Sonoma-Marin Area Rail Transit
5401 Old Redwood Hwy, Suite 200
Petaluma, CA 94954

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August 19, 2026

Sonoma-Marin Area Rail Transit Board of Directors
5401 Old Redwood Hwy, Suite 200
Petaluma, CA 94954

SUBJECT: Appointment of Chief Financial Officer and Approval of Employment Contract

Dear Board Members:

RECOMMENDATION:
Appoint Troy Bingham to the position of Chief Financial Officer and approve and authorize the Chair to execute an employment agreement contingent upon completion of successful background investigation.

SUMMARY:
With the departure of SMART's Chief Financial Officer in July 2026, SMART used Krauthamer and Associates, LLC. to manage a nationwide recruitment process. The firm worked with the General Manager to develop a Leadership Profile identifying skills and attributes desired in the new Chief Financial Officer, advertised the position with several professional and transit organizations, including the American Public Transportation Association, and reached out directly to individuals that they thought would be strong candidates.

Krauthamer and Associates, LLC. forwarded a semi-finalist list of twelve individuals to the General Manager. A panel of SMART Staff interviewed five candidates. This panel included the General Manager, General Counsel, Chief Operating Officer, Chief Engineer, and the Grants and Legislative Affairs Manager. The panel selected two candidates to meet with an Ad Hoc Committee. This Ad Hoc Committee consisted of Chair Coursey, Vice Chair Sackett, and Director Phare.

The Ad Hoc Committee interviewed both candidates and recommends the Board appoint Troy Bingham as SMART's next Chief Financial Officer pending successful completion of final background investigation.

Troy Bingham brings more than 20 years of financial management and municipal government experience, including approximately eight years of direct transit agency experience with the Utah Transit Authority and the North Central Regional Transit District. He currently serves as Finance Director for the City of Safford, Arizona, where he oversees accounting, budgeting, financial reporting, capital planning, and other financial processes.

Prior to his current position, Troy served as Comptroller for the Utah Transit Authority from 2017 to 2023, supporting the Chief Financial Officer and overseeing accounting operations, payroll, accounts payable, revenues, debt, federal grant compliance, internal controls, and long-range financial forecasting. He also served as Finance Director for the North Central Regional Transit District, where he managed the agency's finance functions and prepared its annual budget and financial reports. Troy earned a Bachelor of Science degree in Accounting and Information Systems from Arizona State University.

The Ad Hoc Committee recommends that you approve and authorize the Chair to execute the enclosed employment agreement contingent upon the successful completion of a background investigation. Highlights of the agreement are as follows:

- Term of Employment: Five (5) years from commencement.
- Annual Salary: $299,250.
- Cell phone and car allowance of $300 per pay period.
- Upon commencement of employment, a credit of 15 days of vacation and 5 days of sick leave time.
- Ability to participate in all benefits programs available to SMART employees as specified in the personnel policies and benefits summary. He shall pay the employee portion of CALPERS Retirement, Miscellaneous PEPRA Tier, currently at 7.75%.
- Reimbursement of $30,000 for relocation and temporary housing allowance.
- Severance if terminated without cause of 90 days salary and benefits.

Very truly yours,

/s/

Chris Coursey
Chair, Sonoma-Marin Area Rail Transit District

Attachments:
1) Troy Bingham Resume
2) Personal Services Agreement for Chief Financial Officer

Troy Bingham
3324 E. Alexander Drive
San Tan Valley, AZ 85143
(505) 414-3342
troy1721@gmail.com

June 11, 2026

Sonoma-Marin Area Rail Transit

Dear Hiring Committee:

I recently noticed that Sonoma-Marin Area Rail Transit is looking for a Chief Financial Officer and I would like to apply for the position. As you can see from the enclosed resume, I am an achievement-oriented manager with over 20 years of experience in both large and small municipal governments with transit specific experience at Utah Transit Authority. What it does not show is the emphasis I place on building a high performance, citizen-friendly organization. That approach requires establishing an organizational culture with common goals and objectives that everyone has accepted. It is based on encouraging individuals to think for themselves and to act within the parameters I have set. It further emphasizes teamwork while developing the individual manager and employee and empowering the entire staff to make decisions appropriate to their work. Any organization is only as good as its people and I believe that we do our taxpayers a disservice if we are not pro-active in developing ourselves as employees.

