

Exhibit 10(g)

TIME WARNER INC.
AND
TIME WARNER ENTERTAINMENT COMPANY, L.P.
TO
THE BANK OF NEW YORK,
Trustee

INDENTURE
Dated as of April 30, 1992

7109V/7110V/7111V/103

Certain Sections of this Indenture relating to
Sections 310 through 318, inclusive, of the
Trust Indenture Act of 1939:

<u>Trust Indenture Act Section</u>	<u>Indenture Section</u>
§ 310(a)(1)	609
(a)(2)	609
(a)(3)	Not Applicable
(a)(4)	Not Applicable
(b)	608
	610
	613
§ 311(a)	613
(b)	701
§ 312(a)	702(a)
(b)	702(b)
(c)	702(c)
§ 313(a)	703(a)
(b)	703(a)
(c)	703(a)
(d)	703(b)
§ 314(a)	704
(a)(4)	101
	1004
(b)	Not Applicable
(c)(1)	102
(c)(2)	102
(c)(3)	Not Applicable
(d)	Not Applicable
(e)	102
§ 315(a)	601
(b)	602
(c)	601
(d)	601
(e)	514
§ 316(a)	101
(a)(1)(A)	502
	512
(a)(1)(B)	513
(a)(2)	Not Applicable
(b)	508
(c)	104(c)
§ 317(a)(1)	503
(a)(2)	504
(b)	1003
§ 318(a)	107

NOTE: This reconciliation and tie shall not, for any purpose, be deemed to be a part of the Indenture.

TABLE OF CONTENTS

	<u>Page</u>
PARTIES	1
RECITALS	1

ARTICLE ONE

DEFINITIONS AND OTHER PROVISIONS OF GENERAL APPLICATION

Section 101.	Definitions:	1
	Act	2
	Affiliate; control	2
	Assignment	2
	Authenticating Agent	2
	Board of Directors	2
	Board Resolution	2
	Business Day	2
	Commission	3
	Consolidated Cash Flow	3
	Consolidated Cash Flow Coverage Ratio	3
	Consolidated Interest Expense	3
	Consolidated Net Worth	3
	Corporate Trust Office	4
	corporation	4
	Defaulted Interest	4
	Effective Date	4
	Event of Default	4
	First Supplemental Indenture	4
	GAAP	4
	Guaranty or Guarantee	4
	Holder	4
	Incur	5
	Indenture	5
	Independent Investment Banker	5
	interest	5
	Interest Payment Date	5
	Lien	5
	Material Subsidiary	5
	Maturity	6
	Moody's	6
	Obligor	6
	Obligor Request or Obligor Order	6
	Officers' Certificate	6
	Opinion of Counsel	6
	Original Issue Discount Security	6
	Outstanding	6
	Paying Agent	8

(i)

	<u>Page</u>
Person	8
Place of Payment	8
Predecessor Security	8
Rating Event	8
Redemption Date	8
Redemption Premium	8
Redemption Price	9
Regular Record Date	9
Restricted Party	9
S&P	9
Securities	9
Securities Act	9
Security Register and Security Registrar	9
Senior Indebtedness	9
Special Record Date	10
Stated Maturity	10
Subsidiary	10
Test Period	10
Time Warner	10
Time Warner Credit Agreement	10
Time Warner Guaranty	10
Treasury Yield	10
Trustee	11
Trust Indenture Act	11
TW Partner	11
TW Partner Guaranties	11
TWE	11
TWE Closing	12
TWE Credit Agreement	12
TWE Partnership Agreement	12
U.S. Government Obligations	12
Vice President	12
Section 102. Compliance Certificates and Opinions	12
Section 103. Form of Documents Delivered to Trustee	13
Section 104. Acts of Holders; Record Dates	14
Section 105. Notices, Etc., to Trustee and Obligor	15
Section 106. Notice to Holders; Waiver	16
Section 107. Conflict with Trust Indenture Act	16
Section 108. Effect of Headings and Table of Contents	17
Section 109. Successors and Assigns	17
Section 110. Separability Clause	17
Section 111. Benefits of Indenture	17
Section 112. Governing Law	17
Section 113. Legal Holidays	17

ARTICLE TWO

SECURITY FORMS

	<u>Page</u>
Section 201. Forms Generally	18
Section 202. Form of Trustee's Certificate of Authentication	18

ARTICLE THREE

THE SECURITIES

Section 301. Amount Unlimited; Issuable in Series	19
Section 302. Denominations	21
Section 303. Execution, Authentication, Delivery and Dating	21
Section 304. Temporary Securities	23
Section 305. Registration, Registration of Transfer and Exchange	24
Section 306. Mutilated, Destroyed, Lost and Stolen Securities	25
Section 307. Payment of Interest; Interest Rights Preserved	26
Section 308. Persons Deemed Owners	28
Section 309. Cancellation	28
Section 310. Computation of Interest	29

ARTICLE FOUR

DISCHARGE OF INDENTURE

Section 401. Termination of Obligor's Obligations	29
Section 402. Defeasance and Discharge of Indenture	30
Section 403. Defeasance of Certain Obligations	34
Section 404. Application of Trust Money	36
Section 405. Reinstatement	36

ARTICLE FIVE

REMEDIES

Section 501. Events of Default	37
Section 502. Acceleration of Maturity; Rescission and Annulment	39

	<u>Page</u>	
Section 503.	Collection of Indebtedness and Suits for Enforcement by Trustee or Holders	40
Section 504.	Trustee May File Proofs of Claim	42
Section 505.	Trustee May Enforce Claims Without Possession of Securities	43
Section 506.	Application of Money Collected	43
Section 507.	Limitation on Suits	44
Section 508.	Unconditional Right of Holders to Receive Principal, Premium and Interest	44
Section 509.	Restoration of Rights and Remedies	45
Section 510.	Rights and Remedies Cumulative	45
Section 511.	Delay or Omission Not Waiver	46
Section 512.	Control by Holders	46
Section 513.	Waiver of Past Defaults	46
Section 514.	Undertaking for Costs	47
Section 515.	Waiver of Stay or Extension Laws	47

ARTICLE SIX

THE TRUSTEE

Section 601.	Certain Duties and Responsibilities	47
Section 602.	Notice of Defaults	48
Section 603.	Certain Rights of Trustee	48
Section 604.	Not Responsible for Recitals or Issuance of Securities	49
Section 605.	May Hold Securities	49
Section 606.	Money Held in Trust	50
Section 607.	Compensation and Reimbursement	50
Section 608.	Disqualification; Conflicting Interests	51
Section 609.	Corporate Trustee Required; Eligibility	51
Section 610.	Resignation and Removal; Appointment of Successor	51
Section 611.	Acceptance of Appointment by Successor	53
Section 612.	Merger, Conversion, Consolidation or Succession to Business	54
Section 613.	Preferential Collection of Claims Against Company	55
Section 614.	Appointment of Authenticating Agent	55

ARTICLE SEVEN

HOLDERS' LISTS AND REPORTS BY TRUSTEE AND OBLIGOR

	<u>Page</u>
Section 701. Obligor to Furnish Trustee Names and Addresses of Holders	57
Section 702. Preservation of Information; Communications to Holders	58
Section 703. Reports by Trustee	58
Section 704. Reports by Obligor	58

ARTICLE EIGHT

CONSOLIDATION, MERGER, CONVEYANCE, TRANSFER OR LEASE

Section 801. Restricted Party May Consolidate, Etc., Only on Certain Terms	59
Section 802. Successor Substituted	60
Section 803. Assignment of the Securities; Execution and Delivery of First Supplemental Indenture	61
Section 804. Time Warner Release and Guaranty	62

ARTICLE NINE

SUPPLEMENTAL INDENTURES

Section 901. Supplemental Indentures Without Consent of Holders	63
Section 902. Supplemental Indentures with Consent of Holders	66
Section 903. Execution of Supplemental Indentures	67
Section 904. Effect of Supplemental Indentures	68
Section 905. Conformity with Trust Indenture Act	68
Section 906. Reference in Securities to Supplemental Indentures	68

ARTICLE TEN

COVENANTS

Section 1001. Payment of Principal, Premium and Interest	68
Section 1002. Maintenance of Office or Agency	69

	<u>Page</u>
Section 1003. Money for Securities Payments to Be Held in Trust	69
Section 1004. Statement by Officers as to Default	71
Section 1005. Existence	71
Section 1006. Maintenance of Properties	71
Section 1007. Payment of Taxes and Other Claims	72
Section 1008. Limitation on Liens	72
Section 1009. Limitations on Senior Indebtedness	75
Section 1010. Security and Guaranties	76
Section 1011. Limitation on Restricted Payments	77
Section 1012. Waiver of Certain Covenants	77

ARTICLE ELEVEN

REDEMPTION OF SECURITIES

Section 1101. Applicability of Article	78
Section 1102. Election to Redeem; Notice to Trustee	78
Section 1103. Selection by Trustee of Securities to be Redeemed	78
Section 1104. Mandatory Redemption	79
Section 1105. Notice of Redemption	79
Section 1106. Deposit of Redemption Price	80
Section 1107. Securities Payable on Redemption Date	80
Section 1108. Securities Redeemed in Part	81

ARTICLE TWELVE

SINKING FUNDS

Section 1201. Applicability of Article	81
Section 1202. Satisfaction of Sinking Fund Payments with Securities	82
Section 1203. Redemption of Securities for Sinking Fund	82

TESTIMONIUM	83
SIGNATURES AND SEALS	83
ACKNOWLEDGMENTS	84

Exhibits

Exhibit A	Form of First Supplemental Indenture
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INDENTURE, dated as of April 30, 1992, among TIME WARNER INC., a corporation duly organized and existing under the laws of the State of Delaware ("Time Warner"), having its principal office at 75 Rockefeller Plaza, New York, New York 10019, TIME WARNER ENTERTAINMENT COMPANY, L.P., a limited partnership organized and existing under the laws of the State of Delaware ("TWE"), having its principal office at 75 Rockefeller Plaza, New York, New York 10019, and THE BANK OF NEW YORK, a banking corporation duly organized and existing under the laws of New York, Trustee (the "Trustee").

RECITALS

Time Warner and TWE have each duly authorized the execution and delivery of this Indenture to provide for the issuance from time to time of unsecured debentures, notes or other evidences of indebtedness (herein called the "Securities"), to be issued in one or more series as in this Indenture provided.

All things necessary to make this Indenture a valid agreement of each of Time Warner and TWE, in accordance with its terms, have been done.

NOW, THEREFORE, THIS INDENTURE WITNESSETH:

For and in consideration of the premises and the purchase of the Securities by the Holders thereof, it is mutually agreed, for the equal and proportionate benefit of all Holders of the Securities or of any series thereof, as follows:

ARTICLE ONE

DEFINITIONS AND OTHER PROVISIONS OF GENERAL APPLICATION

SECTION 101. Definitions.

For all purposes of this Indenture, except as otherwise expressly provided or unless the context otherwise requires:

(1) the terms defined in this Article have the meanings assigned to them in this Article and may include the plural as well as the singular;

(2) all other terms used herein which are defined in the Trust Indenture Act, either directly or by reference therein, have the meanings assigned to them therein;

(3) all accounting terms not otherwise defined herein have the meanings assigned to them in accordance with GAAP; and

(4) the words "herein", "hereof" and "hereunder" and other words of similar import refer to this Indenture as a whole and not to any particular Article, Section or other subdivision.

"Act", when used with respect to any Holder, has the meaning specified in Section 104.

"Affiliate" of any specified Person means any other Person directly or indirectly controlling or controlled by or under direct or indirect common control with such specified Person. For the purposes of this definition, "control" when used with respect to any specified Person means the power to direct the management and policies of such Person, directly or indirectly, whether through the ownership of voting securities, by contract or otherwise, and the terms "controlling" and "controlled" have meanings correlative to the foregoing.

"Assignment" shall have the meaning specified in Section 803.

"Authenticating Agent" means any Person authorized by the Trustee pursuant to Section 614 to act on behalf of the Trustee to authenticate Securities of one or more series.

"Board of Directors" means the board of directors of Time Warner, the Board of Representatives of TWE, or any duly authorized committee of either of them.

"Board Resolution" means a copy of a resolution certified by the Secretary or an Assistant Secretary of a Person to have been duly adopted by the Board of Directors of such Person and to be in full force and effect on the date of such certification, and delivered to the Trustee.

"Business Day", when used with respect to any Place of Payment, means each Monday, Tuesday, Wednesday, Thursday and Friday which is not a day on which banking institutions in that Place of Payment are authorized or obligated by law or executive order to close.

"Commission" means the Securities and Exchange Commission, as from time to time constituted, created under the Securities Exchange Act of 1934, or, if at any time after the execution of this instrument such Commission is not existing and performing the duties now assigned to it under the Trust Indenture Act, then the body performing such duties at such time.

"Consolidated Cash Flow" means, with respect to any Person, for any period, the net income of such Person and its Subsidiaries as determined on a consolidated basis in accordance with GAAP consistently applied, plus the sum of depreciation, amortization, other non-cash charges which reduce net income, income tax expense and interest expense, in each case to the extent deducted in determining such net income, and excluding extraordinary gains or losses. In determining Consolidated Cash Flow of TWE with respect to any period prior to the TWE Closing, the Consolidated Cash Flow of TWE shall be determined as if TWE were in existence during such period.

"Consolidated Cash Flow Coverage Ratio" means, with respect to any Person, for any period, the ratio for such period of Consolidated Cash Flow to Consolidated Interest Expense. In determining the Consolidated Cash Flow Coverage Ratio for any Person, effect shall be given to the application of the proceeds of Senior Indebtedness whose Incurrence is being tested to the extent such proceeds are to be used to repay or refinance other Senior Indebtedness.

"Consolidated Interest Expense" means, with respect to any Person, for any period, interest expense of such Person and its Subsidiaries on Senior Indebtedness for such period other than the amount amortized during such period in respect of all fees paid in connection with the Incurrence of such Senior Indebtedness, such expense to be determined on a consolidated basis in accordance with GAAP consistently applied. In determining Consolidated Interest Expense for TWE with respect to any period prior to the TWE Closing, the Consolidated Interest Expense of TWE shall be determined as if TWE were in existence during such period.

"Consolidated Net Worth" means, with respect to any Person, at the date of any determination, the consolidated stockholders' or owners' equity of the holders of capital stock or partnership interests of such Person and its Subsidiaries, determined on a consolidated basis in accordance with GAAP consistently applied; provided that, with respect to Time Warner, to the extent its 8-3/4%

Convertible Subordinated Debentures due 2015 or 11%
 Convertible Subordinated Debentures due 2015 have been issued
 in exchange for Time Warner's outstanding Series C 8-3/4%
 Convertible Exchangeable Preferred Stock or Series D 11%
 Convertible Exchangeable Preferred Stock, respectively, such
 Debentures that are then outstanding shall be included in the
 computation of Time Warner's Consolidated Net Worth.

"Corporate Trust Office" means the principal office
 of the Trustee in the Borough of Manhattan, The City of New
 York at which at any particular time its corporate trust
 business shall be administered.

"corporation" means a corporation, association,
 company, joint-stock company or business trust.

"Defaulted Interest" has the meaning specified in
 Section 307.

"Effective Date" means the Effective Date under (and
 as defined in Section 3.4 of) the TWE Partnership Agreement.

"Event of Default" has the meaning specified in
 Section 501.

"First Supplemental Indenture" means the First
 Supplemental Indenture to this Indenture and which shall be
 substantially in the form of Exhibit A hereto.

"GAAP" means generally accepted accounting
 principles as such principles are in effect as of the date of
 this Indenture.

"Guaranty" or "Guarantee" means any obligation,
 contingent or otherwise, of any Person directly or indirectly
 guaranteeing any indebtedness or other obligation of any
 other Person and, without limiting the generality of the
 foregoing, any obligation, direct or indirect, contingent or
 otherwise, of such Person (i) to purchase or pay (or advance
 or supply funds for the purchase or payment of) such
 indebtedness or other obligation of such other Person or (ii)
 entered into for purposes of assuring in any other manner the
 obligee of such indebtedness or other obligation of the
 payment thereof or to protect such obligee against loss in
 respect thereof (in whole or in part). The term "Guaranty"
 or "Guarantee" used as a verb has a corresponding meaning.

"Holder" means a Person in whose name a Security is
 registered in the Security Register.

"Incur" means, with respect to any indebtedness, to incur, create, issue, assume, Guarantee or otherwise become liable for or with respect to, or become responsible for, the payment of, contingently or otherwise, such indebtedness; provided that neither the accrual of interest (whether such interest is payable in cash or kind) nor the accretion of original issue discount shall be considered an Incurrence of indebtedness.

"Indenture" means this instrument as originally executed or as it may from time to time be supplemented or amended by one or more indentures supplemental hereto entered into pursuant to the applicable provisions hereof, including, for all purposes of this instrument, and any such supplemental indenture, the provisions of the Trust Indenture Act that are deemed to be a part of and govern this instrument and any such supplemental indenture, respectively. The term "Indenture" shall also include the terms of particular series of Securities established as contemplated by Section 301.

"Independent Investment Banker" means an independent investment banking institution of national standing appointed by the Obligor or, if the Obligor fails to make such appointment or if an Event of Default shall have occurred and be continuing, appointed by the Trustee.

"interest", when used with respect to an Original Issue Discount Security which by its terms bears interest only after Maturity, means interest payable after the Maturity thereof.

"Interest Payment Date", when used with respect to any Security, means the Stated Maturity of an installment of interest on such Security.

"Lien" means any mortgage, pledge, security interest, encumbrance, lien or charge of any kind (including, without limitation, any agreement to give any security interest).

"Material Subsidiary" means any Person that is a Subsidiary of TWE if at the end of the most recent fiscal quarter of TWE, the aggregate amount, determined in accordance with GAAP consistently applied, of securities of, loans and advances to, and other investments in, such Person held by TWE and its other Subsidiaries exceeded 10% of the Consolidated Net Worth of TWE.

"Maturity", when used with respect to any Security, means the date on which the principal of such Security or an installment of principal becomes due and payable as therein or herein provided, whether at the Stated Maturity or by declaration of acceleration, call for redemption or otherwise.

"Moody's" means Moody's Investors Service, Inc. or any successor to its rating business.

"Obligor" means Time Warner prior to the Assignment and means TWE after the Assignment, and such term shall include any successor Person to any Obligor that becomes such pursuant to the applicable provisions of this Indenture and thereafter "Obligor" means such successor Person.

"Obligor Request" or "Obligor Order" means a written request or order signed in the name of the Obligor by its Chairman of the Board, its Vice Chairman of the Board, its President or a Vice President, and by its Treasurer, an Assistant Treasurer, its Secretary or an Assistant Secretary, and delivered to the Trustee.

"Officers' Certificate" means a certificate signed by the Chairman of the Board, a Vice Chairman of the Board, the President or a Vice President, and by the Treasurer, an Assistant Treasurer, the Secretary or an Assistant Secretary, of the Obligor, and delivered to the Trustee. One of the officers signing an Officers' Certificate given pursuant to Section 1004 shall be the principal executive, financial or accounting officer of the Person delivering such certificate.

"Opinion of Counsel" means a written opinion of counsel conforming to the requirements of Section 102, if applicable, and such counsel may be an officer of or counsel for the Obligor and shall be acceptable to the Trustee.

"Original Issue Discount Security" means any Security which provides for any amount less than the principal amount thereof to be due and payable upon a declaration of acceleration of the Maturity thereof pursuant to Section 502.

