

Appendix A

Those portions of the following described area located within the unincorporated portions of King County, Washington:

[LEGAL DESCRIPTION OF FRANCHISE AREA]

CABLE TELEVISION FRANCHISE AGREEMENT

BETWEEN KING COUNTY, WASHINGTON

AND

TELE-VUE SYSTEMS, INC. d/b/a VIACOM CABLE FOR
FRANCHISE _____

WHEREAS, Tele-Vue Systems, Inc. d/b/a Viacom Cable, a Washington State Corporation, has asked King County, Washington to renew the nonexclusive Franchise it holds to provide cable television and other services within the unincorporated part of the County; and

WHEREAS, the County has conducted proceedings in which Tele-Vue Systems, Inc. d/b/a Viacom Cable has participated, to identify the future cable-related needs and interests of the community; to consider the financial, technical, and legal qualifications of Tele-Vue Systems, Inc. d/b/a Viacom Cable; to review the past performance of Tele-Vue Systems, Inc. d/b/a Viacom Cable; and to determine whether Tele-Vue Systems, Inc. d/b/a Viacom Cable's plans for constructing and operating its System are reasonable; and

WHEREAS, based in part upon Tele-Vue Systems, Inc. d/b/a Viacom Cable's representations and information, the County has determined that, subject to the terms and conditions set forth herein, renewal of Tele-Vue Systems, Inc. d/b/a Viacom Cable's nonexclusive Franchise is consistent with the public interest; and

WHEREAS, the County is willing to issue such a Franchise, conditioned on Tele-Vue Systems, Inc. d/b/a Viacom Cable's acceptance of the terms and conditions thereof; and

WHEREAS, Tele-Vue Systems, Inc. d/b/a Viacom Cable is willing to accept the Franchise subject to such terms and conditions, and to abide by those terms and conditions:

NOW, THEREFORE, in consideration of the mutual promises made herein, and other good and valuable consideration, the receipt and the adequacy of which is hereby acknowledged, THE SIGNATORIES DO HEREBY AGREE AS FOLLOWS:

1. Definitions.

Except as otherwise provided herein, the definitions and provisions governing the interpretation of terms set forth in King County Code ("K.C.C."), Section 6.27A.010 shall govern this Franchise Agreement. References to any County official or office also refer to any official or office that succeeds to any or all of the responsibilities of the named official or office. References to laws or "applicable laws" include federal, state and local laws and regulations adopted pursuant to those laws; unless otherwise stated, references to laws includes laws now in effect, as the same may be amended from time to time, and new laws. In addition, the following definitions shall apply:

(a) Cable Ordinance. Chapter 6.27A of the King County Code, as amended from time to time.

(b) Franchise Agreement. This contract and any amendments, exhibits, or appendices hereto.

(c) Franchisee. Refers to Tele-Vue Systems, Inc. d/b/a Viacom Cable, and its lawful and permitted successors and assigns.

(d) Books and Records. Means any recorded information relating to the Cable System or its management, including but not limited to information regarding its construction, operation or repair, in whatever form stored, including, but not limited to computerized records and programs, paper records, and video or audio-taped records.

(e) Cable System. Is defined as in the Cable Ordinance,

except that as used herein, it specifically refers to the Franchisee's Cable System. The term is used to refer to the Cable System as a whole, or to any part of the Cable System, including equipment or facilities appurtenant thereto.

(f) Construction, Operation or Repair. These and similar formulations of those terms refer to the named actions interpreted broadly, encompassing, among other things, installation, extension, maintenance, replacement of components, relocation, undergrounding, grading, site preparation, adjusting, testing, make-ready, excavation and tree trimming.

(g) Rights-of-way. The term "right(s) of-way" refers to County streets, alleys, roads and compatible utility easements. It does not include recreational and nature trails.

2. Grant of Authority; Limits and Reservations.

(a) Grant of Authority. The Franchisee is hereby granted, subject to the terms and conditions of this Franchise Agreement, the right, privilege, and authority to construct, operate, maintain, and reconstruct a cable communications system within the franchise territory defined in this Agreement. The Franchise issued to the Franchisee is subject to the terms and conditions of this Agreement. It shall remain in effect for a period of ten (10) years from the effective date of this grant, unless otherwise terminated by action of the County.