What I bring, in addition to this managerial philosophy, is an ability to solve problems rapidly should they occur, to foresee potential problems and implement strategies to avoid them. I also bring the ability to interact effectively with people from a wide variety of ethnic and socioeconomic backgrounds as well as the ability to work effectively with the media. With this background, as well as my bachelor’s degree in accounting and information systems from Arizona State University, I am certain I can be a valuable and contributing member of Sonoma-Marin Area Rail Transit's management team. I look forward to hearing from you.

Sincerely yours,

Troy Bingham

TROY BINGHAM

3324 E. Alexander Drive, San Tan Valley, AZ 85143 □**troy1721@gmail.com** □**(505)414-3342**

Talented leader directing highly skilled financial management teams to support achievement of overall goals and objectives. *Core competencies include:*

- Accounting Management
- Budgeting
- Financial Analysis
- Forecasting
- Cost Accounting
- Efficiency Improvements

CAREER EXPERIENCE

CITY OF SAFFORD, Safford, Arizona, December 2023 – Present

Finance Director

Perform difficult professional work creating and facilitating in planning, organizing, and coordinating the activities of the divisions within the Finance Department. I provide effective, professional leadership to meet the current and future needs of its internal and external customers through appropriate technologies and services. I am responsible for the technical work associated with accounting, planning, budgeting, and all financial processes. I act in accordance with departmental policies and procedures but use of considerable independent judgment and initiative for financial procedures not defined by policy. I am responsible for workflows regarding compilation and implementation of City's Annual Financial Statements, Operating Budget and Capital Improvement Plan.

Key Achievements:

- ➢ Clarified the City's water, wastewater, effluent, sanitation, landfill, gas, and electric capital assets, rates/fees, operating and capital cost.

UTAH TRANSIT AUTHORITY, Salt Lake City, Utah, July 2017 – December 2023

Comptroller

Support and represent the Chief Financial Officer of Utah Transit Authority by performing administrative and managerial work including the preparation of the annual comprehensive financial report (ACFR), monthly and annual financial reports, establishing internal controls. Daily task include supervising the operations of the Accounting Department, which includes payroll, accounts payable, revenues, and debt. Federal grant compliance and monitoring are routine task performed along with long range forecasting of revenue and expenditures, policy development, interpretation, and implementation.

Key Achievements:

- ➢ Automated and digitized many paper processes, responded to numerous federal findings and audits with corrective action plans and implemented corrections

NORTH CENTRAL REGIONAL TRANSIT DISTRICT, Española, New Mexico, 2015 – 2017

Finance Director

Support and represent the Board of Directors and Executive Director of North Central Regional Transit District by performing administrative and managerial work including the preparation of the annual budget, monthly and annual financial reports including the Comprehensive Annual Financial Report. Daily task include supervising the operations of the Finance Department, which includes payroll, accounts payable, procurement, budget, investments, and risk management. Federal grant compliance and monitoring are routine task performed along with long range forecasting of revenue and expenditures, policy development, interpretation, and implementation.

Key Achievements:

- ➢ Prepared first Comprehensive Annual Financial Report and Annual Budget that would qualify for annual awards by Government Finance Officer Association (GFOA)

KING WILLIAM COUNTY GOVERNMENT, King William, Virginia, 2012 – 2015

Finance Director

Support and represent the Board of Supervisors and the County Administrator by performing administrative and managerial work including the preparation of the annual budget and determination of tax rates, annual financial reports including the Comprehensive Annual Financial Report, and assuming responsibilities of the County Administrator when needed. Daily task include supervising the operations of the Finance Department, which includes payroll, accounts payable, procurement, budget, and risk management. State and federal grant compliance and monitoring are routing task performed along with serving on various committees and Boards as appointed.

Key Achievements:

- ➢ Developed a systematic method for accounting for ad valorem in a County with two independent school districts.

PRINCE WILLIAM COUNTY GOVERNMENT, Prince William, Virginia, 2008 – 2012

Financial Reporting and Controls Senior Accountant

Perform difficult professional analytical and administrative work related to planning, preparing, maintaining, monitoring and evaluating complex financial records and reports of countywide operations. The work involves having interdivisional and interagency responsibility for special projects of the Finance Department. Specifically preparing complex financial and statistical schedules and reports for inclusion in the County's Comprehensive Annual Financial Report and a variety of other complex revenue and expenditure financial statements, records and reports for management.

