



EMPLOYMENT AGREEMENT

This Employment Agreement (this "Agreement") is made and entered into effective as of February 25, 2013 (the "Effective Date") by and between the San Diego Opera (the "Opera"), and Ann Spira Campbell (the "Employee"). The Opera and the Employee are hereinafter collectively referred to as the "Parties", and individually referred to as a "Party".

RECITALS

A. The Opera desires assurances of the association and services of the Employee in order to retain the Employee's experience, skills, abilities, background and knowledge, and is willing to engage the Employee's services on the terms and conditions set forth in this Agreement.

B. The Employee desires to be in the employ of the Opera, and is willing to accept such employment on the terms and conditions set forth in this Agreement.

AGREEMENT

In consideration of the foregoing Recitals and the mutual promises and covenants herein contained, and for other good and valuable consideration, the Parties, intending to be legally bound, agree as follows:

1. EMPLOYMENT.

1.1. Term. The Opera hereby employs the Employee, and the Employee hereby accepts employment with the Opera, upon the terms and conditions set forth in this Agreement. The initial term of this Agreement shall begin on the Effective Date and shall continue for a period of one (1) year after the Effective Date (the "Initial Term"), unless this Agreement is terminated as provided for herein. This Agreement will continue for successive one (1) year terms following the Initial Term, unless otherwise terminated as provided in this Agreement or, subject to the other terms and conditions of this Agreement, either Party provides notice to the other Party no later than thirty days prior to the conclusion of that year of employment that it does not intend to renew the Agreement for the successive year. The Initial Term and any extension of the Initial Term, in either case until terminated as provided herein, are referred to herein as the "Term."

1.2. Title. The Employee shall be the Deputy General Director, and shall also serve in such other capacity or capacities as the Opera's Board of Directors may from time to time prescribe.

1.3. Duties. The Employee shall do and perform all services, acts or things necessary or advisable to manage and conduct the business of the Opera and that are normally associated with the position of Deputy General Director. The Employee shall report to the General Director.

1.4. Location. The Employee shall be free to perform the duties described in this Agreement from the San Diego Opera's headquarters in San Diego. The Opera may from time to time require the Employee to travel temporarily to other locations in connection with the Opera's business.

2. LOYAL AND CONSCIENTIOUS PERFORMANCE;

NON-COMPETITION. During the Employee's employment by the Opera, the Employee shall devote the Employee's full business energies, interest, abilities and productive time to the proper and efficient performance of Employee's duties under this Agreement. Notwithstanding the foregoing, Employee also may participate on the boards of other civic, non-profit and other organizations, so long as such participation does not interfere significantly with such duties.

3. COMPENSATION OF THE EMPLOYEE.

3.1. Base Salary. The Opera shall pay to the Employee a base salary at the rate of Two Hundred and Eighty Thousand, Five Hundred and Thirteen dollars and no cents (\$280,513.00) per year (the "*Base Salary*"), less payroll deductions and all required withholdings, payable in equal payments in accordance with the Opera's normal payroll practices. The Base Salary shall be prorated for any partial year of employment on the basis of a 365-day fiscal year. Changes to the Employee's Base Salary shall be at the sole discretion of the Opera.

3.2. Benefits. In addition to the Base Salary, the Employee shall be eligible to participate in any benefit programs as they may be available to others in a position commensurate with the position of Deputy General Director, subject to all eligibility requirements and rules applicable to such programs. All Benefits are at the sole discretion of the Opera, and eligibility for and terms for such Benefits will be governed by the insurance plans or Opera personnel policies detailing each Benefit, unless otherwise stated in this Agreement. In particular:

3.2.1. Employee shall be entitled to use of an automobile made available by the Opera, which shall be insured by the Opera. The Opera will be responsible for the operating costs associated with that vehicle, exclusive of any expenses incurred for Employee's personal use of the Opera automobile;

3.2.2. Employee shall be eligible to participate in all health care programs as may then be available to executive level employees at the Opera, subject to all eligibility requirements and rules applicable to such programs. The Opera will pay 100 % of Employee's individual health care coverage premium

3.2.3. Employee shall be eligible to receive reimbursement for an Annual Executive Physical up to a maximum of \$3,000 per year;

3.2.4. The Employee will accrue forty five (45) days of paid time off per year, with the year being measured on a calendar basis. Accrual of paid time off shall be capped at 1.5 times the annual accrual rate. When this cap is reached, Employee may not accrue any additional paid time off until Employee takes some paid time off, bringing the paid time off total below the cap.