(b) Scope of Franchise.

(1) The Franchise is intended to convey limited rights and interests only as to those County streets, alleys, roads and

compatible utility easement rights-of-way in which the County has an actual interest. It is not a warranty of title or interest in any right-of-way; it does not provide the Franchisee any interest in any particular location within the right-of-way ; and it does not confer rights other than as expressly provided in the grant or as mandated by federal, state, or local law. The Franchise does not deprive the County of any powers, rights or privileges it now has or may later acquire in the future to use, perform work on or to regulate the use of and to control the County's right-of-way covered by the Franchise, including without limitation the right to perform work on its roadways, right-of-way or appurtenant drainage facilities, including by constructing, altering, renewing, paving, widening, grading, blasting or excavating. When practical, the County will give the Franchisee forty-eight (48) hours notice of any blasting or excavating which is likely to damage the Franchisee's lines and appurtenances so that the Franchisee may protect its lines and appurtenances from any County work.

(2) Whenever any of the County right-of-way as designated in this Franchise, by reason of the subsequent incorporation of any town or city, or extension of the limits of any town or city, shall fall within town or city limits, this Franchise shall continue in full force and effect until such time as the incorporation and/or annexation is complete according to applicable state law, after which time the County shall no longer have any responsibility for maintenance of such roads, right-of-

way or other County property within the area of the annexation and/or incorporation.

(3) Nothing in this Franchise shall obligate the Franchisee to operate as a common carrier and no application of Franchisee's facilities as utilized by the County will place the Franchisee within the regulation of a public utility by reason of such use.

(c) Exercise of Authority under Franchise. Franchisee may engage in cable service and any other lawful activity related to the operation of a cable system. At the time this Franchise was granted, the Franchisee was only providing cable service pursuant to its Franchise. Because the types of services the Franchisee may choose to offer in the future is uncertain, and their effect on the public interest cannot be fully anticipated, the County reserves the right to impose appropriate additional conditions on the offering of new services. The County agrees to impose similar conditions on all similarly situated companies offering the same service to the extent such companies are subject to the County's legal authority.

(d) Activities of Affiliates. Franchisee promises and guarantees, as a condition of exercising the privileges granted by this franchise, that any Affiliate or joint venture or partner of the Franchisee involved in the management or operation of the Cable System in the County will comply with the terms and conditions of this franchise.

(e) Franchise Not Exclusive. The right to use and occupy

the public right-of-way is not exclusive and does not explicitly or implicitly preclude the issuance of other Franchises to construct, operate or repair Cable Systems within the County; or affect the County's right to use or authorize the use of any of its public right-of-way or other property by other persons as it determines appropriate.

(f) Relation to Other Cable Franchises. This Agreement and all rights and privileges granted under the Franchise are binding on the parties to this Agreement without reference to any other action or franchise grant by the County. Notwithstanding, Section 16(b) shall be modified if the Franchisee requests that it be modified and shows that (1) the County has voluntarily granted a renewal franchise to an unrelated Franchisee which serves more subscribers in the County than Franchisee; and (2) the second agreement is substantially less burdensome than Franchisee's Agreement. In this paragraph, "substantially less burdensome" means: the dollar equivalent expenditure by the second Franchisee for access and Institutional network equipment, facilities and grants over the life of the franchise is a substantial percentage less than the dollar expenditure imposed on Franchisee by Section 16 when computed on the basis of dollars to be expended per subscriber per month over the life of the franchise. "Voluntarily granted" means any renewal franchise that is granted prior to an adjudicative decision pursuant to a proceeding under K.C.C. Section 6.27A.060(B)(4) (administrative hearing).

(g) Construction of Agreement. The provisions of this Agreement shall be liberally construed to promote the public interest.