"Outstanding", when used with respect to Securities, means, as of the date of determination, all Securities theretofore authenticated and delivered under this Indenture, except:

(i) Securities theretofore cancelled by the Trustee or delivered to the Trustee for cancellation;

(ii) Securities for whose payment or redemption money in the necessary amount has been theretofore deposited with the Trustee or any Paying Agent (other than the Obligor) in trust or set aside and segregated in trust by the Obligor (if the Obligor shall act as its own Paying Agent) for the Holders of such Securities; provided that, if such Securities are to be redeemed, notice of such redemption has been duly given pursuant to this Indenture or provision therefor satisfactory to the Trustee has been made; and

(iii) Securities that have been paid pursuant to Section 306 or in exchange for or in lieu of which other Securities have been authenticated and delivered pursuant to this Indenture, other than any such Securities in respect of which there shall have been presented to the Trustee proof satisfactory to it that such Securities are held by a bona fide purchaser in whose hands such Securities are valid obligations of the Obligor;

provided, however, that, in determining whether the Holders of the requisite principal amount of the Outstanding Securities have given any request, demand, authorization, direction, notice, consent or waiver hereunder, (i) the principal amount of an Original Issue Discount Security that shall be deemed to be Outstanding shall be the amount of the principal thereof that would be due and payable as of the date of such determination upon acceleration of the Maturity thereof pursuant to Section 502, (ii) the principal amount of a Security denominated in one or more foreign currencies or currency units shall be the U.S. dollar equivalent, determined in the manner provided as contemplated by Section 301 on the date of original issuance of such Security, of the principal amount (or, in the case of an Original Issue Discount Security, the U.S. dollar equivalent on the date of original issuance of such Security of the amount determined as provided in (i) above) of such Security, and (iii) Securities owned by the Obligor or any other obligor upon the Securities or any Affiliate of the Obligor or of such other obligor shall be disregarded and deemed not to be Outstanding, except that, in determining whether the Trustee shall be protected in relying upon any such request, demand, authorization, direction, notice, consent or waiver, only Securities which the Trustee knows to be so owned shall be so disregarded. Securities so owned which have been pledged in good faith may be regarded as Outstanding if the pledgee establishes to the satisfaction of the Trustee the pledgee's right so to act with respect to such Securities and that the pledgee is not the Obligor or any other obligor upon

the Securities or any Affiliate of the Obligor or of such other obligor.

"Paying Agent" means any Person authorized by the Obligor to pay the principal of or any premium or interest on any Securities on behalf of the Obligor.

"Person" means any individual, corporation, partnership, joint venture, association, joint stock company, trust, unincorporated organization or government or any agency or political subdivision thereof.

"Place of Payment", when used with respect to the Securities of any series, means the place or places where the principal of and any premium and interest on the Securities of that series are payable as specified as contemplated by Section 301.

"Predecessor Security" of any particular Security means every previous Security evidencing all or a portion of the same debt as that evidenced by such particular Security; and, for the purposes of this definition, any Security authenticated and delivered under Section 306 in exchange for or in lieu of a mutilated, destroyed, lost or stolen Security shall be deemed to evidence the same debt as the mutilated, destroyed, lost or stolen Security.

"Rating Event" means the receipt, effective at the time of the Assignment or at any time thereafter, by TWE of a rating from each of Moody's and S&P for its senior unsecured long-term debt which rating is equal to or higher than the rating assigned to Time Warner's senior unsecured long-term debt at such time by Moody's and S&P, respectively.

"Redemption Date", when used with respect to any Security to be redeemed, means the date fixed for such redemption by or pursuant to this Indenture.

"Redemption Premium" means, on any date when TWE shall be required to redeem any series of Securities pursuant to Section 1104 of this Indenture, an amount calculated by an Independent Investment Banker, in addition to the principal amount of such Securities and accrued interest thereon, which, when added to such principal and interest would, if invested at such time in U.S. Government Obligations with maturities comparable to the Securities of such series, yield the Holders of such Securities a pretax yield equivalent to the yield such Holders would have realized had they held such Securities to their Stated Maturity. In calculating the

Redemption Premium, the Independent Investment Banker shall first determine the Treasury Yield applicable to the Securities of such series. The Independent Investment Banker shall then determine the present values of: (i) the remaining payments of interest on such Securities; and (ii) the principal payable on such Securities, by discounting such payments in accordance with GAAP on a semiannual basis at a discount rate equal to the Treasury Yield. If the sum of these present values exceeds the unpaid principal amount of such Securities, the difference shall be the Redemption Premium payable on the Redemption Date applicable to the Securities of such series. If such sum is equal to or less than such principal amount, there shall be no Redemption Premium payable upon redemption of such Securities.

"Redemption Price", when used with respect to any Security to be redeemed, means the price at which it is to be redeemed pursuant to this Indenture.

"Regular Record Date" for the interest payable on any Interest Payment Date on the Securities of any series means the date specified for that purpose as contemplated by Section 301.

"Restricted Party" means the Obligor of the Securities and, if at such time TWE is the Obligor and the Time Warner Guaranty is required to be in effect, Time Warner; provided, however, that in no event shall Time Warner be a Restricted Party following the occurrence of a Rating Event, even if the Time Warner Guaranty is thereafter in effect.

"S&P" means Standard & Poor's Corporation or any successor to its rating business.

"Securities" has the meaning stated in the first recital of this Indenture and more particularly means any Securities authenticated and delivered under this Indenture.

"Securities Act" means the Securities Act of 1933, as amended, and any rules or regulations promulgated thereunder.

"Security Register" and "Security Registrar" have the respective meanings specified in Section 305.

"Senior Indebtedness" means, with respect to any Person, all indebtedness of such Person in respect of money borrowed, determined in accordance with GAAP consistently

applied, other than indebtedness, as to which the instrument governing such indebtedness provides that such indebtedness is, or which is in effect, subordinated or junior in right of payment to any other indebtedness of such Person (including, in the case of the Obligor, its 9-5/8% Senior Notes due 2002 and its 10.15% Senior Notes Due 2012).

"Special Record Date" for the payment of any Defaulted Interest means a date fixed by the Trustee pursuant to Section 307.

"Stated Maturity", when used with respect to any Security or any installment of principal thereof or interest thereon, means the date specified in such Security as the fixed date on which the principal of such Security or such installment of principal or interest is due and payable.

"Subsidiary" means, with respect to any Person, any corporation more than 50% of the voting stock of which is owned directly or indirectly by such Person, and any partnership, association, joint venture or other entity in which such Person owns more than 50% of the equity interests or has the power to elect a majority of the board of directors or other governing body.

"Test Period" means, with respect to any date, the period consisting of the most recent four full fiscal quarters for which financial information is generally available.

"Time Warner" means the Person named as "Time Warner" in the first paragraph of this instrument until a successor Person (other than TWE) shall become such pursuant to the applicable provisions of this Indenture, and thereafter "Time Warner" shall mean such successor Person.

"Time Warner Credit Agreement" means the Credit Agreement, dated as of November 1, 1989, as amended, by and among Time Warner, certain of its Subsidiaries and the financial institutions party thereto.

"Time Warner Guaranty" means a Guaranty of Time Warner of the obligations of the TW Partners under the TW Partner Guaranties and which is contained in the First Supplemental Indenture.

"Treasury Yield" means (i) in the case of Securities having a Stated Maturity less than one year after the applicable Redemption Date, the average yield to maturity on

a government bond equivalent basis of the applicable United States Treasury Bill due the week of the Stated Maturity of such Securities; and (ii) in the case of Securities having a Stated Maturity one year or more after the applicable Redemption Date, the average yield of the most actively traded United States Treasury Note (as reported by Cantor Fitzgerald Securities Corp. on page 5 of Telerate Systems, Inc., or, if such report is not available, a source deemed comparable by the Independent Investment Banker and reasonably acceptable to TWE) corresponding in maturity to such Securities (or if there is no corresponding maturity, an interpolation of maturities determined by the Independent Investment Banker), in each case determined by the Independent Investment Banker based on the bid price as of 10 A.M. and 2 P.M., New York City time, on the second Business Day preceding the applicable Redemption Date.

"Trustee" means the Person named as the "Trustee" in the first paragraph of this instrument until a successor Trustee shall have become such pursuant to the applicable provisions of this Indenture, and thereafter "Trustee" shall mean or include each Person who is then a Trustee hereunder, and if at any time there is more than one such Person, "Trustee" as used with respect to the Securities of any series shall mean the Trustee with respect to Securities of that series.

"Trust Indenture Act" means the Trust Indenture Act of 1939 as in force at the date as of which this instrument was executed; provided, however, that, in the event the Trust Indenture Act of 1939 is amended after such date, "Trust Indenture Act" means, to the extent required by any such amendment, the Trust Indenture Act of 1939 as so amended.

"TW Partner" means a Person listed on Exhibit A to the First Supplemental Indenture, as such Exhibit may be amended from time to time as provided in this Indenture.

"TW Partner Guaranties" or "TW Partner Guaranty" means the Guaranties of each of the TW Partners of the principal of, premium, if any, and interest on a Security and which are contained in the First Supplemental Indenture or any further supplemental indenture to this Indenture.

"TWE" means the Person named as "TWE" in the first paragraph of this instrument until a successor Person shall become such pursuant to the applicable provisions of this Indenture, and thereafter "TWE" shall mean such successor Person.

"TWE Closing" means the Closing referred to in Section 3.4 of the TWE Partnership Agreement.

"TWE Credit Agreement" means any senior credit agreement to which TWE is a party.

"TWE Partnership Agreement" means the Agreement of Limited Partnership dated as October 29, 1991 by and among Time Warner, Home Box Office, Inc., a Delaware corporation, Warner Bros. Inc., a Delaware corporation, Warner Cable Communications Inc., a Delaware corporation, Warner Communications Inc., a Delaware corporation, C. Itoh & Co., Ltd., a corporation organized under the laws of Japan and Toshiba Corporation, a corporation organized under the laws of Japan, as such agreement may be amended from time to time.

"U.S. Government Obligations" means securities that are (i) non-callable direct obligations of the United States of America for the payment of which its full faith and credit is pledged or (ii) non-callable obligations of a Person controlled or supervised by and acting as an agency or instrumentality of the United States of America the timely payment of which is unconditionally guaranteed as a full faith and credit obligation by the United States of America.

"Vice President", when used with respect to any Person, means any vice president, whether or not designated by a number or a word or words added before or after the title "vice president".

SECTION 102. Compliance Certificates and Opinions.

Upon any application or request by the Obligor to the Trustee to take any action under any provision of this Indenture, the Obligor shall furnish to the Trustee such certificates and opinions as may be required under the Trust Indenture Act. Each such certificate or opinion shall be given in the form of an Officers' Certificate, if to be given by an officer of the Obligor, or an Opinion of Counsel, if to be given by counsel, and shall comply with the requirements of the Trust Indenture Act and any other requirements set forth in this Indenture.

Every certificate or opinion with respect to compliance with a condition or covenant provided for in this Indenture shall include:

- (1) a statement that each individual signing such certificate or opinion has read such covenant or condition and the definitions herein relating thereto;

(2) a brief statement as to the nature and scope of the examination or investigation upon which the statements or opinions contained in such certificate or opinion are based;

(3) a statement that, in the opinion of each such individual, he has made such examination or investigation as is necessary to enable him to express an informed opinion as to whether or not such covenant or condition has been complied with; and

(4) a statement as to whether, in the opinion of each such individual, such condition or covenant has been complied with.

SECTION 103. Form of Documents Delivered to Trustee.

In any case where several matters are required to be certified by, or covered by an opinion of, any specified Person, it is not necessary that all such matters be certified by, or covered by the opinion of, only one such Person, or that they be so certified or covered by only one document, but one such Person may certify or give an opinion with respect to some matters and one or more other such Persons as to other matters, and any such Person may certify or give an opinion as to such matters in one or several documents.

Any certificate or opinion of an officer of the Obligor may be based, insofar as it relates to legal matters, upon a certificate or opinion of, or representations by, counsel, unless such officer knows that the certificate or opinion or representations with respect to the matters upon which his certificate or opinion is based are erroneous. Any such certificate or opinion of counsel may be based, insofar as it relates to factual matters, upon a certificate or opinion of, or representations by, an officer or officers of the Obligor stating that the information with respect to such factual matters is in the possession of the Obligor, unless such counsel knows that the certificate or opinion or representations with respect to such matters are erroneous.

Where any Person is required to make, give or execute two or more applications, requests, consents, certificates, statements, opinions or other instruments under this Indenture, they may, but need not, be consolidated and form one instrument.

SECTION 104. Acts of Holders; Record Dates.

(a) Any request, demand, authorization, direction, notice, consent, waiver or other action provided by this Indenture to be given or taken by Holders may be embodied in and evidenced by one or more instruments of substantially similar tenor signed by such Holders in person or by agent duly appointed in writing; and, except as herein otherwise expressly provided, such action shall become effective when such instrument or instruments are delivered to the Trustee and, where it is hereby expressly required, to the Obligor. Such instrument or instruments (and the action embodied therein and evidenced thereby) are herein sometimes referred to as the "Act" of the Holders signing such instrument or instruments. Proof of execution of any such instrument or of a writing appointing any such agent shall be sufficient for any purpose of this Indenture and (subject to Section 601) conclusive in favor of the Trustee and the Obligor, if made in the manner provided in this Section.

(b) The fact and date of the execution by any Person of any such instrument or writing may be proved by the affidavit of a witness of such execution or by a certificate of a notary public or other officer authorized by law to take acknowledgments of deeds, certifying that the individual signing such instrument or writing acknowledged to him the execution thereof. Where such execution is by a signer acting in a capacity other than his individual capacity, such certificate or affidavit shall also constitute sufficient proof of his authority. The fact and date of the execution of any such instrument or writing, or the authority of the Person executing the same, may also be proved in any other manner which the Trustee deems sufficient.

(c) The Obligor may, in the circumstances permitted by the Trust Indenture Act, fix any day as the record date for the purpose of determining the Holders of Securities of any series entitled to give or take any request, demand, authorization, direction, notice, consent, waiver or other action, or to vote on any action, authorized or permitted to be given or taken by Holders of Securities of such series. If not set by the Obligor prior to the first solicitation of a Holder of Securities of such series made by any Person in respect of any such action, or, in the case of any such vote, prior to such vote, the record date for any such action or vote shall be the 30th day (or, if later, the date of the most recent list of Holders required to be provided pursuant to Section 701) prior to such first solicitation or vote, as the case may be. With regard to any record date for action

to be taken by the Holders of one or more series of Securities, only the Holders of Securities of such series on such date (or their duly designated proxies) shall be entitled to give or take, or vote on, the relevant action.

(d) The ownership of Securities shall be proved by the Security Register.

(e) Any request, demand, authorization, direction, notice, consent, waiver or other Act of the Holder of any Security shall bind every future Holder of the same Security and the Holder of every Security issued upon the registration of transfer thereof or in exchange therefor or in lieu thereof in respect of anything done, omitted or suffered to be done by the Trustee or the Obligor in reliance thereon, whether or not notation of such action is made upon such Security.

SECTION 105. Notices, Etc., to Trustee and Obligor.

Any request, demand, authorization, direction, notice, consent, waiver or Act of Holders or other document provided or permitted by this Indenture to be made upon, given or furnished to, or filed with:

(1) the Trustee by any Holder or by the Obligor shall be sufficient for every purpose hereunder if made, given, furnished or filed in writing to or with the Trustee at its Corporate Trust Office, Attention: Corporate Trust Department; or

(2) the Obligor by the Trustee or by any Holder shall be sufficient for every purpose hereunder (unless otherwise herein expressly provided) if in writing and mailed, first-class postage prepaid, to the Obligor addressed as follows:

If Time Warner is the Obligor:

Time Warner Inc.
75 Rockefeller Plaza
New York, New York 10019
Attention: Chief Financial Officer
and
Attention: General Counsel

If TWE is the Obligor:

Time Warner Entertainment Company, L.P.
 75 Rockefeller Plaza
 New York, New York 10019
Attention: Chief Financial Officer
 and
Attention: General Counsel

or at any other address previously furnished in writing to the Trustee by such Obligor.

SECTION 106. Notice to Holders; Waiver.

Where this Indenture provides for notice to Holders of any event, such notice shall be sufficiently given (unless otherwise herein expressly provided) if in writing and mailed, first-class postage prepaid, to each Holder affected by such event, at his address as it appears in the Security Register, not later than the latest date (if any), and not earlier than the earliest date (if any), prescribed for the giving of such notice. In any case where notice to Holders is given by mail, neither the failure to mail such notice, nor any defect in any notice so mailed, to any particular Holder shall affect the sufficiency of such notice with respect to other Holders. Where this Indenture provides for notice in any manner, such notice may be waived in writing by the Person entitled to receive such notice, either before or after the event, and such waiver shall be the equivalent of such notice. Waivers of notice by Holders shall be filed with the Trustee, but such filing shall not be a condition precedent to the validity of any action taken in reliance upon such waiver.

In case by reason of the suspension of regular mail service or by reason of any other cause it shall be impracticable to give such notice by mail, then such notification as shall be made with the approval of the Trustee shall constitute a sufficient notification for every purpose hereunder.

SECTION 107. Conflict with Trust Indenture Act.

If any provision hereof limits, qualifies or conflicts with a provision of the Trust Indenture Act that is required under such Act to be a part of and govern this Indenture, the latter provision shall control. If any provision of this Indenture modifies or excludes any provision of the Trust Indenture Act that may be so modified

or excluded, the latter provision shall be deemed to apply to this Indenture as so modified or to be excluded, as the case may be.

SECTION 108. Effect of Headings and Table of Contents.

The Article and Section headings herein and the Table of Contents are for convenience only and shall not affect the construction hereof.

SECTION 109. Successors and Assigns.

All covenants and agreements in this Indenture by the Obligor shall bind its successors and assigns, whether so expressed or not.

SECTION 110. Separability Clause.

In case any provision in this Indenture or in the Securities shall be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions, subject to applicable law, shall not in any way be affected or impaired thereby.

SECTION 111. Benefits of Indenture.

Nothing in this Indenture or in the Securities, express or implied, shall give to any Person, other than the parties hereto and their successors hereunder and the Holders, any benefit or any legal or equitable right, remedy or claim under this Indenture.

SECTION 112. Governing Law.

This Indenture and the Securities shall be governed by and construed in accordance with the laws of the State of New York.

SECTION 113. Legal Holidays.

In any case where any Interest Payment Date, Redemption Date or Stated Maturity of any Security shall not be a Business Day at any Place of Payment, then (notwithstanding any other provision of this Indenture or of the Securities (other than a provision of the Securities of any series which specifically states that such provision shall apply in lieu of this Section)) payment of interest or principal (and premium, if any) need not be made at such Place of Payment on such date, but may be made on the next

succeeding Business Day at such Place of Payment with the same force and effect as if made on the Interest Payment Date or Redemption Date, or at the Stated Maturity, provided that no interest shall accrue on such interest or principal (and premium, if any) for the period from and after such Interest Payment Date, Redemption Date or Stated Maturity, as the case may be.

ARTICLE TWO

SECURITY FORMS

SECTION 201. Forms Generally.

