

EXHIBIT A



This Rental Agreement (hereinafter « Agreement ») is executed between C-CUBE MICROSYSTEMS INC., a Delaware corporation having its principal place of business at 1778 McCarthy Boulevard, Milpitas, CA 95035, the USA (hereinafter « C-CUBE ») and CANAL+ US TECHNOLOGIES having its principal place of business at 301 N. Canon Drive, Beverly Hills CA 90210 (hereinafter « CANAL+ »).

C-CUBE and CANAL+ are hereinafter respectively or together referred to as the context requires as « Party » or « Parties ».

C-CUBE is willing to provide office space to certain employees of CANAL+ , under terms and conditions described below, in order to facilitate development efforts for a joint project between the Parties. This Agreement follows discussions between the Parties.

The Parties have therefore agreed as follows:

ARTICLE 1 - Rental Space

- 1.1 C-CUBE shall provide the rental space to CANAL+ in its campus at 1778 McCarthy Blvd, Milpitas CA.
- 1.2 The rental space is 1,680 square feet in size.
- 1.3 The attached map identifies the location of the rental space

ARTICLE 2 – Rental Cost and Payment

- 2.1 The Rental Cost shall be \$2.46 per sq. foot per month, for a total of \$4,133/month.
- 2.2 Payment of Rental Cost is due and payable on the first day of each calendar month during the term of this Agreement.
- 2.3 Delinquent payments shall be subject to an additional fee equal to 5% of the monthly rent. If payment is delinquent more than 15 days, CANAL+ will be subject to eviction notification..

ARTICLE 3 – Space and Services Provided

- 3.1 The Rental Cost shall include the following:
 - 3.1.1 office space rent
 - 3.1.2 building insurance & real estate taxes
 - 3.1.3 normal building repairs & maintenance
 - 3.1.4 security services (access cards/ID, building security)
 - 3.1.5 janitorial services
 - 3.1.6 utilities (power, heat, trash, water)
 - 3.1.7 building pest control (external)
 - 3.1.8 landscaping
 - 3.1.9 emergency medical supply cabinets
 - 3.1.10 office and cubicle nameplates for CANAL+ employees
 - 3.1.11 security repairs/replacements

- 3.1.12 security monitoring fees
 - 3.1.13 plant service for office area
 - 3.1.14 confidential document destruction services
 - 3.1.15 mail receipt and distribution
 - 3.1.16 vending machine services & subsidies for CANAL+ employees, comparable to that provided to C-CUBE employees.
 - 3.1.17 reasonable use of parking spaces for CANAL+ employees
- 3.2 The Rental Cost shall exclude the following:
- 3.2.1 postage fees
 - 3.2.2 office supplies
 - 3.2.3 telephone handsets and telephone toll charges (connected to C-Cube's PBX)
 - 3.2.4 furniture
 - 3.2.5 furniture moving and installation
 - 3.2.6 fax machine
 - 3.2.7 copier
 - 3.2.8 printer
 - 3.2.9 appliances
 - 3.2.10 business forms
 - 3.2.11 all other costs not specifically identified in Section 3.1

ARTICLE 4 - PROTECTION OF CONFIDENTIAL INFORMATION

- 4.1 Any and all exchanges within the framework of the discussions and work relating to the development project are to be kept strictly confidential, in accordance with the terms and conditions of the Non-Disclosure Agreement signed on September 10, 1996 which has a ten (10) year term.
- 4.2 Furthermore, CANAL+ acknowledges that it's employees and contractors will have access to common areas within C-CUBE facilities and may overhear information that is confidential to C-Cube and/or DiviCom. Confidential Information shall also include any such non-public technical or business information, oral or written, which a CANAL+ employee or contractor is incidentally exposed to while at C-Cube's facilities.

ARTICLE 5 - RENTAL TERM AND TERMINATION

- 5.1 This Agreement shall be effective as of the date of execution by the Parties and shall continue for a period of six (6) months. (the Term).
- 5.2 Prior to expiration of the Term, the Parties may negotiate in good faith an extension to the Term. Any extension must be agreed in writing by both Parties.
- 5.3 Either party may terminate for convenience with 60 days notice to the other party. C-CUBE may terminate this Agreement for breach or reasonable cause (including, but not limited to, destruction of property, breach of confidentiality, and violence or disruption in the workplace) immediately upon notification to CANAL+.
- 5.4 In the event there is no agreed extension of the Term, immediately upon expiration or termination CANAL+ shall remove all of its items not provided by C-CUBE under this Agreement and shall insure that the rental space is returned to its original condition, less reasonable wear and tear.

ARTICLE 6 - GENERAL

- 6.1 Assignment. CANAL+ shall not assign or otherwise transfer any of its rights or obligations under this Agreement without the prior written consent of C-CUBE, such consent to not be unreasonably withheld.
- 6.2 Limitation of Liability.
In no event shall either party be liable to the other for exemplary, incidental indirect, special or consequential damages of any kind, including without limitation loss of profit, savings or revenue, or the claims of third parties, whether or not advised of the possibility of such loss, however caused, arising out of this agreement or the relationship of the parties.
- 6.3 Governing Law. This Agreement shall be governed by the Interpreted in accordance with laws of the State of California, excluding its choice of law rules.
- 6.4 Force Majeure. Neither party shall be liable hereunder by reason of any failure or delay in the performance of its obligations hereunder (except for the payment of money) on account of strikes, shortages, riots, insurrection, fires, flood, storm, explosions, acts of God, governmental action, labor conditions, earthquakes or any other cause which is beyond the reasonable control of such party.
- 6.5 Complete Agreement. This Agreement supersedes all prior discussions and agreements, whether written or oral, between the Parties (except the NDA) relating to the subject matter thereof. This agreement may only be amended or modified in writing by a duly authorized representative of both parties.

The foregoing is understood and agreed by and between:

C-CUBE MICROSYSTEMS INC.

By: Rich Foreman
Name: Rich Foreman
Title: VIC PRESIDENT
Date: 4/13/99

CANAL+ U.S. TECHNOLOGIES

By: Richard J. Guretti
Name: Richard J. Guretti
Title: _____
Date: 4/13/99