UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549
FORM 10-K

(Mark One)

☑ **ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the fiscal year ended June 30 , 2023

or

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from _____ to _____

Commission File Number: 001-39245

SPHERE ENTERTAINMENT CO.

(Exact name of registrant as specified in its charter)

Delaware	**84-3755666**
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)
Two Penn Plaza, New York, NY	**10121**
(Address of principal executive offices)	**(Zip Code)**

Registrant's telephone number, including area code: (725) 258-0001

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Class A Common Stock	SPHR	New York Stock Exchange

Securities registered pursuant to section 12(g) of the Act: None.

Indicate by check mark if the Registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes ☑ No ☐

Indicate by check mark if the Registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. Yes☐ No ☑

Indicate by check mark whether the Registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the Registrant has been required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☑ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes ☑ No ☐

Indicate by check mark whether each Registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company" and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	☑	**Accelerated filer**	☐
Non-accelerated filer	☐	**Smaller reporting company**	☐
		Emerging growth company	☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant has filed a report on and attestation to its management's assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C. 7262(b)) by the registered public accounting firm that prepared or issued its audit report. ☑

If securities are registered pursuant to Section 12(b) of the Act, indicate by check mark whether the financial statements of the registrant included in the filing reflect the correction of an error to previously issued financial statements. ☐

Indicate by check mark whether any of those error corrections are restatements that required a recovery analysis of incentive-based compensation received by any of the registrant's executive officers during the relevant recovery period pursuant to §240.10D-1(b). ☐

Indicate by check mark whether the Registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes☐ No ☑

The aggregate market value of the voting and non-voting common equity held by non-affiliates of Sphere Entertainment Co. computed by reference to the price at which the common equity was last sold on the New York Stock Exchange as of December 31, 2022, the last business day of the registrant's most recently completed second fiscal quarter, was approximately $ 1.18 billion.

Number of shares of common stock outstanding as of July 31, 2023:

Class A Common Stock par value $0.01 per share	—	27,811,874
Class B Common Stock par value $0.01 per share	—	6,866,754

Documents incorporated by reference — Certain information required for Part III of this report is incorporated herein by reference to the proxy statement for the 2023 annual meeting of the Company's stockholders, expected to be filed within 120 days after the end of our fiscal year.

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PART I

Item 1. Business

Sphere Entertainment Co., formerly Madison Square Garden Entertainment Corp. and MSG Entertainment Spinco, Inc., is a Delaware corporation with its principal executive office at Two Pennsylvania Plaza, New York, NY, 10121. Unless the context otherwise requires, all references to "we," "us," "our," "Sphere Entertainment" or the "Company" refer collectively to Sphere Entertainment Co., a holding company, and its direct and indirect subsidiaries. We conduct substantially all of our business activities discussed in this Annual Report on Form 10-K through Sphere Entertainment Group, LLC, formerly MSG Entertainment Group, LLC, and MSG Networks Inc., and each of their direct and indirect subsidiaries.

The Company was incorporated on November 21, 2019 as a direct, wholly-owned subsidiary of Madison Square Garden Sports Corp. ("MSG Sports"), formerly known as The Madison Square Garden Company. On March 31, 2020, MSG Sports' board of directors approved the distribution of all the outstanding common stock of the Company to MSG Sports stockholders (the "2020 Entertainment Distribution") which occurred on April 17, 2020 (the "2020 Entertainment Distribution Date").

On April 20, 2023 (the "MSGE Distribution Date"), the Company distributed approximately 67% of the outstanding common stock of Madison Square Garden Entertainment Corp. (formerly MSGE Spinco, Inc., and referred to herein as "MSG Entertainment") to its stockholders (the "MSGE Distribution"), with the Company retaining approximately 33% of the outstanding common stock of MSG Entertainment (in the form of MSG Entertainment Class A common stock) immediately following the MSGE Distribution (the "MSGE Retained Interest"). Following the MSGE Distribution Date, the Company retained the Sphere and MSG Networks businesses and MSG Entertainment now owns the traditional live entertainment business previously owned and operated by the Company through its Entertainment business segment, excluding the Sphere business. In the MSGE Distribution, stockholders of the Company received (a) one share of MSG Entertainment's Class A common stock, par value $0.01 per share, for every share of the Company's Class A common stock, par value $0.01 per share ("Class A Common Stock"), held of record as of the close of business, New York City time, on April 14, 2023 (the "Record Date"), and (b) one share of MSG Entertainment's Class B common stock, par value $0.01 per share, for every share of the Company's Class B common stock, par value $0.01 per share ("Class B Common Stock"), held of record as of the close of business, New York City time, on the Record Date. Following the sale of a portion of the MSGE Retained Interest and the repayment of the delayed draw term loan (further discussed below) with MSG Entertainment through the use of shares of MSG Entertainment Class A common stock, the Company now holds approximately 17% of the outstanding common stock of MSG Entertainment (in the form of Class A common stock), based on 49,128,231 total shares of MSG Entertainment common stock outstanding as of August 18, 2023.

On May 3, 2023, the Company completed the sale of its 66.9% majority interest in TAO Group Sub-Holdings LLC ("Tao Group Hospitality") to a subsidiary of Mohari Hospitality Limited, a global investment company focused on the luxury lifestyle and hospitality sectors (the "Tao Group Hospitality Disposition").

The Company reports on a fiscal year basis ending on June 30th. In this annual report on Form 10-K, the fiscal years ended on June 30, 2023, 2022, and 2021 are referred to as "Fiscal Year 2023," "Fiscal Year 2022" and "Fiscal Year 2021", respectively, and the fiscal year ending June 30, 2024 is referred to as "Fiscal Year 2024."

Overview

Sphere Entertainment Co. is a premier live entertainment and media company comprised of two reportable segments, Sphere and MSG Networks. Sphere is a next-generation entertainment medium, and MSG Networks operates two regional sports and entertainment networks, as well as a direct-to-consumer and authenticated streaming product.

Sphere: This segment reflects Sphere, a next-generation entertainment medium powered by cutting-edge technologies that we believe will enable multi-sensory storytelling at an unparalleled scale. The Company's first Sphere is expected to open in Las Vegas in September 2023. The venue can accommodate up to 20,000 guests and is expected to host a wide variety of events year-round, including The Sphere Experience™, which will feature original immersive productions, as well as concerts and residencies from renowned artists, and marquee sporting and corporate events. Supporting this strategy is Sphere Studios, which is home to a team of creative, production, technology and software experts who provide full in-house creative and production services. The studio campus in Burbank includes a 68,000-square-foot development facility, as well as Big Dome, a 28,000-square-foot, 100-foot high custom dome, with a quarter-sized version of the screen at Sphere in Las Vegas, that serves as a specialized screening, production facility, and lab for content at Sphere.

MSG Networks: This segment is comprised of the Company's regional sports and entertainment networks, MSG Network and MSG Sportsnet, as well as its direct-to-consumer streaming product, MSG+. MSG Networks serves the New York Designated Market Area, as well as other portions of New York, New Jersey, Connecticut and Pennsylvania and features a wide range of sports content, including exclusive live local games and other programming of the New York Knicks (the "Knicks") of the National Basketball Association (the "NBA") and the New York Rangers (the "Rangers"), New York Islanders (the "Islanders"), New Jersey Devils (the

“Devils”) and Buffalo Sabres (the “Sabres”) of the National Hockey League (the “NHL”), as well as significant coverage of the New York Giants (the “Giants”) and the Buffalo Bills (the “Bills”) of the National Football League (the “NFL”).

Our Strengths

- Strong position in live entertainment and media through:
    - A next-generation entertainment medium powered by cutting-edge technologies; and
    - Two award-winning regional sports and entertainment networks
- Presence in both Las Vegas, a market which attracts more than 40 million visitors each year and has over 2 million local residents, and the New York Designated Market Area – the nation’s largest media market
- Deep industry relationships across music, entertainment, corporate, and sports that can be leveraged to drive events to Sphere
- Focus on world-class guest experience, backed by decades of experience in venue management
- In-house studio and production expertise for original content creation for Sphere
- Established history of successfully planning and executing comprehensive venue design and construction projects
- Portfolio of patents and other intellectual property spanning across Sphere design and construction, audio delivery, cinematic video display systems, and in-venue technologies
- Exclusive local media rights to live games of five professional New York-area NBA and NHL teams, including long-term agreements with the Knicks and Rangers; and
- A strong and seasoned management team.

Our Strategy

Our strategy is to leverage our Company’s unique assets and brands – which includes a next-generation entertainment medium, Sphere, and regional sports and entertainment networks – to create world-class experiences for all key stakeholders, including performers, athletes, content creators, guests, viewers, advertisers and marketing partners. Coupled with our continued commitment to innovation, we believe the Company is positioned to generate long-term value for our stockholders.

Key components of our strategy include:

Creating a New Entertainment Medium: We believe Sphere will redefine the future of entertainment, combining next generation technologies with multi-sensory storytelling to deliver immersive experiences at an unparalleled scale. Sphere represents an innovative business model for entertainment venues, with new and expanded revenue opportunities that span across original immersive productions, performances, concerts and residencies, sporting and corporate events, advertising and sponsorship, and premium hospitality, as well as food, beverage and merchandise.

The Company’s first Sphere is expected to open in September 2023, and is conveniently located in Las Vegas, one block from the Las Vegas Strip and connected to The Venetian Expo.

Sphere in Las Vegas has already become a landmark – as the world’s largest spherical structure standing at 366 feet tall and 516 feet wide, with a fully-programmable LED exterior that offers a powerful global platform for potential advertisers and marketing partners, as well as creative content. A grand entrance atrium with immersive experiences, activations, and galleries will welcome guests into the venue, while visitors will also enjoy luxury seating, premier concession spaces, and a full complement of premium hospitality offerings, including 23 suites.

Once inside Sphere’s main venue bowl, guests will experience the full range of the venue’s cutting-edge technologies, including:

- A 16K x 16K LED screen – a 160,000-square foot high-resolution interior display plane that surrounds the audience, creating a fully immersive visual environment.
- Sphere Immersive Sound, powered by HOLOPLOT – an advanced audio system that delivers crystal-clear, concert-grade sound to every seat in Sphere through beamforming and wave field synthesis technology.
- 4D multi-sensory technologies – which enable guests to feel experiences such as vibrations, wind, scent and changing temperatures to enhance storytelling.

Leveraging Sphere's Unique Capabilities to Drive Venue Utilization: Sphere in Las Vegas was designed and engineered from the ground up to be one of the most highly utilized venues of its size. The venue's technologies and design will enable it to seamlessly accommodate a variety of different event types, with fast turnover between events, and accommodate multiple events per-day, year-round. This creates the opportunity for Sphere to be more efficiently utilized than traditional large-scale venues.

Developing Original Content: During Fiscal Year 2023, we launched Sphere Studios, which is dedicated to the development of immersive entertainment exclusively for Sphere. Sphere Studios features technology and proprietary tools developed specifically for Sphere that make content creation for this platform a seamless experience. Sphere Studios is also home to an interdisciplinary team of creative, production, technology and software experts who provide full in-house creative and production services, including strategy and concept, capture, post-production and show production. The Company is collaborating with third-party creators and is also developing its own content ranging from original immersive productions, purpose-built for Sphere, to the establishment of a dynamic library of content that can be used by artists or third parties who want to bring their experiences to life – whether for concerts, residencies or corporate events.

Original content that the Company owns is a key aspect of our business model as it allows for the Company's economic participation as both venue operator and content owner. It also allows the Company to better control event scheduling and reduces the reliance on third-party events. In addition, the Company plans to expand its network of Sphere venues around the world over time, which would create additional monetization opportunities for the Company's original content.

- *Debut of The Sphere Experience.* A core content category at Sphere in Las Vegas will be The Sphere Experience, which the Company believes will appeal to the over 40 million visitors to Las Vegas annually and over 2 million local residents and can run multiple times a day, year-round. The Company expects The Sphere Experience to be approximately two hours long and begin when guests enter the venue's atrium, where they will engage with the latest in technological advancements through a variety of immersive experiences and activations.

- The experience will continue to the main venue bowl where – on October 6, 2023 – the Company plans to debut the original immersive production, *Postcard From Earth*, directed by Academy Award nominee, Darren Aronofsky. The production, which will offer a unique perspective on the beauty of life on earth, will utilize the full breadth of the venue's immersive technologies.

Venue of Choice for Third-Party Events. Sphere in Las Vegas is expected to host a wide variety of events, including concerts and residencies from renowned artists, marquee sporting events including mixed-martial arts, boxing and eSports, as well as corporate and special events. On September 29, 2023, global rock band U2 is expected to open the venue with the first of its 25-show run. In addition, the Company has entered into a multi-year agreement with Formula 1 for a full multi-day takeover of Sphere, starting with its inaugural Las Vegas Grand Prix in November 2023. The Company plans to leverage Sphere's unique platform, as well as the Company's deep relationships across music, entertainment, corporate and sports, to attract additional events to Sphere in Las Vegas.

Unique Platform for Advertising and Sponsorship: Sphere's unique platform and technological capabilities offer powerful and premium opportunities for advertisers and marketing partners to engage with audiences. The Company expects that Sphere in Las Vegas will deliver significant exposure to the guests that attend events at the venue, including the more than 40 million annual visitors and over 2 million local residents to Las Vegas, but also around the world on social media. Sphere will offer bespoke advertising and sponsorship opportunities, including externally with the Exosphere and internally with immersive galleries, interactive installations, the atrium, and premium hospitality spaces. Sphere in Las Vegas will offer advertising and marketing partners unique and valuable inventory that is not available in traditional large-scale entertainment venues.

- *The Exosphere* – The exterior of Sphere in Las Vegas, which we call the Exosphere, is the world's largest LED screen covered in 580,000 square feet of fully programmable LED paneling, consisting of approximately 1.2 million LED pucks, spaced eight inches apart. Each puck contains 48 individual LED diodes, with each diode capable of displaying 256 million different colors. We believe we have created the world's largest LED screen and an impactful digital canvas for brands, events, and advertising and marketing partners to showcase content to audiences around the world.

- On July 4th, 2023, the Company illuminated the entire exterior of Sphere in Las Vegas for the first time, with a captivating display of dynamic, animated content, which received media coverage across the world and was widely shared on social media. This was followed by additional creative activations including in coordination with the NBA's Summer League in Las Vegas, as well as the Formula 1 Las Vegas Grand Prix. Later in 2023, we expect the Exosphere to be prominently featured as part of Sphere's opening in September with U2, as well as in coordination with the October debut of *Postcard From Earth*. In November, during the Formula 1 Las Vegas Grand Prix, Sphere is expected to have a prime position along the race circuit to showcase the Exosphere to a global audience – in-person and on TV – as well as significant exposure through planned takeovers of the Exosphere for race-related content, activations and advertising.

Pursuing a Global Network and Brand. We believe there are other markets — both domestic and international — where Sphere can be successful. The design of Sphere can accommodate a wide range of sizes and capacities based on the needs of the individual market. Leveraging the Sphere brand and operating a network of Sphere venues would allow the Company to pursue a number of

avenues for potential growth, including driving increased bookings and greater advertising and sponsorship opportunities. Furthermore, the Company would have the opportunity to leverage its in-house expertise – including across venue management, design and construction, operations and technology – to drive new revenue streams. An increasing number of Sphere venues would also create additional monetization opportunities for the Company's original content, including *Postcard From Earth.* As we explore selectively extending Sphere's network beyond Las Vegas to other markets around the world, we intend to utilize several options such as joint ventures, equity partners, a managed venue model, and non-recourse debt financing.

A Continued Commitment to Innovation in Media. For more than 50 years, MSG Networks has been at the forefront of the industry, pushing the boundaries of regional sports coverage. We continually seek to enhance the value that our networks provide to viewers, advertisers, and distributors by utilizing state-of-the-art technology to deliver high-quality, best-in-class content and live viewing experiences. In June 2023, MSG Networks introduced MSG+, a direct to consumer streaming product (replacing MSG GO), which allows subscribers to access MSG Network and MSG Sportsnet as well as on demand content on smartphones, tablets, computers and other devices. MSG+ is available on a free, authenticated basis to subscribers of participating Distributors (including all of MSG Networks' major Distributors), as well as for purchase on a direct-to-consumer ("DTC") basis. In addition to monthly and annual DTC subscription options, in an innovative offering not currently available from any other regional sports network, MSG+ will also offer single game purchases of MSG Networks' NBA and NHL teams.

Our Business

Sphere

The Company is progressing with its creation of the first Sphere venue, adjacent to the Las Vegas Strip, which will utilize cutting-edge technologies to create immersive experiences on an unparalleled scale. Sphere is an entirely new medium, uniquely built for immersive entertainment experiences. Key design features include:

- A 580,000 square foot, fully-programmable LED Exosphere – the world's largest LED screen, which consists of approximately 1.2 million LED pucks, spaced eight inches apart. Each puck contains 48 individual LED diodes, with each diode capable of displaying 256 million different colors.

- The main venue bowl featuring a 16K x 16K LED screen – a 160,000-square foot high-resolution interior display plane that surrounds the audience, creating a fully immersive visual environment.

- Sphere Immersive Sound, powered by HOLOPLOT – an advanced audio system that delivers crystal-clear, concert-grade sound to every seat in Sphere through beamforming and wave field synthesis technology.

- 4D multi-sensory technologies – which enable guests to feel experiences such as vibrations, wind, scent and changing temperatures to enhance storytelling.

These technologies will come together to create a powerful platform, which we believe will make Sphere the venue of choice for a wide variety of content – including original immersive productions from leading Hollywood directors; concerts and residencies from the world's biggest artists; marquee sporting and corporate events.

The Company is building its first Sphere in Las Vegas, a 17,600-seat venue with capacity to hold up to 20,000 guests, on land adjacent to The Venetian Resort leased from a subsidiary of Venetian Las Vegas Gaming, LLC ("The Venetian"). The Venetian agreed to provide us with $75 million to help fund the construction costs, including the cost of a pedestrian bridge that links Sphere to The Venetian Expo. Through June 30, 2023, The Venetian paid us $65 million of this amount for construction costs. The ground lease has no fixed rent; however, if certain return objectives are achieved, The Venetian will receive 25% of the after-tax cash flow in excess of such objectives. The lease is for a term of 50 years, and the Company expects to open the venue on September 29, 2023.

Because of the transformative nature of Sphere, we believe there could be other markets — both domestic and international – where Sphere can be successful. The design of Sphere will be flexible to accommodate a wide range of sizes and capacities – from large-scale to smaller and more intimate – based on the needs of any individual market.

As we explore selectively extending the Sphere network beyond Las Vegas to other markets around the world, the Company's intention is to utilize several options, such as joint ventures, equity partners, a managed venue model, and non-recourse debt financing.

In February 2018, we announced the purchase of land in Stratford, London. The Company submitted a planning application for a Sphere venue to the local planning authority in March 2019 and that process, which requires various stages of review to be completed and approvals to be granted, is ongoing. Therefore, we do not have a definitive timeline at this time.

See "Part II — Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations — Liquidity and Capital Resources — Sphere."

Our Events

The Sphere Experience: A core content category at Sphere in Las Vegas will be The Sphere Experience, which the Company believes will appeal to the over 40 million visitors to Las Vegas annually and the over 2 million local residents and can run multiple times a day, year-round. The Company expects The Sphere Experience to be approximately two hours long and begin when guests enter the venue's atrium, where they will engage with the latest in technological advancements through a variety of immersive experiences and activations.

The experience will continue to the main venue bowl where the Company will feature original immersive productions that utilize the full breadth of the venue's immersive technologies. On October 6, 2023, the Company plans to debut the original immersive production, *Postcard from Earth*, directed by Academy Award nominee, Darren Aronofsky.

Live Entertainment: Our Company has deep industry relationships that are expected to drive the world's biggest artists to Sphere in Las Vegas. Global rock band U2 will open Sphere in Las Vegas on September 29, 2023 with the first of 25 shows from the band.

Marquee Sporting and Corporate Events: Our Company plans to host a broad array of live sporting events, including professional boxing, mixed martial arts, eSports, and wrestling, as well as corporate events. In November 2023, during the Formula 1 Las Vegas Grand Prix, Sphere will have a prime position along the race circuit to showcase the venue to a global audience – in-person and on TV – as well as significant exposure through planned takeovers of the Exosphere for race-related content, activations and advertising.

Our Advertising, Sponsorship, and Premium Hospitality Partner Offerings

Sphere's unique platform and technological capabilities offer powerful and premium opportunities for advertisers and marketing partners to engage with audiences. The Company expects that Sphere in Las Vegas will deliver significant exposure not only to the guests that attend events at the venue and the more than 40 million annual visitors to Las Vegas, and the over 2 million local residents, but also around the world on social media. Sphere will offer bespoke advertising and sponsorship opportunities, including externally with the Exosphere and internally with immersive galleries, interactive installations, the atrium, and suites. Sphere in Las Vegas will offer advertising and marketing partners unique and valuable inventory that is not available in traditional large-scale entertainment venues.

Sphere will also offer premium hospitality products. This includes 23 suites, as well as other hospitality spaces. We expect to license a number of these suites, while also offering suites for single-event use.

MSG Networks

MSG Networks is an industry leader in sports production, content development and distribution. It includes two award-winning regional sports and entertainment networks, MSG Network and MSG Sportsnet, and as well as its direct-to-consumer and authenticated streaming product, MSG+.

Debuting as the first regional sports network in the country on October 15, 1969, MSG Networks has been a pioneer in regional sports programming for more than 50 years, setting a standard of excellence, creativity and technological innovation. Today, MSG Networks' exclusive, award-winning programming continues to be a valuable differentiator for viewers, advertisers and the cable, satellite, fiber-optic and other platforms ("Distributors") that distribute its networks. MSG Networks and MSG Sportsnet are widely distributed throughout all of New York State and significant portions of New Jersey and Connecticut, as well as parts of Pennsylvania. MSGN and MSG SportsNet are widely carried by major Distributors in our region, with an average combined reach of approximately 4.1 million viewing subscribers (as of the most recent available monthly information) in our Regional Territory. MSG Network and MSG Sportsnet are also carried nationally by certain Distributors on sports tiers or in similar packages.

In June 2023, MSG Networks introduced MSG+, a DTC and authenticated streaming product (replacing MSG GO), which allows subscribers to access MSG Network and MSG Sportsnet and on demand content across devices. MSG+ is available on a free, authenticated basis to subscribers of participating Distributors (including all of MSG Networks' major Distributors), as well as for purchase by viewers on a DTC basis. In addition to monthly and annual DTC subscription options, in an innovative offering not currently available from any other regional sports network, MSG+ will also offer single game purchases of MSG Networks' NBA and NHL teams.

Throughout its history, MSG Networks has been at the forefront of the industry, pushing the boundaries of regional sports coverage. In the process, its networks have become a powerful platform for some of the world's greatest athletes and entertainers. MSG Networks' commitment to programming excellence has earned it a reputation for best-in-class programming, production, marketing, and technical innovation. It has won more New York Emmy Awards for live sports and original programming over the past 10 years than any other regional sports network in the region.

The foundation of MSG Networks' programming is its professional sports coverage. MSG Network and MSG Sportsnet feature a wide range of compelling sports content, including exclusive live local games and other programming of the Knicks, Rangers, Islanders, Devils and Sabres, as well as significant coverage of the New York Giants and Buffalo Bills. MSG Networks also showcases a wide array of other sports and entertainment programming, which includes Westchester Knicks basketball, New York Riptide lacrosse, NY/

NJ Gotham FC of the National Women's Soccer League, NCAA basketball, soccer, baseball, softball and other college sporting events, as well as horse racing, soccer, poker, tennis, pickleball, mixed martial arts and boxing programs.

MSG Network and MSG Sportsnet collectively air hundreds of live professional games each year, along with a comprehensive lineup of other sporting events and original programming designed to give fans behind-the-scenes access and insight into the teams and players they love. This content includes pre- and post-game coverage throughout the seasons, along with team-related programming that features coaches and players, all of which capitalizes on the enthusiasm for the teams featured on MSG Network and MSG Sportsnet.

MSG Networks is also positioned as one of the premium destinations for sports gaming content. In Fiscal Year 2023, MSG Networks produced daily, original sports betting shows and multiple betting themed simulcasts for both NBA and NHL games that were each sponsored by one of the Company's sports gaming partners. The original shows and segments featured a mix of sports gaming experts and former New York athletes covering betting-related topics across the sports world, from NBA and NHL to NFL, MLB, tennis, golf, and mixed martial arts.

Intellectual Property

We create, own and license intellectual property in the countries in which we operate, have operated or intend to operate, and it is our practice to protect our trademarks, brands, copyrights, inventions and other original and acquired works. We have registered many of our trademarks and have filed applications for certain others in the countries in which we operate or intend to operate. Additionally, we have filed and continue to file for patent protection in the countries where we operate or plan to operate, and we have been issued patents for key elements of Sphere. Our registrations and applications relate to trademarks and inventions associated with, among other of our brands, Sphere, The Sphere Experience, Sphere Studios, Sphere Immersive Sound and MSG Networks. We believe our ability to maintain and monetize our intellectual property rights, including the technology and content developed for Sphere, The Sphere Experience, MSG Networks (including our DTC and authenticated streaming product, MSG+), and our brand logos, are important to our business, our brand-building efforts and the marketing of our products and services. We cannot predict, however, whether steps taken by us to protect our proprietary rights will be adequate to prevent misappropriation of these rights or protect against vulnerability to oppositions or cancellation actions due to non-use. See "— Item 1A. Risk Factors — Risks Related to Cybersecurity and Intellectual Property — *We May Become Subject to Infringement or Other Claims Relating to Our Content or Technology* " "— *Theft of Our Intellectual Property May Have a Material Negative Effect on Our Business and Results of Operations.*"

Other Investments

Our Company explores investment opportunities that strengthen its existing position within the entertainment landscape and/or allow us to exploit our assets and core competencies for growth.

In Fiscal Year 2019, the Company acquired a 30% interest in SACO Technologies Inc. ("SACO"), a global provider of high-performance LED video lighting and media solutions. The Company is utilizing SACO as a preferred display technology provider for Sphere and is benefiting from agreed-upon commercial terms. In addition, the Company also has other investments in various entertainment and related technology companies, accounted for under the equity method.

In Fiscal Year 2018, the Company acquired a 25% interest in Holoplot GmbH ("Holoplot"), a global leader in 3D audio technology based in Berlin, Germany. The Company has partnered with Holoplot to create the world's largest, fully integrated concert-grade audio system that we believe will revolutionize immersive audio experiences for Sphere in Las Vegas. In January 2023, the Company, through an indirect subsidiary, extended financing to Holoplot in the form of a three-year convertible loan of €18.8 million, equivalent to $20.5 million using the applicable exchange rate at the time of the transaction.

On April 20, 2023, the Company distributed approximately 67% of the outstanding common stock of MSG Entertainment to its stockholders, with the Company retaining approximately 33% of the outstanding common stock of MSG Entertainment (in the form of Class A common stock) immediately following the MSGE Distribution. Following the sale of a portion of the MSGE Retained Interest on June 27, 2023 and our repayment of the delayed draw term loan (further discussed below) with MSG Entertainment through the use of shares of MSG Entertainment Class A common stock, we now hold approximately 17% of the outstanding common stock of MSG Entertainment (in the form of MSG Entertainment Class A common stock), based on 49,128,231 total shares of MSG Entertainment common stock outstanding as of August 18, 2023.

See Note 7. Investments in Nonconsolidated Affiliates, to the consolidated financial statements included in Item 8 of this Annual Report on Form 10-K for further details.

Our Community

Sphere Entertainment is committed to supporting the communities we serve through a variety of important initiatives.

As we approach the opening of Sphere in Las Vegas in September 2023, Sphere has already begun supporting the greater Las Vegas community. This includes engaging with various non-profits that serve diverse populations in Clark County, such as donating more

than 5,000 back-to-school supplies to support the Boys & Girls Club of Southern Nevada – which is also a partner organization of the Garden of Dreams Foundation (“GDF”), a non-profit charity that works with the Company and is dedicated to bringing life-changing opportunities to young people in need.

We are likewise engaged in the London community, where we have announced plans to build another Sphere venue, pending necessary approvals. In East London we have focused on providing opportunities for local students to learn about careers in the entertainment industry, such as partnering with the University of East London to mentor students as part of our Student Associate internship program. We’ve also partnered with local institutions such as Theatre Royal Stratford East to host performance opportunities and talent development for up-and-coming local artists.

MSG Networks also works closely with the Garden of Dreams Foundation on various initiatives, particularly through MSG Classroom. Founded in 2007, MSG Classroom is an Emmy award winning educational initiative that teaches high school students about the media industry through hands-on learning opportunities in areas such as broadcasting, script writing and production, working directly with employees of MSG Networks.

The Company’s 2022 Corporate Social Responsibility Report can be found on our website under “Our Community.”

Garden of Dreams Foundation

The centerpiece of the Company’s philanthropy is GDF. Since it was established in 2006, GDF has donated nearly $75 million in grants and other donations, impacting more than 425,000 young people and their families. GDF focuses on young people facing illness or financial challenges, as well as children of uniformed personnel who have been lost or injured while serving our communities. In partnership with the Company, MSG Entertainment and MSG Sports, GDF provides young people in our communities with access to educational and skills opportunities; mentoring programs and memorable experiences that enhance their lives, help shape their futures and create lasting joy. Each year, as part of its Season of Giving, GDF partners with MSG Sports’ New York Knicks and New York Rangers, and MSG Entertainment’s Radio City Rockettes on a wide range of charitable programs. GDF further supports its mission by providing a core group of non-profit partners with critical funding to contribute to their long-term success.

Regulation

The rules, regulations, policies and procedures affecting our business are subject to change. The following paragraphs describe the existing legal and regulatory requirements that are most significant to our business today; they do not purport to describe all present and proposed laws and regulations affecting our business.

Our Sphere business is subject to the general powers of federal, state and local government, as well as foreign governmental authorities, to deal with matters of health, public safety and operations.

Venue Licenses

Sphere, like all public spaces, is subject to building and health codes and fire regulations imposed by state and local government, as well as zoning and outdoor advertising and signage regulations. Sphere requires a number of licenses to operate, including, but not limited to, occupancy permits, exhibition licenses, food and beverage permits, liquor licenses, signage entitlements and other authorizations. We are also subject to statutes that generally provide that serving alcohol to a visibly intoxicated or minor guest is a violation of the law and may provide for strict liability for certain damages arising out of such violations. In addition, we are subject to the federal Americans with Disabilities Act (and related state and local statutes), which requires us to maintain certain accessibility features at our facilities. We are also subject to environmental laws and regulations. See “ Item 1A. Risk Factors — Operational and Economic Risks — *We Are Subject to Extensive Governmental Regulation and Changes in These Regulations and Our Failure to Comply with Them May Have a Material Negative Effect on Our Business and Results of Operations.*”

Labor

Our business is also subject to regulation regarding working conditions, overtime and minimum wage requirements. See “Item 1A. Risk Factors — Operational and Economic Risks — *Labor Matters May Have a Material Negative Effect on Our Business and Results of Operations.* ”

Ticket Sales

Our Sphere business is subject to legislation governing the sale and resale of tickets and consumer protection statutes generally.

Data and Privacy

We are subject to data privacy and protection laws, regulations, policies and contractual obligations that apply to the collection, transmission, storage, processing and use of personal information or personal data, which among other things, impose certain requirements relating to the privacy and security of personal information. The variety of laws and regulations governing data privacy

and protection, and the use of the internet as a commercial medium are rapidly evolving, extensive and complex, and may include provisions and obligations that are inconsistent with one another or uncertain in their scope or application.

The data protection landscape is rapidly evolving in the United States. For example, California passed a comprehensive data privacy law, the California Consumer Privacy Act of 2018 (the "CCPA"), and other states including Virginia, Colorado, Utah and Connecticut have also passed similar laws, and various additional states may do so in the near future. Additionally, the California Privacy Rights Act (the "CPRA") imposes additional data protection obligations on covered businesses, including additional consumer rights procedures and obligations, limitations on data uses, new audit requirements for higher risk data, and constraints on certain uses of sensitive data. The majority of the CPRA provisions went into effect on January 1, 2023, and additional compliance investment and potential business process changes may be required. Further, there are several legislative proposals in the United States, at both the federal and state level, that could impose new privacy and security obligations.

In addition, governmental authorities and private litigants continue to bring actions against companies for online collection, use, dissemination and security practices that are unfair or deceptive.

International Operations

Our international operations are subject to laws and regulations of the countries in which they operate, as well as international bodies, such as the European Union. We are subject to laws and regulations relating to, among other things, foreign privacy and data protection, such as the E.U. General Data Protection Regulation, currency and repatriation of funds, anti-bribery, anti-money laundering and anti-corruption, such as the U.S. Foreign Corrupt Practices Act and the U.K. Bribery Act. These laws and regulations apply to the activities of the Company and, in some cases, to individual directors, officers and employees of the Company and agents acting on our behalf. Certain of these laws impose stringent requirements on how we can conduct our foreign operations and could place restrictions on our business and partnering activities.

FCC Regulations

Our MSG Networks business is also subject to regulation by the Federal Communications Commission (the "FCC"). The FCC imposes regulations directly on programming networks and also on certain Distributors in a manner that affects programming networks indirectly.

Closed Captioning

Our programming networks must provide closed captioning of video programming for the hearing impaired and meet certain captioning quality standards. The FCC and certain of our affiliation agreements require us to certify compliance with such standards. We are also required to provide closed captioning on certain video content delivered via the Internet, and ensure that our website and applications offering video content comply with certain captioning functionality and other requirements.

Commercial Loudness

FCC rules require multichannel video programming distributors ("MVPDs") to ensure that all commercials comply with specified volume standards, and certain of our affiliation agreements require us to certify compliance with such standards.

Advertising Restrictions on Children's Programming

Any programming intended primarily for children 12 years of age and under and associated Internet websites that we may offer must comply with certain limits on commercial matter and certain of our affiliation agreements require us to certify compliance with such standards.

Obscenity Restrictions

Distributors are prohibited from transmitting obscene programming, and certain of our affiliation agreements require us to refrain from including such programming on our networks.

Program Carriage

The FCC has made changes to the program carriage rules, which prohibit Distributors from favoring their affiliated programming networks over unaffiliated similarly situated programming networks in the rates, terms and conditions of carriage agreements between programming networks and cable operators or other MVPDs. Some of these recent changes to the rules could make it more difficult for our programming networks to challenge a Distributor's decision to decline to carry one of our programming networks or to discriminate against one of our programming networks.

Packaging and Pricing

The FCC periodically considers examining whether to adopt rules regulating how programmers package and price their networks, such as whether programming networks require Distributors to purchase and carry undesired programming in return for the right to carry desired programming and, if so, whether such arrangements should be prohibited.

Effect of "Must-Carry" and Retransmission Consent Requirements

The FCC's implementation of the statutory "must-carry" obligations requires cable and satellite Distributors to give broadcasters preferential access to channel space, and the implementation of "retransmission consent" requirements allow broadcasters to extract compensation, whether monetary or mandated carriage of affiliated content, in return for permission to carry their networks. These rules may reduce the amount of channel space that is available for carriage of our programming networks and the amount of funds that Distributors have to pay us for our networks.

Website and Mobile Application Requirements

Our Sphere and MSG Networks businesses are also subject to certain regulations applicable to our Internet websites and mobile applications. We maintain various websites and mobile applications that provide information and content regarding our business, offer merchandise and tickets for sale, offer live and on-demand streaming content, make available sweepstakes and/or contests and offer hospitality services. The operation of these websites and applications may be subject to third-party application store requirements, as well as a range of federal, state and local laws including those related to privacy and protection of personal information, accessibility for persons with disabilities and consumer protection regulations. In addition, to the extent any of our websites seek to collect information from children under 13 years of age, they may be subject to the Children's Online Privacy Protection Act, which places restrictions on websites' and online services' collection and use of personally identifiable information online from children under age 13 without parental consent.

Competition

Competition in Our Sphere Business

Our Sphere business competes, in certain respects and to varying degrees, for guests, advertisers and marketing partners with other leisure-time activities such as television, radio, motion pictures, sporting events and other live performances, entertainment and nightlife venues, the Internet, social media and social networking platforms, online and mobile services, and the large number of other entertainment and public attraction options available to members of the public, advertisers and marketing partners. While Sphere will offer first-of-its-kind immersive opportunities, our Sphere business typically represents a competing use for the public's entertainment dollars, as well as corporate advertising and sponsorship dollars. The primary geographic area in which we operate, Las Vegas, is a highly competitive entertainment destination, with numerous showrooms, stadiums and arenas, performance residencies, museums, galleries and other attractions available to the public. We compete with these other entertainment and advertising options on the basis of the quality and pricing of our offerings and the public's interest in our content and advertising and marketing partnership offerings.

We compete for bookings with a large number of other venues, both in Las Vegas where Sphere is located and in alternative locations capable of booking traditional productions and events, which venues may be more familiar to performers who may not be willing to take advantage of the immersive experiences and next generation technologies that Sphere offers (which cannot be re-used in other venues). Generally, we compete for bookings on the basis of the size, quality, expense and nature of the venue required for the booking. Some of our competitors may have a larger network of venues and/or greater financial resources. See "Item 1A. Risk Factors — Operational and Economic Risks — *Our Businesses Face Intense and Wide-Ranging Competition That May Have a Material Negative Effect on Our Business and Results of Operations.*

Competition in Our MSG Networks Business

Distribution of Programming Networks

The business of distributing programming networks is highly competitive. Our programming networks face competition from other programming networks, including other regional sports and entertainment networks, for the right to be carried by a particular Distributor, and for the right to be carried on the service tier(s) that will attract the most subscribers. Once a programming network of ours is carried by a Distributor, that network competes for viewers not only with the other programming networks available through the Distributor, but also with pay-per-view programming and video on demand offerings, as well as Internet and online streaming and DTC and on demand services, mobile applications, social media and social networking platforms, radio, print media, motion picture theaters, home video, and other sources of information, sporting events and entertainment. Each of the following competitive factors is important to our networks: the prices we charge for our programming networks; the variety, quantity and quality (in particular, the performance of the sports teams whose media rights we control), of the programming offered on our networks; and the effectiveness of our marketing efforts.

Our ability to successfully compete with other programming networks for distribution may be hampered because the Distributors may be affiliated with those other programming networks. In addition, because such affiliated Distributors may have a substantial number of subscribers, the ability of such competing programming networks to obtain distribution on affiliated Distributors may lead to increased subscriber and advertising revenue for such networks because of their increased penetration compared to our programming networks. Even if such affiliated Distributors carry our programming networks, there is no assurance that such Distributors will not place their affiliated programming network on more desirable tier(s) or otherwise favor their affiliated programming network, thereby giving the affiliated programming network a competitive advantage over our own.

New or existing programming networks that are owned by or affiliated with broadcast networks such as NBC, ABC, CBS or Fox, or broadcast station owners, such as Sinclair, may have a competitive advantage over our networks in obtaining distribution through the "bundling" of agreements to carry those programming networks with the agreement giving the Distributor the right to carry a broadcast station owned by or affiliated with the network.