The Securities of each series shall be in substantially such form (not inconsistent with this Indenture) as shall be established by or pursuant to one or more Board Resolutions of the Obligor (as set forth in a Board Resolution or, to the extent established pursuant to, rather than set forth in, a Board Resolution, an Officers' Certificate detailing such establishment), or in one or more indentures supplemental hereto, in each case with such appropriate insertions, omissions, substitutions and other variations as are required or permitted by this Indenture, and may have such letters, numbers or other marks of identification and such legends or endorsements placed thereon (not inconsistent with this Indenture) as may be required to comply with any law or the rules of any securities exchange or as may, consistently herewith, be determined by the officers executing such Securities as evidenced by their execution of the Securities. A copy of an appropriate record of the establishment of the forms of Securities of any series shall be certified by the Secretary or an Assistant Secretary of the Obligor and delivered to the Trustee at or prior to the delivery of the Obligor Order contemplated by Section 303 for the authentication and delivery of such Securities.

The definitive Securities shall be printed, lithographed or engraved on steel engraved borders or may be produced in any other manner, all as determined by the officers executing such Securities as evidenced by their execution of such Securities.

SECTION 202. Form of Trustee's Certificate of Authentication.

The Trustee's certificates of authentication on all Securities shall be in substantially the following form:

"This Security, together with any Guarantees referred to herein, is one of the Securities described in the within-mentioned Indenture.

As Trustee

By _____
Authorized Officer"

ARTICLE THREE

THE SECURITIES

SECTION 301. Amount Unlimited; Issuable in Series.

The aggregate principal amount of Securities which may be authenticated and delivered under this Indenture is unlimited.

The Securities may be issued in one or more series. There shall be established in or pursuant to a Board Resolution and, subject to Section 303, set forth, or determined in the manner provided, in an Officers' Certificate, or established in one or more indentures supplemental hereto, prior to the issuance of Securities of any series:

- (1) the title of the Securities of the series (which shall distinguish the Securities of the series from Securities of any other series);
- (2) any limit upon the aggregate principal amount of the Securities of the series which may be authenticated and delivered under this Indenture (except for Securities authenticated and delivered upon registration of transfer of, or in exchange for, or in lieu of, other Securities of the series pursuant to Section 304, 305, 306, 906 or 1108 and except for any Securities which, pursuant to Section 303, are deemed never to have been authenticated and delivered hereunder);
- (3) the Person to whom any interest on a Security of the series shall be payable, if other than the Person in whose name that Security (or one or more Predecessor Securities) is registered at the close of business on the Regular Record Date for such interest;

(4) the date or dates on which the principal of the Securities of the series is payable;

(5) the rate or rates at which the Securities of the series shall bear interest, if any, the date or dates from which such interest shall accrue, the Interest Payment Dates on which any such interest shall be payable and the Regular Record Date for any interest payable on any Interest Payment Date;

(6) the place or places where the principal of and any premium and interest on Securities of the series shall be payable;

(7) the period or periods within which, the price or prices at which and the terms and conditions upon which Securities of the series may be redeemed, in whole or in part, at the option of the Obligor;

(8) the obligation, if any, of the Obligor to redeem or purchase Securities of the series pursuant to any sinking fund or analogous provisions or at the option of a Holder thereof and the period or periods within which, the price or prices at which and the terms and conditions upon which Securities of the series shall be redeemed or purchased, in whole or in part, pursuant to such obligation;

(9) if other than denominations of \$1,000 and any integral multiple thereof, the denominations in which Securities of the series shall be issuable;

(10) the currency, currencies or currency units in which payment of the principal of and any premium and interest on any Securities of the series shall be payable if other than the currency of the United States of America and the manner of determining the equivalent thereof in the currency of the United States of America for purposes of the definition of "Outstanding" in Section 101;

(11) if the amount of payments of principal of or any premium or interest on any Securities of the series may be determined with reference to an index, the manner in which such amounts shall be determined;

(12) if the principal of or any premium or interest on any Securities of the series is to be payable, at the election of the Obligor or a Holder thereof, in one or

more currencies or currency units other than that or those in which the Securities are stated to be payable, the currency, currencies or currency units in which payment of the principal of and any premium and interest on Securities of such series as to which such election is made shall be payable, and the periods within which and the terms and conditions upon which such election is to be made;

(13) if other than the principal amount thereof, the portion of the principal amount of Securities of the series which shall be payable upon declaration of acceleration of the Maturity thereof pursuant to Section 502; and

(14) any other terms of the series (which terms shall not be inconsistent with the provisions of this Indenture, except as permitted by Section 901(6)).

All Securities of any one series shall be substantially identical except as to denomination and except as may otherwise be provided in or pursuant to the Board Resolution referred to above and (subject to Section 303) set forth, or determined in the manner provided, in the Officers' Certificate referred to above or in any such indenture supplemental hereto.

If any of the terms of the series are established by action taken pursuant to a Board Resolution, a copy of an appropriate record of such action shall be certified by the Secretary or an Assistant Secretary of the Obligor and delivered to the Trustee at or prior to the delivery of the Officers' Certificate setting forth the terms of the series.

SECTION 302. Denominations.

The Securities of each series shall be issuable in registered form without coupons in such denominations as shall be specified as contemplated by Section 301. In the absence of any such provisions with respect to the Securities of any series, the Securities of such series shall be issuable in denominations of \$1,000 and any integral multiple thereof.

SECTION 303. Execution, Authentication, Delivery and Dating.

The Securities shall be executed on behalf of the Obligor by its Chairman of the Board, its Vice Chairman of

the Board, its President or one of its Vice Presidents, under its corporate seal reproduced thereon attested by its Secretary or one of its Assistant Secretaries. The signature of any of these officers on the Securities may be manual or facsimile.

Securities bearing the manual or facsimile signatures of individuals who were at any time the proper officers of the Obligor shall bind the Obligor, notwithstanding that such individuals or any of them have ceased to hold such offices prior to the authentication and delivery of such Securities or did not hold such offices at the date of such Securities.

At any time and from time to time after the execution and delivery of this Indenture, the Obligor may deliver Securities of any series executed by the Obligor to the Trustee for authentication, together with an Obligor Order for the authentication and delivery of such Securities, and the Trustee in accordance with the Obligor Order shall authenticate and deliver such Securities. If the form or terms of the Securities of the series have been established in or pursuant to one or more Board Resolutions as permitted by Sections 201 and 301, in authenticating such Securities, and accepting the additional responsibilities under this Indenture in relation to such Securities, the Trustee shall be entitled to receive, and (subject to Section 601) shall be fully protected in relying upon, an Opinion of Counsel stating,

(a) if the form of such Securities has been established by or pursuant to a Board Resolution as permitted by Section 201, that such form has been established in conformity with the provisions of this Indenture;

(b) if the terms of such Securities have been established by or pursuant to a Board Resolution as permitted by Section 301, that such terms have been established in conformity with the provisions of this Indenture; and

(c) that such Securities, when authenticated and delivered by the Trustee and issued by the Obligor in the manner and subject to any conditions specified in such Opinion of Counsel, will constitute valid and legally binding obligations of the Obligor enforceable in accordance with their terms, subject to bankruptcy, insolvency, fraudulent conveyance or transfer,

reorganization, moratorium and similar laws of general applicability relating to or affecting creditors' rights and to general equity principles.

If such form or terms have been so established, the Trustee shall not be required to authenticate such Securities if the issue of such Securities pursuant to this Indenture will affect the Trustee's own rights, duties or immunities under the Securities and this Indenture or otherwise in a manner which is not reasonably acceptable to the Trustee.

Notwithstanding the provisions of Section 301 and of the preceding paragraph, if all Securities of a series are not to be originally issued at one time, it shall not be necessary to deliver the Officers' Certificate otherwise required pursuant to Section 301 or the Obligor Order and Opinion of Counsel otherwise required pursuant to such preceding paragraph at or prior to the time of authentication of each Security of such series if such documents are delivered at or prior to the authentication upon original issuance of the first Security of such series to be issued.

Each Security shall be dated the date of its authentication.

No Security shall be entitled to any benefit under this Indenture or be valid or obligatory for any purpose unless there appears on such Security a certificate of authentication substantially in the form provided for herein executed by the Trustee by manual signature, and such certificate upon any Security shall be conclusive evidence, and the only evidence, that such Security has been duly authenticated and delivered hereunder. Notwithstanding the foregoing, if any Security shall have been authenticated and delivered hereunder but never issued and sold by the Obligor, and the Obligor shall deliver such Security to the Trustee for cancellation as provided in Section 309, for all purposes of this Indenture such Security shall be deemed never to have been authenticated and delivered hereunder and shall never be entitled to the benefits of this Indenture.

SECTION 304. Temporary Securities.

Pending the preparation of definitive Securities of any series, the Obligor may execute, and upon Obligor Order the Trustee shall authenticate and deliver, temporary Securities which are printed, lithographed, typewritten, mimeographed or otherwise produced, in any authorized denomination, substantially of the tenor of the definitive

Securities in lieu of which they are issued and with such appropriate insertions, omissions, substitutions and other variations as the officers executing such Securities may determine, as evidenced by their execution of such Securities.

If temporary Securities of any series are issued, the Obligor will cause definitive Securities of that series to be prepared without unreasonable delay. After the preparation of definitive Securities of such series, the temporary Securities of such series shall be exchangeable for definitive Securities of such series upon surrender of the temporary Securities of such series at the office or agency of the Obligor in a Place of Payment for that series, without charge to the Holder. Upon surrender for cancellation of any one or more temporary Securities of any series the Obligor shall execute and the Trustee shall authenticate and deliver in exchange therefor one or more definitive Securities of the same series, of any authorized denominations and of a like aggregate principal amount and tenor. Until so exchanged the temporary Securities of any series shall in all respects be entitled to the same benefits under this Indenture as definitive Securities of such series and tenor.

SECTION 305. Registration, Registration of Transfer and Exchange.

The Obligor shall cause to be kept at the Corporate Trust Office of the Trustee a register (the register maintained in such office and in any other office or agency of the Obligor in a Place of Payment being herein sometimes collectively referred to as the "Security Register") in which, subject to such reasonable regulations as it may prescribe, the Obligor shall provide for the registration of Securities and of transfers of Securities. The Trustee is hereby appointed "Security Registrar" for the purpose of registering Securities and transfers of Securities as herein provided.

Upon surrender for registration of transfer of any Security of any series at the office or agency in a Place of Payment for that series, the Obligor shall execute, and the Trustee shall authenticate and deliver, in the name of the designated transferee or transferees, one or more new Securities of the same series, of any authorized denominations and of a like aggregate principal amount and tenor.

At the option of the Holder, Securities of any series may be exchanged for other Securities of the same

series, of any authorized denominations and of a like aggregate principal amount and tenor, upon surrender of the Securities to be exchanged at such office or agency. Whenever any Securities are so surrendered for exchange, the Obligor shall execute, and the Trustee shall authenticate and deliver, the Securities which the Holder making the exchange is entitled to receive.

All Securities issued upon any registration of transfer or exchange of Securities shall be the valid obligations of the Obligor, evidencing the same debt, and entitled to the same benefits under this Indenture, as the Securities surrendered upon such registration of transfer or exchange.

Every Security presented or surrendered for registration of transfer or for exchange shall (if so required by the Obligor or the Trustee) be duly endorsed, or be accompanied by a written instrument of transfer in form satisfactory to the Obligor and the Security Registrar duly executed, by the Holder thereof or his attorney duly authorized in writing.

No service charge shall be made for any registration of transfer or exchange of Securities, but the Obligor may require payment of a sum sufficient to cover any tax or other governmental charge that may be imposed in connection with any registration of transfer or exchange of Securities, other than exchanges pursuant to Section 304, 906 or 1108 not involving any transfer.

The Obligor shall not be required (i) to issue, register the transfer of or exchange Securities of any series during a period beginning at the opening of business 15 days before the day of the mailing of a notice of redemption of Securities of that series selected for redemption under Section 1103 and ending at the close of business on the day of such mailing, or (ii) to register the transfer of or exchange any Security so selected for redemption in whole or in part, except the unredeemed portion of any Security being redeemed in part.

**SECTION 306. Mutilated, Destroyed, Lost
and Stolen Securities.**

If any mutilated Security is surrendered to the Trustee, the Obligor shall execute and the Trustee shall authenticate and deliver in exchange therefor a new Security of the same series and of like tenor and principal amount and bearing a number not contemporaneously outstanding.

If there shall be delivered to the Obligor and the Trustee (i) evidence to their satisfaction of the destruction, loss or theft of any Security and (ii) such security or indemnity as may be required by them to save each of them and any agent of either of them harmless, then, in the absence of notice to the Obligor or the Trustee that such Security has been acquired by a bona fide purchaser, the Obligor shall execute and the Trustee shall authenticate and deliver, in lieu of any such destroyed, lost or stolen Security, a new Security of the same series and of like tenor and principal amount and bearing a number not contemporaneously outstanding.

In case any such mutilated, destroyed, lost or stolen Security has become or is about to become due and payable, the Obligor in its discretion may, instead of issuing a new Security, pay such Security.

Upon the issuance of any new Security under this Section, the Obligor may require the payment of a sum sufficient to cover any tax or other governmental charge that may be imposed in relation thereto and any other expenses (including the fees and expenses of the Trustee) connected therewith.

Every new Security of any series issued pursuant to this Section in lieu of any destroyed, lost or stolen Security shall constitute an original additional contractual obligation of the Obligor, whether or not the destroyed, lost or stolen Security shall be at any time enforceable by anyone, and shall be entitled to all the benefits of this Indenture equally and proportionately with any and all other Securities of that series duly issued hereunder.

The provisions of this Section are exclusive and shall preclude (to the extent lawful) all other rights and remedies with respect to the replacement or payment of mutilated, destroyed, lost or stolen Securities.

SECTION 307. Payment of Interest;
Interest Rights Preserved.

Except as otherwise provided as contemplated by Section 301 with respect to any series of Securities, interest on any Security which is payable, and is punctually paid or duly provided for, on any Interest Payment Date shall be paid to the Person in whose name that Security (or one or more Predecessor Securities) is registered at the close of business on the Regular Record Date for such interest.

Any interest on any Security of any series which is payable, but is not punctually paid or duly provided for, on any Interest Payment Date (herein called "Defaulted Interest") shall forthwith cease to be payable to the Holder on the relevant Regular Record Date by virtue of having been such Holder, and such Defaulted Interest may be paid by the Obligor, at its election in each case, as provided in Clause (1) or (2) below:

(1) The Obligor may elect to make payment of any Defaulted Interest to the Persons in whose names the Securities of such series (or their respective Predecessor Securities) are registered at the close of business on a Special Record Date for the payment of such Defaulted Interest, which shall be fixed in the following manner. The Obligor shall notify the Trustee in writing of the amount of Defaulted Interest proposed to be paid on each Security of such series and the date of the proposed payment, and at the same time the Obligor shall deposit with the Trustee an amount of money equal to the aggregate amount proposed to be paid in respect of such Defaulted Interest or shall make arrangements satisfactory to the Trustee for such deposit prior to the date of the proposed payment, such money when deposited to be held in trust for the benefit of the Persons entitled to such Defaulted Interest as provided in this clause. Thereupon the Trustee shall fix a Special Record Date for the payment of such Defaulted Interest which shall be not more than 15 days and not less than 10 days prior to the date of the proposed payment and not less than 10 days after the receipt by the Trustee of the notice of the proposed payment. The Trustee shall promptly notify the Obligor of such Special Record Date and, in the name and at the expense of the Obligor, shall cause notice of the proposed payment of such Defaulted Interest and the Special Record Date therefor to be mailed, first-class postage prepaid, to each Holder of Securities of such series at his address as it appears in the Security Register, not less than 10 days prior to such Special Record Date. Notice of the proposed payment of such Defaulted Interest and the Special Record Date therefor having been so mailed, such Defaulted Interest shall be paid to the Persons in whose names the Securities of such series (or their respective Predecessor Securities) are registered at the close of business on such Special Record Date and shall no longer be payable pursuant to the following Clause (2).

(2) The Obligor may make payment of any Defaulted Interest on the Securities of any series in any other lawful manner not inconsistent with the requirements of any securities exchange on which such Securities may be listed, and upon such notice as may be required by such exchange, if, after notice given by the Obligor to the Trustee of the proposed payment pursuant to this Clause, such manner of payment shall be deemed practicable by the Trustee.

Subject to the foregoing provisions of this Section, each Security delivered under this Indenture upon registration of transfer of or in exchange for or in lieu of any other Security shall carry the rights to interest accrued and unpaid, and to accrue, which were carried by such other Security.

SECTION 308. Persons Deemed Owners.

Prior to due presentment of a Security for registration of transfer, the Obligor, the Trustee and any agent of the Obligor or the Trustee may treat the Person in whose name such Security is registered as the owner of such Security for the purpose of receiving payment of principal of and any premium and (subject to Section 307) any interest on such Security and for all other purposes whatsoever, whether or not such Security be overdue, and neither the Obligor, the Trustee nor any agent of the Obligor or the Trustee shall be affected by notice to the contrary.

SECTION 309. Cancellation.

All Securities surrendered for payment, redemption, registration of transfer or exchange or for credit against any sinking fund payment shall, if surrendered to any Person other than the Trustee, be delivered to the Trustee and shall be promptly cancelled by it. The Obligor may at any time deliver to the Trustee for cancellation any Securities previously authenticated and delivered hereunder which the Obligor may have acquired in any manner whatsoever, and may deliver to the Trustee (or to any other Person for delivery to the Trustee) for cancellation any Securities previously authenticated hereunder which the Obligor has not issued and sold, and all Securities so delivered shall be promptly cancelled by the Trustee. No Securities shall be authenticated in lieu of or in exchange for any Securities cancelled as provided in this Section, except as expressly permitted by this Indenture. All cancelled Securities held by the Trustee shall be returned to the Obligor or otherwise disposed of as directed by an Obligor Order.

SECTION 310. Computation of Interest.

Except as otherwise specified as contemplated by Section 301 for Securities of any series, interest on the Securities of each series shall be computed on the basis of a 360-day year of twelve 30-day months.

ARTICLE FOUR

DISCHARGE OF INDENTURE

SECTION 401. Termination of Obligor's Obligations.

Except as otherwise provided in this Section 401, the Obligor, the TW Partners and Time Warner may terminate their respective obligations under the Securities of any series, this Indenture (with respect to such series), the TW Partner Guaranties (if they are then in effect) and the Time Warner Guaranty (if it is then in effect) if:

(i) all Securities of such series previously authenticated and delivered (other than destroyed, lost or stolen Securities of such series that have been replaced or Securities of such series that are paid pursuant to Section 1001 of this Indenture or Securities of such series for whose payment money or securities have theretofore been held in trust and thereafter repaid to the Obligor, as provided in Section 1003 of this Indenture) have been delivered to the Trustee for cancellation and the Obligor has paid all sums payable by it hereunder; or

(ii) (A) all Outstanding Securities of such series mature within one year or all of them are to be called for redemption within one year under arrangements satisfactory to the Trustee for giving the notice of redemption, (B) the Obligor irrevocably deposits in trust with the Trustee during such one-year period, under the terms of an irrevocable trust agreement in form and substance satisfactory to the Trustee, as trust funds solely for the benefit of the Holders of such series for that purpose, money or U.S. Government Obligations sufficient (in the opinion of a nationally recognized firm of independent public accountants expressed in a written certification thereof delivered to the Trustee), without consideration of any reinvestment of such interest, to pay principal, premium, if any, and interest on the Securities of such series to maturity or

redemption, as the case may be, and to pay all other sums payable by it hereunder, (C) no Event of Default shall have occurred and be continuing on the date of such deposit, (D) such deposit will not result in a breach or violation of, or constitute a default under, this Indenture or any other agreement or instrument to which the Obligor is a party or by which it is bound and (E) the Obligor has delivered to the Trustee an Officers' Certificate and an Opinion of Counsel, in each case stating that all conditions precedent provided for herein relating to the satisfaction and discharge of this Indenture have been complied with.