3.2.5. Employee shall be eligible to participate in a Supplemental Executive Retirement Plan available to executive level employees of the Opera, subject to all eligibility requirements and rules applicable to such programs.

3.3. Expense Reimbursement. The Opera shall reimburse Employee for all reasonable expenses incurred by Employee during the Term in the course of performing Employee's duties under this Agreement and which are sought in accordance with the Opera's policies in effect from time to time.

4. TERMINATION.

4.1. Grounds for Termination.

4.1.1. Termination by the Opera. The Opera may terminate the Employee's employment under this Agreement by delivery of written notice to the Employee specifying the Cause or Causes relied upon for such termination. Any notice of termination given pursuant to this Section 4.1.1 shall effect termination as of the date specified in the notice, as extended to the last day of any applicable cure period(s) hereunder.

4.1.2. Termination for Death or Disability. The Employee's employment with the Opera shall automatically terminate effective upon the date of the Employee's death or Complete Disability as defined in this Agreement; provided, however, that this Section 4.1.2 shall in no way limit the Opera's obligation to provide such reasonable accommodations to the Employee as may be required by law.

4.1.3. Termination by the Employee for Good Reason. The Employee may terminate her employment under this Agreement by giving adequate notice. If Employee terminates her employment for Good Reason, as defined below, she shall do so in accordance with the procedures specified in this Agreement.

4.2. Compensation Upon Termination.

4.2.1. Termination for Cause or Without Good Reason. If the Employee's employment is terminated by the Opera for Cause, or if the Employee terminates her employment hereunder without Good Reason, the Opera shall pay or provide to the Employee her Base Salary, accrued through the date of termination, and any applicable benefits as provided under the corresponding plans, including accrued and unused paid time off benefits earned through the date of termination at the rate in effect at the time of termination, less standard deductions and withholdings.

4.2.2. Termination as a result of Death or Complete Disability. If the Employee's employment is terminated by death or Complete Disability as provided in Section 4.1.2, the Opera shall pay or provide to the Employee, or to the Employee's heirs, the Base Salary, accrued through the date of termination for death or Complete Disability, and any applicable benefits as provided under the corresponding plans, including accrued and unused paid time off benefits earned through the date of termination at the rate in effect at the time of termination, less standard deductions and withholdings.

4.2.3. Without Cause or With Good Reason or Election by the Opera not to Renew the Term Other than for Cause. If the Opera terminates Employee's employment without Cause or Employee terminates her employment for Good Reason, or if the Opera elects, other than for Cause, not to renew the Term as provided in Section 1.1, the Opera shall pay or provide to the Employee: (a) the Base Salary accrued through the date of termination, and any applicable benefits as provided under the corresponding plans, including accrued and unused paid time off earned through the date of termination at the rate in effect at the time of termination, less standard deductions and withholdings; and (b) subject to and conditioned upon the Employee's execution of a release of the Opera and its directors, officers and employees from any and all claims, liabilities, or obligations through the date of termination, the following amounts and benefits:

4.2.3.1. an amount equal to eighteen (18) months' Base Salary, less standard deductions and withholdings, to be paid to the Employee in a single lump sum within ten (10) days of the effective date of the termination; and

4.2.3.2. in the event the Employee timely elects continued coverage under COBRA, the Opera will pay the same portion of the Employee's COBRA health insurance premiums as the percentage of health insurance premiums that it paid during the Employee's employment for an eighteen (18) month period commencing on the first day of the first full calendar month following the effective date of the termination.

4.3. Definitions. For purposes of this Agreement, the following terms shall have the following meanings:

4.3.1. Complete Disability. "*Complete Disability*" shall mean the inability of the Employee to perform the Employee's essential duties under this Agreement, whether with or without reasonable accommodation, because the Employee has become permanently disabled within the meaning of any policy of disability income insurance covering employees of the Opera then in force. In the event the Opera has no policy of disability income insurance covering employees of the Opera in force when the Employee becomes disabled, the term "*Complete Disability*" shall mean the inability of the Employee to perform the Employee's essential duties under this Agreement, whether with or without reasonable accommodation, by reason of any incapacity, physical or mental, which the Board, based upon medical advice or an opinion provided by a licensed physician reasonably acceptable to the Board, determines to have incapacitated the Employee from satisfactorily performing all of the Employee's usual services for the Opera, with or without reasonable accommodation, for a period of at least one hundred

twenty (120) days during any twelve (12) month period (whether or not consecutive). Based upon such medical advice or opinion, the determination of the Board shall be final and binding and the date such determination is made shall be the date of such Complete Disability for purposes of this Agreement.