In addition, content providers (such as certain broadcast and cable networks) and new content developers, Distributors and syndicators are distributing programming directly to consumers on a DTC basis. In addition to existing direct-to-consumer streaming services such as Amazon Prime, Hulu, Netflix, Apple TV+, Disney+, Max and Peacock, additional services have launched and more will likely launch in the near term, which may include sports-focused services that may compete with our networks for viewers and advertising revenue. Such DTC distribution of content has contributed to consumers eliminating or downgrading their pay television subscription, which results in certain consumers not receiving our programming networks. We recently introduced our own DTC product, which provides consumers an alternative to accessing our programming through our Distributors, but there can be no assurance that we will successfully execute our strategy for such offering. Our DTC offering represents a new consumer offering for which we have limited prior experience and we may not be able to successfully predict the demand for such product or the impact such product may have on our traditional distribution business, including with respect to renewals of our affiliation agreements with Distributors. In addition, the success of our DTC product will depend on a number of factors, including competition from other DTC products, such as offerings from other regional sports networks.

See "Item 1A. Risk Factors — Operational and Economic Risks — *Our Businesses Face Intense and Wide-Ranging Competition That May Have a Material Negative Effect on Our Business and Results of Operations*." and " Item 1A. Risk Factors — Risks Related to Our MSG Networks Business — *We May Not Be Able to Adapt to New Content Distribution Platforms or to Changes in Consumer Behavior Resulting From Emerging Technologies, Which May Have a Material Negative Effect on Our Business and Results of Operations."*

Sources of Programming

We also compete with other networks and other distribution outlets to secure desired programming, including sports-related programming. Competition for programming increases as the number of programming networks and distribution outlets, including, but not limited to, streaming outlets, increases. Other programming networks, or distribution outlets, that are affiliated with or otherwise have larger relationships with programming sources such as sports teams or leagues, movie or television studios, or film libraries may have a competitive advantage over us in this area.

Competition for Sports Programming Sources

Because the loyalty of the sports viewing audience to a sports programming network is primarily driven by loyalty to a particular team or teams, access to adequate sources of sports programming is particularly critical to our networks. In connection with the spinoff of MSG Sports from MSG Networks in September 2015 (the "2015 Sports Distribution"), MSG Networks entered into long-term media rights agreements with the Knicks and Rangers providing MSG Networks with the exclusive live local media rights to their games. MSG Networks also has media rights agreements with the Islanders, Devils and Sabres. Our rights with respect to these professional teams may be limited in certain circumstances due to rules imposed by the leagues in which they compete. Our programming networks compete for telecast rights for teams or events principally with national or regional programming networks that specialize in, or carry, sports programming, local and national commercial broadcast television networks, independent syndicators that acquire and resell such rights nationally, regionally and locally, streaming outlets and other Internet and mobile-based distributors of programming. Some of our competitors may own or control, or are owned or controlled by, or otherwise affiliated with, sports teams, leagues or sports promoters, which gives them an advantage in obtaining telecast rights for such teams or sports. For example, two professional sports teams located in New York have ownership interests in programming networks featuring the games of their teams. Distributors may also contract directly with the sports teams in their local service areas for the right to distribute games on their platforms.

The increasing amount of sports programming available on a national basis, including pursuant to national media rights arrangements (e.g., NBA on ABC, ESPN and TNT, and NHL on ABC, ESPN, ESPN+ and TNT), as part of league-controlled sports programming networks (e.g., NBA TV and NHL Network), in out-of-market packages (e.g., NBA League Pass and NHL Center Ice), league and

other websites, mobile applications and streaming outlets, may have an adverse impact on our competitive position as our programming networks compete for distribution and for viewers.

Competition for Advertising Revenue

The level of our advertising revenue depends in part upon unpredictable and volatile factors beyond our control, such as viewer preferences, the performance of the sports teams whose media rights we control, the quality and appeal of the competing programming and the availability of other entertainment activities. See " Item 1A. Risk Factors — Risks Related to Our MSG Networks Business — *We Derive Substantial Revenues From the Sale of Advertising and Those Revenues Are Subject to a Number of Factors, Many of Which Are Beyond Our Control."*

Supplier Diversity

We are committed to fostering an inclusive environment across all areas of our business. In partnership with MSG Entertainment and MSG Sports, our business and supplier diversity program seeks to strengthen relationships with diverse suppliers of goods and services and provide opportunities to do business with each of the three companies. See "Human Capital Resources — Diversity and Inclusion."

Human Capital Resources

We believe the strength of our workforce is one of the significant contributors to our success. Our key human capital management objectives are to invest in and support our employees in order to attract, develop and retain a high performing and diverse workforce.

Diversity and Inclusion ("D&I")

We aim to create an employee experience that fosters the Company's culture of respect and inclusion. By welcoming the diverse perspectives and experiences of our employees, we all share in the creation of a more vibrant, unified, and engaging place to work. Together with MSG Entertainment and MSG Sports, we have furthered these objectives under our expanded Talent Management, Diversity and Inclusion function, including:

Workforce: Embedding Diversity and Inclusion through Talent Actions

- Created a common definition of "potential" and an objective potential assessment to de-bias talent review conversations so employees have an opportunity to learn, grow and thrive. Implemented quarterly performance and career conversations to facilitate regular conversations between managers and employees about goals, career growth and productivity.
- Integrated D&I best practices into our performance management and learning and development strategies with the goal of driving more equitable outcomes.
- Developed an Emerging Talent List to expand our talent pool to better identify and develop high performing diverse talent for expanded roles and promotion opportunities.

Workplace: Building an Inclusive and Accessible Community

- Redoubled our efforts with the MSG Diversity & Inclusion Heritage Month enterprise calendar to acknowledge and celebrate culturally relevant days and months of recognition, anchored by our six employee resource groups ("ERGs"): Asian Americans and Pacific Islanders (AAPI), Black, LatinX, PRIDE, Veterans, and Women. Increased combined ERG involvement from 622 members in Fiscal Year 2022 to 1,120 members in Fiscal Year 2023 (an increase of 80.1%), which includes employees from the Company, MSG Entertainment and MSG Sports.
- Revamped our Conscious Inclusion Awareness Experience, a training program, and created two required educational modules focused on unconscious bias and conscious inclusion within our learning management system. As of June 30, 2023, over 90% of employees across the Company, MSG Entertainment and MSG Sports have completed both required trainings either through the e-modules or through live training sessions.
- Broadened our LGBTQ+ inclusivity strategy by launching new gender pronoun feature within the employee intranet platform, hosted live allyship and inclusivity trainings, and launched toolkit resources for employees to learn and develop. Together with the PRIDE ERG, marched in the 2022 and 2023 NYC Pride Parades. Hosted a community conversations series focused on "Finding Your Voice as an LGBTQ+ Professional" with a prominent LGBTQ+ elected official and employees of the Company, MSG Entertainment and MSG Sports.

Community: Bridging the Divide through Expansion to Diverse Stakeholders

- Focused on connecting with minority-owned businesses to increase the diversity of our vendors and suppliers by leveraging ERGs and our community, which creates revenue generating opportunities for diverse suppliers to promote their businesses and products. In Fiscal Year 2023, the Company and MSG Sports hosted a multi-city holiday market event featuring twenty underrepresented businesses in New York City and Burbank.
- Invested in an external facing supplier diversity portal on our website, which launched in Fiscal Year 2023. The portal is intended to expand opportunities for the Company, MSG Entertainment and MSG Sports to do business with diverse suppliers, including minority-, women-, LGBTQ+- and veteran-owned businesses.
- Strengthened our commitment to higher education institutions to increase campus recruitment pipelines. In partnership with the Knicks and our social impact team, we and MSG Sports hosted the 2nd Annual Historically Black Colleges and Universities ("HBCU") Night highlighting the important contributions of these institutions and awarded a $60,000 scholarship to a New York City high school student.

Talent

As of June 30, 2023, we had approximately 690 full-time union and non-union employees and approximately 410 part-time union and non-union employees.

We aim to attract top talent through our prestigious brands and venues, as well as through the many benefits we offer. We aim to retain and develop our talent by emphasizing our competitive rewards, offering opportunities that support employees both personally and professionally, and our commitment to fostering career development in a positive corporate culture.

Our performance management practice includes ongoing feedback and conversations between managers and team members, and talent reviews designed to identify potential future leaders and inform succession plans. We value continuous learning and development opportunities for our employees, which include a career development tool, leadership development programs, a learning platform, and tuition assistance.

Our benefit offerings are designed to meet the range of needs of our diverse workforce and include: domestic partner coverage, an employee assistance program which also provides assistance with child and elder care resources, legal support, pet insurance, wellness programs and financial planning seminars. These resources are intended to support the physical, emotional and financial well-being of our employees.

As of June 30, 2023, approximately 29% of our employees were represented by unions. Approximately 10% of such union employees are subject to collective bargaining agreements ("CBAs") that expired as of June 30, 2023 and approximately 67% are subject to CBAs that will expire by June 30, 2024 if they are not extended prior thereto. Labor relations can be volatile, though our current relationships with our unions taken as a whole are positive. We have from time to time faced labor action or had to make contingency plans because of threatened or potential labor actions.

Financial Information about Segments and Geographic Areas

Substantially all revenues and assets of the Company's reportable segments are attributed to or located in the United States. A majority of the Company's revenues and assets are concentrated in the New York City metropolitan area and Las Vegas. Financial information by business segments for each of Fiscal Years 2023, 2022, and 2021 is set forth in "Part II — Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations" and "Part II — Item 8. Financial Statements and Supplementary Data — Consolidated Financial Statements — Notes to Consolidated Financial Statements — Note 18. Segment Information."

Available Information

Our telephone number is (725) 258-0001, our website is http://www.sphereentertainmentco.com and the investor relations section of our website is http://investor.sphereentertainmentco.com. We make available, free of charge through the investor relations section of our website, annual reports on Form 10-K, quarterly reports on Form 10-Q and current reports on Form 8-K and amendments to those reports filed or furnished pursuant to Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended, as well as proxy statements, as soon as reasonably practicable after we electronically file such material with, or furnish it to, the Securities and Exchange Commission ("SEC") at http://www.sec.gov. Copies of these filings are also available on the SEC's website. References to our website in this report are provided as a convenience and the information contained on, or available through, our website is not part of this or any other report we file with or furnish to the SEC.

Investor Relations can be contacted at Sphere Entertainment Co., Two Penn Plaza, New York, New York 10121, Attn: Investor Relations, telephone: 212-465-6618, e-mail: investor@sphereentertainmentco.com. We use the following, as well as other social media channels, to disclose public information to investors, the media and others:

- Our website (www.sphereentertainmentco.com);

- Our LinkedIn account (www.linkedin.com/company/sphere-entertainment-co/);
- Our X (formerly Twitter) account (x.com/SphereVegas); and
- Our Instagram account (instagram.com/sphererevegas).

Our officers may use similar social media channels to disclose public information. It is possible that certain information we or our officers post on our website and on social media could be deemed material, and we encourage investors, the media and others interested in Sphere Entertainment to review the business and financial information we or our officers post on our website and on the social media channels identified above. The information on our website and those social media channels is not incorporated by reference into this Form 10-K.

Item 1A. Risk Factors

Summary of Risk Factors

The following is a summary of the principal risks that could adversely affect our business, operations and financial results. For a more complete discussion of the material risks facing our business, please see below.

Risks Related to Our Sphere Business

- The success of our Sphere business depends on the popularity of The Sphere Experience, as well as our ability to attract advertisers and marketing partners, and audiences and artists to concerts, residencies and other events at Sphere in Las Vegas.
- The Company is completing construction of its first state-of-the-art venue in Las Vegas. Our Sphere business uses cutting-edge technologies and requires significant investments, including for The Sphere Experience (and related original immersive productions) and other offerings. There can be no assurance that Sphere will be successful.
- We depend on licenses from third parties for the performance of musical works at our venue.
- Our properties are subject to, and benefit from, certain easements, the availability of which may not continue on terms favorable to us or at all.

Risks Related to Our MSG Networks Business

- The success of our MSG Networks business depends on affiliation fees we receive under our affiliation agreements, the loss of which or renewal of which on less favorable terms may have a material negative effect on our business and results of operations.
- Given that we depend on a limited number of distributors for a significant portion of our MSG Networks revenues, further industry consolidation could adversely affect our business and results of operations.
- We may not be able to adapt to new content distribution platforms or to changes in consumer behavior resulting from emerging technologies, which may have a material negative effect on our business and results of operations.
- If the rate of decline in the number of subscribers to traditional MVPD services continues or these subscribers shift to other services or bundles that do not include the Company's programming networks, there may be a material negative effect on the Company's affiliation revenues.
- We derive substantial revenues from the sale of advertising and those revenues are subject to a number of factors, many of which are beyond our control.
- Our MSG Networks business depends on media rights agreements with professional sports teams that have varying durations and terms and include significant obligations, and our inability to renew those agreements on acceptable terms, or the loss of such rights for other reasons, may have a material negative effect on our MSG Networks business and results of operations.
- Our MSG Networks business is substantially dependent on the popularity of the NBA and NHL teams whose media rights we control. The actions of the NBA and NHL may have a material negative effect on our MSG Networks business and results of operations.
- Our MSG Networks business depends on the appeal of its programming, which may be unpredictable, and increased programming costs may have a material negative effect on our business and results of operations.

Operational and Economic Risks

- Our businesses face intense and wide-ranging competition that may have a material negative effect on our business and results of operations.
- Our operations and operating results were materially impacted by the COVID-19 pandemic and actions taken in response by governmental authorities and certain professional sports leagues, and a resurgence of the COVID-19 pandemic or another pandemic or public health emergency could adversely affect our business and results of operations.
- Our business has been adversely impacted and may, in the future, be materially adversely impacted by an economic downturn, recession, financial instability, inflation or changes in consumer tastes and preferences.
- The geographic concentration of our businesses could subject us to greater risk than our competitors and have a material negative effect on our business and results of operations.
- Our business could be adversely affected by terrorist activity or the threat of terrorist activity, weather and other conditions that discourage congregation at prominent places of public assembly.

- We are subject to extensive governmental regulation and changes in these regulations and our failure to comply with them may have a material negative effect on our business and results of operations.
- Labor matters may have a material negative effect on our business and results of operations.
- The unavailability of systems upon which we rely may have a material negative effect on our business and results of operations.
- There is a risk of injuries and accidents in connection with Sphere, which could subject us to personal injury or other claims; we are subject to the risk of adverse outcomes in other types of litigation.
- We face risks from doing business internationally.

Risks Related to Our Indebtedness, Financial Condition, and Internal Control

- We have substantial indebtedness and are highly leveraged, which could adversely affect our business if our subsidiaries are not able to make payments on, or repay or refinance, such debt under their respective credit facilities (including refinancing the MSG Networks debt prior to its maturity in October 2024), or if we are not able to obtain additional financing, to the extent required.
- We may require additional financing to fund certain of our obligations, ongoing operations, and capital expenditures, the availability of which is uncertain.
- We have incurred substantial operating losses, adjusted operating losses and negative cash flow and there is no assurance we will have operating income, adjusted operating income or positive cash flow in the future.
- Material weaknesses or adverse findings in our internal control over financial reporting in the future could have an adverse effect on the market price of our common stock.

Risks Related to Cybersecurity and Intellectual Property

- We face continually evolving cybersecurity and similar risks, which could result in loss, disclosure, theft, destruction or misappropriation of, or access to, our confidential information and cause disruption of our business, damage to our brands and reputation, legal exposure and financial losses.
- We may become subject to infringement or other claims relating to our content or technology.
- Theft of our intellectual property may have a material negative effect on our business and results of operations.

Risks Related to Governance and Our Controlled Ownership

- We are materially dependent on our affiliated entities' performances under various agreements.
- The MSGE Distribution could result in significant tax liability. We may have a significant indemnity obligation to MSG Entertainment if the MSGE Distribution is treated as a taxable transaction.
- We are controlled by the Dolan family. As a result of their control, the Dolan family has the ability to prevent or cause a change in control or approve, prevent or influence certain actions by the Company.
- We share certain directors, officers and employees with MSG Sports, MSG Entertainment and/or AMC Networks, which means those individuals do not devote their full time and attention to our affairs. Additionally, our overlapping directors and officers with MSG Sports, MSG Entertainment and/or AMC Networks may result in the diversion of corporate opportunities and other conflicts.

Risks Related to Our Sphere Business

The Success of Our Sphere Business Depends on the Popularity of The Sphere Experience, as Well as Our Ability to Attract Advertisers and Marketing Partners, and Audiences and Artists to Concerts, Residencies and Other Events at Sphere in Las Vegas. If The Sphere Experience Does Not Appeal to Customers or We Are Unable to Attract Advertisers and Marketing Partners, There Will be a Material Negative Effect on Our Business and Results of Operations.

The financial results of our Sphere business are largely dependent on the popularity of The Sphere Experience, which will feature original immersive productions that can run multiple times per day, year-round and are designed to utilize the full breadth of the venue's next-generation technologies. The Sphere Experience will employ novel and transformative technologies for which there is no established basis of comparison, and there is an inherent risk that we may be unable to achieve the level of success appropriate for the significant investment involved. Fan and consumer tastes also change frequently and it is a challenge to anticipate what will be successful at any point in time. Should the popularity of The Sphere Experience not meet our expectations, our revenues from ticket sales, and concession and merchandise sales would be adversely affected, and we might not be able to replace the lost revenue with revenues from other sources. As a result of any of the foregoing, we may not be able to generate sufficient revenues to cover our costs, which could adversely impact our business and results of operations and the price of our Class A Common Stock.

Initially, our Sphere business will only have access to one original immersive production, called *Postcard from Earth*. The risk of reliance on The Sphere Experience described above is exacerbated by the lack of availability of alternative content if *Postcard from Earth* is not successful in attracting guests. If The Sphere Experience is not successful, we will not have sufficient capital to develop a second original immersive production. In that event, Sphere in Las Vegas will need to rely on live entertainment offerings to be successful and to generate enough capital to develop a second original immersive production or partner with third parties.

Additionally, our Sphere business is also dependent on our ability to attract advertisers and marketing partners to our signage, digital advertising and partnership offerings. Advertising revenues depend on a number of factors, such as the reach and popularity of our venue (including risks around consumer reactions to advertisers and marketing partners), the health of the economy in the markets our businesses serve and in the nation as a whole, general economic trends in the advertising industry and competition with respect to such offerings. Should the popularity of our advertising assets not meet our expectations, our revenues would be adversely affected, and we might not be able to replace the lost revenue with revenues from other sources, which could adversely impact our business and results of operations and the price of our Class A Common Stock.

The success of our Sphere business will also depend upon our ability to offer live entertainment that is popular with guests. While the Company believes that these next-generation venues will enable new experiences and innovative opportunities to engage with audiences, there can be no assurance that guests, artists, promoters, advertisers and marketing partners will embrace this new platform. We contract with promoters and others to provide performers and events at Sphere and Sphere grounds. There may be a limited number of popular artists, groups or events that are willing to take advantage of the immersive experiences and next generation technologies (which cannot be re-used in other venues) or that can attract audiences to Sphere, and our business would suffer to the extent that we are unable to attract such artists, groups and events willing to perform at our venue.

The Company Is Completing Construction of its First State-of-the-Art Venue in Las Vegas, While Pursuing a Potential Venue in London. Sphere Uses Cutting-Edge Technologies and Requires Significant Capital Investment by the Company. There Can Be No Assurance That Sphere Will Be Successful.

The Company is progressing with its venue strategy to create, build and operate new music and entertainment-focused venues — called Sphere — that use cutting-edge technologies to create the next generation of immersive experiences. There is no assurance that the Sphere initiative will be successful. We are completing construction of our first Sphere in Las Vegas. See “Item 1. Our Business — — Sphere.”

The costs to build Sphere have been substantial. While it is always difficult to provide a definitive construction cost estimate for large-scale construction projects, it has been particularly challenging for one as unique as Sphere. In May 2019, the Company’s preliminary cost estimate for Sphere in Las Vegas was approximately $1.2 billion. This estimate was based only upon schematic designs for purposes of developing the Company’s budget and financial projections. In February 2020, we announced that our cost estimate, inclusive of core technology and soft costs, for Sphere in Las Vegas was approximately $1.66 billion and subsequently increased that cost estimate, which excluded significant capitalized and non-capitalized costs for items such as content creation, internal labor, capitalized interest, and furniture and equipment. As of the date of this filing, we estimate that the final project construction costs for Sphere in Las Vegas will be approximately $2.3 billion. This cost estimate is net of $75 million that the Venetian has agreed to pay to defray certain construction costs. Relative to our cost estimate above, our actual construction costs for Sphere in Las Vegas paid through August 18, 2023 were approximately $2.25 billion, which is net of $65 million received from The Venetian.

For more information regarding the costs of Sphere, see “Part II — Item 7. Management’s Discussion and Analysis of Financial Condition and Results of Operations — Liquidity and Capital Resources — Sphere.”

In light of the ambitious and unique design of Sphere, including the use of technologies that have not previously been employed in major entertainment venues, the risk of delays and higher than anticipated costs are elevated. As the Company completes construction of its Las Vegas venue, which is expected to open in September 2023, the Company may still face unexpected project delays and other complications.

We may also continue to explore additional domestic and international markets where these next-generation venues are expected to be successful. The design of future Spheres will be flexible to accommodate a wide range of sizes and capacities – from large-scale to smaller and more intimate – based on the needs of any individual market. In connection with the construction of future Sphere venues, the Company may need to obtain additional capital beyond what is available from cash-on-hand and cash flows from operations. While the Company has self-funded the construction of Sphere in Las Vegas, the Company’s intention for future venues is to utilize several options, such as joint ventures, equity partners, a managed venue model and non-recourse debt financing. There is no assurance that we would be able to obtain financing for any costs relating to any future venues on terms favorable to us or at all.

In February 2018, we announced the purchase of land in Stratford, London, which we expect will become home to a future Sphere. The Company submitted a planning application to the local planning authority in March 2019 and that process, which requires various stages of review to be completed and approvals to be granted, is ongoing. Therefore, we do not have a definitive timeline at this time.

Sphere employs novel and transformative technologies and new applications of existing technologies. As a result, there can be no assurance that Sphere will achieve the technical, operational and artistic goals the Company is seeking. Any failure to do so could have a material negative effect on our business and results of operations.

While the Company believes that these next-generation venues will enable new experiences and innovative opportunities to engage with audiences, there can be no assurance that guests, artists, promoters, advertisers and marketing partners will embrace this new platform. The substantial cost of building Sphere in Las Vegas, as well as the costs and/or financing needs with respect to Sphere in London, may constrain the Company's ability to undertake other initiatives during these multi-year construction periods. Given our strategy of using original immersive productions across multiple venues, our Sphere initiative may not be successful unless we can develop additional venues.

Our Sphere Business Strategy Includes the Development of The Sphere Experience and Related Original Immersive Productions, Which Could Require Us to Make Considerable Investments for Which There Can Be No Guarantee of Success.

As part of our Sphere business strategy, we intend to develop The Sphere Experience and related original immersive productions, which could require significant upfront expense that may never result in a viable production, as well as investment in creative processes, commissioning and/or licensing of intellectual property, casting and advertising and may lead to dislocation of other alternative sources of entertainment that may have played in our venue absent these productions. As of June 30, 2023, we had invested approximately $61 million in developing the first original immersive production called *Postcard from Earth*, and there can be no assurances as to the cost of future immersive productions, which we expect to be significant. To the extent that any efforts at creating new immersive productions do not result in a viable offering, or to the extent that any such productions do not achieve expected levels of popularity among audiences, we may not recover the substantial expenses we previously incurred for non-capitalized investments, or may need to write-off all or a portion of capitalized investments. In addition, any delay in launching such productions could result in the incurrence of operating costs which may not be recouped. The incurrence of such expenses or the write-off of capitalized investments could adversely impact our business and results of operations and the price of our Class A Common Stock.

We Depend on Licenses from Third Parties for the Performance of Musical Works at Our Venue, the Loss of Which or Renewal of Which on Less Favorable Terms May Have a Negative Effect on Our Business and Results of Operations.

We have obtained and will be required to obtain public performance licenses from music performing rights organizations, commonly known as "PROs," in connection with the performance of musical works at concerts and certain other live events held at Sphere. In exchange for public performance licenses, PROs are paid a per-event royalty, traditionally calculated either as a percentage of ticket revenue or a per-ticket amount. The PRO royalty obligation of any individual event is generally paid by, or charged to, the promoter of the event.

If we are unable to obtain these licenses, or are unable to obtain them on favorable terms consistent with past practice, it may have a negative effect on our business and results of operations. An increase in the royalty rate and/or the revenue base on which the royalty rate is applied could substantially increase the cost of presenting concerts and certain other live events at our venue. If we are no longer able to pass all or a portion of these royalties on to promoters (or other venue licensees), it may have a negative effect on our business and results of operations.

Our Properties Are Subject to, and Benefit from, Certain Easements, the Availability of Which May Not Continue on Terms Favorable to Us or at All.

Sphere in Las Vegas will have the benefit of easements with respect to the planned pedestrian bridge to The Venetian. Our ability to continue to utilize these and other easements, including for advertising and promotional purposes, requires us to comply with a number of conditions. Certain adjoining property owners have easements over our property, which we are required to maintain so long as those property owners meet certain conditions. It is possible that we will be unable to continue to access or maintain any easements on terms favorable to us, or at all, which could have a material negative effect on our business and results of operations.

Risks Related to Our MSG Networks Business

The Success of Our MSG Networks Business Depends on Affiliation Fees We Receive Under Our Affiliation Agreements, the Loss of Which or Renewal of Which on Less Favorable Terms May Have a Material Negative Effect on Our Business and Results of Operations.

MSG Networks' success is dependent upon affiliation relationships with a limited number of Distributors. Existing affiliation agreements of our programming networks expire during each of the next several years and we cannot provide assurances that we will be able to renew these affiliation agreements or obtain terms as attractive as our existing agreements in the event of a renewal. For example, we were not able to renew our affiliation agreement with Comcast when it expired in September 2021.

Affiliation fees constitute a significant majority of our MSG Networks revenues. Changes in affiliation fee revenues generally result from a combination of changes in rates and/or changes in subscriber counts. Reductions in the license fees that we receive per subscriber or in the number of subscribers for which we are paid, including as a result of a loss of or reduction in carriage of our programming networks or a loss of subscribers by one or more of our Distributors, have in the past adversely affected (e.g., the non-renewal with Comcast) and will in the future adversely affect our affiliation fee revenue. For example, our affiliation fee revenue declined $67.3 million in Fiscal Year 2023 compared to Fiscal Year 2022. Subject to the terms of our affiliation agreements, Distributors from time to time introduce, market and/or modify tiers of programming networks that impact the number of subscribers that receive our programming networks, including tiers of programming that may exclude our networks. Any loss or reduction in carriage would also decrease the potential audience for our programming, which may adversely affect our advertising revenues. See "*— If the Rate of Decline in the Number of Subscribers to Traditional MVPDs Services Increases or These Subscribers Shift to Other Services or Bundles That Do Not Include the Company's Programming Networks, There May Be a Material Negative Effect on the Company's Affiliation Revenues.*"

Our affiliation agreements generally require us to meet certain content criteria, such as minimum thresholds for professional event telecasts throughout the calendar year on our networks. If we do not meet these criteria, remedies may be available to our Distributors, such as fee reductions, rebates or refunds and/or termination of these agreements in some cases. For example, we recorded $10.7 million in Fiscal Year 2022 for affiliate rebates.

In addition, under certain circumstances, an existing affiliation agreement may expire and we and the Distributor may not have finalized negotiations of either a renewal of that agreement or a new agreement for certain periods of time. In certain of these circumstances, Distributors may continue to carry the service(s) until the execution of definitive renewal or replacement agreements (or until we or the Distributor determine that carriage should cease).

Occasionally, we may have disputes with Distributors over the terms of our affiliation agreements. If not resolved through business discussions, such disputes could result in administrative complaints, litigation and/or actual or threatened termination of an existing agreement. The loss of any of our significant Distributors, the failure to renew on terms as attractive as our existing agreements (or to do so in a timely manner) or disputes with our counterparties relating to the interpretation of their agreements with us, could result in our inability to generate sufficient revenues to perform our obligations under our agreements or otherwise materially negatively affect our business and results of operations.

Given That We Depend on a Limited Number of Distributors for a Significant Portion of Our MSG Networks Revenues, Further Industry Consolidation Could Adversely Affect Our Business and Results of Operations.

The pay television industry is highly concentrated, with a relatively small number of Distributors serving a significant percentage of pay television subscribers that receive our programming networks, thereby affording the largest Distributors significant leverage in their relationship with programming networks, including ours. Substantially all of our affiliation fee revenue comes from our top four Distributors. Further consolidation in the industry could reduce the number of Distributors available to distribute our programming networks and increase the negotiating leverage of certain Distributors, which could adversely affect our revenue. In some cases, if a Distributor is acquired, the affiliation agreement of the acquiring Distributor will govern following the acquisition. In those circumstances, the acquisition of a Distributor that is a party to one or more affiliation agreements with us on terms that are more favorable to us than that of the acquirer could have a material negative impact on our business and results of operations.

We May Not Be Able to Adapt to New Content Distribution Platforms or to Changes in Consumer Behavior Resulting From Emerging Technologies, Which May Have a Material Negative Effect on Our Business and Results of Operations.

We must successfully adapt to technological advances in our industry and the manner in which consumers watch sporting events, including the emergence of alternative distribution platforms. Our ability to exploit new distribution platforms and viewing technologies may affect our ability to maintain and/or grow our business. Emerging forms of content distribution provide different economic models and compete with current distribution methods in ways that are not entirely predictable. Such competition has reduced and could continue to reduce demand for our programming networks or for the offerings of our Distributors and, in turn, reduce our revenue from these sources. Content providers (such as certain broadcast and cable networks) and new content developers, Distributors and syndicators are distributing programming directly to consumers on a DTC basis. In addition to existing subscription direct-to-consumer streaming services such as Amazon Prime, Hulu, Netflix, Apple TV+, Disney+, ESPN+, Max and Peacock and free advertiser-supported streaming television ("FAST") channels that are offered directly to consumers at no cost, additional services have launched and more will likely launch in the near term, which may include sports-focused services that may compete with our networks for viewers and advertising revenue. Such DTC distribution of content has contributed to consumers eliminating or downgrading their pay television subscription, which results in certain consumers not receiving our programming networks. If we are unable to offset this loss of subscribers through incremental distribution of our networks (including through our own direct-to-consumer offering) or through rate increases or other revenue opportunities, our business and results of operations will be adversely affected. Gaming, television and other console and device manufacturers, Distributors and others, such as Microsoft, Apple and Roku, are offering and/or developing technology to offer video programming, including in some cases, various DTC platforms.

Such changes have impacted and may continue to impact the revenues we are able to generate from our traditional distribution methods, by decreasing the viewership of our programming networks and/or by making advertising on our programming networks less valuable to advertisers.

In order to respond to these developments, we have in the past needed, and may in the future need, to implement changes to our business models and strategies and there can be no assurance that any such changes will prove to be successful or that the business models and strategies we develop will be as profitable as our current business models and strategies. For example, we introduced MSG SportsZone, a FAST channel which launched in January 2023. We also recently launched our DTC product, MSG+, but there can be no assurance that we will successfully execute our strategy for such offering. Our DTC offering represents a new consumer offering for which we have limited prior experience and we may not be able to successfully predict the demand for such DTC product or the impact such DTC product may have on our traditional distribution business, including with respect to renewals of our affiliation agreements with Distributors. In addition, the success of our DTC product may depend on a number of factors, including our ability to: (i) acquire and maintain direct-to-consumer rights from the professional sports teams and/or leagues we currently air on our networks; (ii) appropriately price our offering; (iii) offer competitive content and programming and (iv) ensure our direct-to-consumer technology operates efficiently. If we fail to adapt to emerging technologies, our appeal to Distributors and our targeted audiences might decline, which could have a material adverse impact on our business and results of operations.

If the Rate of Decline in the Number of Subscribers to Traditional MVPD Services Continues or These Subscribers Shift to Other Services or Bundles That Do Not Include the Company's Programming Networks, There May Be a Material Negative Effect on the Company's Affiliation Revenues.

During the last few years, the number of subscribers to traditional MVPD services in the U.S. has been declining. In addition, Distributors have introduced, marketed and/or modified tiers or bundles of programming that have impacted the number of subscribers that receive our programming networks, including tiers or bundles of programming that exclude our programming networks. As a result of these factors, the Company has experienced a decrease in subscribers in each of the last several fiscal years, which has adversely affected our operating results.

If traditional MVPD service offerings are not attractive to consumers due to pricing, increased competition from DTC and other services, dissatisfaction with the quality of traditional MVPD services, poor economic conditions or other factors, more consumers may (i) cancel their traditional MVPD service subscriptions or choose not to subscribe to traditional MVPD services, (ii) elect to instead subscribe to DTC services, which in some cases may be offered at a lower price-point and may not include our programming networks or (iii) elect to subscribe to smaller bundles of programming which may not include our programming networks. If the rate of decline in the number of traditional MVPD service subscribers continues or if subscribers shift to DTC services or smaller bundles of programming that do not include the Company's programming networks, this may have a material negative effect on the Company's revenues.

We Derive Substantial Revenues From the Sale of Advertising and Those Revenues Are Subject to a Number of Factors, Many of Which Are Beyond Our Control.

Advertising revenues depend on a number of factors, many of which are beyond our control, such as: (i) team performance; (ii) whether live sports games are being played; (iii) the popularity of our programming; (iv) the activities of our competitors, including increased competition from other forms of advertising-based media (such as Internet, mobile media, other programming networks, radio and print media) and an increasing shift of advertising expenditures to digital and mobile offerings; (v) shifts in consumer viewing patterns, including consumers watching more ad-free content, non-traditional and shorter-form video content online, and the increased use of ad skipping functionality; (vi) increasing audience fragmentation caused by increased availability of alternative forms of leisure and entertainment activities, such as social networking platforms and video games; (vii) consumer budgeting and buying patterns; (viii) the extent of the distribution of our networks; (ix) changes in the audience demographic for our programming; (x) the ability of third parties to successfully and accurately measure audiences due to changes in emerging technologies and otherwise; (xi) the health of the economy in the markets our businesses serve and in the nation as a whole; and (xii) general economic trends in the advertising industry. A decline in the economic prospects of advertisers or the economy in general has in the past altered, and could in the future alter, current or prospective advertisers' spending priorities, which could cause our revenues and operating results to decline significantly in any given period. Even in the absence of a general recession or downturn in the economy, an individual business sector that tends to spend more on advertising than other sectors may be forced to reduce its advertising expenditures if that sector experiences a downturn. In such case, a reduction in advertising expenditures by such a sector may adversely affect our revenues. See "— Operational and Economic Risks — *Our Operations and Operating Results Were Materially Impacted by the COVID-19 Pandemic and Actions Taken in Response by Governmental Authorities and Certain Professional Sports Leagues, and a Resurgence of the COVID-19 Pandemic or Another Pandemic or Public Health Emergency Could Adversely Affect Our Business and Results of Operations.*"

The pricing and volume of advertising has been affected by shifts in spending away from more traditional media toward online and mobile offerings or towards new ways of purchasing advertising, such as through automated purchasing, dynamic advertising insertion, third parties selling local advertising spots and advertising exchanges, some or all of which may not be as advantageous to the Company as current advertising methods.

In addition, we cannot ensure that our programming will achieve favorable ratings. Our ratings depend partly upon unpredictable and volatile factors, many of which are beyond our control, such as team performance, whether live sports games are being played, viewer preferences, the level of distribution of our programming, competing programming and the availability of other entertainment options. A shift in viewer preferences could cause our advertising revenues to decline as a result of changes to the ratings for our programming and materially negatively affect our business and results of operations.

Our MSG Networks Business Depends on Media Rights Agreements With Professional Sports Teams that Have Varying Durations and Terms and Include Significant Obligations, and Our Inability to Renew Those Agreements on Acceptable Terms, or the Loss of Such Rights for Other Reasons, May Have a Material Negative Effect on Our MSG Networks Business and Results of Operations.

Our MSG Networks business is dependent upon media rights agreements with professional sports teams. Our existing media rights agreements are generally long term, except a media rights agreement with one of our NHL teams expires following the end of the 2023-24 NHL season. Upon expiration, we may seek renewal of these agreements and, if we do, we may be outbid by competing programming networks or others for these agreements or the renewal costs could substantially exceed our costs under the current agreements. In addition, one or more of these teams may seek to establish their own programming offering or join one of our competitor's offerings and, in certain circumstances, we may not have an opportunity to bid for the media rights.

Even if we are able to renew such media rights agreements, the Company's results could be adversely affected if our obligations under our media rights agreements prove to be outsized relative to the revenues our MSG Networks segment is able to generate. Our media rights agreements with professional sports teams have varying terms and include significant obligations, which increase annually, without regard to the number of subscribers to our programming networks or the level of our affiliation and/or advertising revenues. If we are not able to generate sufficient revenues, including due to a loss of any of our significant Distributors or failure to renew affiliation agreements on terms as attractive as our existing agreements, we may be unable to renew media rights agreements on acceptable terms, or to perform our obligations under our existing media rights agreements, which could lead to a default under those agreements and the potential loss of such media rights, which could materially negatively affect our business and results of operations. In recent years, certain regional sports networks have experienced financial difficulties. For example, Diamond Sports Group, LLC, an unconsolidated subsidiary of Sinclair Broadcast Group, Inc., which licenses and distributes sports content in a number of regional markets, filed for protection under Chapter 11 of the bankruptcy code in March 2023.

Moreover, the value of our media rights agreements may also be affected by various league decisions and/or league agreements that we may not be able to control, including a decision to alter the number of games played during a season. The value of our media rights could also be affected, or we could lose such rights entirely, if a team is liquidated, undergoes reorganization in bankruptcy or relocates to an area where it is not possible or commercially feasible for us to continue to distribute games. Any loss or diminution in the value of rights could impact the extent of the sports coverage offered by us and could materially negatively affect our business and results of operations. In addition, our affiliation agreements generally include certain remedies in the event our networks fail to include a minimum number of professional event telecasts, and, accordingly, any loss of rights could materially negatively affect our business and results of operations. See "— *The Success of Our MSG Networks Business Depends on Affiliation Fees We Receive Under Our Affiliation Agreements, the Loss of Which or Renewal of Which on Less Favorable Terms May Have a Material Negative Effect on Our Business and Results of Operations*" and "— *The Actions of the NBA and NHL May Have a Material Negative Effect on Our MSG Networks Business and Results of Operations.*"

The Actions of the NBA and NHL May Have a Material Negative Effect on Our MSG Networks Business and Results of Operations.