With respect to the foregoing clause (i), the Obligor's obligations under Section 607 and any obligations of the TW Partners (with respect to the TW Partner Guaranties if they are then in effect) and Time Warner (with respect to the Time Warner Guaranty if it is then in effect) with respect to said section shall survive with respect to the Securities of such series. With respect to the foregoing clause (ii), the Obligor's obligations contained in Sections 303, 305, 306, 307, 405, 607, 610, 1001 and 1002 of this Indenture and any obligations of the TW Partners (with respect to the TW Partner Guaranties if they are then in effect) and Time Warner (with respect to the Time Warner Guaranty if it is then in effect) with respect to said sections shall survive until the Securities of such series are no longer Outstanding. Thereafter, only the Obligor's obligations contained in Sections 405 and 607 of this Indenture and any obligations of the TW Partners (with respect to the TW Partner Guaranties if they are then in effect) and Time Warner (with respect to the Time Warner Guaranty if it is then in effect) with respect to said sections shall survive with respect to the Securities of such series. After any such irrevocable deposit, the Trustee upon request and at the Obligor's expense shall acknowledge in writing the discharge of the Obligor's, the TW Partners' and Time Warner's obligations, if any, under the Securities of such series, this Indenture (with respect to such series), the TW Partner Guaranties (if they are then in effect) and the Time Warner Guaranty (if it is then in effect) except for those surviving obligations specified above.

SECTION 402. Defeasance and Discharge of Indenture.

The Obligor, the TW Partners and Time Warner will be deemed to have paid and will be discharged from any and all obligations in respect of the Securities of any series, the TW Partner Guaranties (if they are then in effect) and the

Time Warner Guaranty (if it is then in effect) on the 123rd day after the date of the deposit referred to in clause (A) hereof, and the provisions of this Indenture will no longer be in effect with respect to the Securities of such series, and the Trustee, at the expense of the Obligor, shall execute proper instruments acknowledging the same, except as to (i) rights of registration of transfer and exchange, (ii) substitution of apparently mutilated, defaced, destroyed, lost or stolen Securities of such series, (iii) rights of Holders of such series to receive payments of principal thereof and interest thereon, (iv) the Obligor's obligations under Section 1002, (v) the rights, obligations and immunities of the Trustee hereunder and (vi) the rights of the Holders of such series as beneficiaries of this Indenture with respect to the property so deposited with the Trustee payable to all or any of them; provided that the following conditions shall have been satisfied:

(A) with reference to this Section 402, the Obligor has irrevocably deposited or caused to be irrevocably deposited with the Trustee (or another trustee satisfying the requirements of Section 609 of this Indenture) and conveyed all right, title and interest to the Trustee for the benefit of the Holders of such series, under the terms of an irrevocable trust agreement in form and substance satisfactory to the Trustee, as trust funds in trust, specifically pledged to the Trustee for the benefit of the Holders of such series as security for payment of the principal of, premium, if any, and interest on the Securities of such series, and dedicated solely to, the benefit of the Holders of such series in and to (1) money in an amount, (2) U.S. Government Obligations that, through the payment of interest, principal and premium, if any, in respect thereof in accordance with their terms, will provide, not later than one day before the due date of any payment referred to in this clause (A), money in an amount or (3) a combination thereof in an amount sufficient, in the opinion of a nationally recognized firm of independent public accountants expressed in a written certification thereof delivered to the Trustee, to pay and discharge, without consideration of the reinvestment of such interest and after payment of all federal, state and local taxes or other charges and assessments in respect thereof payable by the Trustee, the principal of, premium, if any, and interest on the Outstanding Securities of such series at the Stated Maturity of such principal or interest; provided that the Trustee shall have been irrevocably instructed to apply such money or the proceeds of such

U.S. Government Obligations to the payment of such principal, premium, if any, and interest with respect to the Securities of such series;

(B) such deposit will not result in a breach or violation of, or constitute a default under, this Indenture or any other agreement or instrument to which the Obligor is a party or by which it is bound;

(C) no Event of Default shall have occurred and be continuing on the date of such deposit or during the period ending on the 123rd day after such date of deposit;

(D) the Obligor shall have delivered to the Trustee (1) either (x) a ruling directed to the Trustee received from the Internal Revenue Service to the effect that the Holders of Securities of such series will not recognize income, gains or loss for federal income tax purposes as a result of the Obligor's exercise of its option under this Section 402 and will be subject to federal income tax on the same amount and in the same manner and at the same times as would have been the case if such option had not been exercised or (y) an Opinion of Counsel to the same effect as the ruling described in clause (x) above accompanied by a ruling to that effect published by the Internal Revenue Service, unless there has been a change in the applicable federal income tax law since the date of this Indenture such that a ruling from the Internal Revenue Service is no longer required and (2) an Opinion of Counsel, subject to such qualifications, exceptions, assumptions and limitations as are reasonably deemed necessary by such counsel and are reasonably satisfactory to counsel for the Trustee, to the effect that (x) the creation of the defeasance trust does not violate the Investment Company Act of 1940 and (y) after the passage of 123 days following the deposit (except, with respect to any trust funds for the benefit of any Person who may be deemed to be an "insider" for purposes of the United States Bankruptcy Code, after one year following the deposit), the trust funds will not be subject to the effect of Section 547 of the United States Bankruptcy Code or Section 15.6-a of the New York Debtor and Creditor Law in a case commenced by or against the Obligor under either such statute, and either (I) the trust funds will no longer remain the property of the Obligor (and therefore will not be subject to the effect of any applicable bankruptcy, insolvency, reorganization or similar laws affecting creditors' rights generally) or (II) if a court were to rule under any such law in any

case or proceeding that the trust funds remained property of the Obligor, (a) assuming such trust funds remained in the possession of the Trustee prior to such court ruling to the extent not paid to the Holders of such series, the Trustee will hold, for the benefit of the Holders of such series, a valid and perfected security interest in such trust funds that is not avoidable in bankruptcy or otherwise except for the effect of Section 552(b) of the United States Bankruptcy Code on interest on the trust funds accruing after the commencement of a case under such statute and (b) the Holders of such series will be entitled to receive adequate protection of their interests in such trust funds if such trust funds are used in such case or proceeding; and

(E) the Obligor has delivered to the Trustee an Officers' Certificate and an Opinion of Counsel, in each case stating that all conditions precedent provided for herein relating to the defeasance contemplated by this Section 402 have been complied with.

Notwithstanding the foregoing clause (A), prior to the end of the 123-day (or one year) period referred to in clause (D)(2)(y) above, none of the Obligor's Time Warner's or any TW Partners' obligations under this Indenture shall be discharged. Subsequent to the end of such 123-day (or one year) period with respect to this Section 402, the Obligor's obligations with respect to Securities of such series in Sections 303, 305, 306, 307, 405, 607, 610, 1001 and 1002 of this Indenture and any obligations of the TW Partners (with respect to the TW Partner Guaranties if they are then in effect) and Time Warner (with respect to the Time Warner Guaranty if it is then in effect) with respect to said sections shall survive until there are no Securities of such series Outstanding. Thereafter, only the Obligor's obligations in Sections 405 and 607 of this Indenture and any obligations of the TW Partners (with respect to the TW Partner Guaranties if they are then in effect) and Time Warner (with respect to the Time Warner Guaranty if it is then in effect) with respect to said sections shall survive with respect to Securities of such series. If and when a ruling from the Internal Revenue Service or an Opinion of Counsel referred to in clause (D)(1) above is able to be provided specifically without regard to, and not in reliance upon, the continuance of the Obligor's obligations with respect to Securities of such series under Section 1001 of this Indenture, then the Obligor's, Time Warner's and each TW Partners' obligations with respect to Securities of such series under such Section 1001 of this Indenture shall cease

upon delivery to the Trustee of such ruling or Opinion of Counsel and compliance with the other conditions precedent provided for herein relating to the defeasance contemplated by this Section 402.

After any such irrevocable deposit, the Trustee upon request shall acknowledge in writing the discharge of the Obligor's, Time Warner's and each TW Partners' obligations under the Securities of such series, this Indenture (with respect to such series), the TW Partner Guaranties (if they are then in effect) and the Time Warner Guaranty (if it is then in effect) except for those surviving obligations in the immediately preceding paragraph.

SECTION 403. Defeasance of Certain Obligations.

The Restricted Parties may omit to comply with any term, provision or condition set forth in clauses (2), (4) and (5) of Section 801 and Sections 1006 through 1011 of this Indenture, and clauses (3), (4), (5), (8) and (9) of Section 501 of this Indenture shall be deemed not to be Events of Default, in each case with respect to the outstanding Securities of any series if:

(i) with reference to this Section 403, the Obligor has irrevocably deposited or caused to be irrevocably deposited with the Trustee (or another trustee satisfying the requirements of Section 609 of this Indenture) and conveyed all right, title and interest to the Trustee for the benefit of the Holders of such series, under the terms of an irrevocable trust agreement in form and substance satisfactory to the Trustee, as trust funds in trust, specifically pledged to the Trustee for the benefit of the Holders of such series as security for payment of the principal of, premium, if any, and interest on the Securities of such series, and dedicated solely to, the benefit of the Holders of such series in and to (A) money in an amount, (B) U.S. Government Obligations that, through the payment of interest, principal and premium, if any, in respect thereof in accordance with their terms, will provide, not later than one day before the due date of any payment referred to in this clause (i), money in an amount or (C) a combination thereof in an amount sufficient, in the opinion of a nationally recognized firm of independent public accountants expressed in a written certification thereof delivered to the Trustee, to pay and discharge, without consideration of the reinvestment of such interest and after payment of all federal, state and local taxes or

other charges and assessments in respect thereof payable by the Trustee, the principal of, premium, if any, and interest on the Outstanding Securities of such series on the Stated Maturity of such principal or interest; provided that the Trustee shall have been irrevocably instructed to apply such money or the proceeds of such U.S. Government Obligations to the payment of such principal, premium, if any, and interest with respect to the Securities of such series;

(ii) such deposit will not result in a breach or violation of, or constitute a default under, this Indenture or any other agreement or instrument to which the Obligor is a party or by which it is bound;

(iii) no Default or Event of Default shall have occurred and be continuing on the date of such deposit;

(iv) the Obligor has delivered to the Trustee an Opinion of Counsel, subject to such qualifications, exceptions, assumptions and limitations as are reasonably deemed necessary by such counsel and are reasonably satisfactory to counsel for the Trustee, to the effect that (A) the creation of the defeasance trust does not violate the Investment Company Act of 1940, (B) the Holders of Securities of such series have a valid first-priority security interest in the trust funds, (C) the Holders of Securities of such series will not recognize income, gain or loss for federal income tax purposes as a result of such deposit and defeasance of certain obligations and will be subject to federal income tax on the same amount and in the same manner and at the same times as would have been the case if such deposit and defeasance had not occurred and (D) after the passage of 123 days following the deposit (except, with respect to any trust funds for the benefit of any Person who may be deemed to be an "insider" for purposes of the United States Bankruptcy Code, after one year following the deposit), the trust funds will not be subject to the effect of Section 547 of the United States Bankruptcy Code or Section 15.6-a of the New York Debtor and Creditor Law in a case commenced by or against the Obligor under either such statute, and either (1) the trust funds will no longer remain the property of the Obligor (and therefore will not be subject to the effect of any applicable bankruptcy, insolvency, reorganization or similar laws affecting creditors' rights generally) or (2) if a court were to rule under any such law in any case or proceeding that the trust funds remained property

of the Obligor, (x) assuming such trust funds remained in the possession of the Trustee prior to such court ruling to the extent not paid to the Holders of such series, the Trustee will hold, for the benefit of the Holders of such series, a valid and perfected security interest in such trust funds that is not avoidable in bankruptcy or otherwise except for the effect of Section 552(b) of the United States Bankruptcy Code on interest on the trust funds accruing after the commencement of a case under such statute and (y) the Holders of such series will be entitled to receive adequate protection of their interests in such trust funds if such trust funds are used in such case or proceeding; and

(v) the Obligor has delivered to the Trustee an Officers' Certificate and an Opinion of Counsel, in each case stating that all conditions precedent provided for herein relating to the defeasance contemplated by this Section 403 have been complied with.

SECTION 404. Application of Trust Money.

Subject to the last paragraph of Section 1003 of this Indenture, the Trustee or Paying Agent shall hold in trust money or U.S. Government Obligations deposited with it pursuant to Section 401, 402 or 403 of this Indenture, as the case may be, and shall apply the deposited money and the money from U.S. Government Obligations in accordance with the Securities and this Indenture to the payment of principal of and interest on the Securities; but such money need not be segregated from other funds except to the extent required by law.

SECTION 405. Reinstatement.

If the Trustee or Paying Agent is unable to apply any money or U.S. Government Obligations in accordance with Section 401, 402 or 403 of this Indenture, as the case may be, by reason of any legal proceeding or by reason of any order or judgment of any court or governmental authority enjoining, restraining or otherwise prohibiting such application, the Obligor's, Time Warner's and the TW Partners' obligations under this Indenture and the Securities shall be revived and reinstated as though no deposit had occurred pursuant to Section 401, 402 or 403 of this Indenture, as the case may be, until such time as the Trustee or Paying Agent is permitted to apply all such money or U.S. Government Obligations in accordance with Section 401, 402 or 403 of this Indenture, as the case may be; provided that, if

the Obligor has made any payment of principal of or interest on any Securities because of the reinstatement of its obligations, the Obligor shall be subrogated to the rights of the Holders of such Securities to receive such payment from the money or U.S. Government Obligations held by the Trustee or Paying Agent.

ARTICLE FIVE

REMEDIES

SECTION 501. Events of Default.

"Event of Default", wherever used herein with respect to Securities of any series, means any one of the following events (whatever the reason for such Event of Default and whether it shall be voluntary or involuntary or be effected by operation of law or pursuant to any judgment, decree or order of any court or any order, rule or regulation of any administrative or governmental body):

(1) default in the payment of any interest upon any Security of that series when it becomes due and payable, and continuance of such default for a period of 30 days; or

(2) default in the payment of the principal of (or premium, if any, on) any Security of that series at its Maturity; or

(3) default in the deposit of any sinking fund payment, when and as due by the terms of a Security of that series; or

(4) default in the performance, or breach, of any covenant or agreement of a Restricted Party in this Indenture (other than a covenant or agreement a default in whose performance or whose breach is elsewhere in this Section specifically dealt with or which has expressly been included in this Indenture solely for the benefit of series of Securities other than that series), and continuance of such default or breach for a period of 30 days after there has been given, by registered or certified mail, to the Obligor by the Trustee or to the Obligor and the Trustee by the Holders of at least 25% in principal amount of the Outstanding Securities of that series a written notice specifying such default or breach and requiring it to be remedied and stating that such notice is a "Notice of Default" hereunder; or

(5) a default under any bond, debenture, note, guarantee or other evidence of indebtedness for money borrowed by a Restricted Party or any Material Subsidiary (including a default with respect to Securities of any series other than that series) or under any mortgage, indenture or instrument under which there may be issued or by which there may be secured or evidenced any indebtedness for money borrowed by a Restricted Party or any Material Subsidiary (including this Indenture), whether such indebtedness now exists or shall hereafter be created, which default (i) shall constitute a failure to pay the principal of such indebtedness having an outstanding principal amount in excess of \$50 million in the aggregate when due and payable at the final (but not any interim) maturity thereof after the expiration of any applicable grace period with respect thereto and the holders of such indebtedness shall not have waived such default or (ii) shall have resulted in such indebtedness having an outstanding principal amount in excess of \$50 million in the aggregate becoming or being declared due and payable prior to the date on which it would otherwise have become due and payable, in either case without such indebtedness having been discharged, or such acceleration having been rescinded or annulled, within a period of 60 days after there shall have been given, by registered or certified mail, to the Obligor by the Trustee or to the Obligor and the Trustee by the Holders of at least 25% in principal amount of the Outstanding Securities of that series a written notice specifying such default and requiring the Obligor to cause such indebtedness to be discharged or cause such acceleration to be rescinded or annulled and stating that such notice is a "Notice of Default" hereunder; or

(6) the entry by a court having jurisdiction in the premises of (A) a decree or order for relief in respect of a Restricted Party in an involuntary case or proceeding under any applicable Federal or State bankruptcy, insolvency, reorganization or other similar law or (B) a decree or order adjudging a Restricted Party a bankrupt or insolvent, or approving as properly filed a petition seeking reorganization, arrangement, adjustment or composition of or in respect of a Restricted Party under any applicable Federal or State law, or appointing a custodian, receiver, liquidator, assignee, trustee, sequestrator or other similar official of a Restricted Party or of any substantial part of its property, or ordering the winding up or liquidation of its affairs, and the continuance of any such decree or order for

relief or any such other decree or order unstayed and in effect for a period of 60 consecutive days; or

(7) the commencement by a Restricted Party of a voluntary case or proceeding under any applicable Federal or State bankruptcy, insolvency, reorganization or other similar law or of any other case or proceeding to be adjudicated a bankrupt or insolvent, or the consent by it to the entry of a decree or order for relief in respect of a Restricted Party in an involuntary case or proceeding under any applicable Federal or State bankruptcy, insolvency, reorganization or other similar law or to the commencement of any bankruptcy or insolvency case or proceeding against it, or the filing by it of a petition or answer or consent seeking reorganization or relief under any applicable Federal or State law, or the consent by it to the filing of such petition or to the appointment of or taking possession by a custodian, receiver, liquidator, assignee, trustee, sequestrator or other similar official of a Restricted Party or of any substantial part of its property, or the making by it of an assignment for the benefit of creditors, or the admission by it in writing of its inability to pay its debts generally as they become due, or the taking of corporate action by a Restricted Party in furtherance of any such action; or

(8) the Time Warner Guaranty for any reason ceases to be valid and binding on Time Warner, or to be in full force and effect, except as permitted by the terms of the First Supplemental Indenture; or

(9) any other Event of Default provided with respect to Securities of that series.

SECTION 502. Acceleration of Maturity;
Rescission and Annulment.

If an Event of Default with respect to Securities of any series at the time Outstanding occurs and is continuing, then in every such case the Trustee or the Holders of not less than 25% in principal amount of the Outstanding Securities of that series may declare the principal amount (or, if any of the Securities of that series are Original Issue Discount Securities, such portion of the principal amount of such Securities as may be specified in the terms thereof) of all of the Securities of that series and the accrued interest thereon to be due and payable immediately, by a notice in writing to the Obligor (and to the Trustee if

given by Holders), and upon any such declaration such principal amount (or specified amount) and accrued interest thereon shall become immediately due and payable.

At any time after such a declaration of acceleration with respect to Securities of any series has been made and before a judgment or decree for payment of the money due has been obtained by the Trustee as hereinafter in this Article provided, the Holders of a majority in principal amount of the Outstanding Securities of that series, by written notice to the Obligor and the Trustee, may rescind and annul such declaration and its consequences if:

(1) the Obligor, the TW Partners or Time Warner has paid or deposited with the Trustee a sum sufficient to pay

(A) all overdue interest on all Securities of that series,

(B) the principal of (and premium, if any, on) any Securities of that series which have become due otherwise than by such declaration of acceleration and any interest thereon at the rate or rates prescribed therefor in such Securities,

(C) to the extent that payment of such interest is lawful, interest upon overdue interest at the rate or rates prescribed therefor in such Securities, and

(D) all sums paid or advanced by the Trustee hereunder and the reasonable compensation, expenses, disbursements and advances of the Trustee, its agents and counsel; and

(2) all Events of Default with respect to Securities of that series, other than the non-payment of the principal of Securities of that series which have become due solely by such declaration of acceleration, have been cured or waived as provided in Section 513.