Key Achievements:

- ➢ Strategically restructured financial reporting processes in accordance with organizational changes.

CITY OF MESA, Mesa, Arizona, 2004 – 2008

Senior Accountant

Infrastructure Accountant - Balance monthly expenditures to asset additions for City of Mesa's infrastructure (street, sidewalks, and various utilities). Work to solve problems with accounting entries in the property system. Meet with various citywide entities for process improvement of asset evaluation, classification, and disposal. Participant on financial system team for accuracy of system data and work flow coordination.

Key Achievements:

- Reduced monthly closing cycle by three days with identification and recommendation of enhanced closing procedures.

MARICOPA COMMUNITY COLLEGE DISTRICT, Tempe, Arizona, 2003 – 2004

Accountant I

Assisted in capital budget planning for the District as a whole for fiscal year 2004-2005. Help prepare financial statements for capital assets, answered auditor question in relation to building and improvement for the District's 400 million dollars in assets. Part of the GASB 34, implementation into the Oracle Fixed Asset System for the district in fiscal year 2002-2003. Monitored capital expenditures to capital budget for all 10 campuses with the help of an accounting assistant.

Key Achievements:

- Increased productivity levels by providing key contributions toward automation of account reconciliation processes.

EDUCATION

Bachelor of Science, Accounting & Information Systems (2004)

ARIZONA STATE UNIVERSITY – Tempe, Arizona

AGREEMENT FOR PERSONAL SERVICES CHIEF FINANCIAL OFFICER

This Agreement is made this ____day of __________2026 by and between the Sonoma-Marin Area Rail Transit District, (hereinafter "SMART") and Troy Bingham (hereinafter called "EMPLOYEE").

WITNESSETH:

WHEREAS, SMART desires to retain EMPLOYEE as its Chief Financial Officer; and,

WHEREAS, EMPLOYEE acknowledges that by accepting the position of Chief Financial Officer, he will be an at-will employee.

NOW, THEREFORE, BE IT AGREED by and between the parties as follows:

1. This Agreement shall become effective upon execution by both SMART and EMPLOYEE.

2. Term of Employment. SMART hereby employs EMPLOYEE in the position of Chief Financial Officer for a period of five (5) years, commencing on DATE ____, 2026, and ending on DATE____, 2031, subject, however, to termination as herein provided.

3. Duties. EMPLOYEE shall perform the duties of Chief Financial Officer as set forth in the SMART job specification, attached hereto as Exhibit A, as it now provides or may hereafter be amended, and such other duties as may be prescribed by the General Manager or SMART Board of Directors.

4. Compensation.

(a) EMPLOYEE's salary shall be $299,250 per annum. SMART, in its sole discretion, may consider increases within the EMPLOYEE'S salary range, to EMPLOYEE's salary in conjunction with annual performance evaluations.

(b) Except as herein provided, EMPLOYEE shall be entitled to the same fringe benefits generally available to SMART employees, as specified in SMART's personnel policies; EMPLOYEE shall pay his portion of PERS retirement contributions, currently at 7.750%.

(c) EMPLOYEE shall be credited with 120 hours of vacation time and 40 hours of sick leave upon commencement of employment.

(d) EMPLOYEE shall receive a cell phone and car allowance of $300 per pay period.

(e) EMPLOYEE shall receive a relocation allowance of $30,000 subject to SMART's relocation reimbursement guidelines.

5. Performance review. The General Manager shall prepare an annual report of EMPLOYEE'S performance and shall, upon request by the Board Chair, provide a copy of the performance evaluation to the Board. Should the Board wish to discuss the EMPLOYEE's performance, the Board may do so at any time by scheduling a closed session meeting for such purposes. EMPLOYEE agrees that concerns that the SMART Board of Directors or the individual members of the Board have concerning EMPLOYEE's performance are not "specific complaints or charges brought against an

employee by another person or employee" as that phrase is use d in Government Code §54957 and that the notice requirement of that section is, under those circumstances, inapplicable.