The governing bodies of the NBA and the NHL have imposed, and may impose in the future, various rules, regulations, guidelines, bulletins, directives, policies and agreements (collectively, "League Rules") that we may not be able to control, which could affect the value of our media rights agreements, including a decision to alter the number of games played during a season. For example, due to the COVID-19 pandemic and related government actions, decisions made by the NBA and NHL affected, and in the future could affect, our ability to produce and distribute live sports games on our networks. See "— Operational and Economic Risks — *Our Operations and Operating Results Were Materially Impacted by the COVID-19 Pandemic and Actions Taken in Response by Governmental Authorities and Certain Professional Sports Leagues, and a Resurgence of the COVID-19 Pandemic or Another Pandemic or Public Health Emergency Could Adversely Affect Our Business and Results of Operations*" Additionally, each league imposes rules that define the territories in which we may distribute games of the teams in the applicable league. Changes to these rules or other League Rules, or the adoption of new League Rules, could have a material negative effect on our business and results of operations.

Our MSG Networks Business is Substantially Dependent on the Popularity of the NBA and NHL Teams Whose Media Rights We Control.

Our MSG Networks segment has historically been, and we expect will continue to be, dependent on the popularity of the NBA and NHL teams whose local media rights we control and, in varying degrees, those teams achieving on-court and on-ice success, which can generate fan enthusiasm, resulting in increased viewership and advertising revenues. Furthermore, success in the regular season may qualify a team for participation in the post-season, which generates increased excitement and interest in the teams, which can improve viewership and advertising revenues. Some of our teams have not participated in the post-season for extended periods of time, and may not participate in the post-season in the future. For example, the Knicks have qualified for the post-season twice in the past 10 NBA seasons and the Sabres have not qualified for the post-season since the 2010-11 NHL season. In addition, if a team declines in popularity or fails to generate fan enthusiasm, this may negatively impact the terms on which our affiliate agreements are renewed. There can be no assurance that any sports team will generate fan enthusiasm or compete in post-season play and the failure to do so could result in a material negative effect on our business and results of operations.

Our MSG Networks Business Depends on the Appeal of Its Programming, Which May Be Unpredictable, and Increased Programming Costs May Have a Material Negative Effect on Our Business and Results of Operations.

Our MSG Networks business depends, in part, upon viewer preferences and audience acceptance of the programming on our networks. These factors are often unpredictable and subject to influences that are beyond our control, such as the quality and appeal of competing programming, general economic conditions and the availability of other entertainment options. We may not be able to successfully predict interest in proposed new programming and viewer preferences could cause new programming not to be successful or cause our existing programming to decline in popularity. If our programming does not gain or maintain the level of audience acceptance we, our advertisers, or Distributors expect, it could negatively affect advertising or affiliation fee revenues.

In addition, we rely on third parties for sports and other programming for our networks. We compete with other providers of programming to acquire the rights to distribute such programming. If we fail to continue to obtain sports and other programming for our networks on reasonable terms for any reason, including as a result of competition, we could be forced to incur additional costs to acquire such programming or look for or develop alternative programming. An increase in our costs associated with programming, including original programming, may materially negatively affect our business and results of operations.

The Unavailability of Third Party Facilities, Systems and/or Software Upon Which Our MSG Networks Business Relies May Have a Material Negative Effect on Our Business and Results of Operations.

During Fiscal Year 2023, our MSG Networks business completed a transition of its signal transmission method from satellite delivery to a terrestrial, internet-protocol based transmission method, which uses third-party IP-based fiber transmission systems to transmit our programming services to Distributors. Notwithstanding certain back-up and redundant systems and facilities maintained by our third-party providers, transmissions or quality of transmissions may be disrupted, including as a result of events that may impair such terrestrial transmission facilities.

In addition, we are party to an agreement with AMC Networks Inc. (“AMC Networks”), pursuant to which AMC Networks provides us with certain origination, master control and technical services which are necessary to distribute our programming networks. If a disruption occurs, we may not be able to secure alternate distribution facilities in a timely manner. In addition, such distribution facilities and/or internal or third-party services, systems or software could be adversely impacted by cybersecurity threats including unauthorized breaches. See “— Risks Related to Cybersecurity and Intellectual Property — *We Face Continually Evolving Cybersecurity and Similar Risks, Which Could Result in Loss, Disclosure, Theft, Destruction or Misappropriation of, or Access to, Our Confidential Information and Cause Disruption of Our Business, Damage to Our Brands and Reputation, Legal Exposure and Financial Losses.*” The failure or unavailability of distribution facilities or these internal and third-party services, systems or software, depending upon its severity and duration, could have a material negative effect on our business and results of operations.

Operational and Economic Risks

Our Businesses Face Intense and Wide-Ranging Competition That May Have a Material Negative Effect on Our Business and Results of Operations.

Our businesses compete, in certain respects and to varying degrees, for guests, advertisers and viewers with other leisure-time activities such as television, radio, motion pictures, sporting events and other live performances, entertainment and nightlife venues, the Internet, social media and social networking platforms, and online and mobile services, including sites for online content distribution, video on demand and other alternative sources of entertainment and information, in addition to competing for concerts, residencies and performances with other event venues (including future venues and arenas) for total entertainment dollars in our marketplace.

Sphere business. The success of our Sphere business is largely dependent on the success of The Sphere Experience, which will feature first-of-its-kind immersive productions that can run multiple times per day, year-round and are designed to utilize the full breadth of the venue's next-generation technologies. The Sphere Experience will employ novel and transformative technologies for which there is no established basis of comparison, and there is an inherent risk that we may be unable to achieve the level of success we are expecting, which could have a material negative impact on our business and results of operations. Additionally, our Sphere business is also dependent on our ability to attract advertisers and marketing partners and we compete with other venues and companies for signage and digital advertising dollars. The degree and extent of competition for advertising dollars will depend on our pricing, reach and audience demographics, among others. Should the popularity of The Sphere Experience or our advertising assets not meet our expectations, our revenues from ticket sales, concession and merchandise sales and advertising would be adversely affected, and we might not be able to replace the lost revenue with revenues from other sources. As a result of any of the foregoing, we may not be able to generate sufficient revenues to cover our costs, which could adversely impact our business and results of operations and the price of our Class A Common Stock.

In addition, we expect our Sphere business will be highly sensitive to customer tastes and will depend on our ability to attract concerts, residencies, marquee sporting events, corporate and other events to our venue, competition for which is intense, and in turn, the ability of performers to attract strong attendance. For example, Sphere will compete with other entertainment options in the Las Vegas area, which is a popular entertainment destination.

While the Company believes that these next-generation venues will enable new experiences and innovative opportunities to engage with audiences, there can be no assurance that guests, artists, promoters, advertisers and marketing partners will embrace this new platform. We contract with promoters and others to provide performers and events at Sphere and Sphere grounds. There may be a limited number of popular artists, groups or events that are willing to take advantage of the immersive experiences and next generation technologies (which cannot be re-used in other venues) or that can attract audiences to Sphere, and our business would suffer to the extent that we are unable to attract such artists, groups and events willing to perform at our venue.

In addition, we must maintain a competitive pricing structure for events that may be held at Sphere, many of which may have alternative venue options available to them in Las Vegas and other cities. We have and may continue to invest a substantial amount in The Sphere Experience to continue to attract audiences. We cannot assure you that such investments will generate revenues that are sufficient to justify our investment or even that exceed our expenses.

MSG Networks business. Our MSG Networks business competes, in certain respects and to varying degrees, for viewers and advertisers with other programming networks, pay-per-view, video-on-demand, online streaming and on-demand services and other content offered by Distributors and others. Additional companies, some with significant financial resources, continue to enter or are seeking to enter the video distribution market either by offering DTC streaming services or selling devices that aggregate viewing of various DTC services, which continues to put pressure on an already competitive landscape. We also compete for viewers and advertisers with content offered over the Internet, social media and social networking platforms, mobile media, radio, motion picture, home video and other sources of information and entertainment and advertising services. Important competitive factors are the prices we charge for our programming networks, the quantity, quality (in particular, the performance of the sports teams whose media rights we control), the variety of the programming offered on our networks, and the effectiveness of our marketing efforts.

New or existing programming networks that are owned by or affiliated with broadcast networks such as NBC, ABC, CBS or Fox, or broadcast station owners, such as Sinclair, may have a competitive advantage over our networks in obtaining distribution through the "bundling" of agreements to carry those programming networks with the agreement giving the Distributor the right to carry a broadcast station owned by or affiliated with the network. For example, regional sports and entertainment networks affiliated with broadcast networks are carried by certain Distributors that do not currently carry our networks. Our business depends, in part, upon viewer preferences and audience acceptance of the programming on our networks. These factors are often unpredictable and subject to influences that are beyond our control, such as the quality and appeal of competing programming, the performance of the sports teams whose media rights we control, general economic conditions and the availability of other entertainment options. We may not be able to successfully predict interest in proposed new programming and viewer preferences could cause new programming not to be successful or cause our existing programming to decline in popularity. If our programming does not gain or maintain the level of audience acceptance we, our advertisers or Distributors expect, it could negatively affect advertising or affiliation fee revenues. An increase in our costs associated with programming, including original programming, may materially negatively affect our business and results of operations.

We recently launched a DTC streaming product, which provides consumers an alternative to accessing our programming through our Distributors, but there can be no assurance that we will successfully execute our strategy for such offering. Our DTC offering represents a new consumer offering for which we have limited prior experience and we may not be able to successfully predict the demand for such DTC product or the impact such DTC product may have on our traditional distribution business, including with respect to renewals of our affiliation agreements with Distributors. In addition, the success of our DTC product will depend on a number of factors, including competition from other DTC products, such as offerings from other regional sports networks.

The extent to which competitive programming, including NBA and NHL games, are available on other programming networks and distribution platforms can adversely affect our competitive position.

The competitive environment in which our MSG Networks business operates may also be affected by technological developments. It is difficult to predict the future effect of technology on our competitive position. With respect to advertising services, factors affecting the degree and extent of competition include prices, reach and audience demographics, among others. Some of our competitors are large companies that have greater financial resources available to them than we do, which could impact our viewership and the resulting advertising revenues.

Our Operations and Operating Results Were Materially Impacted by the COVID-19 Pandemic and Actions Taken in Response by Governmental Authorities and Certain Professional Sports Leagues, and a Resurgence of the COVID-19 Pandemic or Another Pandemic or Public Health Emergency Could Adversely Affect Our Business and Results of Operations.

The Company's operations and operating results were materially impacted by the COVID-19 pandemic (including COVID-19 variants) and actions taken in response by governmental authorities and certain professional sports leagues during Fiscal Year 2021.

MSG Networks business. As a result of the COVID-19 pandemic, both the NBA and the NHL reduced the number of regular season games for their 2020-21 seasons, resulting in MSG Networks airing substantially fewer NBA and NHL telecasts during Fiscal Year 2021, as compared with Fiscal Year 2019 (the last full fiscal year not impacted by COVID-19 as the 2019-20 seasons were temporarily suspended and subsequently shortened). Consequently, MSG Networks experienced a decrease in revenues, including a material decrease in advertising revenue. The absence of live sports games also resulted in a decrease in certain MSG Networks expenses, including rights fees, variable production expenses, and advertising sales commissions. MSG Networks aired full regular season telecast schedules in Fiscal Year 2022 and Fiscal Year 2023 for its five professional teams across both the NBA and NHL, and, as a result, its advertising revenue and certain operating expenses, including rights fees expense, reflect the same.

Sphere business. In April 2020, the Company announced that it was suspending construction of Sphere in Las Vegas due to COVID-19 related factors that were outside of its control, including supply chain issues. This is a complex construction project with cutting-edge technology that relied on subcontractors obtaining components from a variety of sources around the world. As the ongoing effects of the pandemic continued to impact its business operations, in August 2020, the Company disclosed that it had resumed full construction with a lengthened timetable in order to better preserve cash through the COVID-19 pandemic. The Company expects to open the venue in September 2023. Although Sphere was not open during the pandemic, if it had been, its operations would have been suspended for a period of time and, similar to other venues, its operations would have been subject to safety protocols and social distancing upon reopening.

It is unclear to what extent pandemic concerns, including with respect to COVID-19 or other future pandemics, could result in professional sports leagues suspending, cancelling or otherwise reducing the number of games scheduled in the regular reason or playoffs, which could have a material impact on the distribution and/or advertising revenues of our MSG Networks segment, or could result in new government-mandated capacity or other restrictions or vaccination/mask requirements or impact the use of and/or demand for Sphere in Las Vegas, impact demand for our sponsorship and advertising assets, deter our employees and vendors from working at Sphere in Las Vegas (which may lead to difficulties in staffing), deter artists from touring or otherwise materially impact our operations. See " —Operational and Economic Risks — *We Are Subject to Extensive Governmental Regulation and Changes in These Regulations and Our Failure to Comply with Them May Have a Material Negative Effect on Our Business and Results of Operations*."

Our business is particularly sensitive to reductions in travel and discretionary consumer spending. A pandemic, such as COVID-19, or the fear of a new pandemic or public health emergency, has in the past and could in the future impede economic activity in impacted regions and globally over the long term, leading to a decline in discretionary spending on entertainment and sports events and other leisure activities, which could result in long-term effects on our business. To the extent effects of the COVID-19 pandemic or another pandemic or public health emergency adversely affect our business and financial results, they may also have the effect of heightening many of the other risks described in this "Risk Factors" section, such as those relating to our liquidity, indebtedness, and our ability to comply with the covenants contained in the agreements that govern our indebtedness.

Our Business Has Been Adversely Impacted and May, in the Future, Be Materially Adversely Impacted by an Economic Downturn, Recession, Financial Instability, Inflation or Changes in Consumer Tastes and Preferences.

Our business depends upon the ability and willingness of consumers and businesses to purchase tickets and license suites at Sphere, spend on food and beverages and merchandise, subscribe to packages of programming that includes our networks, and drive continued advertising, marketing partnership and affiliate fee revenues, and these revenues are sensitive to general economic conditions, recession, fears of recession and consumer behavior. Further, the live entertainment industry is often affected by changes in consumer tastes, national, regional and local economic conditions, discretionary spending priorities, demographic trends, traffic patterns and the type, number and location of competing businesses. These risks are exacerbated in our business in light of the fact that we only have one venue in Las Vegas, which is dependent on tourism travel for its success.

Consumer and corporate spending has in the past declined and may in the future decline at any time for reasons beyond our control. The risks associated with our businesses generally become more acute in periods of a slowing economy or recession, which may be accompanied by reductions in corporate sponsorship and advertising and decreases in attendance at events at our venue, among other things. In addition, inflation, which has significantly risen, has increased and may continue to increase operational costs, including labor costs, and continued increases in interest rates in response to concerns about inflation may have the effect of further increasing economic uncertainty and heightening these risks. As a result, instability and weakness of the U.S. and global economies, including due to the effects caused by disruptions to financial markets, inflation, recession, high unemployment, geopolitical events, including any prolonged effects caused by the COVID-19 pandemic or another future pandemic, and the negative effects on consumers' and businesses' discretionary spending, have in the past materially negatively affected, and may in the future materially negatively affect, our business and results of operations. A prolonged period of reduced consumer or corporate spending, including with respect to advertising, such as during the COVID-19 pandemic, could have an adverse effect on our business and our results of operations. See "— Operational and Economic Risks — *Our Operations and Operating Results Were Materially Impacted by the COVID-19 Pandemic and Actions Taken in Response by Governmental Authorities and Certain Professional Sports Leagues, and a Resurgence of the COVID-19 Pandemic or Another Pandemic or Public Health Emergency Could Adversely Affect Our Business and Results of Operations*."

The Geographic Concentration of Our Businesses Could Subject Us to Greater Risk Than Our Competitors and Have a Material Negative Effect on Our Business and Results of Operations.

The Sphere business initially operates only in Las Vegas with one venue and, as a result, is subject to significantly greater degrees of risk than competitors with more operating properties or that operate in more markets. MSG Networks' programming networks are widely distributed throughout New York State and certain nearby areas. Therefore, the Company is particularly vulnerable to adverse events (including acts of terrorism, natural disasters, epidemics, pandemics, weather conditions, labor market disruptions and government actions) and economic conditions in Las Vegas and New York State, and surrounding areas.

Our Business Could Be Adversely Affected by Terrorist Activity or the Threat of Terrorist Activity, Weather and Other Conditions That Discourage Congregation at Prominent Places of Public Assembly.

The success of our businesses is dependent upon the willingness and ability of patrons to attend events at our venue. The venue we operate, like all prominent places of public assembly, could be the target of terrorist activities, including acts of domestic terrorism, or other actions that discourage attendance. Any such activity or threatened activity at or near one of our venue or other similar venues, including those located elsewhere, could result in reduced attendance at our venue and a material negative effect on our business and results of operations. If our venue was unable to operate for an extended period of time, our business and operations would be materially adversely affected. Similarly, a major epidemic or pandemic, such as the COVID-19 pandemic, or the threat or perceived threat of such an event, could adversely affect attendance at our events and venues by discouraging public assembly at our events and venue. Moreover, the costs of protecting against such incidents, including the costs of implementing additional protective measures for the health and safety of our guests, could reduce the profitability of our operations. See "— Operational and Economic Risks — *Our Operations and Operating Results Were Materially Impacted by the COVID-19 Pandemic and Actions Taken in Response by Governmental Authorities and Certain Professional Sports Leagues, and a Resurgence of the COVID-19 Pandemic or Another Pandemic or Public Health Emergency Could Adversely Affect Our Business and Results of Operations*."

Weather or other conditions, including natural disasters, in locations which we own or operate venues may affect patron attendance as well as sales of food and beverages and merchandise, among other things. Weather conditions may also require us to cancel or postpone events. Weather or other conditions may prevent us or our Distributors from providing our programming to customers or reduce advertising expenditures. Any of these events may have a material negative effect on our business and results of operations, and any such events may harm our ability to obtain or renew insurance coverage on favorable terms or at all.

We May Pursue Acquisitions and Other Strategic Transactions and/or Investments to Complement or Expand Our Business That May Not Be Successful; We Have Significant Investments in Businesses We Do Not Control.

From time to time, we may explore opportunities to purchase or invest in other businesses, venues or assets that we believe will complement, enhance or expand our current business or that might otherwise offer us growth opportunities, including opportunities that may differ from the Company's current businesses. Any transactions that we are able to identify and complete may involve risks, including the commitment of significant capital, the incurrence of indebtedness, the payment of advances, the diversion of management's attention and resources from our existing business to develop and integrate the acquired or combined business, the inability to successfully integrate such business or assets into our operations, litigation or other claims in connection with acquisitions or against companies we invest in or acquire, our lack of control over certain companies, including joint ventures and other minority investments, the risk of not achieving the intended results and the exposure to losses if the underlying transactions or ventures are not successful. At times, we have had significant investments in businesses that we account for under the equity method of accounting, and we may again in the future. Certain of these investments have generated operating losses in the past and certain have required additional investments from us in the form of equity or loans. For example, we currently have equity method investments in SACO

Technologies and Holoplot. There can be no assurance that these investments will become profitable individually or in the aggregate or that they will not require material additional funding from us in the future.

We may not control the day-to-day operations of these investments. We have in the past written down and, to the extent that these investments are not successful in the future, we may write down all or a portion of such investments. Additionally, these businesses may be subject to laws, rules and other circumstances, and have risks in their operations, which may be similar to, or different from, those to which we are subject. Any of the foregoing risks could result in a material negative effect on our business and results of operations or adversely impact the value of our investments.

We Are Subject to Extensive Governmental Regulation and Changes in These Regulations and Our Failure to Comply with Them May Have a Material Negative Effect on Our Business and Results of Operations.

Our business is subject to the general powers of federal, state and local governments, as well as foreign governmental authorities. Certain aspects of our MSG Networks business are also subject to certain rules, regulations and agreements of the NBA and NHL. Some FCC regulations apply to our MSG Networks business directly and other FCC regulations, although imposed on Distributors, affect programming networks indirectly.

- *Venue-related Permits/Licenses*. Sphere, like all public spaces, is subject to building and health codes and fire regulations imposed by state and local government as well as zoning and outdoor advertising and signage regulations. We also require a number of licenses to operate, including, but not limited to, occupancy permits, exhibition licenses, food and beverage permits, liquor licenses, signage entitlements and other authorizations. Failure to receive or retain, or the suspension of, liquor licenses or permits could interrupt or terminate our ability to serve alcoholic beverages at our venue. Additional regulation relating to liquor licenses may limit our activities in the future or significantly increase the cost of compliance, or both. We are subject to statutes that generally provide that serving alcohol to a visibly intoxicated or minor patron is a violation of the law and may provide for strict liability for certain damages arising out of such violations. Our liability insurance coverage may not be adequate or available to cover any or all such potential liability. Our failure to maintain these permits or licenses could have a material negative effect on our business and results of operations .

- *Public Health and Safety.* As a result of government mandated assembly limitations and closures implemented in response to the COVID-19 pandemic, MSG Networks aired substantially fewer games in Fiscal Year 2021. There can be no assurance that some or all of these restrictions will not be imposed again in the future due to future outbreaks of COVID-19 (including variants) or another pandemic or public health emergency. We are unable to predict what the long-term effects of these events, including renewed government regulations or requirements, will be. For example, future governmental regulations adopted in response to a pandemic may impact the revenue we derive and/or the expenses we incur from the events that we choose to host, such that events that were historically profitable would instead result in losses. See "— Operational and Economic Risks — *Our Operations and Operating Results Were Materially Impacted by the COVID-19 Pandemic and Actions Taken in Response by Governmental Authorities and Certain Professional Sports Leagues, and a Resurgence of the COVID-19 Pandemic or Another Pandemic or Public Health Emergency Could Adversely Affect Our Business and Results of Operations.*

- *Environmental Laws*. We and our venue are subject to environmental laws and regulations relating to the use, disposal, storage, emission and release of hazardous and non-hazardous substances, as well as zoning and noise level restrictions which may affect, among other things, the operations of our venue. Compliance with these regulations and the associated costs may be heightened as a result of the purchase, construction or renovation of a venue. Additionally, certain laws and regulations could hold us strictly, jointly and severally responsible for the remediation of hazardous substance contamination at our facilities or at third-party waste disposal sites, as well as for any personal injury or property damage related to any contamination. Our commercial general liability and/or the pollution legal liability insurance coverage may not be adequate or available to cover any or all such potential liability.

- *Broadcasting.* Legislative enactments, court actions, and federal and state regulatory proceedings could materially affect our programming business by modifying the rates, terms, and conditions under which we offer our content or programming networks to Distributors and the public, or otherwise materially affect the range of our activities or strategic business alternatives. We cannot predict the likelihood, results or impact on our business of any such legislative, judicial, or regulatory actions. Furthermore, to the extent that regulations and laws, either presently in force or proposed, hinder or stimulate the growth of Distributors, our business could be affected. The U.S. Congress and the FCC currently have under consideration, and may in the future adopt, amend, or repeal, laws, regulations and policies regarding a wide variety of matters that could, directly or indirectly, affect our business. The regulation of Distributors and programming networks is subject to the political process and has been in constant flux over the past two decades. Further material changes in the law and regulatory requirements may be proposed or adopted in the future. Our business and our results of operations may be materially negatively affected by future legislation, new regulation or deregulation.

- *Data Privacy*. We are subject to various data privacy and protection laws, regulations, policies and contractual obligations that apply to the collection, transmission, storage, processing and use of personal information or personal data, which among other things, impose certain requirements relating to the privacy and security of personal information. The variety of laws and regulations governing data privacy and protection, and the use of the internet as a commercial medium, are rapidly evolving, extensive and complex, and may include provisions and obligations that are inconsistent with one another or uncertain in their scope or application.

  The data protection landscape is rapidly evolving in the United States. As our operations and business grow, we may become subject to or affected by new or additional data protection laws and regulations and face increased scrutiny or attention from regulatory authorities. For example, California has passed a comprehensive data privacy law, the California Consumer Privacy Act of 2018 (the "CCPA"), and a number of other states, including Virginia, Colorado, Utah and Connecticut, have also passed similar laws, and various additional states may do so in the near future. Additionally, the California Privacy Rights Act (the "CPRA"), imposes additional data protection obligations on covered businesses, including additional consumer rights procedures and obligations, limitations on data uses, new audit requirements for higher risk data, and constraints on certain uses of sensitive data. The majority of the CPRA provisions went into effect on January 1, 2023, and additional compliance investment and potential business process changes may be required. Further, there are several legislative proposals in the United States, at both the federal and state level, that could impose new privacy and security obligations. We cannot yet determine the impact that these future laws and regulations may have on our business.

In addition, governmental authorities and private litigants continue to bring actions against companies for online collection, use, dissemination and security practices that are unfair or deceptive.

Our business is, and may in the future be, subject to a variety of other laws and regulations, including licensing, permitting, working conditions, labor, immigration and employment laws; health, safety and sanitation requirements; and compliance with the Americans with Disabilities Act (and related state and local statutes).

Any changes to the legal and regulatory framework applicable to our business could have an adverse impact on our businesses and our failure to comply with applicable governmental laws and regulations, or to maintain necessary permits or licenses, could result in liability or government actions that could have a material negative effect on our business and results of operations.

Our Business Has Been Subject to Seasonal Fluctuations, and Our Operating Results and Cash Flow Have In the Past Varied, and Could In the Future Vary, Substantially from Period to Period.

Our revenues and expenses have been seasonal and may continue to be seasonal. For example, our MSG Networks segment generally continues to expect to earn a higher share of its annual revenues in the second and third quarters of its fiscal year as a result of MSG Networks' advertising revenue being largely derived from the sale of inventory in its live NBA and NHL professional sports programming. Therefore, our operating results and cash flow reflect significant variation from period to period and will continue to do so in the future. Consequently, period-to-period comparisons of our operating results may not necessarily be meaningful and the operating results of one period are not indicative of our financial performance during a full fiscal year. This variability may adversely affect our business, results of operations and financial condition.

Labor Matters May Have a Material Negative Effect on Our Business and Results of Operations.

In the event of labor market disruptions due to renewed effects of the COVID-19 pandemic or other future pandemics and otherwise, we could face difficulty in maintaining staffing at our Sphere venue and retaining talent in our corporate departments. If we are unable to attract and retain qualified people or to do so on reasonable terms, Sphere could be short-staffed or become more expensive to operate and our ability to meet our guests' demand could be limited, any of which could materially adversely affect our business and results of operations.

Our business is dependent upon the efforts of unionized workers. As of June 30, 2023, approximately 29% of our employees were represented by unions. Approximately10% of such union employees were subject to CBAs that had expired as of June 30, 2023 and approximately 67% were subject to CBAs that will expire by June 30, 2024 if they are not extended prior thereto. Any labor disputes, such as strikes or lockouts, with the unions with which we have CBAs could have a material negative effect on our business and results of operations (including our ability to produce or present immersive productions, concerts, programming, theatrical productions, sporting events and other events). For example, members of the Writers Guild of America and SAG-AFTRA commenced a work stoppage in May and July, 2023, respectively. If these or other work stoppages by unions involved in the production of original immersive productions are prolonged and we are unable to secure waivers from the guild or union concerned, it could adversely affect our business.

Additionally, NBA and NHL players are covered by CBAs and we may be impacted by union relationships of both such leagues. Both the NBA and the NHL have experienced labor difficulties in the past and may have labor issues in the future, such as player strikes or management lockouts. For example, the NBA has experienced labor difficulties, including a lockout during the 2011-12 NBA season,

which resulted in a regular season that was shortened from 82 games to 66 games. In addition, the NHL has also experienced labor difficulties, including a lockout beginning in September 2004 that resulted in the cancellation of the entire 2004-05 NHL season, and a lockout during the 2012-13 NHL season, which resulted in a regular season that was shortened from 82 games to 48 games.

If any NBA or NHL games are cancelled because of any such labor difficulties, the loss of revenue, including from impacts to MSG Networks' ability to produce or present programming, would have a negative impact on our business and results of operations.

The Unavailability of Systems Upon Which We Rely May Have a Material Negative Effect on Our Business and Results of Operations.

We rely upon various internal and third-party software or systems in the operation of our business, including, with respect to ticket sales, credit card processing, email marketing, point of sale transactions, database, inventory, human resource management and financial systems, and other systems used to present Sphere events and attractions, such as audio and video. From time to time, certain of these arrangements may not be covered by long-term agreements. System interruption and the lack of integration and redundancy in the information and other systems and infrastructure, both of our own websites and other computer systems and of affiliate and third-party software, computer networks, and other substructure and communications systems service providers on which we rely may adversely affect our ability to operate websites, applications, process and fulfill transactions, respond to customer inquiries, present events, and generally maintain cost-efficient operations. Such interruptions could occur by virtue of natural disaster, malicious actions, such as hacking or acts of terrorism or war, human error, or other factors affecting such third parties. The failure or unavailability of these internal or third-party services or systems, depending upon its severity and duration, could have a material negative effect on our business and results of operations. See also "— Risks Related to Governance and Our Controlled Ownership — *We Rely on Affiliated Entities' Performance Under Various Agreements*" for a discussion of services MSG Entertainment performs on our behalf.

While we have backup systems and offsite data centers for certain aspects of our operations, disaster recovery planning by its nature cannot be for all eventualities. In addition, we may not have adequate insurance coverage to compensate for losses from a major interruption. If any of these adverse events were to occur, it could adversely affect our business, financial condition and results of operations.

There Is a Risk of Injuries and Accidents in Connection with Sphere, Which Could Subject Us to Personal Injury or Other Claims; We Are Subject to the Risk of Adverse Outcomes in Other Types of Litigation.

There are inherent risks associated with producing and hosting events and operating, maintaining, renovating or constructing our venues (including as a result of Sphere's unique features). As a result, personal injuries, accidents and other incidents which may negatively affect guest satisfaction have occurred and may occur from time to time, which could subject us to claims and liabilities.

These risks may not be covered by insurance or could involve exposures that exceed the limits of any applicable insurance policy. Incidents in connection with events at Sphere could also reduce attendance at our events and may have a negative impact on our revenue and results of operations. Although we seek to obtain contractual indemnities for events at our venues that we do not promote and we also maintain insurance policies that provide coverage for incidents in the ordinary course of business, there can be no assurance that such indemnities or insurance will be adequate at all times and in all circumstances.

From time to time, the Company and its subsidiaries are involved in various legal proceedings, including proceedings or lawsuits brought by governmental agencies, stockholders, customers, employees, private parties and other stakeholders, such as the litigations related to the merger of a subsidiary of the Company with MSG Networks Inc. (the "Networks Merger"). The outcome of litigation is inherently unpredictable and, regardless of the merits of the claims, litigation may be expensive, time-consuming, disruptive to our operations, harmful to our reputation and distracting to management. As a result, we may incur liability from litigation (including in connection with settling such litigation) which could be material and for which we may not have available or adequate insurance coverage, or be subject to other forms of non-monetary relief which may adversely affect the Company. By its nature, the outcome of litigation is difficult to assess and quantify, and its continuing defense is costly. The liabilities and any defense costs we incur in connection with any such litigation could have an adverse effect on our business and results of operations.

We Face Risk from Doing Business Internationally.

We have operations and own property outside of the United States. As a result, our business is subject to certain risks inherent in international business, many of which are beyond our control. These risks include:

- laws and policies affecting trade and taxes, including laws and policies relating to currency, the repatriation of funds and withholding taxes, and changes in these laws;
- changes in local regulatory requirements, including restrictions on foreign ownership;
- exchange rate fluctuation;

- exchange controls, tariffs and other trade barriers;
- differing degrees of protection for intellectual property and varying attitudes towards the piracy of intellectual property;
- foreign privacy and data protection laws and regulations, such as the E.U. General Data Protection Regulation, and changes in these laws;
- the instability of foreign economies and governments;
- war, acts of terrorism and the outbreak of epidemics or pandemics abroad;
- anti-corruption laws and regulations, such as the U.S. Foreign Corrupt Practices Act and the U.K. Bribery Act that impose stringent requirements on how we conduct our foreign operations, and changes in these laws and regulations; and
- shifting consumer preferences regarding entertainment.

Events or developments related to these and other risks associated with international operations could have a material negative effect on our business and results of operations.

Risks Related to Our Indebtedness, Financial Condition, and Internal Control

We Have Substantial Indebtedness and Are Highly Leveraged, Which Could Adversely Affect Our Business.

We are highly leveraged with a significant amount of debt and we may continue to incur additional debt in th e future. As of June 30, 2023, our total indebtedness was $1.1 billion, $82.5 million of which matures during Fiscal Year 2024. As a result of our indebtedness, we are required to make interest and principal payments on our borrowings that are significant in relation to our revenues and cash flows. These payments reduce our earnings and cash available for other potential business purposes. Furthermore, our interest expense could increase if interest rates increase (including in connection with rising inflation) because our indebtedness bears interest at floating rates or to the extent we have to refinance existing debt with higher cost debt.

In September 2019, certain subsidiaries of MSG Networks Inc., including MSGN Holdings L.P. (“MSGN L.P .”), entered into a credit facility consisting of an initial five-year $1.1 billion term loan facility and a five-year $250 million revolving credit facility, (the “MSGN Credit Facilities”). On December 22, 2022, MSG Las Vegas, LLC (“MSG LV”), entered into a credit agreement providing for a five-year, $275 million senior secured term loan facility (the “LV Sphere Facility”). All obligations under the LV Sphere Facility are guaranteed by Sphere Entertainment Group, LLC (“Sphere Entertainment Group”). The MSGN Credit Facilities were obtained without recourse to the Company, Sphere Entertainment Group, or any of its subsidiaries, and the LV Sphere Facility was obtained without recourse to the Company, MSG Networks Inc., MSGN L.P., or any of its subsidiaries.

We expect to refinance the MSG Networks Credit Facilities prior to their maturity in October 2024, including paying down a portion of the MSG Networks’ term loan in connection therewith. Our ability to have sufficient liquidity to fund our operations, including the creation of content, and refinance the MSG Networks Credit Facilities is dependent on the ability of Sphere in Las Vegas to generate significant positive cash flow during Fiscal Year 2024, as well as any proceeds from the sale of the MSGE Retained Interest. Although we anticipate that Sphere in Las Vegas will generate substantial revenue and adjusted operating income on an annual basis, there can be no assurances that guests, artists, promoters, advertisers and marketing partners will embrace this new platform. To the extent that our efforts do not result in a viable show or attraction, or to the extent that any such productions do not achieve expected levels of popularity among audiences, we may not generate the cash flows from operations necessary to fund our operations. Further, there can be no assurances that we will be able to dispose of all or a portion of the remainder of the MSGE Retained Interest on favorable terms due to market conditions or otherwise. There can be no assurances that MSG Networks’ lenders will refinance the MSG Networks’ term loan. If we were not able to refinance the MSG Networks’ term loan prior to its maturity in October 2024 or otherwise reach an agreement with such lenders, a default thereunder would be triggered, which could result in an acceleration of outstanding debt thereunder and a foreclosure upon the MSG Networks business.

In addition, the ability of MSGN L.P. to draw on its revolving credit facilities will depend on its ability to meet certain financial covenants and other conditions. This leverage also exposes us to significant risk by limiting our flexibility in planning for, or reacting to, changes in our business (whether through competitive pressure or otherwise), the entertainment and video programming industries and the economy at large. Although our cash flows could decrease in these scenarios, our required payments in respect of indebtedness would not decrease.

In addition, our ability to make payments on, or repay or refinance, our debt, and to fund our operating and capital expenditures, depends largely upon our future operating performance and our ability to access the credit markets. Our future operating performance, to a certain extent, is subject to general economic conditions, recession, fears of recession, financial, competitive, regulatory and other factors that are beyond our control. If we are unable to generate sufficient cash flow to service our debt and meet our other commitments, we may need to refinance all or a portion of our debt, sell material assets or operations, or raise additional debt or equity capital. We cannot provide assurance that we could affect any of these actions on a timely basis, on commercially reasonable terms or

at all, or that these actions would be sufficient to meet our capital requirements. In addition, the terms of our existing or future debt agreements may restrict us from effecting certain or any of these alternatives.

Even if our future operating performance is strong, l imitations on our ability to access the capital or credit markets, including as a result of general economic conditions, unfavorable terms or general reductions in liquidity may adversely and materially impact our business, financial condition, and results of operations.

The failure to satisfy the covenants, including any inability to attain a covenant waiver, and other requirements under each credit agreement could trigger a default thereunder, acceleration of outstanding debt thereunder and, with respect to the LV Sphere Facility, a demand for payment under the guarantee provided by Sphere Entertainment Group. Additionally, the LV Sphere Facility and the MSGN Credit Facilities each restrict MSG LV and MSGN L.P., respectively, from making cash distributions to us unless certain financial covenants are met. Any failure to satisfy the covenants under our credit facilities could negatively impact our liquidity and could have a negative effect on our businesses.

In addition, we have made investments in, or otherwise extended loans to, one or more businesses that we believe complement, enhance or expand our current business or that might otherwise offer us growth opportunities and may make additional investments in, or otherwise extend loans to, one or more of such parties in the future. For example, have invested in and have extended financing to Holoplot in connection with Sphere's advanced audio system. To the extent that such parties do not perform as expected, including with respect to repayment of such loans, it could impair such assets or create losses related to such loans, and, as a result, have a negative effect on our business and results of operations.

Our Variable Rate Indebtedness Subjects Us to Interest Rate Risk, Which Has Caused, and May Continue to Cause, Our Debt Service Obligations to Increase Significantly.

Borrowings under our facilities are at variable rates of interest and expose us to interest rate risk. Interest rates have increased significantly (including in connection with rising inflation), and, as a result, our debt service obligations on our variable rate indebtedness have increased significantly even though the amount borrowed remains the same, and our net income and cash flows, including cash available for servicing our indebtedness, have correspondingly decreased. Further increases in interest rates will cause additional increases in our debt service obligations.

We May Require Additional Financing to Fund Certain of Our Obligations, Ongoing Operations, and Capital Expenditures, the Availability of Which Is Uncertain.

The capital and credit markets can experience volatility and disruption. Those markets can exert extreme downward pressure on stock prices and upward pressure on the cost of new debt capital and can severely restrict credit availability for most issuers. For example, the global economy, including credit and financial markets, has recently experienced extreme volatility and disruptions, including severely diminished liquidity and credit availability, rising interest and inflation rates, declines in consumer confidence, declines in economic growth, increases in unemployment rates and uncertainty about economic stability. If the equity and credit markets continue to deteriorate, or the United States enters a recession, it may make any necessary debt or equity financing more difficult to obtain in a timely manner or on favorable terms, more costly or more dilutive.

Our Sphere business has been characterized by significant expenditures for properties, businesses, renovations and productions. We may require additional financing to fund our planned capital expenditures, as well as other obligations and our ongoing operations. In the future, we may engage in transactions that depend on our ability to obtain funding. For example, as we extend Sphere beyond Las Vegas, our intention is to utilize several options, such as joint ventures, equity partners, a managed venue model and non-recourse debt financing. There is no assurance that we will be able to successfully complete these plans.