No such rescission shall affect any subsequent default or impair any right consequent thereon.

SECTION 503. Collection of Indebtedness and Suits for Enforcement by Trustee or Holders.

The Obligor, each TW Partner and Time Warner each covenants that if

(1) default is made in the payment of any interest on any Security when such interest becomes due and payable and such default continues for a period of 30 days, or

(2) default is made in the payment of the principal of (or premium, if any, on) any Security at the Maturity thereof,

the Obligor, each TW Partner (with respect to the applicable TW Partner Guaranty if it is then in effect) and Time Warner (with respect to the Time Warner Guaranty if it is then in effect) will, upon demand of the Trustee or any Holder, pay to the Trustee, for the benefit of the Holders of such Securities, the whole amount (or, in the case of each TW Partner, the percentage of such amount as is specified in Exhibit A to the First Supplemental Indenture, as such Exhibit may be amended as provided in this Indenture) then due and payable on such Securities for principal and any premium and interest and, to the extent that payment of such interest shall be legally enforceable, interest on any overdue principal and premium and on any overdue interest, at the rate or rates prescribed therefor in such Securities, and, in addition thereto, such further amount as shall be sufficient to cover the costs and expenses of collection, including the reasonable compensation, expenses, disbursements and advances of the Trustee, its agents and counsel; provided, however, that anything herein to the contrary notwithstanding, neither the Trustee nor any Holder shall (except while the TW Partners are the co-primary obligors on the Securities and under this Indenture in connection with the Assignment) have any recourse against any of the partners of TWE under this Indenture or under the Securities, except as, and to the extent, set forth in the TW Partner Guaranties.

If an Event of Default with respect to Securities of any series occurs and is continuing, the Trustee may in its discretion proceed to protect and enforce its rights and the rights of the Holders of Securities of such series by such appropriate judicial proceedings against the Obligor, any TW Partner (with respect to the applicable TW Partner Guaranty if it is then in effect) or Time Warner (with respect to the Time Warner Guaranty if it is then in effect) as the Trustee shall deem most effectual to protect and enforce any such rights, whether for the specific enforcement of any covenant or agreement in this Indenture, the Securities, the Time Warner Guaranty or the TW Partner Guaranties or in aid of the exercise of any power granted herein, or to enforce any other proper remedy. Time Warner, TWE and each TW Partner acknowledges and agrees for the benefit of the Trustee and

the Holders that the Trustee may directly and simultaneously proceed against Time Warner (as Obligor or under the Time Warner Guaranty if it is then in effect), TWE (if it is then the Obligor) and each of the TW Partners (if the applicable TW Partner Guaranty is then in effect).

The obligations of Time Warner hereunder and under the Time Warner Guaranty (if any) and the obligation of each TW Partner hereunder and under the TW Partner Guaranties (if any) are independent of the obligations of the Obligor under the Securities and this Indenture, and a separate action or actions may be brought and prosecuted against Time Warner (if the Time Warner Guaranty is then in effect) or any TW Partner (if the applicable TW Partner Guaranty is then in effect) whether or not (i) an action or proceeding is brought against the Obligor, (ii) the Obligor is joined in any such action or proceeding against Time Warner or the TW Partner, as the case may be, or (iii) the Trustee or the Holders have taken any action to collect or attempted to otherwise collect such obligations from the Obligor or any other Person liable therefor. Time Warner and each TW Partner hereby waives any right to require the Trustee or the Holders to proceed against the Obligor or any other Person, or proceed against or exhaust any collateral, or pursue any other remedy in the power of the Trustee or the Holders.

Anything this Indenture or the Securities to the contrary notwithstanding, the Time Warner Guaranty and the TW Partner Guaranties are and shall be deemed to be Guarantees of payment and not Guarantees of collection.

SECTION 504. Trustee May File Proofs of Claim.

In case of any judicial proceeding relative to the Obligor, Time Warner or any TW Partner (or any other obligor upon the Securities), its property or its creditors, the Trustee shall be entitled and empowered, by intervention in such proceeding or otherwise, to take any and all actions authorized under the Trust Indenture Act in order to have claims of the Holders and the Trustee allowed in any such proceeding. In particular, the Trustee shall be authorized to collect and receive any moneys or other property payable or deliverable on any such claims and to distribute the same; and any custodian, receiver, assignee, trustee, liquidator, sequestrator or other similar official in any such judicial proceeding is hereby authorized by each Holder to make such payments to the Trustee and, in the event that the Trustee shall consent to the making of such payments directly to the Holders, to pay to the Trustee any amount due it for the reasonable compensation, expenses, disbursements and advances

of the Trustee, its agents and counsel, and any other amounts due the Trustee under Section 607.

No provision of this Indenture shall be deemed to authorize the Trustee to authorize or consent to or accept or adopt on behalf of any Holder any plan of reorganization, arrangement, adjustment or composition affecting the Securities or the rights of any Holder thereof or to authorize the Trustee to vote in respect of the claim of any Holder in any such proceeding.

SECTION 505. Trustee May Enforce Claims Without Possession of Securities.

All rights of action and claims under this Indenture or the Securities may be prosecuted and enforced by the Trustee without the possession of any of the Securities or the production thereof in any proceeding relating thereto, and any such proceeding instituted by the Trustee shall be brought in its own name as trustee of an express trust, and any recovery of judgment shall, after provision for the payment of the reasonable compensation, expenses, disbursements and advances of the Trustee, its agents and counsel, be for the ratable benefit of the Holders of the Securities in respect of which such judgment has been recovered.

SECTION 506. Application of Money Collected.

Any money collected by the Trustee pursuant to this Article shall be applied in the following order, at the date or dates fixed by the Trustee and, in case of the distribution of such money on account of principal or any premium or interest, upon presentation of the Securities and the notation thereon of the payment if only partially paid and upon surrender thereof if fully paid:

FIRST: To the payment of all amounts due the Trustee under Section 607; and

SECOND: To the payment of the amounts then due and unpaid for principal of and any premium and interest on the Securities in respect of which or for the benefit of which such money has been collected, ratably, without preference or priority of any kind, according to the amounts due and payable on such Securities for principal and any premium and interest, respectively.

SECTION 507. Limitation on Suits.

No Holder of any Security of any series shall have any right to institute any proceeding, judicial or otherwise, with respect to this Indenture, or for the appointment of a receiver or trustee, or for any other remedy hereunder, unless:

(1) such Holder has previously given written notice to the Trustee of a continuing Event of Default with respect to the Securities of that series;

(2) the Holders of not less than 25% in principal amount of the Outstanding Securities of that series shall have made written request to the Trustee to institute proceedings in respect of such Event of Default in its own name as Trustee hereunder;

(3) such Holder or Holders have offered to the Trustee reasonable indemnity against the costs, expenses and liabilities to be incurred in compliance with such request;

(4) the Trustee for 60 days after its receipt of such notice, request and offer of indemnity has failed to institute any such proceeding; and

(5) no direction inconsistent with such written request has been given to the Trustee during such 60-day period by the Holders of a majority in principal amount of the Outstanding Securities of that series;

it being understood and intended that no one or more of such Holders shall have any right in any manner whatever by virtue of, or by availing of, any provision of this Indenture to affect, disturb or prejudice the rights of any other of such Holders, or to obtain or to seek to obtain priority or preference over any other of such Holders or to enforce any right under this Indenture, except in the manner herein provided and for the equal and ratable benefit of all of such Holders.

SECTION 508. Unconditional Right of Holders to Receive Principal, Premium and Interest.

Notwithstanding any other provision in this Indenture, the Holder of any Security shall have the right, which is absolute and unconditional, to receive payment of

the principal of and any premium and (subject to Section 307) any interest on such Security on the Stated Maturity or Maturities expressed in such Security (or, in the case of redemption, on the Redemption Date) and to institute suit for the enforcement of any such payment, including enforcement of any TW Partner Guaranty (if it is then in effect) and the Time Warner Guaranty (if then in effect), and such rights shall not be impaired without the consent of such Holder; provided, however, that anything herein to the contrary notwithstanding, neither the Trustee nor any Holder shall (except while the TW Partners are the co-primary obligors on the Securities and under this Indenture in connection with the Assignment) have any recourse against any of the partners of TWE under this Indenture or under the Securities, except as, and to the extent, set forth in the First Supplemental Indenture or in this Article 5.

SECTION 509. Restoration of Rights and Remedies.

If the Trustee or any Holder has instituted any proceeding to enforce any right or remedy under this Indenture, the Time Warner Guaranty or the TW Partner Guaranties and such proceeding has been discontinued or abandoned for any reason, or has been determined adversely to the Trustee or to such Holder, then and in every such case, subject to any determination in such proceeding, Time Warner, TWE and the TW Partners, the Trustee and the Holders shall be restored severally and respectively to their former positions under this Indenture, the Securities, the Time Warner Guaranty (in the case of Time Warner) and the TW Partner Guaranties (in the case of the TW Partners) and thereafter all rights and remedies of the Trustee and the Holders shall continue as though no such proceeding had been instituted.

SECTION 510. Rights and Remedies Cumulative.

Except as otherwise provided with respect to the replacement or payment of mutilated, destroyed, lost or stolen Securities in the last paragraph of Section 306, no right or remedy herein conferred upon or reserved to the Trustee or to the Holders is intended to be exclusive of any other right or remedy, and every right and remedy shall, to the extent permitted by law, be cumulative and in addition to every other right and remedy given hereunder or now or hereafter existing at law or in equity or otherwise. The assertion or employment of any right or remedy hereunder, or otherwise, shall not prevent the concurrent assertion or employment of any other appropriate right or remedy.

SECTION 511. Delay or Omission Not Waiver.

No delay or omission of the Trustee or of any Holder of any Securities to exercise any right or remedy accruing upon any Event of Default shall impair any such right or remedy or constitute a waiver of any such Event of Default or an acquiescence therein. Every right and remedy given by this Article or by law to the Trustee or to the Holders may be exercised from time to time, and as often as may be deemed expedient, by the Trustee or by the Holders, as the case may be.

SECTION 512. Control by Holders.

Subject to the provision for security or indemnification set forth in Section 603(e), the Holders of a majority in principal amount of the Outstanding Securities of any series shall have the right to direct the time, method and place of conducting any proceeding for any remedy available to the Trustee, or exercising any trust or power conferred on the Trustee, with respect to the Securities of such series, provided that

- (1) such direction shall not be in conflict with any rule of law or with this Indenture, and
- (2) the Trustee may take any other action deemed proper by the Trustee which is not inconsistent with such direction.

SECTION 513. Waiver of Past Defaults.

The Holders of not less than a majority in principal amount of the Outstanding Securities of any series may on behalf of the Holders of all the Securities of such series waive any past default hereunder with respect to such series and its consequences, except a default

- (1) in the payment of the principal of or any premium or interest on any Security of such series, or
- (2) in respect of a covenant or provision hereof which under Article Nine cannot be modified or amended without the consent of the Holder of each Outstanding Security of such series affected.

Upon any such waiver, such default shall cease to exist, and any Event of Default arising therefrom shall be deemed to have been cured, for every purpose of this

Indenture; but no such waiver shall extend to any subsequent or other default or impair any right consequent thereon.

SECTION 514. Undertaking for Costs.

In any suit for the enforcement of any right or remedy under this Indenture, or in any suit against the Trustee for any action taken, suffered or omitted by it as Trustee, a court may require any party litigant in such suit to file an undertaking to pay the costs of such suit, and may assess costs against any such party litigant, in the manner and to the extent provided in the Trust Indenture Act; provided that neither this Section nor the Trust Indenture Act shall be deemed to authorize any court to require such an undertaking or to make such an assessment in any suit instituted by the Obligor.

SECTION 515. Waiver of Stay or Extension Laws.

Each of Time Warner, TWE and each TW Partner covenants (to the extent that it may lawfully do so) that it will not at any time insist upon, or plead, or in any manner whatsoever claim or take the benefit or advantage of, any stay or extension law wherever enacted, now or at any time hereafter in force, which may affect the covenants or the performance of this Indenture; and Time Warner, TWE and each TW Partner (to the extent that it may lawfully do so) hereby expressly waives all benefit or advantage of any such law and covenants that it will not hinder, delay or impede the execution of any power herein granted to the Trustee, but will suffer and permit the execution of every such power as though no such law had been enacted.

ARTICLE SIX

THE TRUSTEE

SECTION 601. Certain Duties and Responsibilities.

The duties and responsibilities of the Trustee shall be as provided by the Trust Indenture Act. Notwithstanding the foregoing, no provision of this Indenture shall require the Trustee to expend or risk its own funds or otherwise incur any financial liability in the performance of any of its duties hereunder, or in the exercise of any of its rights or powers, if it shall have reasonable grounds for believing that repayment of such funds or adequate indemnity against such risk or liability is not reasonably assured to it.

Whether or not therein expressly so provided, every provision of this Indenture relating to the conduct or affecting the liability of or affording protection to the Trustee shall be subject to the provisions of this Section.

SECTION 602. Notice of Defaults.

If a default occurs hereunder with respect to Securities of any series, the Trustee shall give the Holders of Securities of such series notice of such default as and to the extent provided by the Trust Indenture Act; provided, however, that in the case of any default of the character specified in Section 501(4) with respect to Securities of such series, no such notice to Holders shall be given until at least 30 days after the occurrence thereof. For the purpose of this Section, the term "default" means any event which is, or after notice or lapse of time or both would become, an Event of Default with respect to Securities of such series.

SECTION 603. Certain Rights of Trustee.

Subject to the provisions of Section 601:

(a) the Trustee may rely and shall be protected in acting or refraining from acting upon any resolution, certificate, statement, instrument, opinion, report, notice, request, direction, consent, order, bond, debenture, note, other evidence of indebtedness or other paper or document believed by it to be genuine and to have been signed or presented by the proper party or parties;

(b) any request or direction of the Obligor mentioned herein shall be sufficiently evidenced by an Obligor Request or Obligor Order and any resolution of the Board of Directors may be sufficiently evidenced by a Board Resolution;

(c) whenever in the administration of this Indenture the Trustee shall deem it desirable that a matter be proved or established prior to taking, suffering or omitting any action hereunder, the Trustee (unless other evidence be herein specifically prescribed) may, in the absence of bad faith on its part, rely upon an Officers' Certificate;

(d) the Trustee may consult with counsel and the written advice of such counsel or any Opinion of Counsel shall be full and complete authorization and protection

in respect of any action taken, suffered or omitted by it hereunder in good faith and in reliance thereon;

(e) the Trustee shall be under no obligation to exercise any of the rights or powers vested in it by this Indenture at the request or direction of any of the Holders pursuant to this Indenture, unless such Holders shall have offered to the Trustee reasonable security or indemnity against the costs, expenses and liabilities which might be incurred by it in compliance with such request or direction;

(f) the Trustee shall not be bound to make any investigation into the facts or matters stated in any resolution, certificate, statement, instrument, opinion, report, notice, request, direction, consent, order, bond, debenture, note, other evidence of indebtedness or other paper or document, but the Trustee, in its discretion, may make such further inquiry or investigation into such facts or matters as it may see fit, and, if the Trustee shall determine to make such further inquiry or investigation, it shall be entitled to examine the books, records and premises of the Obligor, personally or by agent or attorney; and

(g) the Trustee may execute any of the trusts or powers hereunder or perform any duties hereunder either directly or by or through agents or attorneys and the Trustee shall not be responsible for any misconduct or negligence on the part of any agent or attorney appointed with due care by it hereunder.

SECTION 604. Not Responsible for Recitals or Issuance of Securities.

The recitals contained herein and in the Securities, except the Trustee's certificates of authentication, shall be taken as the statements of the Obligor, and the Trustee or any Authenticating Agent assumes no responsibility for their correctness. The Trustee makes no representations as to the validity or sufficiency of this Indenture or of the Securities. The Trustee or any Authenticating Agent shall not be accountable for the use or application by the Obligor of Securities or the proceeds thereof.

SECTION 605. May Hold Securities.

The Trustee, any Authenticating Agent, any Paying Agent, any Security Registrar or any other agent of the

Obligor, in its individual or any other capacity, may become the owner or pledgee of Securities and, subject to Sections 608 and 613, may otherwise deal with the Obligor with the same rights it would have if it were not Trustee, Authenticating Agent, Paying Agent, Security Registrar or such other agent.

SECTION 606. Money Held in Trust.

Money held by the Trustee in trust hereunder need not be segregated from other funds except to the extent required by law. The Trustee shall be under no liability for interest on any money received by it hereunder except as otherwise agreed with the Obligor.

SECTION 607. Compensation and Reimbursement.

The Obligor agrees:

- (1) to pay to the Trustee from time to time reasonable compensation for all services rendered by it hereunder (which compensation shall not be limited by any provision of law in regard to the compensation of a trustee of an express trust);
- (2) except as otherwise expressly provided herein, to reimburse the Trustee upon its request for all reasonable expenses, disbursements and advances incurred or made by the Trustee in accordance with any provision of this Indenture (including the reasonable compensation and expenses and disbursements of its agents and counsel), except any such expense, disbursement or advance as may be attributable to its negligence or bad faith; and
- (3) to indemnify the Trustee for, and to hold it harmless against, any loss, liability or expense incurred without negligence or bad faith on its part, arising out of or in connection with the acceptance or administration of the trust or trusts hereunder, including the costs and expenses of defending itself against any claim or liability in connection with the exercise or performance of any of its powers or duties hereunder.

As security for the performance of the obligations of the Obligor under this Section 607, the Trustee shall have a lien prior to the Securities upon all property and funds held or collected by the Trustee as such, except funds held in trust for the benefit of the Holders of particular Securities.

SECTION 608. Disqualification;
Conflicting Interests.

If the Trustee has or shall acquire a conflicting interest within the meaning of the Trust Indenture Act, the Trustee shall either eliminate such interest or resign, to the extent and in the manner provided by, and subject to the provisions of, the Trust Indenture Act and this Indenture.

SECTION 609. Corporate Trustee
Required; Eligibility.

There shall at all times be a Trustee hereunder which shall be a Person that is eligible pursuant to the Trust Indenture Act to act as such and has a combined capital and surplus of at least \$50,000,000. If such Person publishes reports of condition at least annually, pursuant to law or to the requirements of a supervising or examining authority, then for the purposes of this Section, the combined capital and surplus of such Person shall be deemed to be its combined capital and surplus as set forth in its most recent report of condition so published. If at any time the Trustee shall cease to be eligible in accordance with the provisions of this Section, it shall resign immediately in the manner and with the effect hereinafter specified in this Article.

SECTION 610. Resignation and Removal;
Appointment of Successor.

(a) No resignation or removal of the Trustee and no appointment of a successor Trustee pursuant to this Article shall become effective until the acceptance of appointment by the successor Trustee in accordance with the applicable requirements of Section 611.

(b) The Trustee may resign at any time with respect to the Securities of one or more series by giving written notice thereof to the Obligor. If the instrument of acceptance by a successor Trustee required by Section 611 shall not have been delivered to the Trustee within 30 days after the giving of such notice of resignation, the resigning Trustee may petition any court of competent jurisdiction for the appointment of a successor Trustee with respect to the Securities of such series.