6. Expiration and Non-renewal. At the expiration of the term of this Agreement, EMPLOYEE's employment shall automatically terminate. SMART agrees to give written notice of its intention of non-renewal at least sixty (60) calendar days in advance of the expiration of this Agreement; provided, however, that failure to give said notice of non-renewal shall cause this Agreement to be extended for an additional period of sixty (60) calendar days from date of notice of non-renewal, and shall not result in an automatic renewal of the agreement. In no event shall this Agreement be construed to extend beyond the five-year term provided in Section 1 or the additional sixty (60) days as provided herein.

7. Termination.

(a) EMPLOYEE shall serve at the will and pleasure of the SMART Board of Directors and may be terminated at the will of the Board as provided in Exhibit B. EMPLOYEE expressly waives and disclaims any right to any pre-termination or post termination notice (except as set forth in the first sentence of Section 3 of Exhibit B) and hearing.

(b) EMPLOYEE may terminate his employment at any time by delivering to the SMART Board of Directors his written resignation. Such resignation shall be irrevocable and shall be effective not earlier than (60) calendar days following delivery. With the approval of the Board of Directors, a resignation may be rescinded at any time prior to the effective date of the resignation. At the request of the Board of Directors or with its approval, the originally scheduled date of resignation may be extended for any agreed upon period of time.

(c) From the date upon which EMPLOYEE either resigns or is notified of SMART's intention to terminate the Agreement until the actual date upon which the resignation, termination or expiration becomes effective, EMPLOYEE shall continue to devote his full time, attention, and effort to the duties anticipated hereunder and shall perform the same in a professional and competent manner. If requested, EMPLOYEE shall assist SMART in orienting EMPLOYEE's replacement and shall perform such tasks as necessary to affect a smooth transition in the leadership of SMART. These tasks may also include providing information or testimony regarding matters which arose during EMPLOYEE's term as Chief Financial Officer.

(d) EMPLOYEE acknowledges, understands and warrants that EMPLOYEE shall have no further right or claim to employment after the expiration of the term of this Agreement. Except as provided herein, no other document, handbook, policy, resolution or oral or written representation shall be effective or construed to be effective to extend the term hereof or otherwise grant EMPLOYEE any right or claim to continued employment with SMART.

8. Nonassignability. EMPLOYEE shall not, during the term of this Agreement, make any assignment or delegation of any of its provisions without the prior written consent of SMART's General Manager.

9. Compliance with Law. EMPLOYEE shall, during his employment hereunder comply with all laws and regulations applicable to such employment. Any act or omission of EMPLOYEE constituting a public offense involving moral turpitude or a withholding of labor which materially impacts SMART, is a material breach of this Agreement relieving SMART of any and all obligations hereunder. Such act or omission shall constitute sufficient grounds for EMPLOYEE's termination pursuant to this Agreement.

10. Merger. This writing is intended both as the final expression of the Agreement between the parties hereto with respect to the included terms and as a complete and exclusive statement of the terms of the Agreement, pursuant to Section 1856 of the Code of Civil Procedure. No modification of this Agreement shall be effective unless and until such modification is evidenced by a writing signed by both parties.

11. No Representations or Warranties on Tax or Retirement Issues. EMPLOYEE acknowledges and agrees that SMART has not made any representations or warranties regarding tax consequences or retirement compensation pertaining to his salary and benefits.

____

Chris Coursey, Chair, Board of Directors
Sonoma-Marin Area Rail Transit District

EMPLOYEE

____

Troy Bingham

ATTEST:

____

Kyreen Jorgensen, Clerk of the Board of Directors
Sonoma-Marin Area Rail Transit District

EXHIBIT A to Personal Services Agreement with NAME
Job Description for the Position of Chief Financial Officer

CHIEF OF FINANCIAL OFFICER

DEFINITION

Under administrative direction, plans, organizes, manages, and provides administrative direction and oversight for all functions and activities of the Finance Department including budgeting, accounting, financial forecasting, grant development, debt management, investments, regulatory compliance, financial reporting, and procurement; develops the District's strategic financial goals and plans; formulates departmental policies, goals, and directives; coordinates assigned activities with other District departments, officials, outside agencies, and the public; fosters cooperative working relationships among District departments and with intergovernmental, regulatory agencies, and various public and private groups; provides highly responsible and complex professional assistance to the General Manager in areas of expertise; and performs related work as required.