Depending upon conditions in the financial markets and/or the Company's financial performance, we may not be able to raise additional capital on favorable terms, or at all. If we are unable to pursue our current and future spending programs, we may be forced to cancel or scale back those programs. Failure to successfully pursue our capital expenditure and other spending plans could negatively affect our ability to compete effectively and have a material negative effect on our business and results of operations.

We Have Incurred Substantial Operating Losses, Adjusted Operating Losses and Negative Cash Flow and There is No Assurance We Will Have Operating Income, Adjusted Operating Income or Positive Cash Flow in the Future.

We incurred operating losses of $273 million and $166 million for Fiscal Years 2023 and 2022, respectively. In addition, we have in prior periods incurred operating losses and negative cash flow and there is no assurance that we will have operating income, adjusted operating income, or positive cash flow in the future. Significant operating losses may limit our ability to raise necessary financing, or to do so on favorable terms, as such losses could be taken into account by potential investors and lenders. See "Part II — Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations — Factors Affecting Operating Results."

We Are Required to Assess Our Internal Control Over Financial Reporting on an Annual Basis and Our Management Identified a Material Weakness During Fiscal Year 2022, Which Has Now Been Remediated. If We Identify Other Material Weaknesses or

Adverse Findings in the Future, Our Ability to Report Our Financial Condition or Results of Operations Accurately or Timely May Be Adversely Affected, Which May Result in a Loss of Investor Confidence in Our Financial Reports, Significant Expenses to Remediate Any Internal Control Deficiencies, and Ultimately Have an Adverse Effect on the Market Price of Our Common Stock.

Pursuant to Section 404 of the Sarbanes-Oxley Act of 2002, as amended, our management is required to report on, and our independent registered public accounting firm is required to attest to, the effectiveness of our internal control over financial reporting. The rules governing the standards that must be met for management to assess our internal control over financial reporting are complex and require significant documentation, testing and possible remediation. Annually, we perform activities that include reviewing, documenting and testing our internal control over financial reporting. In addition, if we fail to maintain the adequacy of our internal control over financial reporting, we will not be able to conclude on an ongoing basis that we have effective internal control over financial reporting in accordance with Section 404 of the Sarbanes-Oxley Act of 2002. If we fail to achieve and maintain an effective internal control environment, we could suffer misstatements in our financial statements and fail to meet our reporting obligations, which would likely cause investors to lose confidence in our reported financial information. This could result in significant expenses to remediate any internal control deficiencies and lead to a decline in our stock price.

Subsequent to the filing of the Fiscal Year 2021 Form 10-K, management of the Company evaluated an immaterial accounting error related to interest costs that should have been capitalized for Sphere in Las Vegas in Fiscal Years 2021, 2020 and 2019 and in the fiscal quarter ended September 30, 2021, as prescribed by Accounting Standards Codification Topic 835-20 (*Capitalization of Interest*). As a result of the accounting error, the Company re-evaluated the effectiveness of the Company's internal control over financial reporting and identified a material weakness as of June 30, 2021, September 30, 2021, December 31, 2021 and March 31, 2022. We undertook certain remediation efforts by implementing additional controls which were operating effectively as of June 30, 2022, and as a result, our management has concluded that the material weakness has been remediated and our internal control over financial reporting was effective as of June 30, 2022. A material weakness is a deficiency, or a combination of deficiencies, in internal control over financial reporting, such that there is a reasonable possibility that a material misstatement of a company's annual or interim financial statements will not be prevented or detected on a timely basis.

Our management may be unable to conclude in future periods that our disclosure controls and procedures are effective due to the effects of various factors, which may, in part, include unremediated material weaknesses in internal controls over financial reporting. Disclosure controls and procedures include, without limitation, controls and procedures designed to ensure that information required to be disclosed by a company in those reports is accumulated and communicated to the company's management, including its principal executive and principal financial officers, as appropriate to allow timely decisions regarding required disclosure. In addition, we may not be able to identify and remediate other control deficiencies, including material weaknesses, in the future.

Risks Related to Cybersecurity and Intellectual Property

We Face Continually Evolving Cybersecurity and Similar Risks, Which Could Result in Loss, Disclosure, Theft, Destruction or Misappropriation of, or Access to, Our Confidential Information and Cause Disruption of Our Business, Damage to Our Brands and Reputation, Legal Exposure and Financial Losses.

Through our operations, we collect and store, including by electronic means, certain personal, proprietary and other sensitive information, including payment card information, that is provided to us through purchases, registration on our websites, mobile applications, or otherwise in communication or interaction with us. These activities require the use of online services and centralized data storage, including through third-party service providers. Data maintained in electronic form is subject to the risk of security incidents, including breach, compromise, intrusion, tampering, theft, destruction, misappropriation or other malicious activity. Our ability to safeguard such personal and other sensitive information, including information regarding the Company and our customers, sponsors, partners, Distributors, advertisers and employees, independent contractors and vendors, is important to our business. We take these matters seriously and take significant steps to protect our stored information, including the implementation of systems and processes to thwart malicious activity. These protections are costly and require ongoing monitoring and updating as technologies change and efforts to overcome security measures become more sophisticated. See *"*— Economic and Operational Risks — *We Are Subject to Extensive Governmental Regulation and Changes in These Regulations and Our Failure to Comply with Them May Have a Material Negative Effect on Our Business and Results of Operations."*

Despite our efforts, the risks of a security incident cannot be entirely eliminated and our information technology and other systems that maintain and transmit consumer, sponsor, partner, Distributor, advertiser, Company, employee and other confidential and proprietary information may be compromised due to employee error or other circumstances such as malware or ransomware, viruses, hacking and phishing attacks, denial-of-service attacks, business email compromises, or otherwise. A compromise of our or our vendors' systems could affect the security of information on our network or that of a third-party service provider. Additionally, outside parties may attempt to fraudulently induce employees, vendors or users to disclose sensitive, proprietary or confidential information in order to gain access to data and systems. As a result, our or our customers' or affiliates' sensitive, proprietary and/or confidential information may be lost, disclosed, accessed or taken without consent.

We also continue to review and enhance our security measures in light of the constantly evolving techniques used to gain unauthorized access to networks, data, software and systems. We may be required to incur significant expenses in order to address any actual or potential security incidents that arise and we may not have insurance coverage for any or all of such expenses. If we experience an actual or perceived security incident, our ability to conduct business may be interrupted or impaired, we may incur damage to our systems, we may lose profitable opportunities or the value of those opportunities may be diminished and we may lose revenue as a result of unlicensed use of our intellectual property. Unauthorized access to or security breaches of our systems could result in the loss of data, loss of business, severe reputational damage adversely affecting customer or investor confidence, diversion of management's attention, regulatory investigations and orders, litigation, indemnity obligations, damages for contract breach, penalties for violation of applicable laws or regulations and significant costs for remediation that may include liability for stolen or lost assets or information and repair of system damage that may have been caused, incentives offered to customers or other business partners in an effort to maintain business relationships after a breach and other liabilities. In addition, in the event of a security incident, changes in legislation may increase the risk of potential litigation. For example, the CCPA, which provides a private right of action (in addition to statutory damages) for California residents whose sensitive personal information is breached as a result of a business' violation of its duty to reasonably secure such information, took effect on January 1, 2020 and was expanded by the CPRA in January 2023. Our insurance coverage may not be adequate to cover the costs of a data breach, indemnification obligations, or other liabilities.

In addition, in some instances, we may have obligations to notify relevant stakeholders of security breaches. Such mandatory disclosures are costly, could lead to negative publicity, may cause our customers to lose confidence in the effectiveness of our security measures and may require us to expend significant capital and other resources to respond to or alleviate problems caused by an actual or perceived security breach.

We May Become Subject to Infringement or Other Claims Relating to Our Content or Technology.

From time to time, third parties may assert against us alleged intellectual property infringement claims (e.g., copyright, trademark and patent) or other claims relating to our productions, brands, programming, technologies, digital products and/or content or other content or material, some of which may be important to our business. In addition, our productions and/or programming could potentially subject us to claims of defamation, violation of rights of privacy or publicity or similar types of allegations. Any such claims, regardless of their merit or outcome, could cause us to incur significant costs that could harm our results of operations. We may not be indemnified against, or have insurance coverage for, claims or costs of these types. In addition, if we are unable to continue use of certain intellectual property rights, our business and results of operations could be materially negatively impacted.

Theft of Our Intellectual Property May Have a Material Negative Effect on Our Business and Results of Operations.

The success of our business depends in part on our ability to maintain and monetize our intellectual property rights, including the technology being developed for Sphere, MSG Networks (including our DTC product), our brand logos, our programming, technologies, digital content and other content that is material to our business. Theft of our intellectual property, including content, could have a material negative effect on our business and results of operations because it may reduce the revenue that we are able to receive from the legitimate exploitation of such intellectual property, undermine lawful distribution channels and limit our ability to control the marketing of our content and inhibit our ability to recoup or profit from the costs incurred to create such content. Litigation may be necessary to enforce our intellectual property rights or protect our trade secrets. Any litigation of this nature, regardless of the outcome, could cause us to incur significant costs, as well as subject us to the other inherent risks of litigation discussed above.

Risks Related to Governance and Our Controlled Ownership

We Are Materially Dependent on Affiliated Entities' Performances Under Various Agreements.

We have entered into various agreements with MSG Entertainment related to the MSGE Distribution and with MSG Sports with respect to the 2020 Entertainment Distribution, and MSG Networks has various agreements with MSG Sports in connection with the 2015 Sports Distribution, including, among others, a distribution agreement, a tax disaffiliation agreement, a services agreement, an employee matters agreement and certain other arrangements (including other support services). These agreements include the allocation of employee benefits, taxes and certain other liabilities and obligations attributable to periods prior to, at and after the applicable distribution. In connection with the 2015 Sports Distribution, the 2020 Entertainment Distribution and the MSGE Distribution, we provided MSG Sports and MSG Entertainment, respectively, with indemnities with respect to liabilities arising out of our business, and MSG Sports and MSG Entertainment, respectively, provided us with indemnities with respect to liabilities arising out of the business retained by them. MSG Networks' media rights agreements with MSG Sports provide us with the exclusive live local media rights to Knicks and Rangers games. Rights fees under these media rights agreements amounted to approximately $172.6 million for Fiscal Year 2023. The stated contractual rights fees under such rights agreements increase annually and are subject to adjustments in certain circumstances, including if MSG Sports does not make available a minimum number of exclusive live games in any year.

Each Company, MSG Sports and MSG Entertainment rely on the others to perform their respective obligations under these agreements. If MSG Sports or MSG Entertainment were to breach or become unable to satisfy its respective material obligations under

these agreements, including a failure to satisfy its indemnification or other financial obligations, or these agreements otherwise terminate or expire and we do not enter into replacement agreements, we could suffer operational difficulties and/or significant losses.

The MSGE Distribution Could Result in Significant Tax Liability.

We received an opinion from Sullivan & Cromwell LLP substantially to the effect that, among other things, the MSGE Distribution should qualify as a tax-free distribution under the Internal Revenue Code (the "Code"). The opinion is not binding on the IRS or the courts. Certain transactions related to the MSGE Distribution that are not addressed by the opinion could result in the recognition of income or gain by us. The opinion relied on factual representations and reasonable assumptions, which, if incorrect or inaccurate, may jeopardize the ability to rely on such opinion.

If the MSGE Distribution does not qualify for tax-free treatment for U.S. federal income tax purposes, then, in general, we would recognize taxable gain in an amount equal to the excess of the fair market value of MSG Entertainment common stock distributed in the MSGE Distribution over our tax basis therein (i.e., as if we had sold such MSG Entertainment common stock in a taxable sale for its fair market value). In addition, the receipt by our stockholders of common stock of MSG Entertainment would be a taxable distribution, and each U.S. holder that received MSG Entertainment common stock in the MSGE Distribution would be treated as if the U.S. holder had received a distribution equal to the fair market value of MSG Entertainment common stock that was distributed to it, which generally would be treated first as a taxable dividend to the extent of such holder's pro rata share of our earnings and profits, then as a non-taxable return of capital to the extent of the holder's tax basis in our common stock, and thereafter as capital gain with respect to any remaining value. It is expected that the amount of any such taxes to us and our stockholders would be substantial. See *"— We May Have a Significant Indemnity Obligation to MSG Entertainment if the MSGE Distribution Is Treated as a Taxable Transaction."*

We May Have a Significant Indemnity Obligation to MSG Entertainment if the MSGE Distribution Is Treated as a Taxable Transaction.

We have entered into a Tax Disaffiliation Agreement with MSG Entertainment (the "Tax Disaffiliation Agreement"), which sets out each party's rights and obligations with respect to federal, state, local or foreign taxes for periods before and after the MSGE Distribution and related matters such as the filing of tax returns and the conduct of IRS and other audits. Pursuant to the Tax Disaffiliation Agreement, we are required to indemnify MSG Entertainment for losses and taxes of MSG Entertainment resulting from the breach of certain covenants and for certain taxable gain recognized by MSG Entertainment, including as a result of certain acquisitions of our stock or assets. If we are required to indemnify MSG Entertainment under the circumstances set forth in the Tax Disaffiliation Agreement, we may be subject to substantial liabilities, which could materially adversely affect our financial position.

The 2020 Entertainment Distribution Could Result in Significant Tax Liability.

MSG Sports received an opinion from Sullivan & Cromwell LLP substantially to the effect that, among other things, the 2020 Entertainment Distribution qualified as a tax-free distribution under the Code. The opinion is not binding on the IRS or the courts. Certain transactions related to the 2020 Entertainment Distribution that are not addressed by the opinion could result in the recognition of income or gain by MSG Sports The opinion relied on factual representations and reasonable assumptions, which, if incorrect or inaccurate, may jeopardize the ability to rely on such opinion.

If the 2020 Entertainment Distribution does not qualify for tax-free treatment for U.S. federal income tax purposes, then, in general, MSG Sports would recognize taxable gain in an amount equal to the excess of the fair market value of our common stock distributed in the 2020 Entertainment Distribution over MSG Sports' tax basis therein (i.e., as if it had sold such common stock in a taxable sale for its fair market value). In addition, the receipt by MSG Sports' stockholders of common stock of our Company would be a taxable distribution, and each U.S. holder that received our common stock in the 2020 Entertainment Distribution would be treated as if the U.S. holder had received a distribution equal to the fair market value of our common stock that was distributed to it, which generally would be treated first as a taxable dividend to the extent of such holder's pro rata share of MSG Sports' earnings and profits, then as a non-taxable return of capital to the extent of the holder's tax basis in its MSG Sports' common stock, and thereafter as capital gain with respect to any remaining value. It is expected that the amount of any such taxes to MSG Sports stockholders and MSG Sports would be substantial. See *"— We May Have a Significant Indemnity Obligation to MSG Sports if the 2020 Entertainment Distribution Is Treated as a Taxable Transaction."*

We May Have a Significant Indemnity Obligation to MSG Sports if the 2020 Entertainment Distribution Is Treated as a Taxable Transaction.

We have entered into a Tax Disaffiliation Agreement with MSG Sports (the "Tax Disaffiliation Agreement"), which sets out each party's rights and obligations with respect to federal, state, local or foreign taxes for periods before and after the 2020 Entertainment Distribution and related matters such as the filing of tax returns and the conduct of IRS and other audits. Pursuant to the Tax Disaffiliation Agreement, we are required to indemnify MSG Sports for losses and taxes of MSG Sports resulting from the breach of certain covenants and for certain taxable gain recognized by MSG Sports, including as a result of certain acquisitions of our stock or

assets. If we are required to indemnify MSG Sports under the circumstances set forth in the Tax Disaffiliation Agreement, we may be subject to substantial liabilities, which could materially adversely affect our financial position.

Certain Adverse U.S. Federal Income Tax Consequences Might Apply to Non-U.S. Holders That Hold Our Class A Common Stock and Class B Common Stock If We Are Treated as a USRPHC.

The Company has not made a determination as to whether we are deemed to be a USRPHC, as defined in section 897(c)(2) of the Code. In general, we would be considered a USRPHC if 50% or more of the fair market value of our assets constitute "United States real property interests" within the meaning of the Code. However, the determination of whether we are a USRPHC turns on the relative fair market value of our United States real property interests and our other assets, and because the USRPHC rules are complex and the determination of whether we are a USRPHC depends on facts and circumstances that may be beyond our control, we can give no assurance as to our USRPHC status after the MSGE Distribution. If we are treated as a USRPHC, certain adverse U.S. federal income tax consequences might apply to non-U.S. holders that hold our Class A Common Stock and Class B Common Stock.

We Are Controlled by the Dolan Family. As a Result of Their Control, the Dolan Family Has the Ability to Prevent or Cause a Change in Control or Approve, Prevent or Influence Certain Actions by the Company.

We have two classes of common stock:

- Class A Common Stock, which is entitled to one vote per share and is entitled collectively to elect 25% of our Board of Directors; and
- Class B Common Stock, which is entitled to 10 votes per share and is entitled collectively to elect the remaining 75% of our Board of Directors.

As of June 30, 2023, the Dolan family, including trusts for the benefit of members of the Dolan family (collectively, the "Dolan Family Group"), collectively owns 100% of our Class B Common Stock, approximately 5.5% of our outstanding Class A Common Stock (inclusive of options exercisable within 60 days of June 30, 2023) and approximately 72.3% of the total voting power of all our outstanding common stock. The members of the Dolan Family Group holding Class B Common Stock are parties to a Stockholders Agreement, which has the effect of causing the voting power of the holders of our Class B Common Stock to be cast as a block with respect to all matters to be voted on by holders of our Class B Common Stock. Under the Stockholders Agreement, the shares of Class B Common Stock owned by members of the Dolan Family Group (representing all the outstanding Class B Common Stock) are to be voted on all matters in accordance with the determination of the Dolan Family Committee (as defined below), except that the decisions of the Dolan Family Committee are non-binding with respect to the Class B Common Stock owned by certain Dolan family trusts that collectively own approximately 40.5% of the outstanding Class B Common Stock ("Excluded Trusts"). The "Dolan Family Committee" consists of Charles F. Dolan and his six children, James L. Dolan, Thomas C. Dolan, Patrick F. Dolan, Kathleen M. Dolan, Marianne Dolan Weber and Deborah A. Dolan-Sweeney. The Dolan Family Committee generally acts by majority vote, except that approval of a going-private transaction must be approved by a two-thirds vote and approval of a change-in-control transaction must be approved by not less than all but one vote. The voting members of the Dolan Family Committee are James L. Dolan, Thomas C. Dolan, Kathleen M. Dolan, Deborah A. Dolan-Sweeney and Marianne Dolan Weber, with each member having one vote other than James L. Dolan, who has two votes. Because James L. Dolan has two votes, he has the ability to block Dolan Family Committee approval of any Company change in control transaction. Shares of Class B Common Stock owned by Excluded Trusts will on all matters be voted on in accordance with the determination of the Excluded Trusts holding a majority of the Class B Common Stock held by all Excluded Trusts, except in the case of a vote on a going-private transaction or a change in control transaction, in which case a vote of the trusts holding two-thirds of the Class B Common Stock owned by Excluded Trusts is required.

The Dolan Family Group is able to prevent a change in control of our Company and no person interested in acquiring us would be able to do so without obtaining the consent of the Dolan Family Group. The Dolan Family Group, by virtue of its stock ownership, has the power to elect all of our directors subject to election by holders of Class B Common Stock and is able collectively to control stockholder decisions on matters on which holders of all classes of our common stock vote together as a single class. These matters could include the amendment of some provisions of our certificate of incorporation and the approval of fundamental corporate transactions.

In addition, the affirmative vote or consent of the holders of at least 66 ⅔% of the outstanding shares of the Class B Common Stock, voting separately as a class, is required to approve:

- the authorization or issuance of any additional shares of Class B Common Stock; and
- any amendment, alteration or repeal of any of the provisions of our certificate of incorporation that adversely affects the powers, preferences or rights of the Class B Common Stock.

As a result, the Dolan Family Group has the power to prevent such issuance or amendment.

The Dolan Family Group also controls MSG Sports, MSG Entertainment and AMC Networks Inc. ("AMC Networks") and, prior to the Networks Merger, the Dolan Family Group also controlled MSG Networks.

We Have Elected to Be a "Controlled Company" for NYSE Purposes Which Allows Us Not to Comply with Certain of the Corporate Governance Rules of NYSE.

Members of the Dolan Family Group have entered into the Stockholders Agreement relating, among other things, to the voting of their shares of our Class B Common Stock. As a result, we are a "controlled company" under the corporate governance rules of NYSE. As a controlled company, we have the right to elect not to comply with the corporate governance rules of NYSE requiring: (i) a majority of independent directors on our Board of Directors; (ii) an independent corporate governance and nominating committee; and (iii) an independent compensation committee. Our Board of Directors has elected for the Company to be treated as a "controlled company" under NYSE corporate governance rules and not to comply with the NYSE requirement for a majority-independent board of directors and for an independent corporate governance and nominating committee because of our status as a controlled company. Nevertheless, our Board of Directors has elected to comply with the NYSE requirement for an independent compensation committee.

Future Stock Sales, Including as a Result of the Exercise of Registration Rights by Certain of Our Stockholders, Could Adversely Affect the Trading Price of Our Class A Common Stock.

Certain parties have registration rights covering a portion of our shares.

We have entered into registration rights agreements with Charles F. Dolan, members of his family, certain Dolan family interests and the Dolan Family Foundation that provide them with "demand" and "piggyback" registration rights with respect to approximately 6.9 million shares of Class A Common Stock, including shares issuable upon conversion of shares of Class B Common Stock.

Sales of a substantial number of shares of Class A Common Stock, including sales pursuant to these registration rights agreements, could adversely affect the market price of the Class A Common Stock and could impair our future ability to raise capital through an offering of our equity securities.

We Share Certain Directors, Officers and Employees with MSG Sports, MSG Entertainment and/or AMC Networks, Which Means Those Individuals Do Not Devote Their Full Time and Attention to Our Affairs and the Overlap May Give Rise to Conflicts.

Our Executive Chairman and Chief Executive Officer, James L. Dolan, also serves as the Executive Chairman and Chief Executive Officer of MSG Entertainment, the Executive Chairman of MSG Sports and as Non-Executive Chairman of AMC Networks. Furthermore, ten members of our Board of Directors (including James L. Dolan) also serve as directors of MSG Sports, nine members of our Board of Directors (including James L. Dolan) also serve as directors of MSG Entertainment, and seven members of our Board of Directors (including James L. Dolan) serve as directors of AMC Networks and Charles F. Dolan serves as Chairman Emeritus of AMC Networks concurrently with his service on our Board. Our Executive Vice President, David Granville-Smith also serves as Executive Vice President of MSG Sports and AMC Networks. Our Vice Chairman, Gregg G. Seibert, also serves as the Vice Chairman of MSG Sports, MSG Entertainment and AMC Networks, and our Secretary, Mark C. Cresitello, also serves as Senior Vice President, Associate General Counsel and Secretary of MSG Sports and MSG Entertainment. As a result, these individuals do not devote their full time and attention to the Company's affairs. The overlapping directors, officers and employees may have actual or apparent conflicts of interest with respect to matters involving or affecting each company. For example, the potential for a conflict of interest when we on the one hand, and MSG Sports, MSG Entertainment and/or AMC Networks and their respective subsidiaries and successors on the other hand, look at certain acquisitions and other corporate opportunities that may be suitable for more than one of the companies. Also, conflicts may arise if there are issues or disputes under the commercial arrangements that exist between MSG Sports, MSG Entertainment or AMC Networks (each referred to as an "Other Entity") and us. In addition, certain of our directors, officers and employees hold MSG Sports, MSG Entertainment and/or AMC Networks stock, stock options and/or restricted stock units. These ownership interests could create actual, apparent or potential conflicts of interest when these individuals are faced with decisions that could have different implications for our Company and an Other Entity. For a discussion of certain procedures we have implemented to help ameliorate such potential conflicts that may arise, see our Definitive Proxy Statement filed with the SEC on October 26, 2022.

Our Overlapping Directors and Officers with MSG Sports, MSG Entertainment and/or AMC Networks May Result in the Diversion of Corporate Opportunities to MSG Sports, MSG Entertainment and/or AMC Networks and Other Conflicts and Provisions in Our Amended and Restated Certificate of Incorporation May Provide Us No Remedy in That Circumstance.

The Company's amended and restated certificate of incorporation acknowledges that directors and officers of the Company (the "Overlap Persons") may also be serving as directors, officers, employees, consultants or agents of an Other Entity, and that the Company may engage in material business transactions with such Other Entities. The Company has renounced its rights to certain business opportunities and the Company's amended and restated certificate of incorporation provides that no Overlap Person will be liable to the Company or its stockholders for breach of any fiduciary duty that would otherwise occur by reason of the fact that any such individual directs a corporate opportunity (other than certain limited types of opportunities set forth in our amended and restated

certificate of incorporation) to one or more of the Other Entities instead of the Company, or does not refer or communicate information regarding such corporate opportunities to the Company. These provisions in our amended and restated certificate of incorporation also expressly validate certain contracts, agreements, arrangements and transactions (and amendments, modifications or terminations thereof) between the Company and the Other Entities and, to the fullest extent permitted by law, provided that the actions of the Overlap Person in connection therewith are not breaches of fiduciary duties owed to the Company, any of its subsidiaries or their respective stockholders.

Item 1B. Unresolved Staff Comments

None.

Item 2. Properties

We lease properties in New York City of approximately 64,000 square feet housing MSG Networks' administrative and executive offices and approximately 18,000 square feet of studio space.

We also lease approximately 810,000 square feet in Las Vegas, Nevada, under a ground lease for the land where Sphere in Las Vegas is being constructed, and own approximately 205,000 square feet of property in Stratford, London, where we have announced plans to build another Sphere venue, pending necessary approvals." See "Item 1. Business — Our Business — Sphere." In addition, we lease approximately 67,000 square feet in Las Vegas, Nevada, related to office space and approximately 153,000 square feet in Burbank, California, where Sphere Studios has office space and content creation and testing facilities.

Sphere in Las Vegas will have the benefit of easements with respect to the planned pedestrian bridge to The Venetian. Our ability to continue to utilize these and other easements requires us to comply with certain conditions. Moreover, certain adjoining property owners have easements over our property, which we are required to maintain so long as those property owners meet certain conditions.

Item 3. Legal Proceedings

Fifteen complaints were filed in connection with the Networks Merger by purported stockholders of the Company and MSG Networks Inc.

Nine of these complaints involved allegations of materially incomplete and misleading information set forth in the joint proxy statement/prospectus filed by the Company and MSG Networks Inc. in connection with the Networks Merger. As a result of supplemental disclosures made by the Company and MSG Networks Inc. on July 1, 2021, all of the disclosure actions were voluntarily dismissed with prejudice prior to or shortly following the consummation of the Networks Merger.

Six complaints involved allegations of fiduciary breaches in connection with the negotiation and approval of the Networks Merger and have since been consolidated into two remaining litigations.

On September 10, 2021, the Court of Chancery of the State of Delaware (the "Court") entered an order consolidating two derivative complaints filed by purported Company stockholders. The consolidated action is captioned: *In re Madison Square Garden Entertainment Corp. Stockholders Litigation* , C.A. No. 2021-0468-KSJM (the "MSG Entertainment Litigation"). The consolidated plaintiffs filed their Verified Consolidated Derivative Complaint on October 11, 2021. The complaint, which names the Company as only a nominal defendant, retains all of the derivative claims and alleges that the members of the board of directors and controlling stockholders violated their fiduciary duties in the course of negotiating and approving the Networks Merger. Plaintiffs seek, among other relief, an award of damages to the Company including interest, and plaintiffs' attorneys' fees. Pursuant to the indemnity rights in its bylaws and Delaware law, the Company has advanced the costs incurred by defendants in this action, and defendants have asserted indemnification rights in respect of any adverse judgment or settlement of the action.

On March 14, 2023, the parties to the MSG Entertainment Litigation reached an agreement in principle to settle the MSG Entertainment Litigation on the terms and conditions set forth in a binding term sheet, which was incorporated into a long-form settlement agreement (the "MSGE Settlement Agreement") that was filed with the Court on April 20, 2023. The MSGE Settlement Agreement provides for, among other things, the final dismissal of the MSG Entertainment Litigation in exchange for a settlement payment to the Company of $85 million, subject to customary reduction for attorneys' fees and expenses, in an amount to be determined by the Court. The settlement's amount will be fully funded by the other defendants' insurers. The MSGE Settlement Agreement was approved by the Court on August 14, 2023.

On September 27, 2021, the Court entered an order consolidating four complaints filed by purported stockholders of MSG Networks Inc. The consolidated action is captioned: *In re MSG Networks Inc. Stockholder Class Action Litigation*, C.A. No. 2021-0575-KSJM (the "MSG Networks Litigation"). The consolidated plaintiffs filed their Verified Consolidated Stockholder Class Action Complaint on October 29, 2021. The complaint asserts claims on behalf of a putative class of former MSG Networks Inc. stockholders against each member of the board of directors of MSG Networks Inc. and the controlling stockholders prior to the Networks Merger. Plaintiffs allege that the MSG Networks Inc. board of directors and controlling stockholders breached their fiduciary duties in negotiating and

approving the Networks Merger. The Company is not named as a defendant but has been subpoenaed to produce documents and testimony related to the Networks Merger. Plaintiffs seek, among other relief, monetary damages for the putative class and plaintiffs' attorneys' fees. Pursuant to the indemnity rights in its bylaws and Delaware law, the Company has advanced the costs incurred by defendants in this action, and defendants have asserted indemnification rights in respect of any adverse judgment or settlement of the action.

On April 6, 2023, the parties to the MSG Networks Litigation reached an agreement in principle to settle the MSG Networks Litigation, without admitting liability, on the terms and conditions set forth in a binding term sheet, which was incorporated into a long-form settlement agreement (the "MSGN Settlement Agreement") that was filed with the Court on May 18, 2023. The MSGN Settlement Agreement provides for, among other things, the final dismissal of the MSG Networks Litigation in exchange for a settlement payment to the plaintiffs and the class of $48.5 million, which has been recorded in Accounts payable, accrued and other current liabilities as of June 30, 2023. MSG Networks has a dispute with its insurers over whether and to what extent there is insurance coverage for the settlement. Unless MSG Networks Inc. and the insurers settle that insurance dispute, it is expected to be resolved in a pending Delaware insurance coverage action. In the interim, and subject to final resolution of the parties' insurance coverage dispute, certain of MSG Networks' insurers have agreed to advance $20.5 million to fund the settlement and related class notice costs. The MSGN Settlement Agreement was approved by the Court on August 14, 2023.

The Company is a defendant in various other lawsuits. Although the outcome of these other lawsuits cannot be predicted with certainty (including the extent of available insurance, if any), management does not believe that resolution of these other lawsuits will have a material adverse effect on the Company.

Item 4. Mine Safety Disclosures

Not applicable.

PART II

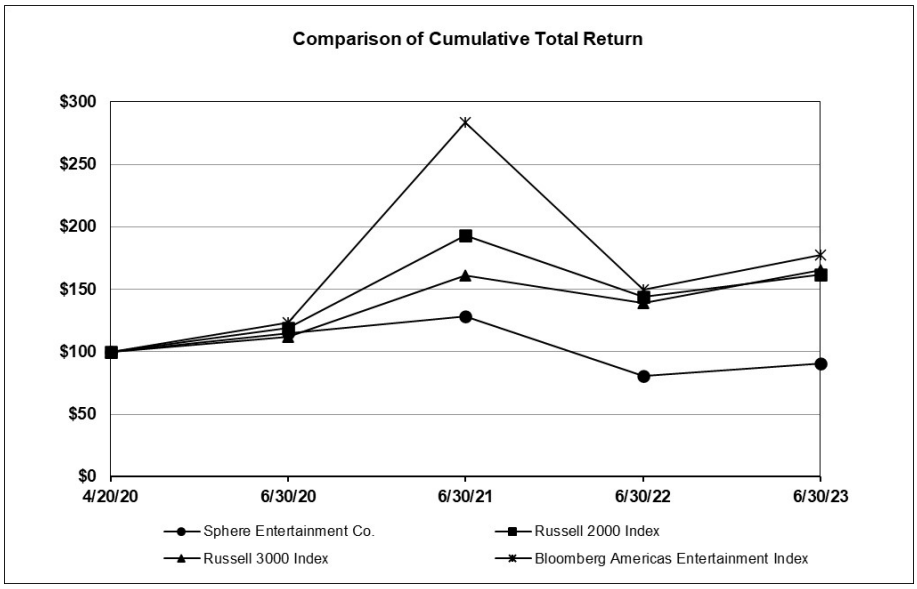
Item 5. Market for the Registrant's Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities

Our Class A common stock, par value $0.01 per share ("Class A Common Stock"), is listed on the New York Stock Exchange (the "NYSE") under the symbol "SPHR." The Company's Class A Common Stock began "regular way" trading on the NYSE on April 20, 2020.

Performance Graph

The following graph compares the relative performance of our Class A Common Stock, the Russell 2000 Index and the Bloomberg Americas Entertainment Index. This year, the graph also includes a comparison against the Russell 3000 Index, which had been used by the Company in prior years. In light of the Company's market capitalization following the MSGE Distribution and the Tao Group Hospitality Disposition, management has determined that the Russell 2000 Index is a more comparable broad equity market index.

This graph covers the period from April 20, 2020 through June 30, 2023. The comparison assumes an investment of $100 on April 20, 2020 and reinvestment of dividends. The stock price performance included in this graph is not necessarily indicative of future stock performance. The Russell 2000 Index, Russell 3000 Index and the Bloomberg Americas Entertainment Index are included for comparative purposes only. They do not necessarily reflect management's opinion that such indices are an appropriate measure of the relative performance of the stock involved and they are not intended to forecast or be indicative of possible future performance of our common stock.



	Base Period 4/20/20	6/30/20	6/30/21	6/30/22	6/30/23
Sphere Entertainment Co.	$ 100.00	$ 114.80	$ 128.53	$ 80.54	$ 90.81
Russell 2000 Index	100.00	119.13	193.03	144.39	162.16
Russell 3000 Index	100.00	111.76	161.11	138.77	165.07
Bloomberg Americas Entertainment Index	100.00	123.07	283.23	149.70	177.25

This performance graph shall not be deemed “filed” for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the “Exchange Act”) or incorporated by reference into any of our filings under the Securities Act of 1933, as amended, or the Exchange Act, except as expressly set forth by specific reference in such filing.

As of June 30, 2023, there were 687 holders of record of our Class A Common Stock. There is no public trading market for our Class B common stock, par value $.01 per share (“Class B Common Stock”). As of June 30, 2023, there were 15 holders of record of our Class B Common Stock.

We did not pay any dividends on our common stock during Fiscal Year 2023 and do not have any current plans to pay a cash dividends on our common stock for the foreseeable future.

Issuer Purchases of Equity Securities

On March 31, 2020, the Company’s Board of Directors authorized a share repurchase program to repurchase up to $350 million of the Company’s Class A Common Stock. The program was re-authorized by the Company’s Board of Directors on March 29, 2023. Under the authorization, shares of Class A Common Stock may be purchased from time to time in open market transactions, in accordance with applicable insider trading and other securities laws and regulations. The timing and amount of purchases will depend on market conditions and other factors. No shares have been repurchased to date.

Securities Authorized for Issuance Under Equity Compensation Plans

The information required by this Item is incorporated by reference to the definitive Proxy Statement for our 2023 Annual Meeting of Stockholders, which is expected to be filed with the SEC within 120 days of our fiscal year end.

Item 6. [RESERVED]

Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations

All dollar amounts included in the following MD&A are presented in thousands, except as otherwise noted.

This Management's Discussion and Analysis of Financial Condition and Results of Operations ("MD&A") contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. In this MD&A, there are statements concerning the future operating and future financial performance of Sphere Entertainment Co. and its direct and indirect subsidiaries (collectively, "we," "us," "our," "Sphere Entertainment," or the "Company"), including (i) the timing and costs of venue construction and the development of related content, (ii) our plans to refinance MSG Networks' existing debt, (iii) the success of Sphere and The Sphere Experience, (iv) our plans for the potential disposition of the Company's retained interest in Madison Square Garden Entertainment Corp. ("MSG Entertainment"), (v) our strategy for MSG Networks' direct-to-consumer product, (vi) the impact of run-rate savings that could be generated by the Company's cost reduction program, the ability to reduce or defer certain discretionary capital projects, and (viii) our plans for possible additional debt financing. Words such as "expects," "anticipates," "believes," "estimates," "may," "will," "should," "could," "potential," "continue," "intends," "plans," and similar words and terms used in the discussion of future operating and future financial performance identify forward-looking statements. Investors are cautioned that such forward-looking statements are not guarantees of future performance, results or events and involve risks and uncertainties and that actual results or developments may differ materially from the forward-looking statements as a result of various factors. Factors that may cause such differences to occur include, but are not limited to:

- the substantial amount of debt we have incurred, the ability of our subsidiaries to make payments on, or repay or refinance, such debt under their respective credit facilities (including refinancing the MSG Networks debt prior to its maturity in October 2024), and our ability to obtain additional financing, to the extent required, on terms favorable to us or at all;
- the popularity of The Sphere Experience, as well as our ability to attract advertisers and marketing partners, and audiences and artists to residencies, concerts and other events at Sphere in Las Vegas;
- our ability to successfully design, construct, finance and operate new entertainment venues in Las Vegas and/or other markets, as applicable, and the investments, costs and timing associated with those efforts, including obtaining financing, the impact of inflation and any construction delays and/or cost overruns;
- the successful development of The Sphere Experience and related original immersive productions and the investments associated with such development, as well as investment in personnel, content and technology for Sphere;
- our ability to successfully implement cost reductions and reduce or defer certain discretionary capital projects, if necessary;
- our ability to dispose of all or a portion of the remainder of the MSGE Retained Interest (as defined below) on favorable terms due to market conditions or otherwise;
- the level of our expenses and our operational cash burn rate, including our corporate expenses;
- the demand for MSG Networks programming among cable, satellite, fiber-optic and other platforms that distribute its networks ("Distributors") and the number of subscribers thereto, and our ability to enter into and renew affiliation agreements with Distributors, or to do so on favorable terms, as well as the impact of consolidation among Distributors;
- our ability to successfully execute MSG Networks' strategy for a direct-to-consumer offering and our ability to adapt to new content distribution platforms or changes in consumer behavior resulting from emerging technologies;
- the ability of our Distributors to minimize declines in subscriber levels;
- the impact of subscribers selecting Distributors' packages that do not include our networks or distributors that do not carry our networks at all;
- MSG Networks' ability to renew or replace its media rights agreements with professional sports teams and its ability to perform its obligations thereunder;
- the relocation or insolvency of professional sports teams with which we have a media rights agreement;

- general economic conditions, especially in the Las Vegas and New York City metropolitan areas where we have (or plan to have) significant business activities;
- the demand for advertising and marketing partnership offerings at Sphere and advertising and viewer ratings for our networks;
- competition, for example, from other venues (including the construction of new competing venues) and other regional sports and entertainment offerings;
- our ability to effectively manage any impacts of the COVID-19 pandemic or future pandemics or public health emergencies, as well as renewed actions taken in response by governmental authorities or certain professional sports leagues, including ensuring compliance with rules and regulations imposed upon our venues, to the extent applicable;
- the effect of any postponements or cancellations by third-parties or the Company as a result of the COVID-19 pandemic or future pandemics due to operational challenges and other health and safety concerns;
- the extent to which attendance at Sphere in Las Vegas may be impacted by government actions, health concerns by potential attendees or reduced tourism;
- the security of our MSG Networks program signal and electronic data;
- the on-ice and on-court performance and popularity of the professional sports teams whose games we broadcast on our networks;
- changes in laws, guidelines, bulletins, directives, policies and agreements, and regulations under which we operate;
- any economic, social or political actions, such as boycotts, protests, work stoppages or campaigns by labor organizations, including the unions representing players and officials of the NBA and NHL, or other work stoppage that may impact us or our business partners;
- seasonal fluctuations and other variations in our operating results and cash flow from period to period;
- business, reputational and litigation risk if there is a cyber or other security incident resulting in loss, disclosure or misappropriation of stored personal information, disruption of our Sphere or MSG Networks businesses or disclosure of confidential information or other breaches of our information security;
- activities or other developments (such as pandemics, including the COVID-19 pandemic) that discourage or may discourage congregation at prominent places of public assembly, including our venue;
- the level of our capital expenditures and other investments;
- the acquisition or disposition of assets or businesses and/or the impact of, and our ability to successfully pursue, acquisitions or other strategic transactions;
- our ability to successfully integrate acquisitions, new venues or new businesses into our operations;
- the operating and financial performance of our strategic acquisitions and investments, including those we do not control;
- our internal control environment and our ability to identify and remedy any future material weaknesses;
- the costs associated with, and the outcome of, litigation and other proceedings to the extent uninsured, including litigation or other claims against companies we invest in or acquire;
- the impact of governmental regulations or laws, changes in these regulations or laws or how those regulations and laws are interpreted, as well as our ability to maintain necessary permits, licenses and easements;
- the impact of sports league rules, regulations and/or agreements and changes thereto;
- financial community perceptions of our business, operations, financial condition and the industries in which we operate;
- the ability of our investees and others to repay loans and advances we have extended to them;

- the performance by our affiliated entities of their obligations under various agreements with us, as well as our performance of our obligations under such agreements and ongoing commercial arrangements;
- the tax-free treatment of the MSGE Distribution (as defined below) and the distribution from MSG Sports in 2020;
- our ability to achieve the intended benefits of the MSGE Distribution; and
- the additional factors described under “Part I — Item 1A. Risk Factors” included in this Annual Report on Form 10-K.