(h) Relation to Cable Ordinance. The provisions of the Cable Ordinance as amended over the term of this franchise shall apply to the Franchise Agreement as if fully set forth in the Franchise Agreement, and the express terms of the Cable Ordinance will prevail over conflicting or inconsistent provisions in the Franchise Agreement unless the Franchise Agreement expresses an explicit intent to waive a requirement of the Cable Ordinance. However, the express provisions of this Agreement constitute a valid and enforceable contract between the parties. Neither party may take any unilateral action which materially changes the explicit performance promised in this Agreement. Although the rights hereunder are subject to the Cable Ordinance and Cable Rules, neither the Cable Ordinance nor the Cable Rules is a contract with the Franchisee.

(i) Relation to Other Provisions of Law. This Agreement and all rights and privileges granted under the Franchise are subject to the County's police and other powers and other applicable law. The Franchise issued and the franchise fee paid hereunder are not in lieu of any other required permit, authorization, fee, charge or tax, unless expressly stated herein.

(j) Relation to Prior Franchise. As of the effective date of this Franchise, the Franchise previously held by the

Franchisee is superseded and of no further force and effect. Franchisee promises to pay all amounts owed the County and subscribers under its prior franchise for which claims are made within three years of the effective date of this Franchise. Franchisee hereby indemnifies and insures the County against Franchisee acts and omissions which occurred when the prior Franchise was effective to the extent any claims related to such acts and omissions are not barred by the statute of limitations.

(k) Effect of Grant. By granting this Franchise, the County acknowledges and agrees that it has the authority to issue this Franchise and did so pursuant to processes and procedures consistent with applicable law, and that it will not raise any claim to the contrary.

(l) Effect of Acceptance. By accepting the Franchise, the Franchisee: (1) acknowledges and accepts the County's legal right to issue and enforce the Franchise; (2) agrees that it will not oppose the County intervening in any proceeding affecting its Cable System; (3) accepts and agrees to comply with each and every provision of this Agreement; and (4) agrees that the Franchise was granted pursuant to processes and procedures consistent with applicable law, and that it will not raise any claim to the contrary.

(m) Franchisee Bears Its Own Costs. Unless otherwise expressly provided in this Agreement, all acts that the Franchisee is required to perform must be performed at the Franchisee's own expense.

(n) No Waiver. The failure of the County or the Franchisee on one or more occasions to exercise a right or to require compliance or performance under this Agreement, the Cable Ordinance, or any other applicable law shall not be deemed to constitute a waiver of such right or a waiver of compliance or performance, unless such right has been specifically waived in writing. Any waiver of a breach is not a waiver of any other breach, whether similar or different from that waived.

(o) No Recourse. To the extent permitted by law, the Franchisee shall have no recourse whatsoever against the County or its officials, boards, commissions, agents or employees for any loss, costs, expenses, or damages arising out of any provision or requirement of the Franchise, Franchise Agreement, or Cable Ordinance because of the enforcement of the Franchise, Franchise Agreement or Cable Ordinance, except if such loss, costs, expenses, or damages are the result of the sole negligence or misconduct on the part of the County or its agents. The rights of the County under this provision are in addition to, and shall not be read to limit, any immunities the County may enjoy or rights which the Franchisee may enjoy under federal or state law.

(p) External Costs. During the first five years of the term of this franchise, the Franchisee may treat franchise fees and the capital grant under Section 16 as external costs to the extent consistent with FCC rules. After five years, both parties will apply the law as it may evolve to determine what constitutes

external costs. The Franchisee promises not to itemize any external costs on subscriber bills in such a way as to have the effect of drawing particular attention to those costs in relationship to other costs. Notices of price changes caused by external costs shall be in accordance with federal rules.