SUPERVISION RECEIVED AND EXERCISED

Receives executive direction from the General Manager. Exercises direct supervision over supervisory, professional, technical, and administrative support staff.

CLASS CHARACTERISTICS

This is an executive management position that is contracted with the District Board of Directors. Oversees, directs, and participates in all activities of the Finance Department, including short- and long-term financial planning for the District, as well as development and administration of departmental policies, procedures, and services. This class provides assistance to the General Manager in a variety of administrative, coordinative, analytical, and liaison capacities. Successful performance of the work requires knowledge of public policy and program activities, authority and role of an elected Board of Directors, and the ability to develop, oversee, and implement projects and programs in a variety of areas. The incumbent is accountable for accomplishing departmental planning and operational goals and objectives, and for furthering District goals and objectives within general policy guidelines.

EXAMPLES OF TYPICAL JOB FUNCTIONS (Illustrative Only)

Management reserves the right to add, modify, change, or rescind the work assignments of different positions and to make reasonable accommodations where appropriate so qualified employees can perform the essential functions of the job.

- Assumes full management responsibility for all Finance Department programs, services, and activities including budgeting, accounting, financial forecasting, debt management, investments, procurement, grants management, payroll, regulatory compliance, and financial reporting.
- Develops, directs, and coordinates the implementation of goals, objectives, policies, procedures, and work standards for the Department; establishes, within District policy, appropriate budget, service, and staffing levels.

- Selects, trains, motivates, and directs Department personnel; evaluates and reviews work for acceptability and conformance with department standards; works with employees to correct deficiencies; implements discipline and termination procedures.
- Develops District budgets and a variety of budget reports; collaborates with managers to determine their budgetary needs; monitors District revenues and continually refines projected costs and revenues; ensures credibility of Finance staff by providing timely and accurate analysis of budgets, financial trends, and forecasts; reviews and authorizes purchase orders on both budget and account verifications.
- Manages all accounting functions to include the general ledger, accounts payable, accounts receivable, and inventory. Ensures proper implementation and administration of internal controls and separation of duties. Collaborates with and provides pertinent information to auditors in preparation of annual audits; prepares the District's Annual Comprehensive Financial Report; verifies year-end financial statements; reviews single audits and reports findings to the Board. Ensures timely and accurate processing of the District's payroll.
- Implements the District's grants program to include application of grants, reporting, compliance, billing, and closeout.
- Management of the procurement process to include approval of purchase orders, compliance with state and federal requirements. Negotiates contracts and agreements; coordinates with legal counsel and District department representatives to determine District needs and requirements for contractual services.
- Acts as the District's Disadvantaged Business Enterprise Liaison. Develops goals, tracks compliance, engages businesses, and completes regular reporting as required by the Federal Transit Administration.
- Negotiates contracts and agreements; coordinates with legal counsel and District department representatives to determine District needs and requirements for contractual services.
- Responsible for the District's debt portfolio, continuing disclosure, and annual rating agency surveillance.
- Management of the District's cash and investment portfolio.
- Manages to the overall quality of the department's service by developing, reviewing, and implementing policies and procedures to meet legal requirements and District needs; continuously monitors and evaluates the efficiency and effectiveness of service delivery methods and procedures; identifies opportunities for improvement; directs the implementation of change.
- Monitors legislative, legal, regulatory, technology, and societal changes and court decisions that may affect the work of the department; determines equipment acquisition, training programs, and procedural changes to ensure retention of qualified staff and the provision of services to the community in an effective, efficient, and economical manner.
- Establishes and maintains strong relationships with senior leadership to assist in identifying their needs and recommending a full range of business solutions; provides senior leadership with advice on the financial implications of business activities; provides

recommendations to strategically enhance the District’s financial performance and business opportunities.

- Ensures District compliance with applicable federal, state, and local regulatory laws and rules regarding financial and tax reporting, grant compliance, and procurement.
- Conducts a variety of departmental organizational and operational studies and investigations; recommends modifications to programs, policies, and procedures as appropriate.
- Participates in and makes presentations to the Board of Directors and a wide variety of committees, boards, and commissions on financial activities.
- Attends and participates in professional group meetings; stays abreast of new trends and innovations in the field of transit finance and accounting.
- Prepares, reviews, and presents staff reports, various management and information updates, and reports on special projects as assigned by the General Manager.
- Responds to public inquiries and complaints and assists with resolutions and alternative recommendations; serves as a spokesperson for the Department at a variety of community events, meetings, and other public relations activities.
- Ensures staff observe and comply with all District and mandated safety rules, regulations, and protocols.
- Performs other duties as assigned.