These forward-looking statements are subject to a number of risks, uncertainties and assumptions, including those described in “Risk Factors.” Moreover, we operate in a very competitive and rapidly changing environment. New risks emerge from time to time. It is not possible for our management to predict all risks, nor can we assess the impact of all factors on our business or the extent to which any factor, or combination of factors, may cause actual results to differ materially from those contained in any forward-looking statements we may make. In light of these risks, uncertainties and assumptions, the forward-looking events and circumstances discussed in this Form 10-K may not occur and actual results could differ materially and adversely from those anticipated or implied in the forward-looking statements.

You should not rely upon forward-looking statements as predictions of future events. We cannot guarantee that the future results, levels of activity, performance or events and circumstances reflected in the forward-looking statements will be achieved or occur. Moreover, except as required by law, neither we nor any other person assumes responsibility for the accuracy and completeness of the forward-looking statements. We undertake no obligation to update publicly any forward-looking statements for any reason after the date of this Form 10-K to conform these statements to actual results or to changes in our expectations.

MSGE Distribution

On April 20, 2023 (the “MSGE Distribution Date”), the Company distributed approximately 67% of the outstanding common stock of MSG Entertainment (the “MSGE Distribution”), with the Company retaining approximately 33% of the outstanding common stock of MSG Entertainment (in the form of MSG Entertainment Class A common stock) immediately following the MSGE Distribution (the “MSGE Retained Interest”). Following the MSGE Distribution Date, the Company retained the Sphere and MSG Networks businesses and MSG Entertainment now owns the traditional live entertainment business previously owned and operated by the Company through its Entertainment business segment, excluding the Sphere business. In the MSGE Distribution, stockholders of the Company received (a) one share of MSG Entertainment’s Class A common stock, par value $0.01 per share, for every share of the Company’s Class A common stock, par value $0.01 per share (“Class A common stock”), held of record as of the close of business, New York City time, on April 14, 2023 (the “Record Date”), and (b) one share of MSG Entertainment’s Class B common stock, par value $0.01 per share, for every share of the Company’s Class B common stock, par value $0.01 per share (“Class B common stock”), held of record as of the close of business, New York City time, on the Record Date. Concurrently with the MSGE Distribution, the Company entered into a delayed draw term loan (the “DDTL Facility”) with a subsidiary of MSG Entertainment that provided for a $65,000 senior unsecured delayed draw term loan facility. The DDTL Facility was fully drawn on July 14, 2023 and on August 9, 2023, the Company repaid all amounts outstanding under the DDTL Facility (including accrued interest and commitment fees) using a portion of the MSGE Retained Interest.

Following the sale of a portion of the MSGE Retained Interest and the repayment of the DDTL Facility, the Company now holds approximately 17% of the outstanding common stock of MSG Entertainment (in the form of MSG Entertainment Class A common stock), based on 49,128 total shares of MSG Entertainment common stock outstanding as of August 18, 2023.

As of April 20, 2023, the MSG Entertainment business met the criteria for discontinued operations and was classified as a discontinued operation. See Note 3. Discontinued Operations to the consolidated financial statements included in Item 8 of this Annual Report on Form 10-K for further details regarding the MSGE Distribution.

Tao Group Hospitality Disposition

On May 3, 2023, the Company completed the sale of its 66.9% majority interest in TAO Group Sub-Holdings LLC (“Tao Group Hospitality”) to a subsidiary of Mohari Hospitality Limited, a global investment company focused on the luxury lifestyle and hospitality sectors (the “Tao Group Hospitality Disposition”).

Since March 31, 2023, the Tao Group Hospitality segment met the criteria for discontinued operations and was classified as a discontinued operation. See Note 3. Discontinued Operations to the consolidated financial statements included in Item 8 of this Annual Report on Form 10-K for further details regarding the Tao Group Hospitality Disposition.

After giving effect to the MSGE Distribution and Tao Group Hospitality Disposition, the Company operates and reports financial information in two reportable segments: Sphere and MSG Networks.

Introduction

This MD&A is provided as a supplement to, and should be read in conjunction with, the audited consolidated financial statements and footnotes thereto included in Item 8 of this Annual Report on Form 10-K to help provide an understanding of our financial condition, changes in financial condition and results of operations.

Our MD&A is organized as follows:

Business Overview. This section provides a general description of our business, as well as other matters that we believe are important in understanding our results of operations and financial condition and in anticipating future trends.

Results of Operations. This section provides an analysis of our results of operations for Fiscal Years 2023, 2022, and 2021 on both a (i) consolidated basis and (ii) segment basis .

Liquidity and Capital Resources. This section provides a discussion of our financial condition and liquidity, as well as an analysis of our cash flows for Fiscal Years 2023, 2022, and 2021. The discussion of our financial condition and liquidity includes summaries of our primary sources of liquidity, our contractual obligations and off balance sheet arrangements that existed at June 30, 2023.

Seasonality of Our Business. This section discusses the seasonal performance of our business .

Recently Issued Accounting Pronouncements and Critical Accounting Policies . This section cross-references a discussion of critical accounting policies considered to be important to our financial condition and results of operations and which require significant judgment and estimates on the part of management in their application. Our critical accounting policies and recently issued accounting pronouncements, are discussed included in Items 7 and 8, respectively, of this Annual Report on Form 10-K.

Business Overview

Sphere Entertainment Co. is a premier live entertainment and media company comprised of two reportable segments, Sphere and MSG Networks. Sphere is a next-generation entertainment medium, and MSG Networks operates two regional sports and entertainment networks, as well as a direct-to-consumer and authenticated streaming product.

Sphere: This segment reflects Sphere, a next-generation entertainment medium powered by cutting-edge technologies that we believe will enable multi-sensory storytelling at an unparalleled scale. The Company's first Sphere is expected to open in Las Vegas in September 2023. The venue can accommodate up to 20,000 guests and is expected to host a wide variety of events year-round, including The Sphere Experience™, which will feature original immersive productions, as well as concerts and residencies from renowned artists, and marquee sporting and corporate events. Supporting this strategy is Sphere Studios, which is home to a team of creative, production, technology and software experts who provide full in-house creative and production services. The studio campus in Burbank includes a 68,000-square-foot development facility, as well as Big Dome, a 28,000-square-foot, 100-foot high custom dome, with a quarter-sized version of the screen at Sphere in Las Vegas, that serves as a specialized screening, production facility, and lab for content at Sphere.

MSG Networks: This segment is comprised of the Company's regional sports and entertainment networks, MSG Network and MSG Sportsnet, as well as its direct-to-consumer streaming product, MSG+. MSG Networks serves the New York Designated Market Area, as well as other portions of New York, New Jersey, Connecticut and Pennsylvania and features a wide range of sports content, including exclusive live local games and other programming of the New York Knicks (the "Knicks") of the National Basketball Association (the "NBA") and the New York Rangers (the "Rangers"), New York Islanders (the "Islanders"), New Jersey Devils (the "Devils") and Buffalo Sabres (the "Sabres") of the National Hockey League (the "NHL"), as well as significant coverage of the New York Giants (the "Giants") and the Buffalo Bills (the "Bills") of the National Football League (the "NFL").

Description of Our Segments

Sphere

Revenue Sources — Sphere

The Sphere segment has yet to generate material revenue during Sphere's pre-opening period. See Note 2. Summary of Significant Accounting Policies to the consolidated financial statements included in Item 8 of this Annual Report on Form 10-K for further details regarding our accounting policies on revenue recognition.

Expenses — Sphere

The Sphere segment incurs non-capitalizable content development and technology costs associated with the Company's Sphere initiative. Sphere also incurs corporate and supporting department operating costs that are attributable to Sphere development, including charges under the transition services agreement with MSG Entertainment (the "MSGE TSA"), costs associated with the promotion of events through various advertising campaigns, and non-event related operating expenses such as insurance, utilities, repairs and maintenance, labor related to the overall management of the Sphere segment and depreciation and amortization expense related to certain corporate property, equipment and leasehold improvements. See Note 2. Summary of Significant Accounting Policies to the consolidated financial statements included in Item 8 of this Annual Report on Form 10-K for further details regarding our accounting policies on direct operating expenses.

MSG Networks

Revenue Sources — MSG Networks

The MSG Networks segment generates revenues principally from affiliation fees, as well as from the sale of advertising. For Fiscal Year 2023 , this segment represented approximately 99.5% of our consolidated revenues.

Affiliation Fee Revenue

Affiliation fee revenue is earned from Distributors for the right to carry the Company's networks. The fees we receive depend largely on the demand from subscribers for our programming.

Advertising Revenue

The MSG Networks' advertising revenue is largely derived from the sale of inventory in its live professional sports programming. As such, a disproportionate share of this revenue is earned in the second and third fiscal quarters. In certain advertising arrangements, the Company guarantees specific viewer ratings for its programming.

Expenses — MSG Networks

Direct operating expenses primarily include the cost of professional team rights acquired under media rights agreements to telecast various sporting events on our networks, and other direct programming and production-related costs of our networks.

MSG Networks is a party to long-term media rights agreements with the Knicks and the Rangers, which provide the Company with the exclusive live media rights to the teams' games in their local markets. In addition, MSG Networks has media rights agreements with the Islanders, Devils and Sabres. The media rights acquired under these agreements to telecast various sporting events and other programming for exhibition on our networks are typically expensed on a straight-line basis over the applicable annual contract or license period. We negotiate directly with the teams to determine the fee and other provisions of the media rights agreements. Media rights fees for sports programming are influenced by, among other things, the size and demographics of the geographic area in which the programming is distributed, and the popularity and/or the competitiveness of a team.

Other direct programming and production-related costs include, but are not limited to, the salaries of on-air personalities, producers, directors, technicians, writers and other creative staff, as well as expenses associated with location costs, remote facilities and maintaining studios, origination, and transmission services and facilities.

Other Expenses

The Company's selling, general and administrative expenses primarily consist of administrative costs, including compensation, professional fees, advertising sales commissions, as well as sales and marketing costs, including non-event related advertising expenses. Selling, general and administrative expenses for periods prior to the MSGE Distribution include certain corporate overhead expenses that do not meet the criteria for inclusion in discontinued operations.

Prior to December 31, 2022, MSG Networks was party to an advertising sales representation agreement (the "Networks Advertising Sales Representation Agreement") with MSG Entertainment that gave MSG Entertainment the exclusive right and obligation to sell certain of MSG Networks' advertising availabilities for a commission. The Networks Advertising Sales Representation Agreement was terminated effective as of December 31, 2022. Starting January 1, 2023, all costs incurred by MSG Networks to sell advertising (that was previously performed by MSG Entertainment) are included in selling, general, and administrative expenses.

Factors Affecting Operating Results

The operating results of our Sphere segment will be largely dependent on our ability to attract audiences to The Sphere Experience, and advertisers and marketing partners, as well as guests and artists to residencies, concerts and other events at our venue. The operating results of our MSG Networks segment are largely dependent on the affiliation agreements MSG Networks negotiates with Distributors, the number of subscribers of certain Distributors, the success of our DTC product, and the advertising rates we charge advertisers. Certain of these factors in turn depend on the popularity and/or performance of the professional sports teams whose games we broadcast on our networks.

Our Company's future performance is dependent in part on general economic conditions and the effect of these conditions on our customers. Weak economic conditions may lead to lower demand for our entertainment offerings (including The Sphere Experience) and programming content, which would also negatively affect concession and merchandise sales, and could lead to lower levels of advertising, sponsorship and venue signage. These conditions may also affect the number of immersive productions, concerts, residencies and other events that take place in the future. An economic downturn could adversely affect our business and results of operations.

The Company continues to explore additional opportunities to expand our presence in the entertainment industry. Any new investment may not initially contribute to operating income, but is intended to contribute to the success of the Company over time. Our results will also be affected by investments in, and the success of, new immersive productions.

Factors Affecting Comparability

The Company's operations and operating results were materially impacted by the COVID-19 pandemic and actions taken in response by governmental authorities and certain professional sports leagues during Fiscal Year 2021. As a result of the shortened 2020-21 NBA and NHL seasons, MSG Networks aired substantially fewer NBA and NHL telecasts during Fiscal Year 2021, as compared with Fiscal Year 2019 (the last full fiscal year not impacted by COVID-19), and consequently experienced a decrease in revenues, including a material decrease in advertising revenue. The absence of live sports games also resulted in a decrease in certain MSG Networks expenses, including rights fees, variable production expenses, and advertising sales commissions. MSG Networks aired full regular season telecast schedules in Fiscal Year 2022 and Fiscal Year 2023 for its five professional teams across both the NBA and NHL, and, as a result, its advertising revenue and certain operating expenses, including rights fees expense, reflect the same.

It is unclear to what extent pandemic concerns, including with respect to COVID-19 or other future pandemics, could (i) result in new government-mandated capacity or other restrictions or vaccination/mask requirements or impact the use of and/or demand for Sphere in Las Vegas, impact demand for the Company's sponsorship and advertising assets, deter employees and vendors from working at Sphere in Las Vegas (which may lead to difficulties in staffing), deter artists from touring or (ii) result in professional sports leagues suspending, cancelling or otherwise reducing the number of games scheduled in the regular reason or playoffs, which could have a material impact on the distribution and/or advertising revenues of the MSG Networks segment, or otherwise materially impact our operations.

For more information about the risks to the Company as a result of the COVID-19 pandemic and its impact on our operating results, see "Part I — Item 1A. Risk Factors — Operational and Economic Risks—*Our Operations and Operating Results Were Materially Impacted by the COVID-19 Pandemic and Actions Taken in Response by Governmental Authorities and Certain Professional Sports Leagues, and a Resurgence of the COVID-19 Pandemic or Another Pandemic or Public Health Emergency Could Adversely Affect Our Business and Results of Operations*."

In addition to the above items, the MSGE Distribution and Tao Group Hospitality Disposition both qualified for discontinued operations presentation under GAAP during Fiscal Year 2023. As such, the Company's historical results for all periods presented have been recast to exclude the operations of each disposed business. See below for further discussion.

Results of Operations

Comparison of the Fiscal Year Ended June 30, 2023 versus the Fiscal Year Ended June 30, 2022

Consolidated Results of Operations

The table below sets forth, for the periods presented, certain historical financial information.

	Years Ended June 30,		Change	
	2023	2022	Amount	Percentage
Revenues	$ 573,831	$ 610,055	$ (36,224)	(6) %
Direct operating expenses	(342,211)	(320,278)	(21,933)	7 %
Selling, general and administrative expenses	(452,142)	(419,793)	(32,349)	8 %
Depreciation and amortization	(30,716)	(22,562)	(8,154)	36 %
Impairment and other gains, net	6,120	245	5,875	NM
Restructuring charges	(27,924)	(13,404)	(14,520)	108 %
Operating loss	(273,042)	(165,737)	(107,305)	65 %
Interest income	11,585	3,575	8,010	NM
Other income (expense), net	536,887	(5,518)	542,405	NM
Income (loss) from operations before income taxes	275,430	(167,680)	443,110	NM
Income tax (expense) benefit	(103,403)	29,830	(133,233)	NM
Income (loss) from continuing operations	172,027	(137,850)	309,877	NM
Income (loss) from discontinued operations, net of taxes	333,653	(52,297)	385,950	NM
Net income (loss)	505,680	(190,147)	695,827	NM
Less: Net income attributable to redeemable noncontrolling interests from discontinued operations	3,925	7,739	(3,814)	(49) %
Less: Net loss attributable to nonredeemable noncontrolling interests from discontinued operations	(1,017)	(3,491)	2,474	(71) %
Net income (loss) attributable to Sphere Entertainment Co.'s stockholders	$ 502,772	$ (194,395)	$ 697,167	NM

NM — Absolute percentages greater than 200% and comparisons from positive to negative values or to zero values are considered not meaningful.

For all periods through the MSGE Distribution, the reported financial results of the Company reflect the results of the MSG Entertainment business, previously owned and operated by the Company through its Sphere segment, as discontinued operations and for all periods through the Tao Group Hospitality Disposition, the reported financial results of the Company reflect the results of the Tao Group Hospitality segment, previously owned and operated by the Company, as discontinued operations. In addition, results from continuing operations for these periods include certain corporate overhead expenses that the Company did not incur in the period after the completion of the MSGE Distribution and does not expect to incur in future periods, but which do not meet the criteria for inclusion in discontinued operations. The reported financial results of the Company for the periods after the MSGE Distribution reflect the Company's results on a standalone basis, including the Company's actual corporate overhead.

The following is a summary of changes in our segments' operating results for Fiscal Year 2023 as compared to Fiscal Year 2022, which are discussed below under "Business Segment Results."

Changes attributable to	Revenues	Direct operating expenses	Selling, general and administrative expenses	Depreciation and amortization	Impairment and other gains, net	Restructuring charges	Operating loss
Sphere segment	$ 710	$ (5,545)	$ (31,996)	$ (10,880)	$ 5,984	$ (10,184)	$ (51,911)
MSG Networks segment	(36,934)	(16,388)	(353)	2,726	(109)	(4,336)	(55,394)
	$ (36,224)	$ (21,933)	$ (32,349)	$ (8,154)	$ 5,875	$ (14,520)	$ (107,305)

Depreciation and amortization

Depreciation and amortization for Fiscal Year 2023 increased $8,154, or 36%, to $30,716 as compared to Fiscal Year 2022 primarily due to an increase in depreciation of Big Dome, the Company's creative studio in Burbank, California, due to certain assets being placed in service during Fiscal Year 2023.

Impairment and other gains, net

Impairment and other gains, net , were $6,120 for Fiscal Year 2023 as compared to $245 for Fiscal Year 2022. The increase in the net gain of $5,875 was primarily due to the receipt of insurance proceeds related to Big Dome, the Company's creative studio in Burbank, California.

Restructuring charges

Restructuring charges for Fiscal Year 2023 increased $14,520, or 108%, to $27,924 as compared to Fiscal Year 2022 primarily due to termination benefits provided for a workforce reduction of certain executives and employees within the Sphere and MSG Networks segments as part of the Company's cost reduction program implemented in Fiscal Year 2023.

Interest income

Interest income for Fiscal Year 2023 increased $8,010, as compared to the prior year period primarily due to higher interest rates.

Other income (expense), net

Other income (expense), net for Fiscal Year 2023, increased $542,405, as compared to the prior year period, primarily due to unrealized gains of $341,039 and realized gains of $204,676 associated with the Company's retained interest in MSG Entertainment.

Income taxes

Income tax expense from continuing operations for Fiscal Year 2023 of $103,403 differs from income tax expense derived from applying the statutory federal rate of 21% to the pretax income primarily due to (i) tax expense of $35,656 related to state and local taxes, (ii) tax expense of $4,814 related to nondeductible officers' compensation, and (iii) tax expense related to excess share based compensation of $4,678, partially offset by a decrease in the valuation allowance of $2,053.

Income tax benefit from continuing operations for Fiscal Year 2022 of $29,830 differs from income tax benefit derived from applying the statutory federal rate of 21% to the pretax loss primarily due to (i) tax expense of $12,759 related to nondeductible officers' compensation, partially offset by state income tax benefit of $3,970 and a decrease in the valuation allowance of $2,200.

See Note 16. Income Taxes to the consolidated financial statements included in Item 8 of this Annual Report on Form 10-K for further details on the components of income tax and a reconciliation of the statutory federal rate to the effective tax rate.

Adjusted operating income (loss) ("AOI")

The Company evaluates segment performance based on several factors, of which the key financial measure is adjusted operating income (loss), a non-GAAP financial measure. We define adjusted operating income (loss) as operating income (loss) excluding:

(i) depreciation, amortization and impairments of property and equipment, goodwill and intangible assets,

(ii) amortization for capitalized cloud computing arrangement costs,

(iii) share-based compensation expense,

(iv) restructuring charges or credits,

(v) merger and acquisition-related costs, including litigation expenses,

(vi) gains or losses on sales or dispositions of businesses and associated settlements,

(vii) the impact of purchase accounting adjustments related to business acquisitions, and

(viii) gains and losses related to the remeasurement of liabilities under the Company's Executive Deferred Compensation Plan.

See Note 18. Segment Information to the consolidated financial statements included in Item 8 of this Annual Report on Form 10-K for further discussion on the definition of AOI.

The Company believes that the exclusion of share-based compensation expense or benefit allows investors to better track the performance of the Company's business without regard to the settlement of an obligation that is not expected to be made in cash. The Company eliminates merger and acquisition-related costs, when applicable, because the Company does not consider such costs to be indicative of the ongoing operating performance of the Company as they result from an event that is of a non-recurring nature, thereby enhancing comparability. In addition, management believes that the exclusion of gains and losses related to the remeasurement of liabilities under the Company's Executive Deferred Compensation Plan provides investors with a clearer picture of the Company's operating performance given that, in accordance with GAAP, gains and losses related to the

remeasurement of liabilities under the Company's Executive Deferred Compensation Plan are recognized in Operating income (loss) whereas gains and losses related to the remeasurement of the assets under the Company's Executive Deferred Compensation Plan, which are equal to and therefore fully offset the gains and losses related to the remeasurement of liabilities, are recognized in Other income (expense), net, which is not reflected in Operating income (loss).

The Company believes AOI is an appropriate measure for evaluating the operating performance of its business segments and the Company on a consolidated basis. AOI and similar measures with similar titles are common performance measures used by investors and analysts to analyze the Company's performance. The Company uses revenues and AOI measures as the most important indicators of its business performance, and evaluates management's effectiveness with specific reference to these indicators.

AOI should be viewed as a supplement to and not a substitute for operating income (loss), net income (loss), cash flows from operating activities, and other measures of performance and/or liquidity presented in accordance with GAAP. Since AOI is not a measure of performance calculated in accordance with GAAP, this measure may not be comparable to similar measures with similar titles used by other companies. The Company has presented the components that reconcile operating income (loss), the most directly comparable GAAP financial measure, to AOI.

The following is a reconciliation of operating loss to adjusted operating loss:

	Years Ended June 30,		Change	
	2023	2022	Amount	Percentage
Operating loss	$ (273,042)	$ (165,737)	$ (107,305)	65 %
Share-based compensation[(a)]	42,607	56,760	(14,153)	
Depreciation and amortization	30,716	22,562	8,154	
Restructuring charges	27,924	13,404	14,520	
Impairment and other gains, net	(6,120)	(245)	(5,875)	
Merger and acquisition related costs	55,047	48,517	6,530	
Amortization for capitalized cloud computing costs	161	271	(110)	
Remeasurement of deferred compensation plan liabilities	187	—	187	
Adjusted operating loss	$ (122,520)	$ (24,468)	$ (98,052)	NM

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NM — Absolute percentages greater than 200% and comparisons from positive to negative values or to zero values are considered not meaningful.

(a) *For periods through the MSGE Distribution, share-based compensation includes expenses related to corporate employees that the Company does not expect to incur in future periods, but which do not meet the criteria for inclusion in discontinued operations.*

Adjusted operating loss for Fiscal Year 2023 increased $98,052 to $122,520 as compared to Fiscal Year 2022. The net increase was attributable to the following:

Increase in adjusted operating loss of the Sphere segment	$ (61,242)
Decrease in adjusted operating income of the MSG Networks segment	(36,810)
	$ (98,052)

Business Segment Results

Sphere

The table below sets forth, for the periods presented, certain historical financial information and a reconciliation of operating loss to adjusted operating loss for the Company's Sphere segment.

	Years Ended June 30,		Change	
	2023	2022	Amount	Percentage
Revenues	$ 2,610	$ 1,900	$ 710	37 %
Direct operating expenses	(5,545)	—	(5,545)	NM
Selling, general and administrative expenses	(325,660)	(293,664)	(31,996)	11 %
Depreciation and amortization	(24,048)	(13,168)	(10,880)	83 %
Impairment and other gains, net	6,229	245	5,984	NM
Restructuring charges	(23,136)	(12,952)	(10,184)	79 %
Operating loss	$ (369,550)	$ (317,639)	$ (51,911)	16 %
Reconciliation to adjusted operating loss:				
Share-based compensation expense	36,188	39,668	(3,480)	
Depreciation and amortization	24,048	13,168	10,880	
Restructuring charges	23,136	12,952	10,184	
Impairment and other gains, net	(6,229)	(245)	(5,984)	
Merger and acquisition related costs	(189)	20,834	(21,023)	
Amortization for capitalized cloud computing costs	—	95	(95)	
Remeasurement of deferred compensation plan liabilities	187	—	187	
Adjusted operating loss	$ (292,409)	$ (231,167)	$ (61,242)	26 %

NM — Absolute percentages greater than 200% and comparisons from positive to negative values or to zero values are considered not meaningful.

Revenues

Revenues increased $710 from $1,900 for Fiscal Year 2022 to $2,610 for Fiscal Year 2023. The net increase was attributable to the full year impact of sublease rental income of office space in San Francisco, California, that the Company subleased to a third-party after relocating certain operations to Burbank, California.

Direct operating expenses

Direct operating expenses increased $5,545 from $0 for Fiscal Year 2022 to $5,545 for Fiscal Year 2023. The net increase was primarily attributable to advertising and marketing costs related to the opening of Sphere in Las Vegas.

Selling, general and administrative expenses

Selling, general and administrative expenses increased $31,996, or 11%, for Fiscal Year 2023 to $325,660 as compared to Fiscal Year 2022. The increase was primarily due to the impact of the MSGE TSA, higher employee compensation and related benefits and other cost increases. The overall increase was partially offset by the absence of certain corporate expenses that were included in the segment results for the entire prior year but were only included in the results for the pre-MSGE Distribution period (July 1, 2022 through April 20, 2023) in Fiscal Year 2023.

While the Company did not incur these corporate costs after the MSGE Distribution Date and does not expect to incur these corporate costs in Fiscal Year 2024, they did not meet the criteria for inclusion in discontinued operations for all periods prior to the MSGE Distribution Date.

In addition, professional fees incurred by the Company decreased, as compared to the prior year, due to the inclusion of litigation-related insurance recoveries received in Fiscal Year 2023 associated with the Networks Merger.

Depreciation and amortization

Depreciation and amortization for Fiscal Year 2023 increased $10,880, or 83%, to $24,048 as compared to Fiscal Year 2022 primarily due to an increase in depreciation of Big Dome, the Company's creative studio in Burbank, California, due to certain assets being placed in service during Fiscal Year 2023.

Restructuring charges

Restructuring charges for Fiscal Year 2023 increased $10,184, or 79%, to $23,136 as compared to Fiscal Year 2022 primarily due to termination benefits provided for a workforce reduction of certain executives and employees as part of the Company's cost reduction program implemented in Fiscal Year 2023.

Operating loss

Operating loss for Fiscal Year 2023 increased $51,911 to $369,550 as compared to an operating loss of $317,639 in Fiscal Year 2022. The increased operating loss was primarily due to the increase in selling, general and administrative expenses, higher depreciation and amortization, and an increase in restructuring charges.

Adjusted operating loss

Adjusted operating loss for Fiscal Year 2023 increased $61,242 to $292,409 as compared to Fiscal Year 2022. The increased adjusted operating loss was primarily due to the increase in net loss, partially offset by higher depreciation and amortization expenses and restructuring charges, both of which are excluded in the calculation of adjusted operating loss.

MSG Networks

The tables below set forth, for the periods presented, certain historical financial information and a reconciliation of operating income to adjusted operating income for the Company's MSG Networks segment.

	Years Ended June 30,		Change	
	2023	2022	Amount	Percentage
Revenues	$ 571,221	$ 608,155	$ (36,934)	(6) %
Direct operating expenses	(336,666)	(320,278)	(16,388)	5 %
Selling, general and administrative expenses [(a)]	(126,482)	(126,129)	(353)	— %
Depreciation and amortization	(6,668)	(9,394)	2,726	(29) %
Impairment and other losses, net	(109)	—	(109)	NM
Restructuring charges	(4,788)	(452)	(4,336)	NM
Operating income	$ 96,508	$ 151,902	$ (55,394)	(36) %
Reconciliation to adjusted operating income:				
Share-based compensation expense	6,419	17,092	(10,673)	
Depreciation and amortization	6,668	9,394	(2,726)	
Restructuring charges	4,788	452	4,336	
Impairment and other losses, net	109	—	109	
Merger and acquisition related costs	55,236	27,683	27,553	
Amortization for capitalized cloud computing costs	161	176	(15)	
Adjusted operating income	$ 169,889	$ 206,699	$ (36,810)	(18) %

NM — Absolute percentages greater than 200% and comparisons from positive to negative values or to zero values are considered not meaningful.

[(a)] *As a result of the MSGE Distribution on April 20, 2023 (which is presented as discontinued operations under GAAP), prior period results of the MSG Networks segment have been recast to exclude expenses of approximately $8,800 and $20,900 for Fiscal Years 2023 and 2022, respectively, related to the MSG Networks' Advertising Sales Representation Agreement with MSG Entertainment, which was terminated effective as of December 31, 2022. A portion of these expenses were absorbed directly by MSG Networks following the termination of the advertising sales representation agreement and are reflected in MSG Networks' results beginning January 1, 2023.*

Revenues

Revenues for Fiscal Year 2023 decreased $36,934, or 6%, to $571,221 as compared to the prior year. The changes in revenues were attributable to the following:

	Year Ended June 30, 2023
Decrease in affiliation fee revenue	$ (49,302)
Increase in advertising revenue	11,517
Other net increases	851
	$ (36,934)

For Fiscal Year 2023, affiliation fee revenue decreased $49,302, primarily due to a decrease in subscribers of approximately 10.5% (excluding the impact of the non-renewal of MSG Networks' carriage agreement with Comcast Corporation ("Comcast") as of October 1, 2021) and, to a lesser extent, the impact of the Comcast non-renewal. These decreases were partially offset by net favorable affiliate adjustments of approximately $10,400 and the impact of higher affiliation rates.

Effective October 1, 2021, Comcast's license to carry MSG Networks expired and MSG Networks has not been carried by Comcast since that date. Comcast's non-carriage reduced MSG Networks' subscribers by approximately 10% and reduced MSG Networks' revenue by a comparable percentage. In addition, MSG Networks' segment operating income and AOI were reduced by an amount that is approximately equal to the dollar amount of the reduced revenue.

For Fiscal Year 2023, the increase in advertising revenue primarily reflected higher advertising sales related to professional sports telecasts due to the impact of a higher number of live telecasts and an increase in per-game advertising sales as compared with the prior year periods, as well as higher sales related to the Company's non-ratings-based advertising initiatives.

Direct operating expenses

For Fiscal Year 2023, direct operating expenses increased $16,388, or 5%, to $336,666 as compared to the prior year. The changes were attributable to the following:

	Year Ended June 30, 2023
Increase in rights fees expense	$ 14,610
Change in other programming and production costs	1,778
	$ 16,388

For Fiscal Year 2023, right fees expense increased $14,610 primarily due to the impact of annual contractual rate increases and due to the absence of reductions in media rights fees related to the shortened 2020-21 NHL season recorded in the prior year first quarter.

For Fiscal Year 2023, other programming and production costs increased $1,778 primarily due to a higher number of professional sports telecasts in the current fiscal year.

Selling, general and administrative expenses

For Fiscal Year 2023, selling, general and administrative expenses increased $353, to $126,482 as compared to the prior year primarily due to litigation settlement expenses of $48,500 recognized in the current year related to the Networks Merger, which was partially offset by lower advertising and marketing expenses, lower employee compensation and related benefits, and other cost decreases.

Operating income

For Fiscal Year 2023, operating income decreased $55,394, or 36%, to $96,508 as compared to the prior year. The decrease in operating income was primarily due to the decrease in revenues, increase in direct operating expenses, and the impact of restructuring charges.

Adjusted operating income

For Fiscal Year 2023, adjusted operating income decreased $36,810, or 18%, to $169,889 as compared to the prior year. The decrease in adjusted operating income was lower than the decrease in operating income of $55,394 primarily due to the decrease in revenues and increase in direct operating expenses, partially offset by a decrease in selling, general and administrative expenses (excluding the impact of the Networks Merger litigation settlement and restructuring expenses discussed above).

Comparison of the Fiscal Year Ended June 30, 2022 versus the Fiscal Year Ended June 30, 2021

Consolidated Results of Operations

The table below sets forth, for the periods presented, certain historical financial information.

	Years Ended June 30,		Change	
	2022	2021	Amount	Percentage
Revenues	$ 610,055	$ 647,510	$ (37,455)	(6) %
Direct operating expenses	(320,278)	(262,859)	(57,419)	22 %
Selling, general and administrative expenses	(419,793)	(295,472)	(124,321)	42 %
Depreciation and amortization	(22,562)	(16,606)	(5,956)	36 %
Impairment and other gains, net	245	—	245	NM
Restructuring charges	(13,404)	(8,061)	(5,343)	66 %
Operating (loss) income	(165,737)	64,512	(230,249)	NM
Interest income	3,575	3,172	403	13 %
Interest expense	—	(20,219)	20,219	(100) %
Other income (expense), net	(5,518)	(3,935)	(1,583)	40 %
(Loss) income from operations before income taxes	(167,680)	43,530	(211,210)	NM
Income tax (expense) benefit	29,830	(38,907)	68,737	(177) %
(Loss) income from continuing operations	(137,850)	4,623	(142,473)	NM
Loss from discontinued operations, net of taxes	(52,297)	(171,142)	118,845	(69) %
Net loss	(190,147)	(166,519)	(23,628)	14 %
Less: Net income (loss) attributable to redeemable noncontrolling interests from discontinued operations	7,739	(16,269)	24,008	(148) %
Less: Net loss attributable to nonredeemable noncontrolling interests from discontinued operations	(3,491)	(2,099)	(1,392)	66 %
Net loss attributable to Sphere Entertainment Co.'s stockholders	$ (194,395)	$ (148,151)	$ (46,244)	31 %

NM — Absolute percentages greater than 200% and comparisons from positive to negative values or to zero values are considered not meaningful.

The following is a summary of changes in our segments' operating results for Fiscal Year 2022 as compared to Fiscal Year 2021:

Changes attributable to	Revenues	Direct operating expenses	Selling, general and administrative expenses	Depreciation and amortization	Impairment and other gains, net	Restructuring charges	Operating (loss) income
Sphere segment	$ 1,900	$ —	$ (99,833)	$ (3,897)	$ 245	$ (4,891)	$ (106,476)
MSG Networks segment	(39,355)	(57,419)	(24,488)	(2,059)	—	(452)	(123,773)
	$ (37,455)	$ (57,419)	$ (124,321)	$ (5,956)	$ 245	$ (5,343)	$ (230,249)

Depreciation and amortization

Depreciation and amortization for Fiscal Year 2022 increased $5,956, or 36%, to $22,562 as compared to Fiscal Year 2021 primarily due to an increase in depreciation of Big Dome, the Company's creative studio in Burbank, California, due to certain equipment and other assets being placed in service during Fiscal Year 2022.

Restructuring charges

Restructuring charges for Fiscal Year 2022 increased $5,343, or 66%, to $13,404 as compared to Fiscal Year 2021 primarily due to termination benefits provided for a workforce reduction of certain executives and employees within the Sphere and MSG Networks segments as part of the Company's cost reduction program implemented in Fiscal Year 2022.

Interest expense

Interest expense for Fiscal Year 2022 were nil as compared to Fiscal Year 2021 primarily due to a higher amount of interest expense capitalization related to Sphere construction.

Other income (expense), net

Other income (expense), net for Fiscal Year 2022 increased $1,583, or 40% to $5,518 as compared to Fiscal Year 2021 primarily due to the absence of the unrealized gain on equity investment without readily determinable fair value.

Income taxes

Income tax benefit from continuing operations for Fiscal Year 2022 of $29,830 differs from income tax benefit derived from applying the statutory federal rate of 21% to the pretax loss primarily due to tax expense of $12,759 related to nondeductible officers' compensation, partially offset by state income tax benefit of $3,970 and a decrease in the valuation allowance of $2,200.

Income tax expense for continuing operations for Fiscal Year 2021 of $38,907 differs from income tax expense derived from applying the statutory federal rate of 21% to the pretax income primarily due to (i) tax expense of $9,646 related to nondeductible officers' compensation, (ii) state income tax expense of $9,222, (iii) tax expense of $5,332 related to a change in the applicable state tax rate used to measure deferred taxes and (iv) an increase in the valuation allowance of $4,863.