(c) The Trustee may, subject to clause (a) of this Section 610, be removed at any time with respect to the Securities of any series by Act of the Holders of a majority in principal amount of the Outstanding Securities of such series, delivered to the Trustee and to the Obligor.

(d) If at any time:

(1) the Trustee shall fail to comply with Section 608 after written request therefor by the Obligor or by any Holder who has been a bona fide Holder of a Security for at least six months, or

(2) the Trustee shall cease to be eligible under Section 609 and shall fail to resign after written request therefor by the Obligor or by any such Holder, or

(3) the Trustee shall become incapable of acting or shall be adjudged a bankrupt or insolvent or a receiver of the Trustee or of its property shall be appointed or any public officer shall take charge or control of the Trustee or of its property or affairs for the purpose of rehabilitation, conservation or liquidation,

then, in any such case, (i) the Obligor by a Board Resolution may remove the Trustee with respect to all Securities, or (ii) subject to Section 514, any Holder who has been a bona fide Holder of a Security for at least six months may, on behalf of himself and all others similarly situated, petition any court of competent jurisdiction for the removal of the Trustee with respect to all Securities and the appointment of a successor Trustee or Trustees.

(e) If the Trustee shall resign, be removed or become incapable of acting, or if a vacancy shall occur in the office of Trustee for any cause, with respect to the Securities of one or more series, the Obligor, by a Board Resolution, shall promptly appoint a successor Trustee or Trustees with respect to the Securities of that or those series (it being understood that any such successor Trustee may be appointed with respect to the Securities of one or more or all of such series and that at any time there shall be only one Trustee with respect to the Securities of any particular series) and shall comply with the applicable requirements of Section 611. If, within one year after such resignation, removal or incapability, or the occurrence of such vacancy, a successor Trustee with respect to the Securities of any Series shall be appointed by Act of the Holders of a majority in principal amount of the Outstanding Securities of such series delivered to the Obligor and the retiring Trustee, the successor Trustee so appointed shall, forthwith upon its acceptance of such appointment in accordance with the applicable requirements of Section 611, become the successor Trustee with respect to the Securities of such series and to that extent supersede the successor

Trustee appointed by the Obligor. If no successor Trustee with respect to the Securities of any Series shall have been so appointed by the Obligor or the Holders and accepted appointment in the manner required by Section 611, any Holder who has been a bona fide Holder of a Security of such series for at least six months may, on behalf of himself and all others similarly situated, petition any court of competent jurisdiction for the appointment of a successor Trustee with respect to the Securities of such series.

(f) The Obligor shall give notice of each resignation and each removal of the Trustee with respect to the Securities of any series and each appointment of a successor Trustee with respect to the Securities of any series to all Holders of Securities of such series in the manner provided in Section 106. Each notice shall include the name of the successor Trustee with respect to the Securities of such series and the address of its Corporate Trust Office.

SECTION 611. Acceptance of Appointment
by Successor.

(a) In case of the appointment hereunder of a successor Trustee with respect to all Securities, every such successor Trustee so appointed shall execute, acknowledge and deliver to the Obligor and to the retiring Trustee an instrument accepting such appointment, and thereupon the resignation or removal of the retiring Trustee shall become effective and such successor Trustee, without any further act, deed or conveyance, shall become vested with all the rights, powers, trusts and duties of the retiring Trustee; but, on the request of the Obligor or the successor Trustee, such retiring Trustee shall, upon payment of its charges, execute and deliver an instrument transferring to such successor Trustee all the rights, powers and trusts of the retiring Trustee and shall duly assign, transfer and deliver to such successor Trustee all property and money held by such retiring Trustee hereunder.

(b) In case of the appointment hereunder of a successor Trustee with respect to the Securities of one or more (but not all) series, the Obligor, the retiring Trustee and each successor Trustee with respect to the Securities of one or more series shall execute and deliver an indenture supplemental hereto wherein each successor Trustee shall accept such appointment and which (1) shall contain such provisions as shall be necessary or desirable to transfer and confirm to, and to vest in, each successor Trustee all the

rights, powers, trusts and duties of the retiring Trustee with respect to the Securities of that or those series to which the appointment of such successor Trustee relates, (2) if the retiring Trustee is not retiring with respect to all Securities, shall contain such provisions as shall be deemed necessary or desirable to confirm that all the rights, powers, trusts and duties of the retiring Trustee with respect to the Securities of that or those series as to which the retiring Trustee is not retiring shall continue to be vested in the retiring Trustee, and (3) shall add to or change any of the provisions of this Indenture as shall be necessary to provide for or facilitate the administration of the trusts hereunder by more than one Trustee, it being understood that nothing herein or in such supplemental indenture shall constitute such Trustees co-trustees of the same trust and that each such Trustee shall be trustee of a trust or trusts hereunder separate and apart from any trust or trusts hereunder administered by any other such Trustee; and upon the execution and delivery of such supplemental indenture the resignation or removal of the retiring Trustee shall become effective to the extent provided therein and each such successor Trustee, without any further act, deed or conveyance, shall become vested with all the rights, powers, trusts and duties of the retiring Trustee with respect to the Securities of that or those series to which the appointment of such successor Trustee relates; but, on request of the Obligor or any successor Trustee, such retiring Trustee shall duly assign, transfer and deliver to such successor Trustee all property and money held by such retiring Trustee hereunder with respect to the Securities of that or those series to which the appointment of such successor Trustee relates.

(c) Upon request of any such successor Trustee, the Obligor shall execute any and all instruments for more fully and certainly vesting in and confirming to such successor Trustee all such rights, powers and trusts referred to in paragraph (a) and (b) of this Section, as the case may be.

(d) No successor Trustee shall accept its appointment unless at the time of such acceptance such successor Trustee shall be qualified and eligible under this Article.

SECTION 612. Merger, Conversion, Consolidation or Succession to Business.

Any corporation into which the Trustee may be merged or converted or with which it may be consolidated, or any

corporation resulting from any merger, conversion or consolidation to which the Trustee shall be a party, or any corporation succeeding to all or substantially all the corporate trust business of the Trustee, shall be the successor of the Trustee hereunder, provided such corporation shall be otherwise qualified and eligible under this Article, without the execution or filing of any paper or any further act on the part of any of the parties hereto. In case any Securities shall have been authenticated, but not delivered, by the Trustee then in office, any successor by merger, conversion or consolidation to such authenticating Trustee may adopt such authentication and deliver the Securities so authenticated with the same effect as if such successor Trustee had itself authenticated such Securities.

SECTION 613. Preferential Collection
of Claims Against Company.

If and when the Trustee shall be or become a creditor of the Obligor (or any other obligor upon the Securities), the Trustee shall be subject to the provisions of the Trust Indenture Act regarding the collection of claims against the Obligor (or any such other obligor).

SECTION 614. Appointment of Authenticating Agent.

The Trustee may appoint an Authenticating Agent or Agents with respect to one or more series of Securities which shall be authorized to act on behalf of the Trustee to authenticate Securities of such series issued upon original issue and upon exchange, registration of transfer or partial redemption thereof or pursuant to Section 306, and Securities so authenticated shall be entitled to the benefits of this Indenture and shall be valid and obligatory for all purposes as if authenticated by the Trustee hereunder. Wherever reference is made in this Indenture to the authentication and delivery of Securities by the Trustee or the Trustee's certificate of authentication, such reference shall be deemed to include authentication and delivery on behalf of the Trustee by an Authenticating Agent and a certificate of authentication executed on behalf of the Trustee by an Authenticating Agent. Each Authenticating Agent shall be acceptable to the Obligor and shall at all times be a corporation organized and doing business under the laws of the United States of America, any State thereof or the District of Columbia, authorized under such laws to act as Authenticating Agent, having a combined capital and surplus of not less than \$50,000,000 and subject to supervision or examination by Federal or State authority. If such

Authenticating Agent publishes reports of condition at least annually, pursuant to law or to the requirements of said supervising or examining authority, then for the purposes of this Section, the combined capital and surplus of such Authenticating Agent shall be deemed to be its combined capital and surplus as set forth in its most recent report of condition so published. If at any time an Authenticating Agent shall cease to be eligible in accordance with the provisions of this Section, such Authenticating Agent shall resign immediately in the manner and with the effect specified in this Section.

Any corporation into which an Authenticating Agent may be merged or converted or with which it may be consolidated, or any corporation resulting from any merger, conversion or consolidation to which such Authenticating Agent shall be a party, or any corporation succeeding to the corporate agency or corporate trust business of an Authenticating Agent, shall continue to be an Authenticating Agent, provided such corporation shall be otherwise eligible under this Section, without the execution or filing of any paper or any further act on the part of the Trustee or the Authenticating Agent.

An Authenticating Agent may resign at any time by giving written notice thereof to the Trustee and to the Obligor. The Trustee may at any time terminate the agency of an Authenticating Agent by giving written notice thereof to such Authenticating Agent and to the Obligor. Upon receiving such a notice of resignation or upon such a termination, or in case at any time such Authenticating Agent shall cease to be eligible in accordance with the provisions of this Section, the Trustee may appoint a successor Authenticating Agent which shall be acceptable to the Obligor. Any successor Authenticating Agent upon acceptance of its appointment hereunder shall become vested with all the rights, powers and duties of its predecessor hereunder, with like effect as if originally named as an Authenticating Agent. No successor Authenticating Agent shall be appointed unless eligible under the provisions of this Section.

The Trustee agrees to pay to each Authenticating Agent from time to time reasonable compensation for its services under this Section, and the Trustee shall be entitled to be reimbursed for such payments, subject to the provisions of Section 607.

If an appointment with respect to one or more series is made pursuant to this Section, the Securities of such

series may have endorsed thereon, in addition to the Trustee's certificate of authentication, an alternative certificate of authentication in the following form:

This Security, together with any Guarantees referred to herein, is one of the Securities described in the within-mentioned Indenture.

As Trustee

By _____
Authorized Officer

As Authenticating Agent

By _____
Authorized Officer

ARTICLE SEVEN

HOLDERS' LISTS AND REPORTS BY TRUSTEE AND OBLIGOR

SECTION 701. Obligor to Furnish Trustee Names and Addresses of Holders.

The Obligor will furnish or cause to be furnished to the Trustee

(a) semiannually, not later than April 1 and October 1 in each year, a list, in such form as the Trustee may reasonably require, of the names and addresses of the Holders as of the preceding March 1 or September 1, as the case may be, and

(b) at such other times as the Trustee may request in writing, within 30 days after the receipt by the Obligor of any such request, a list of similar form and content as of a date not more than 15 days prior to the time such list is furnished;

excluding from any such list names and addresses received by the Trustee in its capacity as Security Registrar.

SECTION 702. Preservation of Information;
Communications to Holders.

(a) The Trustee shall preserve, in as current a form as is reasonably practicable, the names and addresses of Holders contained in the most recent list furnished to the Trustee as provided in Section 701 and the names and addresses of Holders received by the Trustee in its capacity as Security Registrar. The Trustee may destroy any list furnished to it as provided in Section 701 upon receipt of a new list so furnished.

(b) The rights of the Holders to communicate with other Holders with respect to their rights under this Indenture or under the Securities, and the corresponding rights and privileges of the Trustee, shall be as provided by the Trust Indenture Act.

(c) Every Holder of Securities, by receiving and holding the same, agrees with the Obligor and the Trustee that neither the Obligor nor the Trustee nor any agent of either of them shall be held accountable by reason of any disclosure of information as to names and addresses of Holders made pursuant to the Trust Indenture Act.

SECTION 703. Reports by Trustee.

(a) On or before July 15 of each year (commencing with July 15, 1993), the Trustee shall transmit to Holders such reports concerning the Trustee and its actions under this Indenture as may be required pursuant to the Trust Indenture Act at the times and in the manner provided pursuant thereto. Such reports shall be dated as of May 15 of such year.

(b) A copy of each such report shall, at the time of such transmission to Holders, be filed by the Trustee with each stock exchange upon which any Securities are listed, with the Commission and with the Obligor. The Obligor will notify the Trustee when any Securities are listed on any stock exchange.

SECTION 704. Reports by Obligor.

The Obligor shall file with the Trustee, and transmit to Holders, such information, documents and other reports, and such summaries thereof, as may be required pursuant to the Trust Indenture Act at the times and in the

manner provided pursuant to such Act; provided that any such information, documents or reports required to be filed with the Commission pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934 shall be filed with the Trustee within 15 days after the same is so required to be filed with the Commission. The Obligor also shall comply with the other provisions of Trust Indenture Act Section 314(a).

ARTICLE EIGHT

CONSOLIDATION, MERGER, CONVEYANCE, TRANSFER OR LEASE

SECTION 801. Restricted Party May Consolidate, Etc., Only on Certain Terms.

A Restricted Party shall not consolidate with or merge into any other Person or convey, transfer or lease all or substantially all of its properties and assets to any Person unless:

(1) such Restricted Party shall be the continuing Person or, if a Restricted Party shall consolidate with or merge into another Person or convey, transfer or lease all or substantially all of its properties and assets to any Person, the Person formed by such consolidation or into which such Restricted Party is merged or the Person which acquires by conveyance or transfer, or which leases, all or substantially all of the properties and assets of such Restricted Party shall be a corporation, partnership or trust, shall be organized and validly existing under the laws of the United States of America, any State thereof or the District of Columbia and shall expressly assume, by an indenture supplemental hereto, executed and delivered to the Trustee, in form satisfactory to the Trustee, the due and punctual payment of the principal of, premium, if any, and interest on all the Securities or, if Time Warner is a Restricted Party at the time of such transaction, the Time Warner Guaranty, as the case may be, and the performance or observance of every covenant of this Indenture on the part of such Restricted Party to be performed or observed;

(2) immediately after giving effect to such transaction and treating any indebtedness which becomes an obligation of a Restricted Party or a Subsidiary of such Restricted Party as a result of such transaction as

having been Incurred by such Restricted Party or such Subsidiary at the time of such transaction, no Event of Default, and no event which, after notice or lapse of time or both, would become an Event of Default, shall have occurred and be continuing;

(3) if at the time of such transaction Time Warner is a Restricted Party, immediately after such transaction no event which, after notice or lapse of time or both, would constitute a default under the Time Warner Guaranty, shall have occurred and be continuing;

(4) if, as a result of any such consolidation or merger or such conveyance, transfer or lease, properties or assets of the Restricted Party or any of its Subsidiaries would become subject to a Lien that would not be permitted by this Indenture, the Restricted Party or such successor Person, as the case may be, shall take or cause to be taken such steps as shall be necessary effectively to secure the Securities equally and ratably with (or prior to) all indebtedness secured thereby in accordance with Section 1008 of this Indenture;

(5) immediately after giving effect to such transaction, the Restricted Party or such successor Person, as the case may be, shall be able to Incur an additional \$1.00 of Senior Indebtedness pursuant to Section 1009 of this Indenture; and

(6) the Restricted Party has delivered to the Trustee an Officers' Certificate and an Opinion of Counsel, each stating that such consolidation, merger, conveyance, transfer or lease and, if a supplemental indenture is required in connection with such transaction, such supplemental indenture, comply with this Article and that all conditions precedent herein provided for relating to such transaction have been complied with;

provided, however, that any transfer of assets or liabilities by Time Warner or its Subsidiaries to TWE pursuant to and in accordance with the TWE Partnership Agreement shall not be subject to this Section 801.

SECTION 802. Successor Substituted.

Upon any consolidation of a Restricted Party with, or merger of a Restricted Party into, any other Person or any conveyance, transfer or lease of all or substantially all of the properties and assets of a Restricted Party in accordance

with Section 801, the successor Person formed by such consolidation or into which such Restricted Party is merged or to which such conveyance, transfer or lease is made, shall succeed to, and be substituted for, and may exercise every right and power of, such Restricted Party under this Indenture with the same effect as if such successor Person had been named as such Restricted Party herein, and thereafter, except in the case of a lease, the predecessor Person shall be relieved of all obligations and covenants under this Indenture and the Securities.

SECTION 803. Assignment of the Securities;
Execution and Delivery of First
Supplemental Indenture.

On or before the Effective Date:

(a) Time Warner shall assign, and shall cause each TW Partner which is at such time listed on Exhibit A to the First Supplemental Indenture to assume as co-obligors, on a pro rata basis in accordance with the percentages set forth on Exhibit A to the First Supplemental Indenture, the obligations of Time Warner as primary obligor under this Indenture and the Securities by executing and delivering the First Supplemental Indenture;

(b) Time Warner shall cause each of the TW Partners to assign, and TWE shall assume, the obligations of each of the TW Partners as co-primary obligors under this Indenture and the Securities by executing and delivering the First Supplemental Indenture (the assignments and assumptions referred to in clauses (a) and (b) of this Section 803 are collectively referred to as the "Assignment");

(c) Time Warner shall, and shall cause each TW Partner which is at such time listed on Exhibit A to the First Supplemental Indenture to, and TWE shall, execute and deliver the First Supplemental Indenture;

(d) Time Warner, TWE and the TW Partners shall each deliver to the Trustee an Officers' Certificate and an Opinion of Counsel, each stating that the First Supplemental Indenture complies with this Article and that all conditions precedent provided for herein and in the TWE Partnership Agreement relating to the Assignment have been complied with; and

(e) the Trustee shall execute and deliver the First Supplemental Indenture.

Section 804. Time Warner Release and Guaranty.

Upon execution and delivery of the First Supplemental Indenture by each of the parties thereto:

(a) the Assignment shall become effective as of the Effective Date and the TW Partners and, immediately thereafter, TWE, shall succeed to, and be substituted for, and may exercise every right and power of the Obligor under this Indenture, as supplemented by the First Supplemental Indenture;

(b) in the event that the Rating Event shall not have occurred on or prior to such Effective Date, Time Warner's obligations as Guarantor of the TW Partner Guaranties pursuant to the Time Warner Guaranty contained in the First Supplemental Indenture shall become effective pursuant to and in accordance with the terms thereof, Time Warner shall be released and discharged as the primary obligor under this Indenture and the Securities and Time Warner shall be relieved of all obligations and covenants under this Indenture and the Securities other than those which are applicable to it as a Restricted Party or pursuant to such Time Warner Guaranty, which shall remain in effect until the occurrence of the Rating Event and delivery to the Trustee of an Officers' Certificate to such effect, at which time, unless Time Warner otherwise elects and delivers an Officers' Certificate to the Trustee to such effect, Time Warner shall be released and discharged from all of its obligations under the Time Warner Guaranty and Time Warner shall be relieved of all obligations and covenants under this Indenture and the Securities;

(c) in the event that the Rating Event shall have occurred on or prior to the Effective Date and Time Warner shall have provided an Officers' Certificate to such effect to the Trustee, unless Time Warner otherwise elects and delivers an Officers' Certificate to the Trustee to such effect, which election may be revoked at any time thereafter by a further Officers' Certificate delivered to the Trustee, the Time Warner Guaranty contained in the First Supplemental Indenture shall not become effective (or, in the case of a revocation of the election referred to above, shall terminate), Time Warner

shall be released and discharged from all of its obligations under the Time Warner Guaranty and Time Warner; shall be relieved of all obligations and covenants under this Indenture and the Securities; and

(d) the TW Partners' obligations as guarantors of the Securities pursuant to the TW Partner Guaranties contained in the First Supplemental Indenture shall become effective pursuant to and in accordance with the terms thereof, the TW Partners shall (upon completion of the Assignment) be released and discharged as the primary obligors under this Indenture and the Securities and the TW Partners shall be relieved of all obligations and covenants under this Indenture and the Securities other than those which are applicable to the TW Partners pursuant to the TW Partner Guaranties, which shall remain in effect.