3. Effect of Changes in Law.

(a) Severability. In the event that a court or agency or legislature of competent jurisdiction acts or declares any nonmaterial provision of this Agreement is unenforceable according to its terms, or otherwise void, said provision shall be considered a separate, distinct, and independent part of this Agreement, and such holding shall not affect the validity and enforceability of all other provisions hereof. In the event that a court or agency or legislature of competent and controlling jurisdiction acts or declares any material provision of this Agreement is unenforceable according to its terms, or is otherwise void, the parties agree to immediately enter into negotiations in good faith to restore to the injured party the benefits or equivalent consideration which the injured party agrees is a reasonable substitute for the benefits the injured party expected to receive from the provision which was declared unenforceable. If the parties are unable to agree to a modification to this Agreement within sixty days of the date the decree became final, the injured party may at any time thereafter request compulsory arbitration under the rules of the American

Arbitration Association. The parties agree the arbitrator shall modify the terms of this Agreement in a manner which is equitable to both parties with respect to the full value of the consideration promised in this Agreement. The decision of the arbitrator shall be final and fully enforceable in any court of competent jurisdiction. By way of illustration and not limitation, the following provisions shall be considered material: Sections 2(h) (Relation to Cable Ordinance); 2(i) (Relation to other Provisions of Law); 5 (Franchise Fee); 15 (System Facilities, Equipment and Services); 16 (Channels, Facilities, Equipment and Services for Public, Educational, and Governmental Use); and 18 (Conditions on Use of Rights-of-Way).

(b) Effect of Change in Law. In the event that state or federal laws, rules, or regulations preempt a provision or limit the enforceability of a provision of this Agreement, then, subject to the parties' rights under Section 3(a) of this section, the provision shall be read to be preempted to the extent and for the time, but only to the extent and for the time, required by law. In the event such state or federal law, rule, or regulation is subsequently repealed, rescinded, amended, voided, or otherwise changed, so that the provision hereof that had been preempted is no longer preempted, such provision shall thereupon return to full force and effect and shall thereafter be binding on the parties hereto, without the requirement of further action on the part of either party.

4. Transfers.

All rights granted under the Franchise are for personal services. Therefore, the rights granted under the Franchise may not be transferred, assigned, sublet or subdivided in any way or through any mechanism, including a sale or lease of the Cable System or a sale or change in the control of the Franchisee (all referred to below as "transfers") without the express prior permission of the County by Ordinance, except as otherwise provided under the Cable Ordinance or federal law.

(a) Control. The word "control" as used herein is not limited to majority stock ownership, but includes actual working control in whatever manner exercised. A change in control includes any of the following:

(1) If Franchisee is a publicly traded partnership or corporation, the sale or transfer of five percent (5%) of the Franchisee's stock or general partnership interest;

(2) If Franchisee is a closely held partnership or corporation or an individual, transfer of twenty-five (25%) of the ownership interest or the voting stock interest in Franchisee or transfer of 50% or more of the ownership interest or the voting stock interest in any legal parent or entity directly or indirectly controlling or managing Franchisee;

(3) Any other transaction which has the practical consequence of transferring to a new entity or legal person the actual working control of the Franchisee or the cable system.

(b) Application for Transfer. An entity which seeks

approval of a proposed transfer (hereafter, the "Applicant") shall file an application for approval of that transfer no later than one hundred twenty (120) days prior to the proposed effective date of the transfer. The application shall meet the requirements of the Cable Ordinance and applicable law.

(c) Notice of Transfer. The Franchisee shall notify the Cable Office in writing as soon as any agreement or contract is executed for a transfer that is subject to the approval of the County.

(d) Review of Transfer. In determining whether to grant an application submitted under this Section 4, the County shall apply the standards set forth in the Cable Ordinance. As it determines necessary in evaluating the application, the County may require the Franchisee and Applicant to submit information in addition to that provided as part of the application.

(e) Mandatory Conditions.

(1) No application shall be granted unless the Applicant agrees in writing that it will:

(i) Abide by and accept the terms of the Cable Ordinance, this Agreement and any additional terms and conditions that the County reasonably determines are needed to protect the public interest or to meet the community's current or future cable-related needs and interests; however, except as the County reasonably determines the proposed transfer increases the risk of nonperformance or partial performance of any franchise obligation, the County agrees that it will not seek modifications

to the terms of this Agreement as a condition of approval of a transfer which occurs within two (2) years of the effective date of this Agreement;

(ii) Assume and be responsible for the obligations and liabilities of the Franchisee, known and unknown, under this Agreement and applicable law; and

(iii) Provide performance guarantees to the County that the County considers sufficient and adequate to guarantee the full and faithful performance of all franchise obligations by the Franchisee.

