

**AGREEMENT BETWEEN CES, GARY BLACK AND ARTEMIS ANNINO
REGARDING SHARING OF ROYALTIES IN CONNECTION WITH
THE HERMAN MILLER FURNITURE DESIGN PROJECT**

This agreement is entered into by and between the CENTER FOR ENVIRONMENTAL STRUCTURE ("CES"), GARY BLACK ("Black"), and ARTEMIS ANNINO ("Annino") for the purpose of establishing a royalty sharing incentive to compensate Black and Annino for their work in connection with the CES/HERMAN MILLER FURNITURE DESIGN PROJECT.

R E C I T A L S

1. WHEREAS, CES has entered into a contract with HERMAN MILLER INCORPORATED ("Herman Miller") pursuant to which CES has been retained by Herman Miller in connection with the development of office furniture and an office furniture system; and
2. WHEREAS, the parties hereto refer to the above-referenced contract as "The Herman Miller Contract"; and
3. WHEREAS, pursuant to the Herman Miller contract, CES is entitled to receive certain royalties from the sales of licensed products developed under the contract; and
4. WHEREAS, Black and Annino currently are working for CES and it is contemplated that they will play a significant role in the work CES will do under the Herman Miller contract; and

5. WHEREAS, CES desires to provide Black and Anninou with an incentive to assure their continued, enthusiastic, cooperative and productive participation in connection with the work CES will do under the Herman Miller contract; and

6. WHEREAS, the parties have agreed that the incentive should take the form of a royalty sharing arrangement between CES, Black and Anninou; and

6. WHEREAS, the parties have agreed to share royalties under the Herman Miller contract as set forth below.

NOW, THEREFORE, IN CONSIDERATION OF THE FOREGOING RECITALS AND AS CONSIDERATION FOR THE CONTINUED PARTICIPATION OF BLACK AND Anninou and CES' EFFORTS TO COMPLETE THE HERMAN MILLER FURNITURE DEVELOPMENT PROJECT, THE PARTIES HERETO AGREE AS FOLLOWS:

A G R E E M E N T

1. This agreement is entered into ^{as of} by and between CES, Black and Anninou ^{it} and ^{as of} shall be effective from the ~~the~~ day of ~~the~~ , 1988.

2. This Agreement supersedes all oral discussions and all previous written communications between the parties.

3. This Agreement may not be modified except pursuant to a writing executed by all parties hereto.

4. This Agreement shall be governed by the laws of the

State of California.

5. If a dispute arises concerning this agreement, it shall be settled by way of arbitration before the American Arbitration Association ("AAA") at San Francisco, California. The arbitration proceedings shall be conducted pursuant to the then-
current AAA rules, save and except that it shall be decided by a single arbitrator as opposed to a multi-member panel.

6. The parties hereto acknowledge that there have been no representations or promises made in connection with this agreement other than as expressly set forth herein.

7. CES agrees to share its royalties under the Herman Miller contract with Black and Anninou as follows:

(a) Black shall be entitled to receive ____ percent of the net royalties received by CES from Herman Miller;

(b) Anninou shall be entitled to receive ____ percent of the net royalties received by CES from Herman Miller.

8. The term "net royalties" shall refer to the amount of money received by CES from Herman Miller in the form of a check, draft, or other instrument of payment, less any applicable costs, fees, salaries, and the like to be deducted by CES.

9. Black and Anninou shall be entitled to share in the royalties as set forth in this Agreement only if they continue to work in an ongoing, cooperative and productive manner with CES in

connection with the Herman Miller contract and, provided further, that such continued participation lasts at least until CES receives its first royalty payment from Herman Miller after the licensed product(s) has been manufactured, produced, marketed and sold to the general public.

DATED: _____, 1988

CENTER FOR ENVIRONMENT STRUCTURE

By: _____
CHRISTOPHER W.J. ALEXANDER
President

By: _____
GARY BLACK

By: _____
ARTEMIS ANNINO

3027Fagm.ces

(NEED CORPORATE
AUTHORIZATION)

DOBBS, BERGER, MOLINARI, CASALNUOVO, VANNELLI & NADEL

ATTORNEYS AT LAW

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August 23, 1988

Professor Christopher W.J. Alexander
Center For Environmental Structure
2701 Shasta Road
Berkeley, California 94708

Re: Herman Miller Contract

Dear Chris:

Enclosed is a very rough draft of a possible agreement between CES, Gary Black, and Artemis Anninou relating to the "royalty sharing" arrangement that we discussed on Saturday.

Please bear in mind that this is a very rough draft and a preliminary "first shot" at this issue.

Let's discuss the problem further and refine our thinking so that we are in a position to make an appropriate presentation to Gary and Artemis.

My best regards.

Sincerely,



ROBERT D. LINKS

RDL:aw
Enclosure

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