QUALIFICATIONS

Knowledge of:

- Administrative principles and practices, including goal setting, program development, implementation, and evaluation, and supervision of staff, either directly or through subordinate levels of supervision.
- Principles and practices of leadership.
- Principles and techniques for working with groups and fostering effective team interaction to ensure teamwork is conducted smoothly.
- Principles and practices of strategic plan development.
- Functions, authority, responsibilities, and limitations of an elected board.
- Generally Accepted Accounting Principles (GAAP) and Government Accounting Standards Board (GASB) regulations.
- Technical financial and accounting theory.
- Auditing practices, procedures, and regulatory requirements.
- Government-wide financial statements, fund financial statements, and required supplementary information.
- Methods and techniques of developing technical and administrative reports, and business correspondence.
- Federal, state, and local laws, codes, and regulations relevant to assigned areas of responsibility.

- Techniques for providing a high-level of customer service by effectively dealing with the public, vendors, contractors, and District staff.
- The structure and content of the English language, including the meaning and spelling of words, rules of composition, and grammar.
- Modern equipment and communication tools used for business functions and program, project, and task coordination, including computers and software programs relevant to work performed.

Ability to:

- Develop and implement goals, objectives, practices, policies, procedures, and work standards.
- Prepare and administer large and complex budgets including multi-year budgets for multiple funds; allocate limited resources in a cost-effective manner.
- Interpret, apply, explain, and ensure compliance with federal, state, and local policies, procedures, laws, and regulations.
- Plan, organize, direct, and coordinate the work of professional and technical personnel; delegate authority and responsibility.
- Effectively manage annual audits in conjunction with external auditors.
- Prepare financial statements and analyze the District's financial strengths and weaknesses.
- Research, analyze, and evaluate new service delivery methods, procedures, and techniques.
- Effectively represent the District and the department in meetings with governmental agencies, contractors, vendors, and various businesses, professional, regulatory, and legislative organizations.
- Prepare clear and concise reports, correspondence, policies, procedures, and other written materials.
- Use tact, initiative, prudence, and independent judgment within general policy, procedural, and legal guidelines.
- Effectively use computer systems, software applications relevant to work performed, and modern business equipment to perform a variety of work tasks.
- Communicate clearly and concisely, both orally and in writing, using appropriate English grammar and syntax.
- Establish, maintain, and foster positive and effective working relationships with those contacted in the course of work.

Education and Experience:

Any combination of training and experience that would provide the required knowledge, skills, and abilities is qualifying. A typical way to obtain the required qualifications would be:

<u>Education:</u>

- Bachelor's degree from an accredited college or university with major coursework in finance, accounting, business management, public administration, or a related field.

<u>Experience:</u>

- Eight (8) years of increasingly responsible professional and administrative experience in public agency financing, including four (4) years of management experience.

Licenses and Certifications:

- Possession of a valid California Class C driver's license, to be maintained throughout employment.

PHYSICAL DEMANDS

- Must possess mobility to work in a standard office setting and use standard office equipment, including a computer; vision to read printed materials and a computer screen; and hearing and speech to communicate in person and over the telephone. This is primarily a sedentary office classification although standing in work areas and walking between work areas may be required. Finger dexterity is needed to access, enter, and retrieve data using a computer keyboard or calculator and to operate standard office equipment. Positions in this classification occasionally bend, stoop, kneel, reach, push, and pull drawers open and closed to retrieve and file information. Employees must possess the ability to lift, carry, push, and pull materials and objects up to 20 pounds.

ENVIRONMENTAL CONDITIONS

- Employees work in an office environment with moderate noise levels, controlled temperature conditions, and no direct exposure to hazardous physical substances. Employees may interact with upset staff and/or public and private representatives in interpreting and enforcing departmental policies and procedures.

SMART is an equal opportunity employer.