Adjusted operating income

The following is a reconciliation of operating (loss) income to adjusted operating (loss) income:

	Years Ended June 30,		Change	
	2022	2021	Amount	Percentage
Operating (loss) income	$ (165,737)	$ 64,512	$ (230,249)	NM
Share-based compensation[(a)]	56,760	59,786	(3,026)	
Depreciation and amortization	22,562	16,606	5,956	
Restructuring charges	13,404	8,061	5,343	
Impairment and other gains, net	(245)	—	(245)	
Merger and acquisition related costs	48,517	20,582	27,935	
Amortization for capitalized cloud computing costs	271	—	271	
Adjusted operating (loss) income	$ (24,468)	$ 169,547	$ (194,015)	(114) %

NM — Absolute percentages greater than 200% and comparisons from positive to negative values or to zero values are considered not meaningful.

[(a)] *For periods through the MSGE Distribution, share-based compensation includes expenses related to corporate employees that the Company does not expect to incur in future periods, but which do not meet the criteria for inclusion in discontinued operations.*

Adjusted operating income for Fiscal Year 2022 decreased $194,015 to $24,468 as compared to the prior year. The net decrease was primarily attributable to the following:

Increase in adjusted operating loss of the Sphere segment	$ (95,535)
Decrease in adjusted operating income of the MSG Networks segment	(98,480)
	$ (194,015)

Business Segment Results

Sphere

The table below sets forth, for the periods presented, certain historical financial information and a reconciliation of operating loss to adjusted operating loss for the Company's Sphere segment.

	Years Ended June 30,		Change	
	2022	2021	Amount	Percentage
Revenues	$ 1,900	$ —	$ 1,900	NM
Selling, general and administrative expenses	(293,664)	(193,831)	(99,833)	52 %
Depreciation and amortization	(13,168)	(9,271)	(3,897)	42 %
Impairment and other gains, net	245	—	245	NM
Restructuring charges	(12,952)	(8,061)	(4,891)	61 %
Operating loss	$ (317,639)	$ (211,163)	$ (106,476)	50 %
Reconciliation to adjusted operating loss:				
Share-based compensation expense	39,668	42,119	(2,451)	
Depreciation and amortization	13,168	9,271	3,897	
Restructuring charges	12,952	8,061	4,891	
Impairment and other gains, net	(245)	—	(245)	
Merger and acquisition related costs	20,834	16,080	4,754	
Amortization for capitalized cloud computing costs	95	—	95	
Adjusted operating loss	$ (231,167)	$ (135,632)	$ (95,535)	70 %

NM — Absolute percentages greater than 200% and comparisons from positive to negative values or to zero values are considered not meaningful.

Revenues

Revenues increased $1,900 for Fiscal Year 2022. The net increase was attributable to sublease rental income that commenced during Fiscal Year 2022 related to office space in San Francisco, California, that the Company subleased to a third-party after relocating certain operations to Burbank, California.

Selling, general and administrative expenses

Selling, general and administrative expenses increased $99,833, or 52%, for Fiscal Year 2022 to $293,664 as compared to Fiscal Year 2021. The increase was primarily due to (i) a net increase in employee compensation and related benefits, and (ii) higher professional fees inclusive of costs for Sphere development, partially offset by higher reimbursement of corporate costs under the services agreement with MSG Sports in Fiscal Year 2022 as compared to Fiscal Year 2021.

Depreciation and amortization

Depreciation and amortization for Fiscal Year 2022 increased $3,897, or 42%, to $13,168 as compared to Fiscal Year 2021 primarily due to an increase in depreciation of Big Dome, the Company's creative studio in Burbank, California, due to certain equipment and other assets being placed in service during Fiscal Year 2022.

Restructuring charges

Restructuring charges for Fiscal Year 2022 increased $4,891, or 61%, to $12,952 as compared to Fiscal Year 2021 primarily due to termination benefits provided for a workforce reduction of certain executives and employees within the Sphere segment as part of the Company's cost reduction program implemented in Fiscal Year 2022.

Operating loss

Operating loss for Fiscal Year 2022 increased $106,476 to $317,639 as compared to an operating loss of $211,163 in June 30, 2021. The increased operating loss was primarily due to the increase in selling, general and administrative expenses.

Adjusted operating loss

Adjusted operating loss for Fiscal Year 2022 increased $95,535 to $231,167 as compared to Fiscal Year 2021. The increased adjusted operating loss was primarily due to the increase in selling, general and administrative expenses, partially offset by higher merger and acquisition related costs, and higher depreciation and amortization expenses, both of which are excluded in the calculation of adjusted operating loss.

MSG Networks

The tables below set forth, for the periods presented, certain historical financial information and a reconciliation of operating income to adjusted operating income for the Company's MSG Networks segment.

	Years Ended June 30,		Change	
	2022	2021	Amount	Percentage
Revenues	$ 608,155	$ 647,510	$ (39,355)	(6) %
Direct operating expenses	(320,278)	(262,859)	(57,419)	22 %
Selling, general and administrative expenses [(a)]	(126,129)	(101,641)	(24,488)	24 %
Depreciation and amortization	(9,394)	(7,335)	(2,059)	28 %
Restructuring charges	(452)	—	(452)	NM
Operating income	$ 151,902	$ 275,675	$ (123,773)	(45) %
Reconciliation to adjusted operating income:				
Share-based compensation expense	17,092	17,667	(575)	
Depreciation and amortization	9,394	7,335	2,059	
Restructuring charges	452	—	452	
Merger and acquisition related costs	27,683	4,502	23,181	
Amortization for capitalized cloud computing costs	176	—	176	
Adjusted operating income	$ 206,699	$ 305,179	$ (98,480)	(32) %

NM — Absolute percentages greater than 200% and comparisons from positive to negative values or to zero values are considered not meaningful.

[(a)] As a result of the MSGE Distribution on April 20, 2023 (which is presented as discontinued operations under GAAP), prior period results of the MSG Networks segment have been recast to exclude expenses of approximately $20,900 and $13,700 for Fiscal Years 2022, and 2021, respectively, related to the MSG Networks' Advertising Sales Representation Agreement with MSG Entertainment, which was terminated effective as of December 31, 2022. A portion of these expenses were absorbed directly by MSG Networks following the termination of the advertising sales representation agreement and are reflected in MSG Networks' results beginning January 1, 2023.

Revenues

Revenues for Fiscal Year 2022 decreased $39,355, or 6%, to $608,155 as compared to the prior year. The changes in revenues were attributable to the following:

	Year Ended June 30, 2022
Decrease in affiliation fee revenue	$ (67,286)
Increase in advertising revenue	26,310
Other net increases	1,621
	$ (39,355)

For Fiscal Year 2022, the decrease in affiliation fee revenue was primarily due to the impact of (i) the non-renewal of MSG Networks' carriage agreement with Comcast as of October 1, 2021 and (ii) a decrease in subscribers of approximately 7% (excluding the impact of previously disclosed non-renewals with Comcast and a small Connecticut-based distributor). These decreases were partially offset by the impact of higher affiliation rates and a decrease in net unfavorable affiliate adjustments of approximately $9,400.

For Fiscal Year 2022, the increase in advertising revenue was primarily due to the impact of (i) higher per-game advertising sales from the telecast of live professional sports programming, (ii) a greater number of live NBA and NHL telecasts in the current year as compared with the prior year and (iii) increased advertising sales related to the Company's non-ratings based advertising initiatives. As a result of the impact of the COVID-19 pandemic on the 2020-21 NBA and NHL seasons, MSG Networks telecasted fewer NBA and NHL games in the prior year, as compared with a regular NBA and NHL telecast schedule in the current year.

Direct operating expenses

For Fiscal Year 2022, direct operating expenses increased $57,419, or 22%, to $320,278 as compared to the prior year. The increases were primarily due to higher rights fees expenses of $45,024 and, to a lesser extent, an increase in other programming

and production-related costs of $12,395. The increase in rights fees was primarily due to the net impact of lower media rights fees in the prior year as a result of fewer NBA and NHL games made available for exclusive broadcast by MSG Networks during the shortened 2020-21 NBA and NHL regular seasons, and annual contractual rate increases. The increase in other programming and production-related costs was primarily due to the impact of fewer NBA and NHL regular season games in the prior year, as compared with a regular NBA and NHL telecast schedule in the current year, and expenses related to sports gaming programming, partially offset by other net cost decreases.

Selling, general and administrative expenses

For Fiscal Year 2022, selling, general and administrative expenses increased $24,488, or 24%, to $126,129 as compared to the prior year. The increase in selling, general and administrative expenses reflected an increase of approximately $24,900 of merger and acquisition costs that occurred in Fiscal Year 2022, inclusive of the impact of executive separation agreements and share based compensation expense. In addition, the increase in selling, general and administrative expenses was due to higher advertising, and marketing expenses of approximately $3,100. These increases were partially offset by lower employee compensation and related benefits (including share based compensation expense) of $5,600.

Operating income

For Fiscal Year 2022, operating income decreased $123,773, or 45%, to $151,902 as compared to the prior year. The decrease in operating income was primarily due to the increase in direct operating expenses, the decrease in revenues, and to a lesser extent, the increase in selling, general and administrative expenses.

Adjusted operating income

For Fiscal Year 2022, adjusted operating income decreased $98,480, or 32%, to $206,699 as compared to the prior year. The decrease in adjusted operating income was lower than the decrease in operating income of $130,953 primarily due to the increase in merger and acquisition-related costs of approximately $25,000, which are excluded in the calculation of adjusted operating income.

Liquidity and Capital Resources

Sources and Uses of Liquidity

Our primary sources of liquidity are cash and cash equivalents and cash flows from the operations of our businesses, as well as any proceeds from the sale of the MSGE Retained Interest. Our uses of cash over the next 18 months are expected to be substantial and include working capital-related items (including funding our operations), capital spending (including completing construction of Sphere in Las Vegas and related original content, as described below), debt service and payments we expect to make in connection with the refinancing of our indebtedness, and investments and related loans and advances that we may fund from time to time. We may also use cash to repurchase our common stock. Our decisions as to the use of our available liquidity will be based upon the ongoing review of the funding needs of the business, the optimal allocation of cash resources, and the timing of cash flow generation. To the extent that we desire to access alternative sources of funding through the capital and credit markets, market conditions could adversely impact our ability to do so at that time.

We regularly monitor and assess our ability to meet our net funding and investing requirements, including completing the construction of Sphere in Las Vegas and the refinancing of the MSG Networks Credit Facilities prior to their maturity in October 2024. The Company's unrestricted cash and cash equivalents balance as of June 30, 2023 was $131,965, and was $747,313 as of June 30, 2022. As of June 30, 2023, the Company's restricted cash and cash equivalents balance was approximately $297,000, inclusive of $275,000, which was required to be held in an account pledged as collateral for the LV Sphere Term Loan Facility until its release upon the Liquidity Covenant Reduction Date (as defined below). The Liquidity Covenant Reduction Date occurred on August 8, 2023. Additionally, on July 14, 2023, we borrowed the full $65,000 amount available under the DDTL Facility and subsequently, on August 9, 2023, we repaid all amounts outstanding under the DDTL Facility using a portion of the MSGE Retained Interest. The Company's unrestricted and restricted cash and cash equivalents balance as of August 18, 2023 was $341,489 and $39,179, respectively.

The principal balance of the Company's total debt outstanding as of June 30, 2023 was $1,207,250. We believe we will have sufficient liquidity from cash and cash equivalents, cash flows from operations (including expected cash from operations from Sphere in Las Vegas), as well as any proceeds from the sale of the MSGE Retained Interest (which had an aggregate fair market value of approximately $270,000 as of August 18, 2023), to fund our operations and service the credit facilities for the foreseeable future, as well as to complete the construction of Sphere in Las Vegas. This also includes the Company's expectation that it will pay down a portion of MSG Networks' term loan upon the refinancing of the loan prior to its maturity in October 2024. There can be no assurances that we will be able to dispose of all or a portion of the remainder of the MSGE Retained Interest on favorable terms due to market conditions or otherwise.

Our ability to have sufficient liquidity to fund our operations, including the creation of content, and refinance the MSG Networks Credit Facilities is dependent on the ability of Sphere in Las Vegas to generate significant positive cash flow during Fiscal Year 2024. Although we anticipate that Sphere in Las Vegas will generate substantial revenue and adjusted operating income on an annual basis, there can be no assurances that guests, artists, promoters, advertisers and marketing partners will embrace this new platform. Original immersive productions, such as *Postcard From Earth*, have not been previously pursued on the scale that we are planning for, which increases the uncertainty of our operating expectations. To the extent that our efforts do not result in a viable show or attraction, or to the extent that any such productions do not achieve expected levels of popularity among audiences, we may not generate the cash flows from operations necessary to fund our operations.

To the extent we do not realize expected cash flow from operations from Sphere in Las Vegas, we would have to take several actions to improve our financial flexibility and preserve liquidity, including significant reductions in both labor and non-labor expenses as well as reductions and/or deferrals in capital spending.

Our liquidity plans assume that we will pay down a portion of MSG Networks' term loan upon the refinancing of the loan. There can be no assurances that our lenders will refinance the MSG Networks' term loan on those terms, particularly if the declines in operating income and adjusted operating income at MSG Networks continue. We may not have sufficient liquidity to pay down a higher amount in connection with the refinancing. If we are not able to refinance the MSG Networks' term loan prior to its maturity in October 2024, a default thereunder would be triggered, resulting in an acceleration of outstanding debt thereunder and potentially a foreclosure upon the MSG Networks business.

To the extent that the MSGE Retained Interest is not used to provide liquidity, the MSGE Retained Interest may be exchanged for our shares and/or distributed pro rata to our stockholders.

See Note 12. Credit Facilities to the consolidated financial statements included in Item 8 of this Annual Report on Form 10-K for a discussion of the MSG Networks Credit Facilities, the LV Sphere Term Loan Facility and the DDTL Facility.

For additional information regarding the Company's capital expenditures, including those related to Sphere in Las Vegas, see Note 18. Segment Information to the consolidated financial statements included in Item 8 of this Annual Report on Form 10-K.

On March 31, 2020, the Company's Board of Directors authorized a share repurchase program to repurchase up to $350,000 of the Company's Class A Common Stock. The program was re-authorized by the Company's Board of Directors on March 29, 2023. Under the authorization, shares of Class A Common Stock may be purchased from time to time in open market transactions, in accordance with applicable insider trading and other securities laws and regulations. The timing and amount of purchases will depend on market conditions and other factors. No shares have been repurchased under the share repurchase program to date.

Sphere

The Company is completing construction of its first state-of-the-art entertainment venue in Las Vegas. See "Part I — Item 1. Business—Our Business —Sphere " in this Form 10-K. The Company expects the venue to have a number of significant revenue streams, including a wide variety of content such as original immersive productions, advertising and marketing partnerships, concert residencies and marquee sporting and corporate events. As a result, we anticipate that Sphere in Las Vegas will generate substantial revenue and adjusted operating income on an annual basis.

The Company expects to open the venue in September 2023. As with any major construction project, the construction of Sphere is subject to potential delays and unexpected complications.

As of the date of this filing, we estimate that the final project construction costs, inclusive of core technology and soft costs, for Sphere in Las Vegas will be approximately $2,300,000. This cost estimate is net of $75,000 that The Venetian has agreed to pay to defray certain construction costs. Relative to our cost estimate above, our actual construction costs for Sphere in Las Vegas paid through August 18, 2023 were approximately $2,250,000, which is net of $65,000 received from The Venetian. Both the estimated and actual construction costs exclude significant capitalized and non-capitalized costs for items such as content creation, internal labor, capitalized interest, and furniture and equipment.

With regard to Sphere in Las Vegas, the Company plans to finance the completion of the construction of the venue from cash-on-hand and cash flows from operations.

In February 2018, we announced the purchase of land in Stratford, London, which we expect will become home to a future Sphere. The Company submitted planning applications to the local planning authority in March 2019 and that process, which requires various stages of review to be completed and approvals to be granted, is ongoing. Therefore, we do not have a definitive timeline at this time.

We will continue to explore additional domestic and international markets where we believe next-generation venues such as Sphere can be successful. The Company's intention for any future venues is to utilize several options, such as joint ventures, equity partners, a managed venue model and non-recourse debt financing.

Financing Agreements

See Note 12. Credit Facilities to the consolidated financial statements included in Item 8 of this Annual Report on Form 10-K for discussions of the Company's debt obligations and various financing arrangements.

MSG Networks Senior Secured Credit Facility

MSGN L.P., MSGN Eden, LLC, an indirect subsidiary of the Company (through the Networks Merger) and the general partner of MSGN L.P., Regional MSGN Holdings LLC, an indirect subsidiary of the Company and the limited partner of MSGN L.P. (collectively with MSGN Eden, LLC, the "MSGN Holdings Entities"), and certain subsidiaries of MSGN L.P. have senior secured credit facilities pursuant to a credit agreement (as amended and restated on October 11, 2019, the "MSGN Credit Agreement") consisting of: (i) an initial $1,100,000 term loan facility (the "MSGN Term Loan Facility") and (ii) a $250,000 revolving credit facility (the "MSGN Revolving Credit Facility"), each with a term of five years. As of June 30, 2023, there were no borrowings or letters of credit issued and outstanding under the MSGN Revolving Credit Facility.

The MSGN Term Loan Facility amortizes quarterly in accordance with its terms beginning March 31, 2020 through September 30, 2024 with a final maturity date of October 11, 2024. MSGN L.P. is required to make mandatory prepayments in certain circumstances, including without limitation from the net cash proceeds of certain sales of assets (including MSGN Collateral) or casualty insurance and/or condemnation recoveries (subject to certain reinvestment, repair or replacement rights) and the incurrence of certain indebtedness, subject to certain exceptions.

The MSGN Credit Agreement generally requires the MSGN Holdings Entities and MSGN L.P. and its restricted subsidiaries on a c onsolidated basis to comply with a maximum total leverage ratio of 5.50:1.00, subject, at the option of MSGN L.P. to an upward adjustment to 6.00:1.00 during the continuance of certain events. In addition, the MSGN Credit Agreement requires a minimum interest coverage ratio of 2.00:1.00 for the MSGN Holdings Entities and MSGN L.P. and its restricted subsidiaries on a consolidated basis. As of June 30, 2023, the MSGN Holdings Entities and MSGN L.P. and its restricted subsidiaries on a consolidated basis were in compliance with the covenants.

See Note 12. Credit Facilities to the consolidated financial statements included in Item 8 of this Annual Report on Form 10-K for additional information such as repayments of $66,000 made in Fiscal Year 2023 and scheduled repayment requirement of $82,500 in Fiscal Year 2024 on the MSG Networks Term Loan.

LV Sphere Term Loan Facility

On December 22, 2022, MSG Las Vegas, LLC ("MSG LV"), an indirect, wholly-owned subsidiary of the Company, entered into a credit agreement with JP Morgan Chase Bank, N.A., as administrative agent and the lenders party thereto, providing for a five-year, $275,000 senior secured term loan facility (the "LV Sphere Term Loan Facility"). All obligations under the LV Sphere Term Loan Facility are guaranteed by Sphere Entertainment Group, LLC ("Sphere Entertainment Group").

The LV Sphere Term Loan Facility will mature on December 22, 2027. The principal obligations under the LV Sphere Term Loan Facility are due at the maturity of the facility, with no amortization payments prior to maturity. Under certain circumstances, MSG LV is required to make mandatory prepayments on the loan, including prepayments in an amount equal to the net cash proceeds of casualty insurance and/or condemnation recoveries (subject to certain reinvestment, repair or replacement rights), subject to certain exceptions.

The LV Sphere Term Loan Facility and related guaranty by Sphere Entertainment Group include financial covenants requiring MSG LV to maintain a specified minimum debt service coverage ratio and requiring Sphere Entertainment Group to maintain a specified minimum liquidity level. The debt service coverage ratio covenant begins testing in the fiscal quarter ending December 31, 2023 on a historical basis and, beginning with the first fiscal quarter occurring after the date on which the first ticketed performance or event open to the general public occurs at Sphere in Las Vegas, is also tested on a prospective basis. Both the historical and prospective debt service coverage ratios are set at 1.35:1. In addition, among other conditions, MSG LV is not permitted to make distributions to Sphere Entertainment Group unless the historical and prospective debt service coverage ratios are at least 1.50:1. Following the Liquidity Covenant Reduction Date (as defined below), the minimum liquidity level for Sphere Entertainment Group is set at $50,000, with $25,000 required to be held in cash or cash equivalents. Prior to the Liquidity Covenant Reduction Date, the minimum liquidity level was $100,000 with $75,000 required to be held in cash or cash equivalents, which amounts (in addition to certain cash proceeds from the sale of the MSGE Retained Interest) were required to be held in an account pledged as collateral for the LV Sphere Term Loan Facility until its release upon the Liquidity Covenant Reduction Date. The Liquidity Covenant Reduction Date occurred on August 8, 2023, once Sphere in Las Vegas was substantially completed and certain of its systems were ready to be used in live, immersive events (the "Liquidity Covenant Reduction Date"). The minimum liquidity level was tested on the closing date and is tested as of the last day of each fiscal quarter thereafter based on Sphere Entertainment Group's unencumbered liquidity, consisting of cash and cash equivalents and available lines of credit, as of such date. Following the completion of the MSGE Distribution, the MSGE Retained Interest was pledged to secure the LV Sphere Term Loan Facility and was released as collateral upon the Liquidity Covenant Reduction Date. A portion of the value of the MSGE Retained Interest may also be counted toward the minimum liquidity level.

Letters of Credit

The Company uses letters of credit to support its business operations. As of June 30, 2023, there were no borrowings or letters of credit issued and outstanding under the MSGN Revolving Credit Facility. The Company has letters of credit relating to operating leases which are supported by cash and cash equivalents that are classified as restricted.

Cash Flow Discussion

As of June 30, 2023, cash, cash equivalents and restricted cash totaled $429,114, as compared to $760,312 as of June 30, 2022 and $1,190,105 as of June 30, 2021. The following table summarizes the Company's cash flow activities for Fiscal Years 2023, 2022, and 2021:

	Years Ended June 30,		
	2023	2022	2021
Net cash provided by (used in) operating activities	$ 153,591	$ 141,340	$ (58,694)
Net cash used in investing activities	(653,923)	(804,164)	(123,183)
Net cash provided by (used in) financing activities	85,542	(30,392)	592,685
Effect of exchange rates on cash, cash equivalents and restricted cash	(2,106)	(750)	8,027
Net increase (decrease) in cash, cash equivalents and restricted cash	$ (416,896)	$ (693,966)	$ 418,835

Operating Activities

Net cash provided by operating activities for Fiscal Year 2023 increased by $12,251 to $153,591 as compared to the prior year primarily due to net income in the current year and changes in working capital assets and liabilities, which primarily included an increase in customers' advanced payments associated with deferred revenue, an increase in payables and accruals, partially offset by a decrease in prepaid expenses and other current and non-current assets.

Net cash provided by operating activities for Fiscal Year 2022 increased by $200,034 to $141,340 as compared to the prior year primarily due to positive adjustments to reconcile net loss to net cash provided by operating activities in Fiscal Year 2022 and changes in working capital assets and liabilities, which primarily included an increase in payables and accruals, partially offset by lower cash receipts from collections of accounts receivables.

Investing Activities

Net cash used in investing activities for Fiscal Year 2023 decreased by $150,241 to $653,923 as compared to Fiscal Year 2022 primarily due to (i) proceeds received from the dispositions of Tao Group Hospitality, Boston Calling Events, LLC, and the corporate aircraft in the current year period and (ii) proceeds received from the sale of investments (primarily from the sale of the MSGE Retained Interest) in the current year period, partially offset by an increase in capital expenditures in the current year related to Sphere in Las Vegas.

Net cash used in investing activities for Fiscal Year 2022 increased by $680,981 to $804,164 as compared to Fiscal Year 2021 primarily due to an increase in capital expenditures in Fiscal Year 2022 related to Sphere in Las Vegas, partially offset by higher proceeds received from the sale of equity security investments in Fiscal Year 2021.

Financing Activities

Net cash provided by financing activities for Fiscal Year 2023 increased by $115,934 to $85,542 as compared to Fiscal Year 2022 primarily due to the proceeds from the issuance of debt associated with the LV Sphere Term Loan Facility in Fiscal Year 2023, partially offset by the impact of cash transferred in connection with the MSGE Distribution in Fiscal Year 2023.

Net cash used in financing activities for Fiscal Year 2022 increased by $623,077 to $30,392 as compared to the prior year primarily due to higher repayments of long-term debt in Fiscal Year 2022, partially offset by higher proceeds received from term loans in Fiscal Year 2022.

Contractual Obligations

As of June 30, 2023, the approximate future payments under our contractual obligations are as follows:

	Payments Due by Period [c]				
	Total	Year 1	Years 2-3	Years 4-5	More Than 5 Years
Leases [a]	$ 184,711	$ 10,489	$ 31,831	$ 22,952	$ 119,439
Debt repayments [b]	1,207,250	82,500	849,750	275,000	—
Total future payments under contractual obligations	$ 1,391,961	$ 92,989	$ 881,581	$ 297,952	$ 119,439

[a] *Includes contractually obligated minimum lease payments for operating leases having an initial noncancellable term in excess of one year for various office space and equipment. These commitments are presented exclusive of the imputed interest used to reflect the payment's present value. See Note 9. Leases to the consolidated financial statements included in Item 8 of this Annual Report on Form 10-K for more information.*

(b) *See Note 12. Credit Facilities to the consolidated financial statements included in Item 8 of this Annual Report on Form 10-K for more information surrounding the principal repayments required under the credit agreements.*

(c) *Pension obligations have been excluded from the table above as the timing of the future cash payments is uncertain. See Note 13. Pension Plans and Other Postretirement Benefit Plans to the consolidated financial statements included in Item 8 of this Annual Report on Form 10-K for more information on the future funding requirements under our pension obligations.*

Off Balance Sheet Arrangements

As of June 30, 2023, the Company has the following off balance sheet arrangements:

	Commitments						
	June 30, 2024	June 30, 2025	June 30, 2026	June 30, 2027	June 30, 2028	Thereafter	Total
Sphere							
Event-related commitments	$ 7,624	$ —	$ —	$ —	$ —	$ —	$ 7,624
Letter of credit	868	—	—	—	—	—	868
MSG Networks							
Broadcast rights	241,472	241,059	248,957	256,214	266,406	1,818,870	3,072,978
Purchase commitments	13,713	6,148	3,279	1,434	258	—	24,832
Talent commitments	5,701	2,086	512	345	354	359	9,357
Other	6,513	6,137	2,032	2,073	2,116	354	19,225
Total Commitments	$ 275,891	$ 255,430	$ 254,780	$ 260,066	$ 269,134	$ 1,819,583	$ 3,134,884

In addition, the Company and The Venetian are parties to a 50-year ground lease in Las Vegas pursuant to which the Company has agreed to construct a large-scale venue. The Venetian agreed to provide us with $75,000 to help fund the construction costs, including the cost of a pedestrian bridge that links Sphere to The Venetian Expo. Through June 30, 2023, The Venetian paid us $65,000 of this amount for construction costs. The ground lease has no fixed rent, however, if certain return objectives are achieve d, The Venetian will receive 25% of the after-tax cash flow in excess of such objectives. See “Part I — Item 1. Business — Our Business — Sphere.”

Seasonality of Our Business

Our MSG Networks segment generally earns a higher share of its annual revenues in the second and third quarters of its fiscal year as a result of MSG Networks’ advertising revenue being largely derived from the sale of inventory in its live NBA and NHL professional sports programming.

Recently Issued Accounting Pronouncements and Critical Accounting Estimates

Recently Issued Accounting Pronouncements

See Note 2. Summary of Significant Accounting Policies to the consolidated financial statements included in Item 8 of this Annual Report on Form 10-K for discussion of recently issued accounting pronouncements.

Critical Accounting Estimates

Critical accounting estimates are those that management believes are the most important to the portrayal of our financial condition and results and require the most difficult, subjective or complex judgments, often as a result of the need to make estimates about the effect of matters that are inherently uncertain. Judgments and uncertainties may result in materially different amounts being reported under different conditions or using different assumptions.

The preparation of the Company’s consolidated financial statements in conformity with GAAP requires management to make estimates and assumptions about future events. These estimates and the underlying assumptions affect the amounts of assets and liabilities reported, disclosures about contingent assets and liabilities, and reported amounts of revenues and expenses. Management believes its use of estimates in the consolidated financial statements to be reasonable. The significant accounting policies which we believe are the most critical to aid in fully understanding and evaluating our reported financial results include the following:

Revenue Recognition - Arrangements with Multiple Performance Obligations

The Company may enter into arrangements with multiple performance obligations, such as multi-year sponsorship agreements which may derive revenues for the Company as well as MSG Entertainment and MSG Sports within a single arrangement. The Company may also derive revenue from similar types of arrangements which are entered into by MSG Entertainment or MSG Sports. Payment terms for such arrangements can vary by contract, but payments are generally due in installments throughout the contractual term. The performance obligations included in each sponsorship agreement vary and may include advertising and

other benefits such as, but not limited to, signage at Sphere, digital advertising, event or property specific advertising, as well as non-advertising benefits such as suite licenses and event tickets. To the extent the Company's multi-year arrangements provide for performance obligations that are consistent over the multi-year contractual term, such performance obligations generally meet the definition of a series as provided for under the accounting guidance. If performance obligations are concluded to meet the definition of a series, the contractual fees for all years during the contract term are aggregated and the related revenue is recognized proportionately as the underlying performance obligations are satisfied.

The timing of revenue recognition for each performance obligation is dependent upon the facts and circumstances surrounding the Company's satisfaction of its respective performance obligation. The Company allocates the transaction price for such arrangements to each performance obligation within the arrangement based on the estimated relative standalone selling price of the performance obligation. The Company's process for determining its estimated standalone selling prices involves management's judgment and considers multiple factors including company specific and market specific factors that may vary depending upon the unique facts and circumstances related to each performance obligation. Key factors considered by the Company in developing an estimated standalone selling price for its performance obligations include, but are not limited to, prices charged for similar performance obligations, the Company's ongoing pricing strategy and policies, and consideration of pricing of similar performance obligations sold in other arrangements with multiple performance obligations.

The Company may incur costs such as commissions to obtain its multi-year sponsorship agreements. The Company assesses such costs for capitalization on a contract by contract basis. To the extent costs are capitalized, the Company estimates the useful life of the related contract asset which may be the underlying contract term or the estimated customer life depending on the facts and circumstances surrounding the contract. The contract asset is amortized over the estimated useful life.

Impairment of Long-Lived and Indefinite-Lived Assets

The Company's long-lived and indefinite-lived assets accounted for approximately 78% of the Company's consolidated total assets as of June 30, 2023 and consisted of the following:

Goodwill	$	456,807
Intangible assets, net		17,910
Property and equipment, net		3,307,161
Right-of-use lease assets		84,912
	$	3,866,790

In assessing the recoverability of the Company's long-lived and indefinite-lived assets when there is an indicator of potential impairment, the Company must make estimates and assumptions regarding future cash flows and other factors to determine the fair value of the respective assets. These estimates and assumptions could have a significant impact on whether an impairment charge is recognized as well as the magnitude of any such charge. Fair value estimates are made at a specific point in time, based on relevant information. These estimates are subjective in nature and involve significant uncertainties and judgments and therefore cannot be determined with precision. Changes in assumptions could significantly affect the estimates. If these estimates or material related assumptions change in the future, the Company may be required to record impairment charges related to its long-lived and/or indefinite-lived assets.

Goodwill

Goodwill is tested annually for impairment as of August 31st and at any time upon the occurrence of certain events or substantive changes in circumstances. The Company performs its goodwill impairment test at the reporting unit level. As of June 30, 2023, the Company has two reportable segments and two reporting units, Sphere and MSG Networks, consistent with the way management makes decisions and allocates resources to the business.

The goodwill balance reported on the Company's consolidated balance sheet as of June 30, 2023 by reportable segment was as follows:

Sphere	$	32,299
MSG Networks		424,508
	$	456,807

The Company has the option to perform a qualitative assessment to determine if an impairment is more likely than not to have occurred. If the Company can support the conclusion that it is not more likely than not that the fair value of a reporting unit is less than its carrying amount, the Company would not need to perform a quantitative impairment test for that reporting unit. If the Company cannot support such a conclusion or the Company does not elect to perform the qualitative assessment, the first step of the goodwill impairment test is used to identify potential impairment by comparing the fair value of a reporting unit with its carrying amount, including goodwill.

The estimates of the fair values of the Company's reporting units are primarily determined using discounted cash flows, comparable market transactions or other acceptable valuation techniques, including the cost approach. These valuations are based on estimates and assumptions including projected future cash flows, discount rates, cost-based assumptions, determination of appropriate market comparables and the determination of whether a premium or discount should be applied to comparables. Significant judgments inherent in a discounted cash flow analysis include the selection of the appropriate discount rate, the estimate of the amount and timing of projected future cash flows and identification of appropriate continuing growth rate assumptions. The discount rates used in the analysis are intended to reflect the risk inherent in the projected future cash flows. The amount of an impairment loss is measured as the amount by which a reporting unit's carrying value exceeds its fair value, not to exceed the carrying amount of goodwill.

The Company elected to perform the qualitative assessment of impairment for all of the Company's reporting units for the Fiscal Year 2023 annual impairment test. These assessments considered factors such as:

- macroeconomic conditions;
- industry and market considerations;
- cost factors;
- overall financial performance of the reporting unit;
- other relevant company-specific factors such as changes in management, strategy or customers; and
- relevant reporting unit specific events such as changes in the carrying amount of net assets.

During the first quarter of Fiscal Year 2023, the Company performed its most recent annual impairment test of goodwill for the MSG Networks reporting unit and determined that there were no impairments of goodwill as of the impairment test date. Based on the impairment test, the Company's MSG Networks reporting unit had a sufficient safety margin, representing the excess of the estimated fair value of the reporting unit, derived from the most recent quantitative assessment, less its carrying value (including goodwill allocated to the reporting unit). The Company believes that if the fair value of the reporting unit exceeds its carrying value by greater than 10%, a sufficient safety margin has been realized.

For periods prior to the MSGE Distribution, including at the date of the annual goodwill impairment test, Sphere was included with the MSG Entertainment business in a combined reporting unit for purposes of goodwill impairment testing. No impairment of goodwill was identified for this reporting unit as of the annual impairment test date. In connection with the MSGE Distribution, the goodwill balance associated with this reporting unit was allocated between MSG Entertainment discontinued operations and Sphere based upon a relative fair value approach, resulting in $32,299 of goodwill attributed to Sphere. Goodwill attributed to the MSG Entertainment business is included in the carrying value of MSG Entertainment discontinued operations.

Other Long-Lived Assets

For other long-lived assets, including right-of-use lease assets and intangible assets that are amortized, the Company evaluates assets for recoverability when there is an indication of potential impairment. Amortizable intangible assets and other long-lived assets are grouped and evaluated for impairment at the lowest level for which there are identifiable cash flows that are independent from cash flows from other assets and liabilities. In determining whether an impairment of long-lived assets has occurred, the Company considers both qualitative and quantitative factors. The quantitative analysis involves estimating the undiscounted future cash flows directly related to that asset group and comparing the resulting value against the carrying value of the asset group. If the carrying value of the asset group is greater than the sum of the undiscounted future cash flows, an impairment loss is recognized for the difference between the carrying value of the asset group and its estimated fair value.

The Company has recognized intangible assets for affiliate relationships as a result of purchase accounting, and has determined that these intangible assets have finite lives. The estimated useful lives and net carrying values of the Company's intangible assets subject to amortization as of June 30, 2023 were as follows:

	Estimated Useful Lives	Net Carrying Value
Affiliate relationships	24 years	$ 17,910

The useful lives of the Company's long-lived assets are based on estimates of the period over which the Company expects the assets to be of economic benefit to the Company. In estimating the useful lives, the Company considers factors such as, but not limited to, risk of obsolescence, anticipated use, plans of the Company, and applicable laws. In light of these facts and circumstances, the Company has determined that its estimated useful lives are appropriate.

Item 7A. Quantitative and Qualitative Disclosures About Market Risk

Potential Interest Rate Risk Exposure:

The Company, through its subsidiaries, MSG LV and MSG Networks, is subject to potential interest rate risk exposure related to borrowings incurred under their respective credit facilities. Changes in interest rates may increase interest expense payments with respect to any borrowings incurred under these credit facilities. The effect of a hypothetical 200 basis point increase in floating interest rate prevailing as of June 30, 2023 and continuing for a full year would increase the Company's interest expense on the outstanding amounts under the credit facilities by $24,145.

Foreign Currency Exchange Rate Exposure:

The Company is exposed to market risk resulting from foreign currency fluctuations, primarily to the British pound sterling through the land we own in London for future Sphere development and through cash and invested funds which will be deployed in the construction of our London venue. We may evaluate and decide, to the extent reasonable and practical, to reduce the translation risk of foreign currency fluctuations by entering into foreign currency forward exchange contracts with financial institutions. If we were to enter into such hedging transactions, the market risk resulting from foreign currency fluctuations is unlikely to be entirely eliminated. We do not plan to enter into derivative financial instrument transactions for foreign currency speculative purposes.

During Fiscal Year 2023, the GBP/USD exchange rate ranged from 1.0695 to 1.2835 as compared to GBP/USD exchange rate of 1.2719 as of June 30, 2023, a fluctuation of ranging from 1% to 20%. As of June 30, 2023, a uniform hypothetical 10% fluctuation in the GBP/USD exchange rate would have resulted in a change of $17,686 in the Company's net asset value.

Defined Benefit Pension Plans and Other Postretirement Benefit Plan:

The Company utilizes actuarial methods to calculate pension and other postretirement benefit obligations and the related net periodic benefit cost which are based on actuarial assumptions. Key assumptions, the discount rates and the expected long-term rate of return on plan assets, are important elements of the plans' expense and liability measurement and we evaluate these key assumptions annually. Other assumptions include demographic factors, such as mortality, retirement age and turnover. The actuarial assumptions used by the Company may differ materially from actual results due to various factors, including, but not limited to, changing economic and market conditions. Differences between actual and expected occurrences could significantly impact the actual amount of net periodic benefit cost and the benefit obligation recorded by the Company. Material changes in the costs of the plans may occur in the future due to changes in these assumptions, changes in the number of the plan participants, changes in the level of benefits provided, changes in asset levels and changes in legislation. Our assumptions reflect our historical experience and our best estimate regarding future expectations.

Accumulated and projected benefit obligations reflect the present value of future cash payments for benefits. We use the Willis Towers Watson U.S. Rate Link: 40-90 Discount Rate Model (which is developed by examining the yields on selected highly rated corporate bonds) to discount these benefit payments on a plan by plan basis, to select a rate at which we believe each plan's benefits could be effectively settled. Additionally, the Company measures service and interest costs by applying the specific spot rates along that yield curve to the plans' liability cash flows ("Spot Rate Approach"). The Company believes the Spot Rate Approach provides a more accurate measurement of service and interest costs by improving the correlation between projected benefit cash flows and their corresponding spot rates on the yield curve.

