

Appendix I

**UNITED STATES OF AMERICA
BEFORE FEDERAL TRADE COMMISSION**

WHEREAS Time Warner entered into an agreement with Turner for Time Warner to acquire the outstanding voting securities of Turner, and TCI and LMC proposed to acquire stock in Time Warner (hereinafter "the Acquisition");

WHEREAS the Commission is investigating the Acquisition to determine whether it

made final, apply to the IRS for the IRS Ruling and cancel the Two Programming Service Agreements, compliance with the operative provisions of the Consent Order might not be possible or might produce a less than effective remedy;

WHEREAS Time Warner, Turner, TCI, and LMC's entering into this Agreement shall in no way be construed as an admission by them that the Acquisition is illegal;

WHEREAS Time Warner, Turner, TCI, and LMC understand that no act or transaction contemplated by this Agreement shall be deemed immune or exempt from the provisions of the antitrust laws or the Federal Trade Commission Act by reason of anything contained in this Agreement;

NOW, THEREFORE, upon understanding that the Commission has not yet determined whether the Acquisition will be challenged, and in consideration of the Commission's agreement that, unless the Commission determines to reject the Consent Order, it will not seek further relief from Time Warner, Turner, TCI, and LMC with respect to the Acquisition, except that the Commission may exercise any and all rights to enforce this Agreement and the Consent Order to which this Agreement is annexed and made a part thereof, the parties agree as follows:

1. Within thirty (30) days of the date the Commission accepts the attached Consent Order for public comment, TCI and LMC shall apply to the IRS for the IRS Ruling.
2. On or before the Closing Date, Time Warner, Turner and TCI shall cancel the Two Programming Service Agreements.
3. This Agreement shall be binding when approved by the Commission.

Dated: _____

FOR THE FEDERAL TRADE COMMISSION

Stephen Calkins
General Counsel

FOR TIME WARNER INC., A CORPORATION

By: _____

Gerald A. Levin

Counsel for Time Warner Inc.

FOR TURNER BROADCASTING SYSTEM, INC., A CORPORATION

By: _____

General Counsel

Counsel for Turner Broadcasting System, Inc.

FOR TELE-COMMUNICATIONS, INC., A CORPORATION

By: _____

John C. Malone

Counsel for Tele-Communications, Inc.

FOR LIBERTY MEDIA CORPORATION, A CORPORATION

By: _____

Vice President

Counsel for Liberty Media Corporation

[Appendix II attached to paper copies but not available in electronic format]