4.3.2. Cause. “Cause” for the Opera to terminate the Employee’s employment hereunder shall mean the occurrence of any of the following events:

4.3.2.1. the Employee’s conviction of any felony or crime involving moral turpitude;

4.3.2.2. the Employee’s engaging or in any manner participating in any activity that materially violates any provisions of the Employee’s Proprietary Information and Inventions Agreement with the Opera, if Employee fails to cure said violation, to the extent curable, within thirty (30) days of receiving written notice from the Opera;

4.3.2.3. the Employee’s engaging or in any manner participating in any material act of intentional misconduct against the Opera, or its employees, agents or customers, including but not limited to fraud or the use or appropriation for her personal use or benefit of any funds or properties of the Opera not authorized by the Board to be so used or appropriated, if Employee fails to cure said misconduct, to the extent curable, within thirty (30) days of receiving written notice from the Opera;

4.3.2.4. the Employee’s refusal to implement or follow a lawful policy or directive of the Opera following a written request or order to do so, which refusal constitutes a breach of his fiduciary duty; or

4.3.2.5. the Employee’s material failure to perform the Employee’s professional duties diligently and/or professionally, if Employee fails to cure said failure within thirty (30) days of receiving written notice from the Opera.

4.3.3. Good Reason. “Good Reason” shall mean the Employee’s termination of his employment upon the occurrence of any of the following events without the Employee’s prior written consent:

4.3.3.1. a material reduction in the Employee’s duties, authority, or responsibilities relative to the duties, authority, or responsibilities in effect immediately prior to such reduction; or

4.3.3.2. a reduction by the Opera of the Base Salary as initially set forth herein or as the same may be increased from time to time.

Provided, however that, such termination by the Employee shall only be deemed for Good Reason pursuant to the foregoing definition if: (i) the Employee gives the Opera written notice of the intent to terminate for Good Reason within thirty (30) days following the first notice to the Employee of the occurrence of the condition(s) that the

Employee believes constitutes Good Reason, which notice shall describe such condition(s); and (ii) the Opera fails to remedy such condition(s) within thirty (30) days following receipt of the written notice (the "*Cure Period*").

5. EMPLOYEE TERMINATION OBLIGATIONS.

Upon termination of Employee's employment for any reason, the Employee shall be deemed to have resigned from all offices and directorships then held with the Opera. Following any termination of employment, the Employee shall cooperate with the Opera, if required, in the winding up of pending work on behalf of the Opera and the orderly transfer of work to other employees. The Opera shall pay the Employee's reasonable costs, expenses, and compensation in an amount she otherwise would have earned as an employee for the provision of such services. The Employee shall also cooperate with the Opera in the defense of any action brought by any third party against the Opera that relates to the Employee's employment by the Opera. The Opera shall pay the Employee's reasonable costs and expenses, including attorneys' fees, in connection therewith. The Employee further agrees that all property (including without limitation all equipment, tangible proprietary information, documents, records, notes, contracts and computer-generated materials) furnished to or created or prepared by the Employee incident to the Employee's employment belongs to the Opera and shall be promptly returned to the Opera upon termination of the Employee's employment.

6. INDEMNIFICATION.

The Opera agrees to indemnify the Employee and hold her harmless from and against all claims, suits, damages, losses, costs, attorneys fees and expenses incurred or suffered by the Employee by reason of any acts or omissions arising out of Employee's services to or activities in the course and scope of the Employee's employment with the Opera, to the full extent permitted by California law or under any applicable insurance policy, concurrent with her incurring any such costs, fees or expenses.