(2) No application shall be granted unless the Applicant agrees that approval by the County of the transfer shall not constitute a waiver or release of any rights of the County under this Franchise Agreement or applicable law, whether arising before or after the effective date of the transfer.

(3) No application shall be granted unless the Applicant posts all required bonds, securities, and the like in its own name at least thirty (30) days prior to the effective date of the transfer.

(f) Limitation on Transfer. Except as provided by law, no successor Franchisee may transfer a Cable System within three (3) years following either the acquisition or initial construction of such system by the Franchisee.

(g) Other Changes in Ownership. Franchisee shall notify

the County of any substantial changes in ownership in Franchisee or in any entity which directly or indirectly controls Franchisee at least one hundred twenty (120) days prior to the proposed effective date of the change. If the County concludes the proposed change is a transfer as defined in this Agreement, Franchisee shall immediately comply with the requirements of this Section 4 and agrees not to complete the proposed change without prior County approval. This provision shall not apply to publicly traded stock transactions of which the Securities and Exchange Commission does not require notice.

5. Franchise Fee.

(a) Payment to County. As compensation for use of public right-of-way, the Franchisee and its affiliates shall pay the County a Franchise fee in an amount equal to five (5) percent of the Gross Revenues as that term is defined in the Cable Ordinance, as amended, derived from the operation of the cable system. Notwithstanding, any portion of franchise fees and the Capital Grant in Section 16(b) which Franchisee passes through to subscribers as external costs, as that term is defined by the FCC at 47 C.F.R. Section 922(d)(3), as amended, shall not be included in the term Gross Revenues.

(b) Not in Lieu of Any Other Assessments, Tax or Fee. The Franchise fee is in addition to all other fees, assessments, taxes or payments that the Franchisee may be required to pay under any federal, state, or local law, subject to any

limitations set forth in 47 U.S.C. § 542.

(c) Payments. Franchise fees shall be paid in accordance with the schedule set forth in the Cable Ordinance. In the event that a franchise fee payment or other sum due is not received by the Cable Office on or before the date due, or is underpaid, the Franchisee shall pay in addition to the payment, or sum due, interest from the due date at a rate equal to the maximum rate permitted under Washington State law, compounded daily.

(d) No Accord or Satisfaction. No acceptance of any payment by the County shall be construed as a release or an accord and satisfaction of any claim the County may have for further or additional sums payable as a Franchise fee under the Cable Ordinance or for the performance of any other obligation of the Franchisee. The Franchisee shall be released of further responsibility for any unclaimed past or overdue Franchise fees for a particular calendar year six (6) months following the resolution of a County financial audit or financial review of Franchisee's books and records related to payments for that year or years.

(e) Payment on Termination. If the Franchise terminates for any reason, the Franchisee shall file, following a financial audit by an independent certified public accountant, with the Cable Office within ninety (90) calendar days of the date of the termination, a financial statement, certified by an independent certified public accountant, showing the Gross Revenues received by the Franchisee since the end of the previous fiscal year. The

County reserves the right to satisfy any remaining financial obligations of the Franchisee to the County by utilizing the funds available in a security fund, letter of credit, and/or other security provided by the Franchisee.

(f) New Business Holiday. If the Franchisee offers its subscribers any services in new lines of business which it has not offered during its previous franchise term, it may qualify for a one year, one-time exemption from the franchise fee for such new service. Gross Revenues from any such new service shall not be subject to franchise fees for a period beginning on the date the Franchisee notifies the County it wishes the new service to be exempt from the franchise fee. New lines of business exempted from fees by this provision shall include, but not be limited to services such as downloading games, and real time shopping applications which utilize new technology enabled by the rebuild of the cable system, alternate long distance and local telephone access, wireline and wireless telephony, data and personal communications services. New lines of business do not include pay-per-view television or additional or different channels of traditional one-way service.