ARTICLE NINE

SUPPLEMENTAL INDENTURES

SECTION 901. Supplemental Indentures Without Consent of Holders.

Without the consent of any Holders, the Restricted Parties, when authorized by a Board Resolution, and the Trustee, at any time and from time to time, may enter into one or more indentures supplemental hereto, in form satisfactory to the Trustee, for any of the following purposes:

(1) to execute and deliver the First Supplemental Indenture in substantially the form attached hereto as Exhibit A and to complete, in the manner determined by Time Warner and TWE, Exhibit A to such First Supplemental Indenture; provided, however, that upon execution of the First Supplemental Indenture, Exhibit A thereto will list each of American Television and Communications Corporation ("ATC"), Home Box Office, ("HBO"), Warner Bros. Inc. ("WBI"), Warner Cable Communications Inc. ("WCCI") and Warner Communications Inc. ("WCI") as TW Partners and each such Person shall Guarantee a proportion of the total obligations Guaranteed by all TW Partners equal to the proportion of the total assets of TWE contributed by such respective Person (and, in the case of ATC, HBO, WBI and WCCI, its respective

Subsidiaries and, in the case of WCI, its Subsidiaries other than WBI and WCCI and their Subsidiaries) to TWE on the Effective Date; provided further, however, that a portion of any TW Partner Guaranty required to be furnished by ATC, HBO, WBI, WCCI or WCI may instead, at the election of Time Warner and TWE, be furnished by a Subsidiary of such Person (other than in the case of WCI, WBI or WCCI or their Subsidiaries) in proportion to the assets of TWE contributed by such Subsidiary to TWE on the Effective Date. The proportions referred to in the provisos to the immediately preceding sentence shall be determined by Time Warner and TWE; or

(2) to evidence the succession of another Person to a party to this Indenture and the assumption by any such successor of the covenants of such party to this Indenture herein, in the Securities and in any Guaranty of the Securities, including, but not limited to, any such succession and assumption occurring upon a conversion by TWE from a partnership to a corporation; or

(3) to add to the covenants of a Restricted Party for the benefit of the Holders of all or any series of Securities (and if such covenants are to be for the benefit of less than all series of Securities, stating that such covenants are expressly being included solely for the benefit of such series) or to surrender any right or power herein conferred upon a Restricted Party; or

(4) to add any additional Events of Default; or

(5) to add to or change any of the provisions of this Indenture to such extent as shall be necessary to permit or facilitate the issuance of Securities in bearer form, registrable or not registrable as to principal, and with or without interest coupons, or to permit or facilitate the issuance of Securities in uncertificated form; or

(6) to add to, change or eliminate any of the provisions of this Indenture in respect of one or more series of Securities, provided that, except as contemplated by this Indenture or the First Supplemental Indenture, any such addition, change or elimination (i) shall neither (A) apply to any Security of any series created prior to the execution of such supplemental indenture and entitled to the benefit of such provision nor (B) modify the rights of the Holder of any such Security with respect to such provision or (ii) shall become effective only when there is no such Security Outstanding; or

(7) to secure or guarantee any series of the Securities; or

(8) to establish the form or terms of Securities of any series as permitted by Sections 201 and 301; or

(9) to evidence and provide for the acceptance of appointment hereunder by a successor Trustee with respect to the Securities of one or more series and to add to or change any of the provisions of this Indenture as shall be necessary to provide for or facilitate the administration of the trusts hereunder by more than one Trustee, pursuant to the requirements of Section 611(b); or

(10) to cure any ambiguity, to correct or supplement any provision herein which may be inconsistent with any other provision herein, or to make any other provisions with respect to matters or questions arising under this Indenture, provided that such action pursuant to this clause (10) shall not adversely affect the interests of the Holders of Securities of any series in any material respect; or

(11) to amend Exhibit A to the First Supplemental Indenture in any manner determined by the Restricted Parties, including, without limitation, amending the identity of the TW Partners and/or the percentages set forth in Exhibit A thereto; provided, however, that at all times while the TW Partner Guaranties are in effect, each of ATC, HBO, WBI, WCCI and WCI, or, in each case, their respective successors by consolidation or merger, shall be TW Partners and shall Guarantee a proportion of the total obligations Guaranteed by all TW Partners equal to the proportion of the total assets of TWE contributed by such respective Person (and, in the case of ATC, HBO, WBI and WCCI, its respective Subsidiaries and, in the case of WCI, its Subsidiaries other than WBI and WCCI and their Subsidiaries) to TWE on the Effective Date; provided further, however, that a portion of any TW Partner Guaranty required to be furnished by ATC, HBO, WBI, WCCI or WCI may instead, at the election of Time Warner and TWE, be furnished by a Subsidiary of such Person (other than in the case of WCI, WBI or WCCI or their Subsidiaries) in proportion to the assets of TWE contributed by such Subsidiary to TWE on the Effective Date (the proportions referred to in the provisos to this sentence shall be determined by Time Warner and TWE); and

provided, further, however, that no amendment to Exhibit A to the First Supplemental Indenture shall cause or permit less than 100% of the aggregate principal amount of, premium (if any) and interest on the Securities and the other obligations of the Obligor under this Indenture to be Guaranteed on an aggregate basis by corporate guarantors.

SECTION 902. Supplemental Indentures
with Consent of Holders.

With the consent of the Holders of not less than a majority in principal amount of the Outstanding Securities of each series affected by such supplemental indenture, by Act of said Holders delivered to the Obligor and the Trustee, the Restricted Parties, each when authorized by a Board Resolution, and the Trustee may enter into an indenture or indentures supplemental hereto for the purpose of adding any provisions to or changing in any manner or eliminating any of the provisions of this Indenture or of modifying in any manner the rights of the Holders of Securities of such series under this Indenture; provided, however, that no such supplemental indenture shall, without the consent of the Holder of each Outstanding Security affected thereby,

(1) change the Stated Maturity of the principal of, or any installment of principal of or interest on, any Security, or reduce the amount thereof or the rate of interest thereon or any premium payable upon the redemption thereof, or change the coin or currency in which, any Security or any premium or interest thereon is payable, or

(2) reduce the percentage in principal amount of the Outstanding Securities of any series, the consent of whose Holders is required for any such supplemental indenture, or the consent of whose Holders is required for any waiver (of compliance with certain provisions of this Indenture or certain defaults hereunder and their consequences) provided for in this Indenture, or

(3) modify any of the provisions of this Section, Section 513 or Section 1012, except to increase any such percentage or to provide that certain other provisions of this Indenture cannot be modified or waived without the consent of the Holder of each Outstanding Security affected thereby, provided, however, that this clause shall not be deemed to require the consent of any Holder

with respect to changes in the references to "the Trustee" and concomitant changes in this Section and Section 1012, or the deletion of this proviso, in accordance with the requirements of Sections 611(b) and 901(9), or

(4) impair or adversely affect the right of any Holder to institute suit for the enforcement of any payment on, or with respect to, the Securities or the Time Warner Guaranty on or after the Stated Maturity of the Securities (or in the case of redemption, on or after the Redemption Date), or

(5) terminate, impair or adversely affect the TW Partner Guaranties if such supplemental indenture is entered into at any time on or prior to the fifth anniversary of the Effective Date or at any time when the Time Warner Guaranty is in effect.

A supplemental indenture which changes or eliminates any covenant or other provision of this Indenture which has expressly been included solely for the benefit of one or more particular series of Securities, or which modifies the rights of the Holders of Securities of such series with respect to such covenant or other provision, shall be deemed not to affect the rights under this Indenture of the Holders of Securities of any other series.

It shall not be necessary for any Act of Holders under this Section to approve the particular form of any proposed supplemental indenture, but it shall be sufficient if such Act shall approve the substance thereof.

SECTION 903. Execution of Supplemental Indentures.

In executing, or accepting the additional trusts created by, any supplemental indenture permitted by this Article or the modifications thereby of the trusts created by this Indenture, the Trustee shall be entitled to receive, and (subject to Section 601) shall be fully protected in relying upon, an Opinion of Counsel stating that the execution of such supplemental indenture is authorized or permitted by this Indenture. The Trustee may, but shall not be obligated to, enter into any such supplemental indenture which affects the Trustee's own rights, duties or immunities under this Indenture or otherwise.

SECTION 904. Effect of Supplemental Indentures.

Upon the execution of any supplemental indenture under this Article, this Indenture shall be modified in accordance therewith, and such supplemental indenture shall form a part of this Indenture for all purposes; and every Holder of Securities theretofore or thereafter authenticated and delivered hereunder shall be bound thereby.

SECTION 905. Conformity with Trust Indenture Act.

Every supplemental indenture executed pursuant to this Article shall conform to the requirements of the Trust Indenture Act.

SECTION 906. Reference in Securities to Supplemental Indentures.

Securities of any series authenticated and delivered after the execution of any supplemental indenture pursuant to this Article may, and shall if required by the Trustee, bear a notation in form approved by the Trustee as to any matter provided for in such supplemental indenture. If the Obligor shall so determine, new Securities of any series so modified as to conform, in the opinion of the Trustee and the Obligor, to any such supplemental indenture may be prepared and executed by the Obligor and authenticated and delivered by the Trustee in exchange for Outstanding Securities of such series.

ARTICLE TEN

COVENANTS

SECTION 1001. Payment of Principal, Premium and Interest.

The Obligor covenants and agrees for the benefit of each series of Securities that it will duly and punctually pay the principal of, any premium and interest on the Securities of that series in accordance with the terms of the Securities and this Indenture, and, with respect to Securities Guaranteed by the TW Partners, take or cause to be taken whatever action shall be necessary to assure that 100% of the aggregate principal amount of, premium (if any) and interest on such Securities is Guaranteed by the TW Partners.

SECTION 1002. Maintenance of Office or Agency.

The Obligor will maintain in each Place of Payment for any series of Securities an office or agency where Securities of that series may be presented or surrendered for payment, where Securities of that series may be surrendered for registration of transfer or exchange and where notices and demands to or upon the Obligor in respect of the Securities of that series and this Indenture may be served. The Obligor will give prompt written notice to the Trustee of the location, and any change in the location, of such office or agency. If at any time the Obligor shall fail to maintain any such required office or agency or shall fail to furnish the Trustee with the address thereof, such presentations, surrenders, notices and demands may be made or served at the Corporate Trust Office of the Trustee, and the Obligor hereby appoints the Trustee as its agent to receive all such presentations, surrenders, notices and demands.

The Obligor may also from time to time designate one or more other offices or agencies where the Securities of one or more series may be presented or surrendered for any or all such purposes and may from time to time rescind such designations; provided, however, that no such designation or rescission shall in any manner relieve the Obligor of its obligation to maintain an office or agency in each Place of Payment for Securities of any series for such purposes. The Obligor will give prompt written notice to the Trustee of any such designation or rescission and of any change in the location of any such other office or agency.

SECTION 1003. Money for Securities Payments to Be Held in Trust.

If the Obligor shall at any time act as its own Paying Agent with respect to any series of Securities, it will, on or before each due date of the principal of or any premium or interest on any of the Securities of that series, segregate and hold in trust for the benefit of the Persons entitled thereto a sum sufficient to pay the principal and any premium and interest so becoming due until such sums shall be paid to such Persons or otherwise disposed of as herein provided and will promptly notify the Trustee of its action or failure so to act.

Whenever the Obligor shall have one or more Paying Agents for any series of Securities, it will, prior to each due date of the principal of or any premium or interest on any Securities of that series, deposit with a Paying Agent a

sum sufficient to pay such amount, such sum to be held as provided by the Trust Indenture Act, and (unless such Paying Agent is the Trustee) the Obligor will promptly notify the Trustee of its action or failure so to act.

The Obligor will cause each Paying Agent for any series of Securities other than the Trustee to execute and deliver to the Trustee an instrument in which such Paying Agent shall agree with the Trustee, subject to the provisions of this Section, that such Paying Agent will (i) comply with the provisions of the Trust Indenture Act applicable to it as a Paying Agent and (ii) during the continuance of any default by the Obligor (or any other obligor upon the Securities of that series) in the making of any payment in respect of the Securities of that series, and upon the written request of the Trustee, forthwith pay to the Trustee all sums held in trust by such Paying Agent for payment in respect of the Securities of that series.

The Obligor may at any time, for the purpose of obtaining the satisfaction and discharge of this Indenture or for any other purpose, pay, or by Obligor Order direct any Paying Agent to pay, to the Trustee all sums held in trust by the Obligor or such Paying Agent, such sums to be held by the Trustee upon the same trusts as those upon which such sums were held by the Obligor or such Paying Agent; and, upon such payment by any Paying Agent to the Trustee, such Paying Agent shall be released from all further liability with respect to such money.

Any money deposited with the Trustee or any Paying Agent, or then held by the Obligor, in trust for the payment of the principal of or any premium or interest on any Security of any series and remaining unclaimed for two years after such principal, premium or interest has become due and payable shall be paid to the Obligor on Obligor Request, or (if then held by the Obligor) shall be discharged from such trust; and the Holder of such Security shall thereafter, as an unsecured general creditor, look only to the Obligor (and any other Obligor on Securities of such series) for payment thereof, and all liability of the Trustee or such Paying Agent with respect to such trust money, and all liability of the Obligor as trustee thereof, shall thereupon cease; provided, however, that the Trustee or such Paying Agent, before being required to make any such repayment, may at the expense of the Obligor cause to be published once, in a newspaper published in the English language, customarily published on each Business Day and of general circulation in

The City of New York, notice that such money remains unclaimed and that, after a date specified therein, which shall not be less than 30 days from the date of such publication, any unclaimed balance of such money then remaining will be repaid to the Obligor.

SECTION 1004. Statement by Officers as to Default.

The Obligor and any Person that is at such time a guarantor of any Securities will deliver to the Trustee, within 120 days after the end of each fiscal year of the Obligor ending after the date hereof, an Officers' Certificate, stating whether or not to the best knowledge of the signers thereof the Obligor or such guarantor is in default in the performance and observance of any of the terms, provisions and conditions of this Indenture (without regard to any period of grace or requirement of notice provided hereunder) and, if the Obligor or such guarantor shall be in default, specifying all such defaults and the nature and status thereof of which they may have knowledge.

SECTION 1005. Existence.

Subject to Article Eight and Section 1104, the Obligor will do or cause to be done all things necessary to preserve and keep in full force and effect its existence, rights (pursuant to its charter, partnership certificate and agreement and any statute) and material franchises (other than franchises relating to the ownership and operation of cable television systems); provided, however, that the Obligor shall not be required to preserve any such right or franchise if the Board of Directors or general partners of such Person shall determine that the preservation thereof is no longer desirable in the conduct of the business of the Obligor and that the loss thereof is not disadvantageous in any material respect to the Holders. In the event of a bankruptcy or dissolution of a TW Partner, the Obligor shall cause another corporate entity to Guaranty the portion of the Securities, if any, Guaranteed by such TW Partner immediately prior to such bankruptcy or dissolution.

SECTION 1006. Maintenance of Properties.

The Obligor will cause all properties used or useful in the conduct of its business or the business of any of its Subsidiaries to be maintained and kept in good condition, repair and working order and supplied with all necessary equipment and will cause to be made all necessary repairs,

renewals, replacements, betterments and improvements thereof, all as in the judgment of the Obligor may be necessary so that the business carried on in connection therewith may be properly and advantageously conducted at all times; provided, however, that nothing in this Section shall prevent the Obligor from discontinuing the operation or maintenance of any of such properties if such discontinuance is, in the judgment of the Obligor, desirable in the conduct of its business or the business of any of its Subsidiaries and not disadvantageous in any material respect to the Holders.

SECTION 1007. Payment of Taxes and Other Claims.

The Obligor will pay or discharge or cause to be paid or discharged, before the same shall become delinquent, (1) all material taxes, assessments and governmental charges levied or imposed upon the Obligor or any of its Subsidiaries or upon the income, profits or property of the Obligor or any such Subsidiaries, and (2) all material lawful claims for labor, materials and supplies which, if unpaid, might by law become a lien upon the property of the Obligor or any such Subsidiaries; provided, however, that the Obligor shall not be required to pay or discharge or cause to be paid or discharged any such tax, assessment, charge or claim whose amount, applicability or validity is being contested in good faith and, with respect to taxes and assessments, by appropriate proceedings.

SECTION 1008. Limitation on Liens.

A Restricted Party will not, and will not permit any of its Subsidiaries to, incur any indebtedness for money borrowed that is secured by a Lien on any asset or property of such Person without: (i) if the Assignment has occurred and if such Restricted Party is Time Warner, making effective provision whereby the TW Partner Guaranties will be directly secured equally and ratably with (or prior to) the indebtedness secured by such Lien and any other indebtedness entitled by its terms to share in such Lien for so long as the indebtedness so incurred shall be secured; or (ii) if such Restricted Party is TWE, or if such Restricted Party is Time Warner and the Assignment has not occurred, making effective provision for all Securities that are Outstanding at the time such indebtedness is incurred and all other amounts due hereunder relating to such Securities to be directly secured equally and ratably with (or prior to) the indebtedness secured by such Lien and any other indebtedness entitled by its terms to share in such Lien for so long as

the indebtedness so Incurred shall be secured; provided that if the Lien provided pursuant to this clause (ii) is provided by Time Warner prior to the Assignment, then following the Assignment such Lien shall secure the TW Partner Guaranties (and not the Securities) on an equal and ratable basis in the manner described above. If a Restricted Party or any of its Subsidiaries shall be required to secure the TW Partner Guaranties or any Securities pursuant to this Section 1008, (i) the Obligor will promptly deliver to the Trustee an Officers' Certificate stating that this covenant has been complied with and (ii) the Trustee is hereby authorized to enter into an indenture supplemental hereto and to take such action, if any, as it may deem advisable to enable it to enforce the rights of the Holders of the Securities so secured.

