or indirectly, of securities of the Company representing 35% or more of the combined voting power of the Company’s then outstanding securities;

(iii) the Continuing Directors cease to constitute a majority of the Company’s Board of Directors; or

(iv) the majority of the Continuing Directors determine in their sole and absolute discretion that there has been a change in control of the Company.

“*Continuing Director*” shall mean any person who is a member of the Board of Directors of the Company, who is not an Acquiring Person or an Affiliate or Associate of an Acquiring Person, or a representative of an Acquiring Person or of any such Affiliate or Associate, and who (i) was a member of the Board of Directors on the date of this Agreement as first written above or (ii) subsequently becomes a member of the Board of Directors, if such person’s initial nomination for election or initial election to the Board of Directors is recommended or approved by a majority of the Continuing Directors.

“*Disability*” shall mean any physical or mental condition which would qualify Employee for a disability benefit under any long-term disability plan maintained by the Company or any Affiliate (as defined in Rule 12b-2 promulgated under the Exchange Act) then employing Employee.

“*Early Retirement*” shall mean Employee’s voluntary retirement from the Company at any time at which Employee is then at least 50 years of age and has been employed by the Company for at least 15 years.

“*Exchange Act*” shall mean the Securities Exchange Act of 1934, as amended.

“*Retirement*” shall mean Employee’s normal termination of his or her employment relationship with the Company at age 65.

PERFORMANCE GOALS SCHEDULE

Performance Goals for Three-Year Performance Period
(__________, 20__ – __________, 20__)

Performance Goal	Threshold	Target	Maximum
Average Return on Invested Capital (weighted as 33%)			
Cumulative Earnings Per Share (weighted as 33%)			
Market Share Growth (weighted as 33%)			
Payment Levels (% of target shares)			

- Amounts payable for performance between the threshold, target and maximum performance levels will be linearly interpolated.