(g) Limit on Certain Payments.

(i) Any franchise fee payment under this Section 5 attributable to gross revenues derived from any interactive or two-way services in new lines of business, as defined in Section 5(f) above, including but not limited to interactive and two-way services, and expressed as a percentage of those gross revenues

shall not exceed the percentage of gross revenues collected by the County on the same services offered by any similar provider subject to the County's jurisdiction and control.

(ii) In the event that any communications provider competes with the Franchisee in any of its current lines of business and

(A) such communications provider is subject to the County's jurisdiction and control, the obligations imposed upon such provider by the County shall not be substantially less burdensome than those imposed upon the Franchisee;

(B) such communications provider is not subject to the County's jurisdiction and control, the County shall have no obligation to equalize burdens imposed upon such provider and the Franchisee;

(C) such communications provider is partially subject to the County's jurisdiction and control, or the County's jurisdiction and control is unclear, the County shall use best efforts to impose obligations upon such provider which are not substantially less burdensome than those imposed upon the Franchisee. Notwithstanding, the County has no obligation to undertake any action which could be challenged as unlawful or ultra vires, unless Franchisee agrees in writing to indemnify the County against all costs and liability claims related to such actions.

(h) Utility Tax Offset. If and when the County receives legal authority to impose a utility tax on Gross Revenues of

franchises operating within the County, and the County does impose such a tax on Franchisee, the franchise fee amount paid and the capital grant amount paid pursuant to Section 16(b) in a tax year will create credit against the utility tax due that same tax year of \$.50 for each \$1 paid on the franchise fee and capital grant, up to but not exceeding the total annual amount of the utility tax.

6. Notices.

All notices to Franchisee shall be mailed to:

Viacom Cable
900 - 132nd Street SW
Everett, WA 98204

until Franchisee changes that address by making an appropriate filing with the Cable Office, as contemplated by K.C.C. §6.27A.070. A notice may be "mailed" to Franchisee by depositing it in the U.S. Mail, first class postage prepaid, or by providing the notice to Franchisee by overnight delivery service. Notwithstanding any other provision of the Cable Ordinance, notice also may be provided to the Franchisee by facsimile at the following number: (206) 745-8360. The Franchisee may change this number by providing written notice of a substitute number to the Cable Office.

7. Insurance Requirements.

(a) General Requirement. Franchisee must have adequate insurance during the entire term of the Franchise against claims for injuries to persons or damages to property which in any way relate to, arise from, or are connected with the holding of the Franchise by the Franchisee, its agents, representatives, contractors, subcontractors and employees. As of the effective date of the Franchise, the Franchisee must have insurance coverage in place in the amounts and the form specified in (b) - (e); it shall maintain at least that coverage throughout the Franchise term.

(b) Scope of Insurance. Franchisee must keep insurance in effect in accordance with the minimum insurance scope the County Risk Manager may set from time to time after consulting with the Cable Officer. The initial minimum insurance coverage shall be at least as broad as:

(1) Insurance Services Office form number CG-00-01 (Ed. 11-88) covering commercial general liability;

(2) Insurance Services Office form number CA-00-01 (Ed. 12-90), covering automobile liability symbol (1), "any auto"; and

(3) Industrial insurance as required by applicable federal, state, and local laws, and stop gap or employer's liability insurance.

(c) Initial Insurance Limits. Franchisee must keep insurance in effect in accordance with the minimum insurance

limits the County Risk Manager may set from time to time. The franchisee shall obtain policies for the following initial minimum insurance limits:

(1) Commercial General Liability: \$1,000,000 combined single limit per occurrence for bodily injury, personal injury, and property damage; and for those policies with aggregate limits, a \$2,000,000 aggregate limit;

(2) Automobile Liability: \$1,000,000 combined single limit per accident for bodily injury and property damage; and

(3) Stop Gap or Employer's Liability: \$1,000,000.