The foregoing limitation does not apply to:

(i) Liens existing on the date of this Indenture, including, but not limited to, Liens existing on the date of this Indenture that are assumed by TWE in connection with the TWE Closing;

(ii) Liens issued, created or assumed by a Subsidiary of a Restricted Party to secure indebtedness for money borrowed of such Subsidiary to a Restricted Party or to one or more other Subsidiaries of a Restricted Party other than Liens issued, created, assumed or existing after the Assignment on any asset or property of TWE or any Subsidiary of TWE in order to secure indebtedness for money borrowed of TWE or any of its Subsidiaries to Time Warner or any of its Subsidiaries (other than TWE and its Subsidiaries) (except for (A) Liens securing indebtedness for money borrowed to Persons that are Subsidiaries of Time Warner which become such Subsidiaries after the Assignment and which Liens exist at the time such Persons become Subsidiaries of Time Warner, and (B) Liens permitted under clause (iii) of this Section 1008);

(iii) Liens affecting any assets or property of a Person existing (a) at the time such Person becomes a Subsidiary of a Restricted Party, (b) at the time such Person merges into or consolidates with a Restricted Party or any Subsidiary of a Restricted Party or (c) at the time of a sale, lease, conveyance or other disposition of all or substantially all of the assets and properties of such Person to a Restricted Party or any

Subsidiary of a Restricted Party, in each case to the extent that the indebtedness to which such Liens relate is permitted to be Incurred by such Restricted Party or such Subsidiaries by Section 1009 of this Indenture at the time of such transaction; provided that such Liens do not extend to or cover any property or assets of a Restricted Party or any Subsidiary of any Restricted Party other than the property or assets acquired in such transaction and any improvements on such property or assets;

(iv) Liens on property or assets (a) existing at the time of the acquisition thereof or (b) issued or created to secure payment of all or part of the purchase price thereof or (c) issued or created to secure payment of indebtedness Incurred prior to, at the time of, or within one year after the acquisition thereof for the purpose of financing all or part of the purchase price thereof; provided that in each case such Liens shall not extend to or cover any property or assets of a Restricted Party or any Subsidiary of a Restricted Party other than the property or assets acquired and any improvements on such property or assets;

(v) Liens on property or assets that are issued or created in order to secure all or part of the cost of improvements or construction thereon or indebtedness Incurred to provide funds for such improvements or construction, in each case in a principal amount not exceeding the cost of such improvements or construction; provided that such Liens shall not extend to or cover any property or assets of a Restricted Party or any Subsidiary of a Restricted Party other than the property or assets improved or constructed and any improvements or construction thereon;

(vi) Liens consisting of or relating to the sale, transfer or financing of motion pictures, video and television programs, sound recordings, books or rights with respect thereto to or with so-called tax shelter groups or other third-party investors in connection with the financing of such motion pictures, video and television programming, sound recordings or books in the ordinary course of business and the granting to a Restricted Party or any of its Subsidiaries of rights to distribute such motion pictures, video and television programming, sound recordings or books; provided that no such Lien shall attach to any asset or right of a

Restricted Party or its Subsidiaries (other than the motion pictures, video and television programming, sound recordings, books or rights which were sold, transferred to or financed by the tax shelter group or third-party investors in question or the proceeds arising therefrom);

(vii) other Liens arising in connection with indebtedness for money borrowed of a Restricted Party and its Subsidiaries (other than indebtedness of a Restricted Party or its Subsidiaries under a senior credit facility) in an aggregate principal amount for such Restricted Party and its Subsidiaries not exceeding (at the time such Lien is issued, created or assumed) the greater of (A) 10% of the Consolidated Net Worth of such Restricted Party and (B) \$250 million; and

(viii) any extensions, renewal or replacement of any Lien referred to in the foregoing clauses (i) through (vii) inclusive or of any indebtedness secured thereby; provided that the principal amount of indebtedness secured thereby shall not exceed the principal amount of indebtedness so secured at the time of such extension, renewal or replacement or at the time the Lien was issued, created or assumed or otherwise permitted by clause (i) of this Section 1008, and that such extension, renewal or replacement Lien shall be limited to all or part of substantially the same property which secured the Lien extended, renewed or replaced (plus improvements on such property).

SECTION 1009. Limitations on Senior Indebtedness.

A Restricted Party will not, and will not permit any of its Subsidiaries to, incur any Senior Indebtedness if, after giving effect to the Incurrence of such Senior Indebtedness, the Consolidated Cash Flow Coverage Ratio for such Restricted Party for the Test Period would be less than 1.5:1; provided that for purposes of this Section 1009, the Consolidated Cash Flow Coverage Ratio for a Restricted Party shall be computed on a pro forma basis as if such Incurrence of Senior Indebtedness had occurred on the first day of the Test Period. Notwithstanding the foregoing, a Restricted Party and its Subsidiaries shall be permitted to incur Senior Indebtedness if such Incurrence would not be prohibited at the time of such Incurrence by (i) the Time Warner Credit Agreement or any agreement relating to a successor senior credit facility of Time Warner, whether such successor senior credit facility relates to any refinancing, refunding,

restructuring or other transaction (with respect to Incurrence of Senior Indebtedness by Time Warner or its Subsidiaries (other than TWE and its Subsidiaries)) or (ii) the TWE Credit Agreement or any agreement relating to a successor senior credit facility of TWE, whether such successor senior credit facility relates to any refinancing, refunding, restructuring or other transaction (with respect to Incurrence of Senior Indebtedness by TWE or its Subsidiaries), in each case as such agreements are in effect from time to time, including any waivers, modifications or amendments thereto.

Section 1010. Security and Guaranties.

At any time during which (i) Time Warner is a Restricted Party, Time Warner shall not permit any Subsidiary (other than a TW Partner) to Guaranty or become a primary obligor on the Time Warner Credit Agreement or any successor senior credit facility of Time Warner, unless Time Warner or such Subsidiary makes or causes to be made effective provision whereby prior to the Assignment, the Securities, and after the Assignment, the TW Partner Guaranties, will be Guaranteed by such Subsidiary equally and ratably with any and all Senior Indebtedness of Time Warner thereby Guaranteed, together with any other Senior Indebtedness of such Person that is entitled to share in any such Guaranty, so long as the Senior Indebtedness that is thereby Guaranteed shall be so Guaranteed or such Subsidiary shall act as such primary obligor; provided that if the Guaranty provided pursuant to this clause (i) is provided prior to the Assignment, then following the Assignment such Guaranty shall Guarantee the TW Partner Guaranties (and not the Securities) on an equal and ratable basis as described above; (ii) TWE is a Restricted Party, TWE shall not permit any Subsidiary to Guaranty or become a primary obligor on the TWE Credit Agreement or any successor senior credit facility of TWE unless TWE or such Subsidiary makes or causes to be made effective provision whereby the Securities will be Guaranteed by such Subsidiary equally and ratably with any and all Senior Indebtedness of TWE thereby Guaranteed, together with any other Senior Indebtedness of such Person that is entitled to share in any such Guaranty, for so long as the Senior Indebtedness that is thereby Guaranteed shall be so Guaranteed or such Subsidiary shall act as such primary obligor; and (iii) TWE is a Restricted Party and the Time Warner Guaranty is no longer in effect, Time Warner shall not, and shall not permit any Subsidiary (other than TWE, a Subsidiary of TWE or a TW Partner) to, Guaranty, secure or

become a primary obligor on the TWE Credit Agreement or any successor senior credit facility of TWE unless Time Warner or such Subsidiary, as the case may be, makes or causes to be made effective provision whereby the TW Partner Guaranties will be Guaranteed, secured, or, in the case of a primary obligation, guaranteed, by Time Warner or such Subsidiary, as the case may be, equally and ratably with any and all Senior Indebtedness of TWE thereby Guaranteed, secured or entered into, together with any other Senior Indebtedness of such Person that is entitled to share in any such Guaranty or security, for so long as the Senior Indebtedness that is thereby Guaranteed or secured shall be so Guaranteed or secured or Time Warner or such Subsidiary shall act as such primary obligor.

Section 1011. Limitation on Restricted Payments.

At any time during which TWE is the Obligor, it will not, directly or indirectly, (i) declare, make or pay any distributions on its partnership interests or other equity securities or (ii) purchase, redeem, retire or otherwise acquire for value, or permit any Subsidiary of TWE to, directly or indirectly, purchase, redeem, retire or otherwise acquire for value, any of its partnership interests or other equity securities, in each case, if at the time of such action (a) TWE shall have failed to pay any interest on the Securities when due and such failure shall be continuing or (b) an Event of Default shall have occurred and be continuing.

SECTION 1012. Waiver of Certain Covenants.

The Obligor may omit in any particular instance to comply with any term, provision or condition set forth in Sections 1008 to 1011, inclusive, with respect to the Securities of any series if before the time for such compliance the Holders of at least a majority in principal amount of the Outstanding Securities of such series shall, by Act of such Holders, either waive such compliance in such instance or generally waive compliance with such term, provision or condition, but no such waiver shall extend to or affect such term, provision or condition except to the extent so expressly waived, and, until such waiver shall become effective, the obligations of the Obligor and the duties of the Trustee in respect of any such term, provision or condition shall remain in full force and effect.

ARTICLE ELEVEN

REDEMPTION OF SECURITIES

SECTION 1101. Applicability of Article.

Securities of any series which are redeemable before their Stated Maturity shall be redeemable in accordance with their terms and (except as otherwise specified as contemplated by Section 301 for Securities of any series) in accordance with this Article.

SECTION 1102. Election to Redeem; Notice to Trustee.

The election of the Obligor to redeem any Securities shall be evidenced by a Board Resolution. In case of any redemption at the election of the Obligor of less than all the Securities of any series, the Obligor shall, at least 60 days prior to the Redemption Date fixed by the Obligor (unless a shorter notice shall be satisfactory to the Trustee), notify the Trustee of such Redemption Date, of the principal amount of Securities of such series to be redeemed and, if applicable, of the tenor of the Securities to be redeemed. In the case of any redemption of Securities prior to the expiration of any restriction on such redemption provided in the terms of such Securities or elsewhere in this Indenture, the Obligor shall furnish the Trustee with an Officers' Certificate evidencing compliance with such restriction.

SECTION 1103. Selection by Trustee of Securities to Be Redeemed.

If less than all the Securities of any series are to be redeemed (unless all of the Securities of such series and of a specified tenor are to be redeemed), the particular Securities to be redeemed shall be selected not more than 60 days prior to the Redemption Date by the Trustee, from the Outstanding Securities of such series not previously called for redemption, by such method as the Trustee shall deem fair and appropriate and which may provide for the selection for redemption of portions (equal to the minimum authorized denomination for Securities of that series or any integral multiple thereof) of the principal amount of Securities of such series of a denomination larger than the minimum authorized denomination for Securities of that series. If less than all of the Securities of such series and of a specified tenor are to be redeemed, the particular Securities

to be redeemed shall be selected not more than 60 days prior to the Redemption Date by the Trustee, from the Outstanding Securities of such series and specified tenor not previously called for redemption in accordance with the preceding sentence.

The Trustee shall promptly notify the Obligor in writing of the Securities selected for redemption and, in the case of any Securities selected for partial redemption, the principal amount thereof to be redeemed.

For all purposes of this Indenture, unless the context otherwise requires, all provisions relating to the redemption of Securities shall relate, in the case of any Securities redeemed or to be redeemed only in part, to the portion of the principal amount of such Securities which has been or is to be redeemed.

SECTION 1104. Mandatory Redemption.

If TWE is the Obligor and it elects to dissolve (other than in connection with (i) the reconstitution of TWE as a corporation, (ii) the occurrence of a transaction that is permitted by Section 801 of this Indenture or (iii) a case or proceeding under any applicable federal or state bankruptcy, insolvency, reorganization or similar law), it shall redeem all of the Outstanding Securities concurrently with or prior to the effectiveness of such dissolution. Notice of such redemption shall be given, and such redemption shall be effected, in the manner specified in this Article 11. Such redemption shall be at a Redemption Price equal to 100% of the principal amount of the Securities to be redeemed, together with accrued but unpaid interest thereon to (but excluding) the Redemption Date, plus any Redemption Premium applicable to the Securities to be redeemed.

SECTION 1105. Notice of Redemption.

Notice of redemption shall be given by first-class mail, postage prepaid, mailed not less than 30 nor more than 60 days prior to the Redemption Date, to each Holder of Securities to be redeemed, at his address appearing in the Security Register.

All notices of redemption shall state:

- (1) the Redemption Date,

(2) a good faith estimate of the Redemption Price (as calculated on the date prior to the date such notices are mailed by an Independent Investment Bank in the same manner as the actual Redemption Price will be calculated),

(3) that on the Redemption Date the Redemption Price will become due and payable upon each such Security to be redeemed and if applicable that interest thereon will cease to accrue on and after said date,

(4) the place or places where such Securities are to be surrendered for payment of the Redemption Price, and

(5) that such notice of redemption may be revoked by TWE.

Notice of redemption of Securities to be redeemed shall be given by the Obligor or, at the Obligor's request, by the Trustee in the name and at the expense of the Obligor. In the case of a redemption of Securities pursuant to Section 1104 of this Indenture, notice of redemption provided for in this Section 1105 may be revoked by TWE at any time prior to such redemption, whereupon such previously given notice shall be of no force or effect. TWE shall give the Trustee written notice at least two days prior to any such revocation.

SECTION 1106. Deposit of Redemption Price.

Prior to any Redemption Date, the Obligor shall deposit with the Trustee or with a Paying Agent (or, if the Obligor is acting as its own Paying Agent, segregate and hold in trust as provided in Section 1003) an amount of money sufficient to pay the Redemption Price of, and (except if the Redemption Date shall be an Interest Payment Date) accrued interest on, all the Securities which are to be redeemed on that date.

SECTION 1107. Securities Payable on Redemption Date.

Except as provided in the last sentence of Section 1105 of this Indenture, notice of redemption having been given as aforesaid, the Securities so to be redeemed shall, on the Redemption Date, become due and payable at the Redemption Price therein specified, and from and after such date (unless the Obligor shall default in the payment of the Redemption Price and accrued interest) such Securities shall cease to bear interest. Upon surrender of any such Security

for redemption in accordance with said notice, such Security shall be paid by the Obligor at the Redemption Price, together with accrued interest to the Redemption Date; provided, however, that, unless otherwise specified as contemplated by Section 301, installments of interest whose Stated Maturity is on or prior to the Redemption Date shall be payable to the Holders of such Securities, or one or more Predecessor Securities, registered as such at the close of business on the relevant Record Dates according to their terms and the provisions of Section 307.

If any Security called for redemption shall not be so paid upon surrender thereof for redemption, the principal and any premium shall, until paid, bear interest from the Redemption Date at the rate prescribed therefor in the Security.

SECTION 1108. Securities Redeemed in Part.

Any Security which is to be redeemed only in part shall be surrendered at a Place of Payment therefor (with, if the Obligor or the Trustee so requires, due endorsement by, or a written instrument of transfer in form satisfactory to the Obligor and the Trustee duly executed by, the Holder thereof or his attorney duly authorized in writing), and the Obligor shall execute, and the Trustee shall authenticate and deliver to the Holder of such Security without service charge, a new Security or Securities of the same series and of like tenor, of any authorized denomination as requested by such Holder, in aggregate principal amount equal to and in exchange for the unredeemed portion of the principal of the Security so surrendered.

ARTICLE TWELVE

SINKING FUNDS

SECTION 1201. Applicability of Article.

The provisions of this Article shall be applicable to any sinking fund for the retirement of Securities of a series except as otherwise specified as contemplated by Section 301 for Securities of such series.

The minimum amount of any sinking fund payment provided for by the terms of Securities of any series is herein referred to as a "mandatory sinking fund payment", and any payment in excess of such minimum amount provided for by

the terms of Securities of any series is herein referred to as an "optional sinking fund payment". If provided for by the terms of Securities of any series, the cash amount of any sinking fund payment may be subject to reduction as provided in Section 1202. Each sinking fund payment shall be applied to the redemption of Securities of any series as provided for by the terms of Securities of such series.

SECTION 1202. Satisfaction of Sinking Fund Payments with Securities.

The Obligor (1) may deliver Outstanding Securities of a series (other than any previously called for redemption) and (2) may apply as a credit Securities of a series which have been redeemed either at the election of the Obligor pursuant to the terms of such Securities or through the application of permitted optional sinking fund payments pursuant to the terms of such Securities, in each case in satisfaction of all or any part of any sinking fund payment with respect to the Securities of such series required to be made pursuant to the terms of such Securities as provided for by the terms of such Securities; provided that such Securities have not been previously so credited. Such Securities shall be received and credited for such purpose by the Trustee at the Redemption Price specified in such Securities for redemption through operation of the sinking fund and the amount of such sinking fund payment shall be reduced accordingly.

SECTION 1203. Redemption of Securities for Sinking Fund.

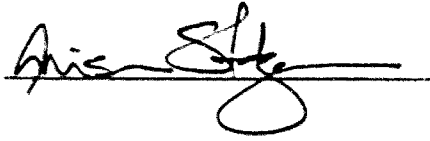
Not less than 60 days prior to each sinking fund payment date for any series of Securities, the Obligor will deliver to the Trustee an Officers' Certificate specifying the amount of the next ensuing sinking fund payment for that series pursuant to the terms of that series, the portion thereof, if any, which is to be satisfied by payment of cash and the portion thereof, if any, which is to be satisfied by delivering and crediting Securities of that series pursuant to Section 1202 and will also deliver to the Trustee any Securities to be so delivered. Not less than 30 days before each sinking fund payment date the Trustee shall select the Securities to be redeemed upon such sinking fund payment date in the manner specified in Section 1103 and cause notice of the redemption thereof to be given in the name of and at the expense of the Obligor in the manner provided in Section 1105. Such notice having been duly given, the redemption of such Securities shall be made upon the terms and in the manner stated in Section 1106 through Section 1108.

* * * * *


This instrument may be executed in any number of counterparts, each of which so executed shall be deemed to be an original, but all such counterparts shall together constitute but one and the same instrument.

IN WITNESS WHEREOF, the parties hereto have caused this Indenture to be duly executed, and their respective corporate seals to be hereunto affixed and attested, all as of the day and year first above written.

Attest:

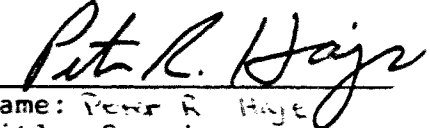


TIME WARNER INC.

By 
Name: Peter W. Wasserman
Title: Executive Vice President and
Chief Financial Officer

TIME WARNER ENTERTAINMENT
COMPANY, L.P.

By WARNER ENTERTAINMENT INC.,
a General Partner

By 
Name: Peter R. Hays
Title: President

Attest:



Attest:

THE BANK OF NEW YORK,
Trustee

By _____
Name:
Title:

STATE OF NEW YORK)
 : ss.:
COUNTY OF NEW YORK)

On the 30th day of April, 1992, before me personally came Bert W. Wasserman, to me known, who, being by me duly sworn, did depose and say that he is Executive Vice President and Chief Financial Officer of TIME WARNER INC., one of the corporations described in and which executed the foregoing instrument; that he knows the seal of said corporation; that the seal affixed to said instrument is such corporate seal; that it was so affixed by authority of the Board of Directors of said corporation, and that he signed his name thereto by like authority.

MARGARET J. STELMOOSCHUK
Notary Public, State of New York
No. 457666, County of New York, N.Y.
Certificate Expires 12/31/1995
Commission Expires 12/31/1995

Margaret J. Stelmoschuk

STATE OF NEW YORK)
 : ss.:
COUNTY OF NEW YORK)

On the 30th day of April, 1992, before me personally came Peter R. Haje, to me known, who, being by me duly sworn, did depose and say that he is President of WARNER ENTERTAINMENT INC., the Delaware corporation described in and which executed the foregoing instrument on behalf of TIME WARNER ENTERTAINMENT COMPANY, L.P., the Delaware limited partnership described in the foregoing instrument, as general partner thereof; that he knows the seal of said corporation; that the seal affixed to said instrument is such seal; that it was so affixed by authority of the Board of Directors of said corporation, and that he signed his name thereto by like authority.

MARGARET J. STELMOOSCHUK
Notary Public, State of New York
No. 457666, County of New York, N.Y.
Certificate Expires 12/31/1995
Commission Expires 12/31/1995

Margaret J. Stelmoschuk

This instrument may be executed in any number of counterparts, each of which so executed shall be deemed to be an original, but all such counterparts shall together constitute but one and the same instrument.

IN WITNESS WHEREOF, the parties hereto have caused this Indenture to be duly executed, and their respective corporate seals to be hereunto affixed and attested, all as of the day and year first above written.

Attest:

TIME WARNER INC.

By _____
Name:
Title:

TIME WARNER ENTERTAINMENT
COMPANY, L.P

By WARNER ENTERTAINMENT INC.,
a General Partner

Attest:

By _____
Name:
Title:

Attest:

THE BANK OF NEW YORK,
Trustee

Christine Amberger
CHRISTINE AMBERGER
ASSISTANT TREASURER

By S. D. Mineo
Name: S. D. MINEO
Title: VICE PRESIDENT