7. ASSIGNMENT AND BINDING EFFECT.

This Agreement shall be binding upon and inure to the benefit of the Employee and the Employee's heirs, executors, personal representatives, assigns, administrators and legal representatives. Because of the unique and personal nature of the Employee's duties under this Agreement, neither this Agreement nor any rights or obligations under this Agreement shall be assignable by the Employee. This Agreement shall be binding upon and inure to the benefit of the Opera and their successors, assigns and legal representatives. Any successor of the Opera will be deemed substituted for the Opera under the terms of this Agreement for all purposes. For this purpose, "successor" means any person, firm, corporation or other business entity which at any time, whether by purchase, merger or otherwise, directly or indirectly acquires all or substantially all of the assets or business of the Opera.

8. NOTICES.

All notices or demands of any kind required or permitted to be given by the Opera or the Employee under this Agreement shall be given in writing and shall be personally delivered (and receipted for) or faxed during normal business hours or mailed by certified mail, return receipt requested, postage prepaid, addressed as follows:

If to the Opera:

18th Floor, Civic Center Plaza
1200 Third Avenue
San Diego, CA 92101-4112

Fax: 619-231-6915

E-mail: Ian.Campbell@SDOpera.com

Attention: Ian D. Campbell, General Director & Artistic Director, CEO

If to the Employee:



E-mail: Ann.Campbell@SDOpera.com

Any such written notice shall be deemed given on the earlier of the date on which such notice is personally delivered or three (3) days after its deposit in the United States mail, first class postage prepaid, as specified above. Either Party may change its address for notices by giving notice to the other Party in the manner specified in this section.

9. CHOICE OF LAW.

This Agreement is made in the State of California. This Agreement shall be construed and interpreted in accordance with the laws of the State of California.

10. INTEGRATION.

This Agreement contains the complete, final and exclusive agreement of the Parties relating to the terms and conditions of the Employee's employment and the termination of Employee's employment, and supersedes all prior and contemporaneous oral and written employment agreements or arrangements between the Parties.

11. AMENDMENT.

This Agreement cannot be amended or modified except by a written agreement signed by the Employee and the Opera.

12. WAIVER.

No term, covenant or condition of this Agreement or any breach thereof shall be deemed waived, except with the written consent of the Party against whom the waiver is claimed, and any waiver or any such term, covenant, condition or breach shall not be deemed to be a waiver of any preceding or succeeding breach of the same or any other term, covenant, condition or breach.

13. SEVERABILITY.

The finding by a court of competent jurisdiction of the unenforceability, invalidity or illegality of any provision of this Agreement shall not render any other provision of this Agreement unenforceable, invalid or illegal. Such court shall have the authority to modify or replace the invalid or unenforceable term or provision with a valid and enforceable term or provision, which most accurately represents the Parties' intention with respect to the invalid or unenforceable term, or provision.

14. INTERPRETATION; CONSTRUCTION.

The headings set forth in this Agreement are for convenience of reference only and shall not be used in interpreting this Agreement. The Parties acknowledge that each Party and its counsel have reviewed and revised, or had an opportunity to review and revise, this Agreement, and any rule of construction to the effect that any ambiguities are to be resolved against the drafting party shall not be employed in the interpretation of this Agreement.

15. REPRESENTATIONS AND WARRANTIES.

The Employee represents and warrants that Employee is not restricted or prohibited, contractually or otherwise, from entering into and performing each of the terms and covenants contained in this Agreement, and that Employee's execution and performance of this Agreement will not violate or breach any other agreements between the Employee and any other person or entity.

16. COUNTERPARTS.

This Agreement may be executed in two counterparts, each of which shall be deemed an original, all of which together shall contribute one and the same instrument.

17. TRADE SECRETS OF OTHERS.

It is the understanding of both the Opera and the Employee that the Employee shall not divulge to the Opera any confidential information or trade secrets belonging to others, including the Employee's former employers, nor shall the Opera seek to elicit from the Employee any such information. Consistent with the foregoing, the Employee shall not provide to the Opera and/or its Affiliates, and the Opera shall not request, any documents or copies of documents containing such information.

18. ATTORNEYS' FEES.

The Opera agrees to reimburse the Employee up to \$500 toward attorneys' fees incurred in connection with her review of this Agreement, upon submission of an invoice (redacted of attorney client privileged information) reflecting this obligation.

IN WITNESS WHEREOF, the Parties have executed this Agreement as of the Effective Date first above written.

SAN DIEGO OPERA

By: *Jud Campbell*

Its: *General Director*

Dated: *February 25, 2013*

EMPLOYEE:

A Spira Campbell
Ann Spira Campbell

Dated: *February 25, 2013*