Lower discount rates increase the present value of benefit obligations and will usually increase the subsequent year's net periodic benefit cost. The weighted-average discount rates used to determine benefit obligations as of June 30, 2023 for the Company's Pension Plans and Postretirement Plan were 5.34% and 5.41%, respectively. A 25 basis point decrease in each of these assumed discount rates would increase the projected benefit obligations for the Company's Pension Plans and Postretirement Plan at June 30, 2023 by $890 and $30, respectively.

The weighted-average discount rates used to determine service cost, interest cost and the projected benefit obligation components of net periodic benefit cost were 5.06%, 4.55% and 4.81%, respectively, for Fiscal Year 2023 for the Company's Pension Plans. The weighted-average discount rates used to determine service cost, interest cost and the projected benefit obligation components of net periodic benefit cost were 4.89%, 4.38% and 4.66%, respectively, for Fiscal Year 2023 for the Company's Postretirement Plan. A 25 basis point decrease in these assumed discount rates would increase the total net periodic benefit cost for the Company's Pension Plans by $40 and would result in no impact to the net periodic benefit cost for the Company's Postretirement Plan for Fiscal Year 2023.

The expected long-term return on plan assets is based on a periodic review and modeling of the plans' asset allocation structures over a long-term horizon. Expectations of returns for each asset class are the most important of the assumptions used in the review and modeling, and are based on comprehensive reviews of historical data, forward-looking economic outlook, and economic/

financial market theory. The expected long-term rate of return was selected from within the reasonable range of rates determined by (a) historical real returns, net of inflation, for the asset classes covered by the investment policy, and (b) projections of inflation over the long-term period during which benefits are payable to plan participants. The weighted average expected long-term rate of return on plan assets for the Company's funded pension plans was 5.00% for Fiscal Year 2023.

Performance of the capital markets affects the value of assets that are held in trust to satisfy future obligations under the Company's funded plans. Adverse market performance in the future could result in lower rates of return for these assets than projected by the Company which could increase the Company's funding requirements related to these plans, as well as negatively affect the Company's operating results by increasing the net periodic benefit cost. A 25 basis point decrease in the long-term return on pension plan assets assumption would increase net periodic pension benefit cost by $50 for Fiscal Year 2023.

Item 8. Financial Statements and Supplementary Data

The Financial Statements required by this Item 8 appear beginning on page F-1 of this Annual Report on Form 10-K, and are incorporated by reference herein.

Item 9. Changes in and Disagreements with Accountants on Accounting and Financial Disclosure

None.

Item 9A. Controls and Procedures

Evaluation of Disclosure Controls and Procedures

An evaluation was carried out under the supervision and with the participation of the Company's management, including our Chief Executive Officer and Chief Financial Officer, of the effectiveness of the design and operation of our disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act) as of the end of the period covered by this report. Based upon that evaluation, the Company's Chief Executive Officer and Chief Financial Officer concluded that as of June 30, 2023 the Company's disclosure controls and procedures were effective.

Management's Report on Internal Control over Financial Reporting

Management is responsible for establishing and maintaining adequate internal control over financial reporting, as such term is defined in Rule 13a-15(f) under the Exchange Act. The Company's internal control over financial reporting includes those policies and procedures that (i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorizations of management and directors of the Company; and (iii) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

Internal control over financial reporting is designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements prepared for external purposes in accordance with generally accepted accounting principles. Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Under the supervision and with the participation of management, including the Company's Chief Executive Officer and Chief Financial Officer, we conducted an evaluation of the effectiveness of our internal control over financial reporting based on the framework in *Internal Control — Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission. Based on the results of this evaluation, our management concluded that our internal control over financial reporting was effective as of June 30, 2023. The effectiveness of our internal control over financial reporting as of June 30, 2023 has been audited by Deloitte & Touche LLP, an independent registered public accounting firm, as stated in their report which is included herein.

Changes in Internal Control over Financial Reporting

There were no changes in the Company's internal control over financial reporting (as such term is defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act) during the fiscal quarter ended June 30, 2023 that have materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting.

Item 9B. Other Information

None.

Item 9C. Disclosure Regarding Foreign Jurisdictions that Prevent Inspections

Not applicable.

PART III

Item 10. Directors, Executive Officers and Corporate Governance

Information relating to our directors, executive officers and corporate governance will be included in the proxy statement for the 2023 annual meeting of the Company's stockholders, which is expected to be filed within 120 days of our fiscal year end, and is incorporated herein by reference.

Item 11. Executive Compensation

Information relating to executive compensation will be included in the proxy statement for the 2023 annual meeting of the Company's stockholders, which is expected to be filed within 120 days of our fiscal year end, and is incorporated herein by reference.

Item 12. Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters

Information relating to the beneficial ownership of our common stock will be included in the proxy statement for the 2023 annual meeting of the Company's stockholders, which is expected to be filed within 120 days of our fiscal year end, and is incorporated herein by reference.

Item 13. Certain Relationships and Related Transactions, and Director Independence

Information relating to certain relationships and related transactions and director independence will be included in the proxy statement for the 2023 annual meeting of the Company's stockholders, which is expected to be filed within 120 days of our fiscal year end, and is incorporated herein by reference.

Item 14. Principal Accountant Fees and Services

Information relating to principal accountant fees and services will be included in the proxy statement for the 2023 annual meeting of the Company's stockholders, which is expected to be filed within 120 days of our fiscal year end, and is incorporated herein by reference.

PART IV

Item 15. Exhibits and Financial Statement Schedules

Page No.

The following documents are filed as part of this report:

1. The financial statements as indicated in the index set forth on page F - 1

2. Financial statement schedule:

   Schedule supporting consolidated financial statements:

   Schedule II — Valuation and Qualifying Accounts 72

   Schedules other than that listed above have been omitted, since they are either not applicable, not required or the information is included elsewhere herein.

3. Separate financial statements of subsidiaries not consolidated and fifty percent or less owned persons

   The consolidated and combined balance sheets of Madison Square Garden Entertainment Corp. and subsidiaries (formerly MSGE Spinco, Inc.) as of June 30, 2023 and 2022, the related consolidated and combined statements of operations, comprehensive income (loss), cash flows, and equity (deficit) for each of the three years in the period ended June 30, 2023, and the related notes and financial statement Schedule II listed in the Index at Item 15, audited by Deloitte & Touche LLP, independent registered public accounting firm, as set forth in their report dated August 18, 2023 included therein, included in Exhibit 99.1 to this Form 10-K, are filed as part of Item 15 of this Form 10-K and should be read in conjunction with our consolidated financial statements.

4. Exhibits:

The following documents are filed as exhibits hereto:

EXHIBIT NO.	DESCRIPTION
2.1	Distribution Agreement, dated as of March 29, 2023, between Sphere Entertainment Co. (formerly Madison Square Garden Entertainment Corp.) and Madison Square Garden Entertainment Corp. (formerly MSGE Spinco Inc.) (incorporated by reference to Exhibit 2.1 to the Company's Current Report on form 8-K filed on March 30, 2023).
2.2	Contribution Agreement, dated as of March 29, 2023, between Sphere Entertainment Co. (formerly Madison Square Garden Entertainment Corp.), Sphere Entertainment Group, LLC (formerly MSG Entertainment Group, LLC) and Madison Square Garden Entertainment Corp. (formerly MSGE Spinco Inc.) (incorporated by reference to Exhibit 2.2 to the Company's Current Report on Form 8-K filed on March 30, 2023).
2.3	Agreement and Plan of Merger, dated as of March 25, 2021, by and among Sphere Entertainment Co. (formerly Madison Square Garden Entertainment Corp.), Merger Sub Inc. and MSG Networks Inc. (incorporated by reference to Exhibit 2.1 to the Company's Current Report on Form 8-K filed on March 26, 2021).
2.4	Distribution Agreement, dated as of March 31, 2020, between Madison Square Garden Sports Corp. (formerly The Madison Square Garden Company) and Sphere Entertainment Co. (formerly MSG Entertainment Spinco, Inc.) (incorporated by reference to Exhibit 2.1 to Amendment No. 3 to the Company's Registration Statement on Form 10 filed on April 1, 2020).
2.5	Contribution Agreement, dated as of March 31, 2020, among Madison Square Garden Sports Corp. (formerly The Madison Square Garden Company), Sphere Entertainment Group, LLC (formerly MSG Sports & Entertainment, LLC) and Sphere Entertainment Co. (formerly MSG Entertainment Spinco, Inc.) (incorporated by reference to Exhibit 2.2 to Amendment No. 3 to the Company's Registration Statement on Form 10 filed on April 1, 2020).
3.1	Amended and Restated Certificate of Incorporation of Sphere Entertainment Co. (formerly Madison Square Garden Entertainment Corp.) (incorporated by reference to Exhibit 3.1 to the Company's Current Report on Form 8-K filed on April 23, 2020).
3.2	Certificate of Amendment to the Amended and Restated Certificate of Incorporation of Sphere Entertainment Co. (formerly Madison Square Garden Entertainment Corp.), dated April 20, 2023 (incorporated by reference to Exhibit 3.1 to the Company's Current Report on Form 8-K filed on April 24, 2023).
3.3	Amended By-Laws of Sphere Entertainment Co. (formerly Madison Square Garden Entertainment Corp.), dated April 20, 2023 (incorporated by reference to Exhibit 3.2 to the Company's Current Report on Form 8-K filed on April 24, 2023).

EXHIBIT NO.	DESCRIPTION
4.1	Registration Rights Agreement, dated as of April 3, 2020, by and among Sphere Entertainment Co. (formerly MSG Entertainment Spinco, Inc.) and The Charles F. Dolan Children Trusts (incorporated by reference to Exhibit 4.1 to the Company's Current Report on Form 8-K filed on April 23, 2020).
4.2	Registration Rights Agreement, dated as of April 3, 2020, by and among Sphere Entertainment Co. (formerly MSG Entertainment Spinco, Inc.) and The Dolan Family Affiliates (incorporated by reference to Exhibit 4.2 to the Company's Current Report on Form 8-K filed on April 23, 2020).
4.3	Registration Rights Agreement, dated as of January 13, 2010, by and among MSG Networks Inc. (formerly known as The Madison Square Garden Company) and the Charles F. Dolan Children Trusts (incorporated by reference to Exhibit 4.4 to the Company's Annual Report on Form 10-K for the fiscal year ended June 30, 2021 filed on August 23, 2021).
4.4	Registration Rights Agreement, dated as of January 13, 2010, by and among MSG Networks Inc. (formerly known as The Madison Square Garden Company) and the Dolan Family Affiliates (incorporated by reference to Exhibit 4.5 to the Company's Annual Report on Form 10-K for the fiscal year ended June 30, 2021 filed on August 23, 2021).
4.5	Description of Capital Stock.
10.1	Transition Services Agreement, dated as of March 29, 2023, between Sphere Entertainment Co. (formerly Madison Square Garden Entertainment Corp.) and Madison Square Garden Entertainment Corp. (formerly MSGE Spinco, Inc.) (incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K filed on March 30, 2023).
10.2	Tax Disaffiliation Agreement, dated as of March 29, 2023, between Sphere Entertainment Co. (formerly Madison Square Garden Entertainment Corp.) and Madison Square Garden Entertainment Corp. (formerly MSGE Spinco, Inc.) (incorporated by reference to Exhibit 10.2 to the Company's Current Report on Form 8-K filed on March 30, 2023).
10.3	Tax Disaffiliation Agreement, dated as of March 31, 2020, between Madison Square Garden Sports Corp. (formerly The Madison Square Garden Company) and Sphere Entertainment Co. (formerly MSG Entertainment Spinco, Inc.) (incorporated by reference to Exhibit 10.2 to Amendment No. 3 to the Company's Registration Statement on Form 10 filed on April 1, 2020).
10.4	Tax Disaffiliation Agreement, dated as of September 11, 2015, between MSG Networks Inc. and Madison Square Garden Sports Corp. (formerly known as The Madison Square Garden Company) (incorporated by reference to Exhibit 10.3 to the Company's Annual Report on Form 10-K for the fiscal year ended June 30, 2021 filed on August 23, 2021).
10.5	Distribution Agreement, dated as of September 11, 2015, among MSG Networks Inc. and Madison Square Garden Sports Corp. (formerly known as The Madison Square Garden Company) (incorporated by reference to Exhibit 10.4 to the Company's Annual Report on Form 10-K for the fiscal year ended June 30, 2021 filed on August 23, 2021).
10.6	Employee Matters Agreement, dated March 29, 2023, between Sphere Entertainment Co. (formerly Madison Square Garden Entertainment Corp.) and Madison Square Garden Entertainment Corp. (formerly MSGE Spinco, Inc.) (incorporated by reference to Exhibit 10.3 to the Company's Current Report on Form 8-K filed on March 30, 2023).
10.7	Employee Matters Agreement, dated as of March 31, 2020, between Madison Square Garden Sports Corp. (formerly The Madison Square Garden Company) and Sphere Entertainment Co. (formerly MSG Entertainment Spinco, Inc.) (incorporated by reference to Exhibit 10.3 to Amendment No. 3 to the Company's Registration Statement on Form 10 filed on April 1, 2020).
10.8	Employee Matters Agreement, dated as of September 11, 2015, between MSG Networks Inc. and Madison Square Garden Sports Corp. (formerly known as The Madison Square Garden Company) (incorporated by reference to Exhibit 10.6 to the Company's Annual Report on Form 10-K for the fiscal year ended June 30, 2021 filed on August 23, 2021).
10.9	Sphere Entertainment Co. (formerly Madison Square Garden Entertainment Corp.) 2020 Employee Stock Plan, as amended (incorporated by reference to Annex B to the Company's Definitive Proxy Statement on Schedule 14A filed on October 26, 2022). †
10.10	Sphere Entertainment Co. (formerly Madison Square Garden Entertainment Corp.) 2020 Stock Plan for Non- Employee Directors, as amended (incorporated by reference to Annex C to the Company's Definitive Proxy Statement on Schedule 14A filed on October 26, 2022). †
10.11	MSG Networks Inc. 2010 Employee Stock Plan, as amended and assumed by the Company (incorporated by reference to Exhibit 4.5 to the Company's Registration Statement on Form S-8 filed on July 9, 2021). †

EXHIBIT NO.	DESCRIPTION
10.12	Shareholder's and Registration Rights Agreement, dated March 29, 2023, between Sphere Entertainment Co. (formerly Madison Square Garden Entertainment Corp.) and Madison Square Garden Entertainment Corp. (formerly MSGE Spinco, Inc.) (incorporated by reference to Exhibit 10.4 to the Company's Current Report on Form 8-K filed on March 30, 2023).
10.13	Standstill Agreement, dated as of April 3, 2020, between Sphere Entertainment Co. (formerly MSG Entertainment Spinco, Inc.) and the Dolan Family Group (incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K filed on April 23, 2020).
10.14	Form of Indemnification Agreement between Sphere Entertainment Co. (formerly MSG Entertainment Spinco, Inc.) and its Directors and Officers (incorporated by reference to Exhibit 10.9 to the Company's Registration Statement on Form 10 filed on March 6, 2020).
10.15	Form of Sphere Entertainment Co. (formerly Madison Square Garden Entertainment Corp.) Non-Employee Director Award Agreement (incorporated by reference to Exhibit 10.10 to Amendment No. 1 to the Company's Registration Statement on Form 10 filed on March 18, 2020). †
10.16	Form of Sphere Entertainment Co. Restricted Stock Units Agreement under the 2020 Employee Stock Plan, as amended (incorporated by reference to Exhibit 10.6 to the Company's Current Report on Form 8-K filed on April 24, 2023). †
10.17	Form of Sphere Entertainment Co. Performance Restricted Stock Units Agreement under the 2020 Employee Stock Plan, as amended (incorporated by reference to Exhibit 10.9 to the Company's Current Report on Form 8-K filed on April 24, 2023). †
10.18	Form of Sphere Entertainment Co. Option Agreement under the 2020 Employee Stock Plan, as amended (incorporated by reference to Exhibit 10.7 to the Company's Current Report on Form 8-K filed on April 24, 2023). †
10.19	Form of Sphere Entertainment Co. Performance Option Agreement under the 2020 Employee Stock Plan, as amended (incorporated by reference to Exhibit 10.10 to the Company's Current Report on Form 8-K filed on April 24, 2023). †
10.20	Form of Sphere Entertainment Co. (formerly Madison Square Garden Entertainment Corp.) Restricted Stock Units Agreement in respect of Madison Square Garden Sports Corp. Restricted Stock Units (incorporated by reference to Exhibit 10.15 to the Company's Registration Statement on Form 10 filed on March 6, 2020). †
10.21	Form of Sphere Entertainment Co. (formerly Madison Square Garden Entertainment Corp.) Option Agreement in respect of Madison Square Garden Sports Corp. Options (incorporated by reference to Exhibit 10.16 to the Company's Registration Statement on Form 10 filed on March 6, 2020). †
10.22	Form of Sphere Entertainment Co. (formerly Madison Square Garden Entertainment Corp.) Performance Restricted Stock Units in respect of Madison Square Garden Sports Corp. Performance Restricted Stock Units (incorporated by reference to Exhibit 10.17 to the Company's Registration Statement on Form 10 filed on March 6, 2020). †
10.23	Form of Sphere Entertainment Co. Restricted Stock Units Agreement in respect of Restricted Stock Units granted under the MSG Networks Inc. 2010 Employee Stock Plan (incorporated by reference to Exhibit 10.5 to the Company's Current Report on Form 8-K filed on April 24, 2023). †
10.24	Form of Sphere Entertainment Co. Performance Restricted Stock Units Agreement in respect of Performance Restricted Stock Units granted under the MSG Networks Inc. 2010 Employee Stock Plan (incorporated by reference to Exhibit 10.8 to the Company's Current Report on Form 8-K filed on April 24, 2023). †
10.25	Sphere Entertainment Co. Executive Deferred Compensation Plan (incorporated by reference to Exhibit 10.11 to the Company's Current Report on Form 8-K filed on April 24, 2023). †
10.26	Employment Agreement dated as of December 27, 2021 between Sphere Entertainment Co. (formerly Madison Square Garden Entertainment Corp.) and James L. Dolan, as amended and restated as of April 20, 2023 (incorporated by reference to Exhibit 10.2 to the Company's Current Report on Form 8-K filed on April 24, 2023). †
10.27	Employment Agreement, dated as of August 27, 2021, between Sphere Entertainment Co. (formerly Madison Square Garden Entertainment Corp.) and Andrea Greenberg (incorporated by reference to Exhibit 10.4 to the Company's Quarterly Report on Form 10-Q for the quarter ended September 30, 2021 filed on November 9, 2021). †
10.28	Employment Agreement dated as of June 15, 2023 between Sphere Entertainment Co. and David Granville-Smith. †
10.29	Employment Agreement dated as of April 20, 2023 between Sphere Entertainment Co. and Gautam Ranji (incorporated by reference to Exhibit 10.3 to the Company's Current Report on Form 8-K filed on April 24, 2023). †

EXHIBIT NO.	DESCRIPTION
10.30	Employment Agreement dated as of April 20, 2023 between Sphere Entertainment Co. (formerly Madison Square Garden Entertainment Corp.) and Gregory Brunner (incorporated by reference to Exhibit 10.4 to the Company's Current Report on Form 8-K filed on April 24, 2023). †
10.31	Sphere Entertainment Co. Policy Concerning Certain Matters Relating to Madison Square Garden Entertainment Corp., Madison Square Garden Sports Corp. and AMC Networks Inc., Including Responsibilities of Overlapping Directors and Officers.
10.32	Construction Agreement, dated as of May 31, 2019, by and between MSG Las Vegas, LLC and Hunt Construction Group Inc. (incorporated by reference to Exhibit 10.18 to Amendment No. 1 to the Company's Registration Statement on Form 10 filed on March 18, 2020). +
10.33	Ground Lease Agreement, dated July 16, 2018, by and among Sands Arena Landlord LLC, Venetian Casino Resort, LLC, MSG Las Vegas, LLC, and Sphere Entertainment Group, LLC (formerly MSG Sports & Entertainment, LLC) (incorporated by reference to Exhibit 10.19 to Amendment No. 1 to the Company's Registration Statement on Form 10 filed on March 18, 2020). +
10.34	First Amendment to Ground Lease, dated November 14, 2018, by and among Sands Arena Landlord LLC, Venetian Casino Resort, LLC, MSG Las Vegas, LLC, and Sphere Entertainment Group, LLC (formerly MSG Sports & Entertainment, LLC) (incorporated by reference to Exhibit 10.20 to Amendment No. 1 to the Company's Registration Statement on Form 10 filed on March 18, 2020).
10.35	Letter Agreement amending Ground Lease Agreement dated July 16, 2018, by and between Sands Arena Landlord LLC and MSG Las Vegas, LLC, dated October 30, 2020 (incorporated by reference to Exhibit 10.1 to the Company's Quarterly Report on Form 10-Q for the quarter ended December 31, 2021 filed on February 12, 2021).
10.36	Delayed Draw Term Loan Credit Agreement, dated April 20, 2023, between Sphere Entertainment Co. (formerly Madison Square Garden Entertainment Corp.), as Borrower, and MSG Entertainment Holdings, LLC, as Lender (incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K filed on April 24, 2023).
10.37	Credit Agreement, dated as of December 22, 2022, among MSG Las Vegas, LLC, the lenders party thereto and JPMorgan Chase Bank, N.A., as administrative agent (incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K filed on December 22, 2022).
10.38	Pledge and Security Agreement, dated as of December 22, 2022, by and between MSG Las Vegas, LLC and JPMorgan Chase Bank, N.A. (incorporated by reference to Exhibit 10.2 to the Company's Current Report on Form 8-K filed on December 22, 2022).
10.39	Guaranty Agreement, dated as of December 22, 2022, by Sphere Entertainment Group, LLC (formerly MSG Entertainment Group, LLC) in favor of JPMorgan Chase Bank, N.A. on behalf of the lenders (incorporated by reference to Exhibit 10.3 to the Company's Current Report on Form 8-K filed on December 22, 2022).
10.40	Pledge Agreement, dated as of December 22, 2022, by Sphere Entertainment Group, LLC (MSG Entertainment Group, LLC) in favor of JPMorgan Chase Bank, N.A. on behalf of the lenders (incorporated by reference to Exhibit 10.4 to the Company's Current Report on Form 8-K filed on December 22, 2022).
10.41	Credit Agreement, dated as of September 28, 2015, by and among MSGN Holdings, L.P., certain subsidiaries of MSGN Holdings, L.P. identified therein, MSGN Eden, LLC, MSGN Regional Holdings LLC and JPMorgan Chase Bank, N.A., as administrative agent, collateral agent and a letter of credit issuer, and the lenders party thereto (incorporated by reference to Exhibit 10.74 to the Company's Annual Report on Form 10-K for the fiscal year ended June 30, 2021 filed on August 23, 2021).
10.42	Amended and Restated Credit Agreement, dated as of October 11, 2019, by and among MSGN Holdings, L.P., certain subsidiaries of MSGN Holdings, L.P. identified therein, MSGN Eden, LLC, Regional MSGN Holdings LLC and JP Morgan Chase Bank, N.A., as administrative agent, and the lenders party thereto (incorporated by reference to Exhibit 10.75 to the Company's Annual Report on Form 10-K for the fiscal year ended June 30, 2021 filed on August 23, 2021).
10.43	Amendment No. 1 to Amended and Restated Credit Agreement, dated as of October 11, 2019, by and among MSGN Holdings, L.P., certain subsidiaries of MSGN Holdings, L.P. identified therein, MSGN Eden, LLC, Regional MSGN Holdings LLC and JP Morgan Chase Bank, N.A., as administrative agent, and the lenders party thereto, dated as of November 5, 2021 (incorporated by reference to Exhibit 10.1 to the Company's Quarterly Report on Form 10-Q for the quarter ended December 31, 2021 filed on February 9, 2022).
10.44	Amendment No. 2 to Amended and Restated Credit Agreement, dated as of October 11, 2019, by and among MSGN Holdings, L.P., certain subsidiaries of MSGN Holdings, L.P. identified therein, MSGN Eden, LLC, Regional MSGN Holdings LLC and JP Morgan Chase Bank, N.A., as administrative agent, and the lenders party thereto, dated as of May 30, 2023.

EXHIBIT NO.	DESCRIPTION
10.45	Security Agreement dated as of September 28, 2015, by and among MSGN Holdings, L.P., certain subsidiaries of MSGN Holdings, L.P. identified therein, MSGN Eden, LLC, MSGN Regional Holdings LLC, and JPMorgan Chase Bank, N.A., as collateral agent thereto (incorporated by reference to Exhibit 10.76 to the Company's Annual Report on Form 10-K for the fiscal year ended June 30, 2021 filed on August 23, 2021).
10.46	NBA Transaction Agreement dated as of April 18, 2023, by and among Sphere Entertainment Co. (formerly Madison Square Garden Entertainment Corp.), Madison Square Garden Entertainment Corp. (formerly MSGE Spinco, Inc.) and certain other parties thereto (incorporated by reference to Exhibit 10.5 to the Company's Quarterly Report on Form 10-Q for the quarter ended March 31, 2023 filed on May 10, 2023.
10.47	NBA Transaction Agreement, dated as of April 15, 2020, among Madison Square Garden Sports Corp. (formerly The Madison Square Garden Company), Sphere Entertainment Co. (formerly MSG Entertainment Spinco, Inc.) and certain other parties thereto (incorporated by reference to Exhibit 10.59 to the Company's Annual Report on Form 10-K for the fiscal year ended June 30, 2020 filed on August 31, 2020).
10.48	NHL Transaction Agreement, dated as of April 15, 2020, among Madison Square Garden Sports Corp. (formerly The Madison Square Garden Company), Sphere Entertainment Co. (formerly MSG Entertainment Spinco, Inc.) and certain other parties thereto (incorporated by reference to Exhibit 10.60 to the Company's Annual Report on Form 10-K for the fiscal year ended June 30, 2020 filed on August 31, 2020).
10.49	MSG Networks Voting and Support Agreement, dated as of March 25, 2021, by and among Sphere Entertainment Co. (formerly Madison Square Garden Entertainment Corp.) and certain stockholders of MSG Networks Inc. that are signatories thereto (incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K filed on March 26, 2021).
10.50	Sphere Entertainment Co. (formerly Madison Square Garden Entertainment Corp.) Voting and Support Agreement, dated as of March 25, 2021, by and among MSG Networks Inc. and certain stockholders of Madison Square Garden Entertainment Corp. that are signatories thereto (incorporated by reference to Exhibit 10.2 to the Company's Current Report on Form 8-K filed on March 26, 2021).
10.51	Transaction Agreement, dated as of April 17, 2023, by and among TAO Group Sub-Holdings LLC, Disco Holdings Intermediate LLC, TAO Group Holdings LLC, Hakkasan USA Inc. and others (incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K filed on April 17, 2023).
10.52	Employment Agreement, dated as of December 20, 2021, between Sphere Entertainment Co. (formerly Madison Square Garden Entertainment Corp.) and David F. Byrnes (incorporated by reference to Exhibit 10.5 to the Company's Quarterly Report on Form 10-Q for the quarter ended December 31, 2021 filed on February 9, 2022). †
10.53	Employment Agreement, dated as of October 26, 2021, between Sphere Entertainment Co. (formerly Madison Square Garden Entertainment Corp.) and Jamal H. Haughton (incorporated by reference to Exhibit 10.6 to the Company's Quarterly Report on Form 10-Q for the quarter ended December 31, 2021 filed on February 9, 2022). †
10.54	Employment Agreement, dated as of November 17, 2021, between Sphere Entertainment Co. (formerly Madison Square Garden Entertainment Corp.) and Philip D'Ambrosio (incorporated by reference to Exhibit 10.2 to the Company's Current Report on Form 8-K filed on November 19, 2021). †
21.1	Subsidiaries of the Registrant.
23.1	Consent of Deloitte & Touche LLP
23.2	Consent of Deloitte & Touche LLP
24.1	Power of Attorney (included on the signature page to this Annual Report on Form 10-K).
31.1	Certification by the Chief Executive Officer Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
31.2	Certification by the Chief Financial Officer Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
32.1	Certification by the Chief Executive Officer Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002. **
32.2	Certification by the Chief Financial Officer Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002. **
99.1	Consolidated and combined balance sheets of Madison Square Garden Entertainment Corp. and subsidiaries as of June 30, 2023 and 2022, and the related consolidated and combined statements of operations, comprehensive income (loss), cash flows, and equity (deficit) for each of the three years in the period ended June 30, 2023 (incorporated by reference to Item 8 of Madison Square Garden Entertainment Corp.'s Annual Report on Form 10-K for the fiscal year ended June 30, 2023 filed with the SEC on August 18, 2023, File No. 001-41627). No other part of the Madison Square Garden Entertainment Corp. Annual Report on Form 10-K is being incorporated by reference.

EXHIBIT NO.	DESCRIPTION
101	The following materials from Sphere Entertainment Co. Annual Report on Form 10-K for the fiscal year ended June 30, 2023, formatted in Inline Extensible Business Reporting Language (iXBRL): (i) consolidated balance sheets, (ii) consolidated and combined statements of operations, (iii) consolidated and combined statements of comprehensive income (loss), (iv) consolidated and combined statements of cash flows, (v) consolidated and combined statements of equity and redeemable noncontrolling interests, and (vi) notes to consolidated and combined financial statements.
104	The cover page from the Company's Annual Report on Form 10-K for the fiscal year ended June 30, 2023 formatted in Inline XBRL and contained in Exhibit 101.

_____

† *This exhibit is a management contract or a compensatory plan or arrangement.*

+ *Certain confidential information - identified by bracketed asterisks "[*****]" - has been omitted from this exhibit pursuant to Item 601(b)(10) of Regulation S-K because it is both (i) not material and (ii) would be competitively harmful to the Registrant if publicly disclosed.*

** *Furnished herewith. These exhibits shall not be deemed "filed" for purposes of Section 18 of the Securities Exchange Act of 1934, or otherwise subject to the liability of that Section. Such exhibits shall not be deemed incorporated into any filing under the Securities Act of 1933 or the Securities Exchange Act of 1934.*

Item 16. Form 10-K Summary

The Company has elected not to provide summary information.

SPHERE ENTERTAINMENT CO.
SCHEDULE II
VALUATION AND QUALIFYING ACCOUNTS
(in thousands)

	Balance at Beginning of Period	(Additions) / Deductions: Charged to Costs and Expenses	(Additions) / Deductions: Charged to Other Accounts	Deductions	Balance at End of Period
Year Ended June 30, 2023					
Allowance for doubtful accounts / credit losses	$ (843)	$ (3)	$ —	$ 675	$ (171)
Deferred tax valuation allowance	(2,923)	2,053	840	—	(30)
	$ (3,766)	$ 2,050	$ 840	$ 675	$ (201)
Year Ended June 30, 2022					
Allowance for doubtful accounts / credit losses	$ (1,354)	$ 123	$ —	$ 388	$ (843)
Deferred tax valuation allowance	(3,131)	2,200	(1,992)	—	(2,923)
	$ (4,485)	$ 2,323	$ (1,992)	$ 388	$ (3,766)
Year Ended June 30, 2021					
Allowance for doubtful accounts / credit losses	$ (1,755)	$ (185)	$ —	$ 586	$ (1,354)
Deferred tax valuation allowance	(1,573)	(4,863)	3,305	—	(3,131)
	$ (3,328)	$ (5,048)	$ 3,305	$ 586	$ (4,485)

SIGNATURES

Pursuant to the requirements of the Section 13 or 15(d) the Securities Exchange Act of 1934, as amended, the Registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized, on the 22nd day of August 2023.

Sphere Entertainment Co.

By: /s/ GAUTAM RANJI
Name: Gautam Ranji
Title: Executive Vice President, Chief Financial Officer and Treasurer (Principal Financial Officer)

POWER OF ATTORNEY

KNOW ALL PERSONS BY THESE PRESENTS, that each person whose signature appears below constitutes and appoints Gautam Ranji, Greg Brunner and Mark C. Cresitello, and each of them, as such person's true and lawful attorneys-in-fact and agents, with full power of substitution and resubstitution, for such person in such person's name, place and stead, in any and all capacities, to sign this report, and file the same, with all exhibits thereto, and other documents in connection therewith, with the Securities and Exchange Commission, granting unto said attorneys-in-fact and agents, full power and authority to do and perform each and every act and thing requisite and necessary to be done as fully to all intents and purposes as he might or could do in person, hereby ratifying and confirming all that said attorneys-in-fact and agents or any of them may lawfully do or cause to be done by virtue hereof.

Pursuant to the requirements of the Securities Exchange Act of 1934, as amended, this report has been signed below by the following persons in the capacities and on the dates indicated.

Name	Title	Date
/s/ JAMES L. DOLAN James L. Dolan	Executive Chairman and Chief Executive Officer (Principal Executive Officer) and Director	August 22, 2023
/s/ GAUTAM RANJI Gautam Ranji	Executive Vice President, Chief Financial Officer and Treasurer (Principal Financial Officer)	August 22, 2023
/s/ GREG BRUNNER Greg Brunner	Senior Vice President, Controller and Principal Accounting Officer	August 22, 2023
/s/ CHARLES F. DOLAN Charles F. Dolan	Director	August 22, 2023
/s/ CHARLES P. DOLAN Charles P. Dolan	Director	August 22, 2023
/s/ KRISTIN A. DOLAN Kristin A. Dolan	Director	August 22, 2023

Name	Title	Date
/s/ MARIANNE DOLAN WEBER	Director	August 22, 2023
Marianne Dolan Weber		
/s/ PAUL J. DOLAN	Director	August 22, 2023
Paul J. Dolan		
/s/ QUENTIN F. DOLAN	Director	August 22, 2023
Quentin F. Dolan		
/s/ RYAN T. DOLAN	Director	August 22, 2023
Ryan T. Dolan		
/s/ THOMAS C. DOLAN	Director	August 22, 2023
Thomas C. Dolan		
/s/ JOSEPH J. LHOTA	Director	August 22, 2023
Joseph J. Lhota		
/s/ JOEL M. LITVIN	Director	August 22, 2023
Joel M. Litvin		
/s/ BRIAN G. SWEENEY	Director	August 22, 2023
Brian G. Sweeney		
/s/ JOHN L. SYKES	Director	August 22, 2023
John L. Sykes		
/s/ VINCENT TESE	Director	August 22, 2023
Vincent Tese		
/s/ ISIAH L. THOMAS III	Director	August 22, 2023
Isiah L. Thomas III		
/s/ CARL E. VOGEL	Director	August 22, 2023
Carl E. Vogel		

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REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Stockholders and the Board of Directors of Sphere Entertainment Co.

Opinion on the Financial Statements

We have audited the accompanying consolidated balance sheets of Sphere Entertainment Co. and its subsidiaries (the "Company") as of June 30, 2023 and 2022, the related consolidated statements of operations, comprehensive income (loss), cash flows, and equity and redeemable noncontrolling interests for each of the three years in the period ended June 30, 2023, and the related notes and the financial statement Schedule II listed in the Index at Item 15 (collectively referred to as the "financial statements"). In our opinion, the financial statements present fairly, in all material respects, the financial position of the Company as of June 30, 2023 and 2022, and the results of its operations and its cash flows for each of the three years in the period ended June 30, 2023, in conformity with accounting principles generally accepted in the United States of America.

We have also audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the Company's internal control over financial reporting as of June 30, 2023, based on criteria established in *Internal Control — Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission and our report dated August 22, 2023, expressed an unqualified opinion on the Company's internal control over financial reporting.

Basis for Opinion

These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's financial statements based on our audits. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audits provide a reasonable basis for our opinion.

Critical Audit Matters

The critical audit matters communicated below are matters arising from the current-period audit of the financial statements that were communicated or required to be communicated to the audit committee and that (1) relate to accounts or disclosures that are material to the financial statements and (2) involved our especially challenging, subjective, or complex judgments. The communication of critical audit matters does not alter in any way our opinion on the financial statements, taken as a whole, and we are not, by communicating the critical audit matters below, providing a separate opinion on the critical audit matters or on the accounts or disclosures to which they relate.

Related Party Transactions — Refer to Note 17 to the financial statements

Critical Audit Matter Description

The Dolan family, including trusts for the benefit of members of the Dolan family (collectively, the Dolan Family Group), as of June 30, 2023, is the majority beneficial owner of the Company, Madison Square Garden Entertainment Corp. (“MSG Entertainment”), Madison Square Garden Sports Corp. (“MSG Sports”), AMC Networks Inc., and other related entities. In addition, there are certain overlapping directors and executive officers between the companies. Each of these entities has been identified as a related party at June 30, 2023.

Prior to the distribution of approximately 67% of the outstanding common stock of MSG Entertainment (the “MSG Entertainment Distribution”), the Company had entered into a number of transactions with related parties, including, but not limited to agreements for use of the Madison Square Garden Arena, sponsorship, and advertising sales and service representation, team sponsorship allocation agreements, agreements for media rights with MSG Sports, and service agreements, which include certain shared executive support costs for the Company’s Executive Chairman and Chief Executive Officer, the Company’s Vice Chairman, and the Company’s former President.

Subsequent to the MSG Entertainment Distribution, the Company is party to a number of transactions with related parties, including, but not limited to agreements for media rights with MSG Sports, and services agreements with MSG Entertainment, which include certain shared executive support costs for the Company's Executive Chairman and Chief Executive Officer, the Company's Executive Vice President, and the Company's Vice Chairman.

We identified the evaluation of the Company's identification of related parties and related party transactions as a critical audit matter. This required a high degree of auditor judgment and an increased extent of effort when performing audit procedures to evaluate the reasonableness of management's procedures performed to identify related parties and related party transactions of the Company.

How the Critical Audit Matter Was Addressed in the Audit

Our audit procedures related to the Company's identification of related parties and related party transactions included the following, among others:

- We tested the effectiveness of internal controls over the Company's related party process, including controls over the identification of the Company's related party relationships and transactions, the authorization and approval of transactions with related parties, the allocation of revenues and operating expenses among related parties, and the accounting, classification and disclosure of relationships and transactions with related parties in the financial statements;
- Inquired with executive officers including the Company's internal legal counsel, key members of management, including non-finance and accounting personnel, and the Audit Committee of the Board of Directors regarding related party transactions;
- Read agreements and contracts with and between related parties, including agreements amended as a result of the distribution, and, in certain cases third parties, and evaluated whether authorization and approvals were obtained and the terms and other information about transactions are consistent with explanations from inquiries and other audit evidence obtained about the business purpose of the transactions;
- With the assistance of our data specialists, we analyzed the general ledger detail to identify potential undisclosed transactions with related parties;
- Compared the Company's reconciliation of applicable accounts to related parties' records of transactions and balances;
- For new or amended revenue arrangements among related parties prior to the distribution, evaluated the reasonableness of management's allocation of the transaction price to each performance obligation identified in the arrangement;
- Received confirmations from related parties and, in certain cases third parties, and compared responses to the Company's records;
- Performed the following procedures to identify information related to potential undisclosed transactions between the Company and related parties that may also include third parties:
    - Read the Company's minutes from meetings of the Board of Directors and related committees of the Board of Directors;
    - Inspected annual compliance questionnaires completed by the Company's directors and officers;
    - Read publicly available sources including the Company's public filings and press releases as well as certain analyst and industry reports; and
    - Listened to or read transcripts of the Company's earnings calls.