EXHIBIT B Personal Services Agreement with Troy Bingham
Termination and Administrative Leave Provisions

1. As provided in the Employment Agreement, to which this Attachment B is attached and incorporated, SMART may terminate EMPLOYEE's employment as set forth herein.

2. Termination with Severance Compensation. Termination of EMPLOYEE's employment may be affected by SMART giving sixty (60) days' prior written notice to EMPLOYEE. Upon such termination, EMPLOYEE shall be entitled to additional salary and deferred compensation equal to that which would accrue during ninety (90) calendar days following termination and to be computed at the rate applicable on the date of termination plus the cash equivalent of all accumulated vacation and unused sick leave as of the day of termination. EMPLOYEE's health benefits and SMART's portion of the retirement and health premium contributions shall continue to remain in effect for a period of ninety (90) calendar days from the date of termination. EMPLOYEE's acceptance of said severance pay shall constitute a final settlement and satisfaction of all claims of EMPLOYEE against SMART arising out of his employment.

3. Termination without Severance Compensation. SMART may terminate EMPLOYEE's employment without obligation to pay severance at any time by giving notice of employment discrepancies and an opportunity to respond to such discrepancies prior to termination. Notice is accomplished by SMART depositing a written notice in the United States mail that is addressed to EMPLOYEE at his last known address. After termination without severance pay has been affected, EMLOYEE shall have no further rights under this agreement or to continued employment with SMART. Just cause for termination without severance pay includes, but is not limited to, unauthorized absence, conviction of a felony or of any criminal act involving moral turpitude; unauthorized use of SMART vehicles and equipment; conviction of driving under the influence, reckless driving, or hit-and-run driving whether on or off the job, in a SMART vehicle; unauthorized possession of weapons or explosives on SMART premises; violation of safety rules and regulations which jeopardize the safety of others and/or which could result in bodily injury to others or damage to SMART property; sexual harassment of or unlawful discrimination against another employee or applicant for employment; violence or threatening behavior; stealing SMART money or property; dishonesty; loss of professional license; and failing a drug or alcohol test.

4. Statement of Reasons for Termination. SMART and EMPLOYEE will, within a reasonable period of time, not to exceed 10 working days, attempt to agree on a mutually acceptable statement as to the reasons for termination. If the parties cannot mutually agree to an acceptable statement of the reasons for termination within the time period set forth above, the SMART Board of Directors may, in its sole discretion, publish its reasons for termination. In such event, publication shall consist of filing the reasons with the Clerk of the Board at a regular or special meeting following the disclosure required by Section 54957.1 of the Government Code. A copy of the statement shall be made for EMPLOYEE and kept for employee of the office of the Board's Clerk. Within

ninety (90) calendar days following the announcement of termination, EMPLOYEE may present a written response to the Board which will be maintained as a public record. The parties agree that other than as provided above, they will not make any other public statement concerning EMPLOYEE's termination without severance pay.

5. Administrative Leave. Upon receiving a specific complaint or charge brought against EMPLOYEE by another person or employee, the General Manager for SMART may place EMPLOYEE on administrative leave when, in the sole opinion of the General Manager, EMPLOYEE's removal from office would be in the best interests of SMART. The General Manager's decision to place EMPLOYEE on administrative leave is subject to ratification by the Board of Directors at its next noticed Board closed session meeting. The administrative leave with compensation will commence on the General Manager's delivery to EMPLOYEE's office of a written notice to that effect. Upon the delivery of the notice to EMPLOYEE's office, performance of EMPLOYEE's job duties under this agreement are suspended but all other provisions of this Agreement shall remain in full force and effect. SMART and EMPLOYEE agree that SMART will incur damages, if, during the period of administrative leave, EMPLOYEE performs or attempts to perform any of the duties of his position, or in any other way interferes with the administration or operation of SMART. SMART and EMPLOYEE agree that the measurement of these damages would be difficult and speculative and accordingly further agree that if EMPLOYEE performs or attempts to perform any of the duties provided in the job specification for the position of Chief Financial Officer, or in any other way interferes with the administration or operation of SMART, SMART's duties to compensate EMPLOYEE under the Agreement are discharged for each day during which EMPLOYEE engages in such non-cooperation and/or interference. The administrative leave and the suspension of job duties shall terminate on the General Manager's delivery to EMPLOYEE's office of a written notice to that effect.