(d) Deductibles and Self-insured Retentions. Any deductibles or self-insured retentions must be declared to and approved by the County Risk Manager. The deductible and/or self-insured retentions of the policies shall not in any way limit or apply to the Franchisee's liability to the County and shall be the sole responsibility of the Franchisee.

(e) Endorsements.

(1) General liability and automobile liability policies shall contain, or shall be endorsed to contain, the following provisions:

(i) King County, its officers, officials, employees, and agents are to be covered as and have the rights of additional insureds with respect to liability arising out of activities performed by or on behalf of Franchisee under this Agreement or applicable law, or in the operation and ownership of its Cable System;

(ii) To the extent of Franchisee's negligence, the Franchisee's insurance coverage shall be primary insurance with respect to the County, its officers, officials, employees, and agents. Any insurance or self-insurance maintained by the County, its officers, officials, employees, and agents shall be in excess of the Franchisee's insurance and shall not contribute with it;

(iii) Franchisee's insurance shall apply separately to each insured against whom a claim is made or lawsuit is brought, except with respect to the limits of the insurer's liability.

(2) All policies shall contain, or shall be endorsed to contain, the following provision:

The Policy shall not be suspended, voided, canceled, or reduced in coverage or in limits, nor shall the intention not to renew be stated by the insurance company, except after forty-five (45) calendar days prior written notice, return receipt requested, has been given to King County's Office of Cable Communications and Office of Risk Management.

(f) Acceptability of Insurers. The insurance obtained by Franchisee shall be placed with insurers with a Bests' rating of no less than A:VIII, or if not rated by Bests', with surpluses equivalent to Bests' A:VIII rating.

(g) Verification of Coverage. The Franchisee shall furnish the County with certificates of insurance and endorsements required by this Agreement. The certificates and endorsements for each insurance policy are to be signed by a person authorized by that insurer to bind coverage on its behalf. The certificates

and endorsements for each insurance policy are to be on forms approved by the County and are to be received and approved by the County prior to the commencement of activities associated with the Franchise. The Franchisee hereby warrants that its insurance policies satisfy the requirements of this Franchise Agreement and County law.

8. Indemnification.

(a) Scope of Indemnity. To the extent permitted by law, and except for matters arising out of the County's sole negligence, Franchisee shall, at its sole cost and expense, indemnify, hold harmless, and defend the County, and its officers, boards, commissions, agents and employees, against any and all claims, including but not limited to third party claims, suits, causes of action, proceedings, and judgments for damages or equitable relief arising out of the construction, repair, maintenance or operation of its Cable System, or in any way arising out of the Franchisee's enjoyment or exercise of its Franchise, regardless of whether the act or omission complained of is authorized, allowed, or prohibited by the Cable Ordinance or this Agreement. Without limiting in any way the Franchisee's obligation to indemnify the County and its officers, boards, commissions, agents, and employees as set forth above, this indemnity provision applies to, but is not limited to, expenses for reasonable legal fees and for disbursements incurred by the County and liabilities as follows:

(1) To persons or property, in any way arising out of or through the acts or omissions of the Franchisee, its officers, employees, or agents, or to which the Franchisee's negligence shall in any way contribute;

(2) Arising out of any claim for invasion of the right of privacy, for defamation of any person, firm or corporation, for the violation or infringement of any copyright, trademark, trade name, service mark, or patent, for a failure by the Franchisee to secure consents from the owners or authorized distributors of programs to be delivered by the Cable System, or for violation of any other right of any person, excluding claims arising out of or relating to programming provided by the County; and

(3) Arising out of Franchisee's failure to comply with the provisions of any federal, state or local statute, ordinance, rule or regulation applicable to the Franchisee with respect to any aspect of its business to which the Cable Ordinance and/or this Agreement apply.

(b) Duty to Give Notice and Tender Defense. The County shall give the Franchisee timely written notice of the making of any claim or of the commencement of any action, suit or other proceeding covered by the indemnity in this Section 8. In the event any such claim arises, the County or any other indemnified party shall tender the defense thereof to the Franchisee and the Franchisee shall have the right to defend, settle or compromise any claims arising hereunder and the County shall cooperate fully