Discontinued operations – Refer to Notes 1 and 3 to the financial statements

Critical Audit Matter Description

On April 20, 2023, the Company distributed approximately 67% of the outstanding common stock of MSG Entertainment to its stockholders. On May 3, 2023, the Company completed the sale of its 66.9% majority interest in TAO Group Sub-Holdings LLC ("Tao Group Hospitality") to a third party.

The Company determined the distribution of MSG Entertainment and the sale of Tao Group Hospitality should be reported as discontinued operations in accordance with Accounting Standards Codification ("ASC") 205-20, Discontinued Operations ("ASC 205-20"). The Company has presented both the MSG Entertainment business and Tao Group Hospitality as discontinued operations for all periods presented in the financial statements. Income from discontinued operations, net of taxes was $ 333,653 for the year ended June 30, 2023.

We identified the accounting and disclosure of the discontinued operations as a critical audit matter given the discontinued operations are material to the financial statements and the significance of judgments made by management in its application of ASC 205-20, and the increased extent of auditor effort and judgment required to assess management's identification, segregation, and accounting and presentation related to the distribution of MSG Entertainment and the gain on the sale of Tao Group Hospitality.

How the Critical Audit Matter Was Addressed in the Audit

Our audit procedures performed over the Company's discontinued operations accounting and presentation related to the distribution of MSG Entertainment and determination of the gain on the sale of Tao Group Hospitality included the following, among others:

- We tested the effectiveness of internal controls over the Company's discontinued operations assessment process, including controls related to management's identification, segregation, and accounting and presentation related to the distribution, gain on the sale, and the resulting entries made to the financial statements;
- We read minutes of the Board of Directors and related committees that evidenced proper authorization and approval of the distribution and sale;
- We analyzed the terms of the relevant distribution and sale agreements and tested the resulting calculations of the distribution and gain on the sale;
- We obtained and evaluated the Company's memorandums that documented management's accounting and presentation conclusions in respect of relevant accounting standards;
- We tested the classification of amounts included in discontinued operations by agreeing such amounts to the Company's historical accounting records;
- We evaluated the Company's classification of discontinued operations, including its disclosures in the financial statements.

/s/ Deloitte & Touche LLP

New York, New York

August 22, 2023

We have served as the Company's auditor since 2020.

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Stockholders and the Board of Directors of Sphere Entertainment Co.:

Opinion on Internal Control over Financial Reporting

We have audited the internal control over financial reporting of Sphere Entertainment Co. and subsidiaries (the "Company") as of June 30, 2023, based on criteria established in *Internal Control — Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). In our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of June 30, 2023, based on criteria established in *Internal Control — Integrated Framework (2013)* issued by COSO.

We have also audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the consolidated financial statements as of and for the year ended June 30, 2023, of the Company and our report dated August 22, 2023, expressed an unqualified opinion on those consolidated financial statements.

Basis for Opinion

The Company's management is responsible for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting, included in the accompanying Management's Report on Internal Control over Financial Reporting. Our responsibility is to express an opinion on the Company's internal control over financial reporting based on our audit. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audit in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects. Our audit included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, testing and evaluating the design and operating effectiveness of internal control based on the assessed risk, and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

Definition and Limitations of Internal Control over Financial Reporting

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

/s/ Deloitte & Touche LLP

New York, New York

August 22, 2023

We have served as the Company's auditor since 2020.

SPHERE ENTERTAINMENT CO.
CONSOLIDATED BALANCE SHEETS
(in thousands, except per share data)

	June 30,	
	2023	**2022**
ASSETS		
Current Assets:		
Cash, cash equivalents and restricted cash	$ 429,114	$ 760,312
Accounts receivable, net	112,309	123,327
Related party receivables, current	26,405	625
Prepaid expenses and other current assets	56,085	26,862
Current assets of discontinued operations	—	307,530
Total current assets	623,913	1,218,656
Non-Current Assets:		
Investments in nonconsolidated affiliates	394,519	40,297
Property and equipment, net	3,307,161	2,157,577
Right-of-use lease assets	84,912	66,151
Goodwill	456,807	456,807
Intangible assets, net	17,910	21,025
Other non-current assets	87,793	49,466
Non-current assets of discontinued operations	—	1,512,181
Total assets	$ 4,973,015	$ 5,522,160
LIABILITIES, REDEEMABLE NONCONTROLLING INTERESTS AND EQUITY		
Current Liabilities:		
Accounts payable, accrued and other current liabilities	$ 515,731	$ 276,558
Related party payables, current	56,446	110
Current portion of long-term debt	82,500	66,000
Operating lease liabilities, current	10,127	6,553
Deferred revenue	27,337	4,320
Current liabilities of discontinued operations	—	607,559
Total current liabilities	692,141	961,100
Non-Current Liabilities:		
Long-term debt, net of deferred financing costs	1,118,387	929,534
Operating lease liabilities, non-current	110,259	84,420
Deferred tax liabilities, net	379,552	144,391
Other non-current liabilities	88,811	91,474
Non-current liabilities of discontinued operations	—	1,151,665
Total liabilities	2,389,150	3,362,584
Commitments and contingencies (see Note 11)		
Redeemable noncontrolling interests of discontinued operations	—	184,192
Equity:		
Class A Common Stock [(a)]	278	273
Class B Common Stock [(b)]	69	69
Additional paid-in capital	2,376,420	2,301,970
Retained earnings (accumulated deficit)	212,036	(290,736)
Accumulated other comprehensive loss	(4,938)	(48,355)
Total Sphere Entertainment Co. stockholders' equity	2,583,865	1,963,221
Nonredeemable noncontrolling interests of discontinued operations	—	12,163
Total equity	2,583,865	1,975,384
Total liabilities, redeemable noncontrolling interests and equity	$ 4,973,015	$ 5,522,160

[(a)] Class A Common Stock, $ 0.01 par value per share, 120,000 shares authorized; 27,812 and 27,368 shares outstanding as of June 30, 2023 and 2022, respectively.

[(b)] Class B Common Stock, $ 0.01 par value per share, 30,000 shares authorized; 6,867 shares outstanding as of June 30, 2023 and 2022.

See accompanying notes to the consolidated financial statements.

SPHERE ENTERTAINMENT CO.
CONSOLIDATED STATEMENTS OF OPERATIONS
(in thousands, except per share data)

	Years Ended June 30,		
	2023	2022	2021
Revenues [(a)]	$ 573,831	$ 610,055	$ 647,510
Direct operating expenses [(a)]	(342,211)	(320,278)	(262,859)
Selling, general and administrative expenses [(a)]	(452,142)	(419,793)	(295,472)
Depreciation and amortization	(30,716)	(22,562)	(16,606)
Impairment and other gains, net	6,120	245	—
Restructuring charges	(27,924)	(13,404)	(8,061)
Operating (loss) income	(273,042)	(165,737)	64,512
Interest income	11,585	3,575	3,172
Interest expense	—	—	(20,219)
Other income (expense), net	536,887	(5,518)	(3,935)
Income (loss) from operations before income taxes	275,430	(167,680)	43,530
Income tax (expense) benefit	(103,403)	29,830	(38,907)
Income (loss) from continuing operations	172,027	(137,850)	4,623
Income (loss) from discontinued operations, net of taxes	333,653	(52,297)	(171,142)
Net income (loss)	505,680	(190,147)	(166,519)
Less: Net income (loss) attributable to redeemable noncontrolling interests from discontinued operations	3,925	7,739	(16,269)
Less: Net loss attributable to nonredeemable noncontrolling interests from discontinued operations	(1,017)	(3,491)	(2,099)
Net income (loss) attributable to Sphere Entertainment Co.'s stockholders	$ 502,772	$ (194,395)	$ (148,151)
Basic earnings (loss) per common share			
Continuing operations	$ 4.96	$ (4.02)	$ 0.14
Discontinued operations	9.55	(1.75)	(4.74)
Basic earnings (loss) per common share attributable to Sphere Entertainment Co.'s stockholders	$ 14.51	$ (5.77)	$ (4.60)
Diluted earnings (loss) per common share			
Continuing operations	$ 4.93	$ (4.02)	$ 0.13
Discontinued operations	9.47	(1.75)	(4.72)
Diluted earnings (loss) per common share attributable to Sphere Entertainment Co.'s stockholders	$ 14.40	$ (5.77)	$ (4.59)
Weighted-average number of common shares outstanding:			
Basic	34,651	34,255	34,077
Diluted	34,929	34,255	34,252

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[(a)] *See Note 17. Related Party Transactions, for further information on related party revenues and expenses*

See accompanying notes to the consolidated financial statements.

SPHERE ENTERTAINMENT CO.
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS)
(in thousands)

	Years Ended June 30,		
	2023	**2022**	**2021**
Net income (loss)	$ 505,680	$ (190,147)	$ (166,519)
Other comprehensive income (loss), before income taxes:			
Pension plans and postretirement plans:			
Net unamortized losses arising during the period	—	—	(404)
Amortization of net actuarial loss included in net periodic benefit cost	1,755	1,978	1,697
Amortization of net prior service credit included in net periodic benefit cost	—	756	(5,168)
Curtailments	—	—	156
Settlement loss	—	—	870
Cumulative translation adjustments	6,656	(25,034)	27,688
Other comprehensive income (loss), before income taxes	8,411	(22,300)	24,839
Income tax (expense) benefit related to items of other comprehensive income	(1,535)	4,217	(4,638)
Other comprehensive income (loss), net of income taxes	6,876	(18,083)	20,201
Comprehensive income (loss)	512,556	(208,230)	(146,318)
Less: Comprehensive income (loss) attributable to redeemable noncontrolling interests from discontinued operations	3,925	7,739	(16,269)
Less: Comprehensive loss attributable to nonredeemable noncontrolling interests from discontinued operations	(1,017)	(3,491)	(2,099)
Comprehensive income (loss) attributable to Sphere Entertainment Co.'s stockholders	$ 509,648	$ (212,478)	$ (127,950)

See accompanying notes to the consolidated financial statements.

SPHERE ENTERTAINMENT CO.
CONSOLIDATED STATEMENTS OF CASH FLOWS
(in thousands)

	Years Ended June 30,		
	2023	**2022**	**2021**
OPERATING ACTIVITIES:			
Net income (loss)	$ 505,680	$ (190,147)	$ (166,519)
Adjustments to reconcile net income (loss) to net cash provided by (used in) operating activities:			
Depreciation and amortization	103,375	124,629	121,999
Impairments and other (gains) losses, net	(224,831)	(3,045)	—
Amortization of deferred financing costs	5,063	8,728	6,270
Deferred income tax expense (benefit)	123,467	(31,270)	(71,357)
Share-based compensation expense	62,658	77,141	70,584
Non-cash lease expense	26,811	26,673	16,459
Net unrealized and realized (gains) loss on equity investments with readily determinable fair value and (earnings) loss in nonconsolidated affiliates	(548,690)	54,869	(44,320)
Loss on extinguishment of debt	—	35,815	—
Other non-cash adjustments	(538)	1,450	5,171
Change in assets and liabilities, net of dispositions:			
Accounts receivable, net	7,103	(30,749)	(18,634)
Related party receivables, net of payables	35,811	14,778	8,593
Prepaid expenses and other current and non-current assets	(178,758)	(43,982)	(33,348)
Accounts payable, accrued and other current and non-current liabilities	117,278	78,442	39,895
Deferred revenue	135,448	18,572	12,753
Operating lease right-of-use assets and lease liabilities	(16,286)	(564)	(6,240)
Net cash provided by (used in) operating activities	153,591	141,340	(58,694)
INVESTING ACTIVITIES:			
Capital expenditures, net	(1,058,978)	(756,717)	(456,007)
Capitalized interest	(116,044)	(48,507)	(34,890)
Proceeds from sale of investments	209,045	—	361,189
Proceeds from dispositions, net	318,003	—	—
Investments and loans in nonconsolidated affiliates	(5,949)	1,060	197
Cash received for notes receivable, net of payments	—	—	6,328
Net cash used in investing activities	(653,923)	(804,164)	(123,183)

See accompanying notes to the consolidated financial statements.

SPHERE ENTERTAINMENT CO.
CONSOLIDATED STATEMENTS OF CASH FLOWS
(in thousands)

	Years Ended June 30,		
	2023	**2022**	**2021**
FINANCING ACTIVITIES:			
Proceeds from issuance of term loans, net of issuance discount	302,668	725,000	630,500
Principal repayments on long-term debt	(72,875)	(725,000)	(46,750)
Proceeds from revolving credit facilities	—	39,100	15,000
Repayment of revolving credit facilities	(2,000)	(15,000)	—
Taxes paid in lieu of shares issued for share-based compensation	(16,625)	(16,658)	(8,208)
Noncontrolling interest holders' capital contributions	3,000	6,400	18,537
Distributions to noncontrolling interest holders	(1,881)	(6,998)	—
Debt extinguishment costs	—	(12,838)	—
Distribution to related parties associated with the settlement of certain share-based awards	(2,388)	(2,256)	(1,771)
Purchase of noncontrolling interest from redeemable noncontrolling interest holders	—	(4,638)	—
Payments for debt financing costs	(5,238)	(17,504)	(14,623)
Distribution to MSG Entertainment	(119,119)	—	—
Net cash provided by (used in) financing activities	85,542	(30,392)	592,685
Effect of exchange rates on cash, cash equivalents and restricted cash	(2,106)	(750)	8,027
Net (decrease) increase in cash, cash equivalents and restricted cash	(416,896)	(693,966)	418,835
Cash, cash equivalents and restricted cash from continuing operations, beginning of period	760,312	1,190,105	1,116,487
Cash, cash equivalents and restricted cash from discontinued operations, beginning of period	85,698	349,871	4,654
Cash, cash equivalents and restricted cash at beginning of period	**846,010**	**1,539,976**	**1,121,141**
Cash, cash equivalents and restricted cash from continuing operations, end of period	429,114	760,312	1,190,105
Cash, cash equivalents and restricted cash from discontinued operations, end of period	—	85,698	349,871
Cash, cash equivalents and restricted cash at end of period	**$ 429,114**	**$ 846,010**	**$ 1,539,976**
Non-cash investing and financing activities:			
Investments and loans to nonconsolidated affiliates	$ 113	$ 791	$ —
Non-cash contribution received from noncontrolling interests	$ —	$ —	$ (59,763)
Capital expenditures incurred but not yet paid	$ 248,041	$ 206,462	$ 110,428
Share-based compensation capitalized in property and equipment, net	$ 3,642	$ 2,979	$ 5,467

See accompanying notes to the consolidated financial statements.

SPHERE ENTERTAINMENT CO.
CONSOLIDATED STATEMENTS OF EQUITY
AND REDEEMABLE NONCONTROLLING INTERESTS
(in thousands)

	Common Stock Issued	Additional Paid-In Capital	Retained Earnings (Accumulated Deficit)	Accumulated Other Comprehensive Loss	Total Sphere Entertainment Co. Stockholders' Equity	Nonredeemable Noncontrolling Interests	Total Equity	Redeemable Noncontrolling Interests
Balance as of June 30, 2020	**$ 338**	**2,285,709**	**$ 51,727**	**$ (50,473)**	**$ 2,287,301**	**$ 12,203**	**2,299,504**	**$ 20,600**
Cumulative effect of adoption of ASU 2016-13, credit losses	—	—	(480)	—	(480)	—	(480)	—
Net loss	—	—	(148,151)	—	(148,151)	(2,099)	(150,250)	(16,269)
Other comprehensive income	—	—	—	20,201	20,201	—	20,201	—
Comprehensive loss	—	—	—	—	(127,950)	(2,099)	(130,049)	(16,269)
Noncontrolling interests, non-cash acquisition	—	—	—	—	—	—	—	76,500
Share-based compensation	—	73,702	—	—	73,702	—	73,702	—
Tax withholding associated with shares issued for share-based compensation	2	(8,210)	563	—	(7,645)	—	(7,645)	—
Accretion of put options	—	—	—	—	—	—	—	2,348
Redeemable noncontrolling interest adjustment to redemption fair value	—	(46,425)	—	—	(46,425)	—	(46,425)	46,425
Adjustment of redeemable noncontrolling interest to redemption value	—	(8,728)	—		(8,728)	—	(8,728)	8,728
Distribution to related parties associated with the settlement of certain share-based awards	—	(1,273)	—	—	(1,273)	—	(1,273)	(498)
Contributions from noncontrolling interest holders	—	—	—	—	—	1,800	1,800	—
Balance as of June 30, 2021	**$ 340**	**2,294,775**	**$ (96,341)**	**$ (30,272)**	**$ 2,168,502**	**$ 11,904**	**2,180,406**	**$ 137,834**

See accompanying notes to the consolidated financial statements.

SPHERE ENTERTAINMENT CO.
CONSOLIDATED STATEMENTS OF EQUITY
AND REDEEMABLE NONCONTROLLING INTERESTS
(in thousands)

	Common Stock Issued	Additional Paid-In Capital	Retained Earnings (Accumulated Deficit)	Accumulated Other Comprehensive Loss	Total Sphere Entertainment Co. Stockholders' Equity	Nonredeemable Noncontrolling Interests	Total Equity	Redeemable Noncontrolling Interests
Balance as of June 30, 2021	**$ 340**	**$ 2,294,775**	**$ (96,341)**	**$ (30,272)**	**$ 2,168,502**	**$ 11,904**	**$ 2,180,406**	**$ 137,834**
Net (loss) income	—	—	(194,395)	—	(194,395)	(3,491)	(197,886)	7,739
Other comprehensive income	—	—	—	(18,083)	(18,083)	—	(18,083)	—
Comprehensive (loss) income	—	—	—	—	(212,478)	(3,491)	(215,969)	7,739
Share-based compensation	—	77,772	—	—	77,772	—	77,772	—
Tax withholding associated with shares issued for share-based compensation	2	(16,660)	—	—	(16,658)	—	(16,658)	—
Accretion of put options	—	—	—	—	—	—	—	2,348
Redeemable noncontrolling interest adjustment to redemption fair value	—	(49,248)	—	—	(49,248)	—	(49,248)	50,636
Adjustment of redeemable noncontrolling interest to redemption value	—	(3,173)	—	—	(3,173)	—	(3,173)	(8,070)
Distribution to related parties associated with the settlement of certain share-based awards	—	(1,496)	—	—	(1,496)	—	(1,496)	(760)
Contribution from noncontrolling interest holders	—	—	—	—	—	6,400	6,400	—
Distributions to noncontrolling interest holders	—	—	—	—	—	(2,650)	(2,650)	(4,640)
Put Option payments	—	—	—	—	—	—	—	(895)
Balance as of June 30, 2022	**$ 342**	**$ 2,301,970**	**$ (290,736)**	**$ (48,355)**	**$ 1,963,221**	**$ 12,163**	**$ 1,975,384**	**$ 184,192**

See accompanying notes to the consolidated financial statements.

SPHERE ENTERTAINMENT CO.
CONSOLIDATED STATEMENTS OF EQUITY
AND REDEEMABLE NONCONTROLLING INTERESTS
(in thousands)

	Common Stock Issued	Additional Paid-In Capital	(Accumulated Deficit) Retained Earnings	Accumulated Other Comprehensive Loss	Total Sphere Entertainment Co.. Stockholders' Equity	Nonredeemable Noncontrolling Interests	Total Equity	Redeemable Noncontrolling Interests
Balance as of June 30, 2022	**$ 342**	**$ 2,301,970**	**$ (290,736)**	**$ (48,355)**	**$ 1,963,221**	**$ 12,163**	**$ 1,975,384**	**$ 184,192**
Net income (loss)	—	—	502,772	—	502,772	(1,017)	501,755	3,925
Other comprehensive income	—	—	—	6,876	6,876	—	6,876	—
Comprehensive income (loss)	—	—	—	—	509,648	(1,017)	508,631	3,925
Redeemable noncontrolling interest adjustment to redemption fair value	—	126,375	—	—	126,375	—	126,375	(126,375)
Share-based compensation	—	64,406	—	—	64,406	—	64,406	—
Accretion of put options	—	(895)	—	—	(895)	—	(895)	2,786
Tax withholding associated with shares issued for share-based compensation	5	(16,625)	—	—	(16,620)	—	(16,620)	—
Distribution to related parties associated with the settlement of certain share-based awards	—	(1,736)	—	—	(1,736)	—	(1,736)	(652)
Contributions from noncontrolling interest holders	—	—	—	—	—	3,000	3,000	—
Distributions to noncontrolling interest holders	—	—	—	—	—	(1,881)	(1,881)	(3,141)
Disposition of Tao Group Hospitality and BCE	—	4,859		2,824	7,683	(12,265)	(4,582)	(60,735)
Distribution of MSG Entertainment	—	(101,934)	—	33,717	(68,217)	—	(68,217)	—
Balance as of June 30, 2023	**$ 347**	**$ 2,376,420**	**$ 212,036**	**$ (4,938)**	**$ 2,583,865**	**$ —**	**$ 2,583,865**	**$ —**

See accompanying notes to the consolidated financial statements.

All amounts included in the following Notes to Consolidated Financial Statements are presented in thousands, except per share data or as otherwise noted.

Note 1. Description of Business and Basis of Presentation

Description of Business

Sphere Entertainment Co. (the "Company") is a premier live entertainment and media company comprised of two reportable segments, Sphere and MSG Networks. Sphere is a next-generation entertainment medium, and MSG Networks operates two regional sports and entertainment networks, as well as a direct-to-consumer and authenticated streaming product.

Sphere: This segment reflects Sphere, a next-generation entertainment medium powered by cutting-edge technologies that we believe will enable multi-sensory storytelling at an unparalleled scale. The Company's first Sphere is expected to open in September 2023. The venue can accommodate up to 20,000 guests and is expected to host a wide variety of events year-round, including The Sphere Experience, which will feature original immersive productions, as well as concerts and residencies from renowned artists, and marquee sporting and corporate events. Supporting this strategy is Sphere Studios, which is home to a team of creative, production, technology and software experts who provide full in-house creative and production services. The studio campus in Burbank includes a 68,000 -square-foot development facility, as well as Big Dome, a 28,000 -square-foot, 100 -foot high custom dome, with a quarter-sized version of the screen at Sphere in Las Vegas, that serves as a specialized screening, production facility, and lab for content at Sphere.

MSG Networks: This segment is comprised of the Company's regional sports and entertainment networks, MSG Network and MSG Sportsnet, as well as its direct-to-consumer streaming product, MSG+. MSG Networks serves the New York designated market area, as well as other portions of New York, New Jersey, Connecticut and Pennsylvania and features a wide range of sports content, including exclusive live local games and other programming of the New York Knicks (the "Knicks") of the National Basketball Association (the "NBA") and the New York Rangers (the "Rangers"), New York Islanders (the "Islanders"), New Jersey Devils (the "Devils") and Buffalo Sabres (the "Sabres") of the National Hockey League (the "NHL"), as well as significant coverage of the New York Giants (the "Giants") and the Buffalo Bills (the "Bills") of the National Football League (the "NFL").

Sphere Entertainment Co. (formerly Madison Square Garden Entertainment Corp.) was incorporated on November 21, 2019 as a direct, wholly-owned subsidiary of Madison Square Garden Sports Corp. ("MSG Sports"). On April 17, 2020, MSG Sports distributed all outstanding common stock of the Company to MSG Sports' stockholders (the "2020 Entertainment Distribution"). Unless the context otherwise requires, all references to "Sphere Entertainment" or the "Company" refer collectively to Sphere Entertainment Co., a holding company, and its direct and indirect subsidiaries.

MSG Entertainment Distribution

On April 20, 2023 (the "MSGE Distribution Date"), the Company distributed approximately 67 % of the outstanding common stock of Madison Square Garden Entertainment Corp. ("MSG Entertainment", formerly MSGE Spinco, Inc.) to its stockholders (the "MSGE Distribution"), with the Company retaining approximately 33 % of the outstanding common stock of MSG Entertainment (in the form of MSG Entertainment Class A common stock) immediately following the MSGE Distribution (the "MSGE Retained Interest"). Following the MSGE Distribution Date, the Company retained the Sphere and MSG Networks businesses and MSG Entertainment now owns the traditional live entertainment business previously owned and operated by the Company through its Entertainment business segment, excluding the Sphere business. In the MSGE Distribution, stockholders of the Company received (a) one share of MSG Entertainment's Class A common stock, par value $ 0.01 per share, for every share of the Company's Class A common stock, par value $ 0.01 per share ("Class A common stock"), held of record as of the close of business, New York City time, on April 14, 2023 (the "Record Date"), and (b) one share of MSG Entertainment's Class B common stock, par value $ 0.01 per share, for every share of the Company's Class B common stock, par value $ 0.01 per share ("Class B common stock"), held of record as of the close of business, New York City time, on the Record Date.

Following the sale of a portion of the MSGE Retained Interest and the repayment of the delayed draw term loan (as further discussed below) with MSG Entertainment through the use of shares of MSG Entertainment Class A common stock, the Company now holds approximately 17 % of the outstanding common stock of MSG Entertainment (in the form of MSG Entertainment Class A common stock), based on 49,128 total shares of MSG Entertainment common stock outstanding as of August 18, 2023. See Note 7. Investments in Nonconsolidated Affiliates, for further details regarding the MSGE Retained Interest.

As of April 20, 2023, the MSG Entertainment business met the criteria for discontinued operations. See Note 3. Discontinued Operations, for further details regarding the MSGE Distribution.

Tao Group Hospitality Disposition

On May 3, 2023, the Company completed the sale of its 66.9 % majority interest in TAO Group Sub-Holdings LLC ("Tao Group Hospitality") to a subsidiary of Mohari Hospitality Limited, a global investment company focused on the luxury lifestyle and hospitality sectors (the "Tao Group Hospitality Disposition").

The transaction valued Tao Group Hospitality at $ 550,000 , subject to certain customary purchase price adjustments. The Company, through certain of its subsidiaries, owned 79.1 % of TAO Holdings, which represented an effective ownership of 66.9 % of Tao Group Hospitality, and thus was entitled to that percentage of the total cash consideration paid to the sellers (net of, among other things, the payoff of outstanding debt and certain debt-like items and fees, costs and expenses incurred in connection with the transaction) pursuant to the transaction agreement dated as of April 17, 2023, by and among TAO Holdings, Hakkasan USA Inc., the other sellers party thereto and Disco Ball Intermediate, LLC (the "Transaction Agreement"). At closing, the Company received approximately $ 290,000 (taking into account the payment of accrued management fees) in connection with the transaction. See Note 3. Discontinued Operations, for further details regarding the Tao Group Hospitality Disposition (defined below).

Basis of Presentation

The Company reports on a fiscal year basis ending on June 30th. In these consolidated financial statements, the fiscal years ended June 30, 2023, 2022, and 2021 are referred to as "Fiscal Year 2023," "Fiscal Year 2022," and "Fiscal Year 2021," respectively.

The Company has presented both the MSG Entertainment business and Tao Group Hospitality as discontinued operations for all periods presented. See Note 3. Discontinued Operations for further discussion on accounting for the MSGE Distribution and Tao Group Hospitality Disposition.

Reclassifications

For purposes of comparability, certain prior period amounts have been reclassified to conform to the current year presentation in accordance with accounting principles generally accepted in the United States of America ("GAAP").

Impact of the COVID-19 Pandemic

The Company's operations and operating results were materially impacted by the COVID-19 pandemic and actions taken in response by governmental authorities and certain professional sports leagues during Fiscal Year 2021. As a result of the shortened 2020-21 NBA and NHL seasons, MSG Networks aired substantially fewer NBA and NHL telecasts during Fiscal Year 2021, as compared with Fiscal Year 2019 (the last full fiscal year not impacted by COVID-19), and consequently experienced a decrease in revenues, including a material decrease in advertising revenue. The absence of live sports games also resulted in a decrease in certain MSG Networks expenses, including rights fees, variable production expenses, and advertising sales commissions. MSG Networks aired full regular season telecast schedules in Fiscal Year 2022 and Fiscal Year 2023 for its five professional teams across both the NBA and NHL, and, as a result, its advertising revenue and certain operating expenses, including rights fees expense, reflect the same.

It is unclear to what extent pandemic concerns, including with respect to COVID-19 or other future pandemics, could (i) result in new government-mandated capacity or other restrictions or vaccination/mask requirements or impact the use of and/or demand for Sphere in Las Vegas, impact demand for the Company's sponsorship and advertising assets, deter employees and vendors from working at Sphere in Las Vegas (which may lead to difficulties in staffing), deter artists from touring or (ii) result in professional sports leagues suspending, cancelling or otherwise reducing the number of games scheduled in the regular reason or playoffs, which could have a material impact on the distribution and/or advertising revenues of the MSG Networks segment, or otherwise materially impact our operations.

Note 2. Summary of Significant Accounting Policies

A. Principles of Consolidation

The consolidated financial statements of the Company include the accounts of Sphere Entertainment Co. and its subsidiaries, including Tao Group Hospitality, MSG Entertainment, and Boston Calling Events, LLC ("BCE") until their dispositions on May 3, 2023, April 20, 2023, and December 2, 2022, respectively. Both Tao Group Hospitality and MSG Entertainment met the criteria to be reported as discontinued operations during the quarters ended March 31, 2023 and June 30, 2023, respectively. All significant intercompany transactions and balances have been eliminated in consolidation.

Prior to its disposition, Tao Group Hospitality was consolidated with the equity owned by other stockholders shown as redeemable or nonredeemable noncontrolling interests of discontinued operations in the accompanying consolidated balance sheets, and the other stockholders' portion of net earnings (loss) and other comprehensive income (loss) shown as net income (loss) or comprehensive income (loss) attributable to redeemable or nonredeemable noncontrolling interests from discontinued operations in the accompanying consolidated statements of operations and consolidated statements of comprehensive income (loss), respectively.

See Note 3. Discontinued Operations, for details regarding the Tao Group Hospitality Disposition and MSGE Distribution.

B. Business Combinations and Noncontrolling Interests

The acquisition method of accounting for business combinations requires management to use significant estimates and assumptions, including fair value estimates, as of the business combination date and to refine those estimates as necessary during the measurement period (defined as the period, not to exceed one year, in which the Company is allowed to adjust the provisional amounts recognized for a business combination).

Under the acquisition method of accounting, the Company recognizes separately from goodwill the identifiable assets acquired, the liabilities assumed, and any noncontrolling interests in an acquiree, generally at the acquisition date fair value. The Company measures goodwill as of the acquisition date as the excess of consideration transferred, which is also measured at fair value over the net of the acquisition date amounts of the identifiable assets acquired and liabilities assumed. Costs that the Company incurs to complete a business combination such as investment banking, legal, and other professional fees are not considered part of consideration and the Company charges these costs to selling, general and administrative expense as they are incurred. In addition, the Company recognizes measurement-period adjustments in the period in which the amount is determined, including the effect on earnings of any amounts the Company would have recorded in previous periods if the accounting had been completed at the acquisition date.

Interests held by third parties in consolidated majority-owned subsidiaries are presented as noncontrolling interests, which represent the noncontrolling stockholders' interests in the underlying net assets of the Company's consolidated majority-owned subsidiaries. Noncontrolling interests that are not redeemable are reported in the equity section of the consolidated balance sheets. Noncontrolling interests, where the Company may be required to repurchase the noncontrolling interest under put options or other contractual redemption requirements that are not solely within the Company's control, are reported in the consolidated balance sheets between liabilities and equity, as redeemable noncontrolling interests.

C. Use of Estimates

The preparation of the accompanying consolidated financial statements in conformity with U.S. generally accepted accounting principles ("GAAP") requires management to make estimates and assumptions about future events. These estimates and the underlying assumptions affect the amounts of assets and liabilities reported, disclosures about contingent assets and liabilities, and reported amounts of revenues and expenses. Such estimates include the provision for credit losses, valuation of investments, goodwill, intangible assets, other long-lived assets, deferred tax assets, pension and other postretirement benefit obligations and the related net periodic benefit cost, and other liabilities. In addition, estimates are used in revenue recognition, rights fees, performance and share-based compensation, depreciation and amortization, litigation matters and other matters, as well as in the valuation of noncontrolling interests resulting from business combination transactions. Management believes its use of estimates in the financial statements to be reasonable.

Management evaluates its estimates on an ongoing basis using historical experience and other factors, including the general economic environment and actions it may take in the future. The Company adjusts such estimates when facts and circumstances dictate. However, these estimates may involve significant uncertainties and judgments and cannot be determined with precision. In addition, these estimates are based on management's best judgment at a point in time and, as such, these estimates may ultimately differ from actual results. Changes in estimates resulting from weakness in the economic environment or other factors beyond the Company's control could be material and would be reflected in the Company's financial statements in future periods.

D. Revenue Recognition

The Company recognizes revenue when, or as, performance obligations under the terms of a contract are satisfied, which generally occurs when, or as, control of promised goods or services are transferred to customers. Revenue is measured as the amount that reflects the consideration the Company expects to be entitled to in exchange for those goods or services ("transaction price"). To the extent the transaction price includes variable consideration, the Company estimates the amount of variable consideration that should be included in the transaction price utilizing the most likely amount to which the Company expects to be entitled. Variable consideration is included in the transaction price if, in the Company's judgment, it is probable that a significant future reversal of cumulative revenue under the contract will not occur. Estimates of variable consideration and the determination of whether to include such estimated amounts in the transaction price are based largely on an assessment of the Company's anticipated performance and all information that is reasonably available. The Company accounts for taxes collected from customers and remitted to governmental authorities on a net basis and excludes these amounts from revenues.

In addition, the Company defers certain costs to fulfill the Company's contracts with customers to the extent such costs relate directly to the contracts, are expected to generate resources that will be used to satisfy the Company's performance obligations under the contracts, and are expected to be recovered through revenue generated under the contracts. Contract fulfillment costs are expensed as the Company satisfies the related performance obligations.

Arrangements with Multiple Performance Obligations

The Company may enter into arrangements with multiple performance obligations, such as multi-year sponsorship agreements which may derive revenues for the Company as well as MSG Entertainment and MSG Sports within a single arrangement. The Company may also derive revenue from similar types of arrangements which are entered into by MSG Entertainment or MSG Sports. Payment terms for such arrangements can vary by contract, but payments are generally due in installments throughout the contractual term. The performance obligations included in each sponsorship agreement vary and may include advertising and other benefits such as, but not limited to, signage at Sphere, digital advertising, or event or property-specific advertising, as well as non-advertising benefits such as suite licenses and event tickets. To the extent the Company's multi-year arrangements provide for performance obligations that are consistent over the multi-year contractual term, such performance obligations generally meet the definition of a series as provided for under the accounting guidance. If performance obligations are concluded to meet the definition of a series, the contractual fees for all years during the contract term are aggregated and the related revenue is recognized proportionately as the underlying performance obligations are satisfied.

The timing of revenue recognition for each performance obligation is dependent upon the facts and circumstances surrounding the Company's satisfaction of its respective performance obligation. The Company allocates the transaction price for such arrangements to each performance obligation within the arrangement based on the estimated relative standalone selling price of the performance obligation. The Company's process for determining its estimated standalone selling prices involves management's judgment and considers multiple factors including company specific and market specific factors that may vary depending upon the unique facts and circumstances related to each performance obligation. Key factors considered by the Company in developing an estimated standalone selling price for its performance obligations include, but are not limited to, prices charged for similar performance obligations, the Company's ongoing pricing strategy and policies, and consideration of pricing of similar performance obligations sold in other arrangements with multiple performance obligations.

The Company may incur costs such as commissions to obtain its multi-year sponsorship agreements. The Company assesses such costs for capitalization on a contract by contract basis. To the extent costs are capitalized, the Company estimates the useful life of the related contract asset which may be the underlying contract term or the estimated customer life depending on the facts and circumstances surrounding the contract. The contract asset is amortized over the estimated useful life.

Principal versus Agent Revenue Recognition

The Company reports revenue on a gross or net basis based on management's assessment of whether the Company acts as a principal or agent in the transaction. The determination of whether the Company acts as a principal or an agent in a transaction is based on an evaluation of whether the Company controls the good or service before transfer to the customer. When the Company concludes that it controls the good or service before transfer to the customer, the Company is considered a principal in the transaction and records revenue on a gross basis. When the Company concludes that it does not control the good or service before transfer to the customer but arranges for another entity to provide the good or service, the Company acts as an agent and records revenue on a net basis in the amount it earns for its agency service.

Contract Balances

Amounts collected in advance of the Company's satisfaction of its contractual performance obligations are recorded as a contract liability within Deferred revenue, and are recognized as the Company satisfies the related performance obligations. Amounts collected in advance of events for which the Company is not the promoter or co-promoter do not represent contract liabilities and are recorded as collections due to promoters within Accounts payable, accrued and other current liabilities on the accompanying consolidated balance sheets. Amounts recognized as revenue for which the Company has a right to consideration for goods or services transferred to customers and for which the Company does not have an unconditional right to bill as of the reporting date are recorded as contract assets. Contract assets are transferred to accounts receivable once the Company's right to consideration becomes unconditional.

E. Direct Operating Expenses

Direct operating expenses for the Sphere segment may include, but are not limited to, event costs related to the presentation and production of the Company's live entertainment, sporting events, and immersive productions, maintenance, and other operating expenses.

Direct operating expenses for the MSG Networks segment primarily represent media rights fees and other direct programming and production costs, such as the salaries of on-air personalities, producers, directors, technicians, writers and other creative staff, as well as expenses associated with location costs, remote facilities and maintaining studios, origination, and transmission services and facilities. The professional team media rights acquired under media rights agreements to telecast various sporting events and other programming for exhibition on the segment's networks are typically expensed on a straight-line basis over the applicable annual contract or license period.

Production Costs for the Company's Original Immersive Productions

The Company defers certain costs during the production phase of its original immersive productions for Sphere that are directly related to production activities. Such costs include, but are not limited to, fees paid to writers, directors, and producers as well as video and music production costs and production-specific overhead. Deferred immersive production costs are amortized in the same ratio that current period actual revenue bears to estimated remaining unrecognized ultimate revenue as of the beginning of the current fiscal year. Estimates of ultimate revenues are prepared on an individual production basis and reviewed regularly by management and revised where necessary to reflect the most current information. Ultimate revenues reflect management's estimates of future revenue over a period not to exceed ten years following the premiere of the production. Deferred immersive production costs are subject to recoverability assessments whenever there is an indication of potential impairment.

As of June 30, 2023, the Company recorded $ 61,421 in Other non-current assets in the accompanying consolidated balance sheets related to these production costs. No amounts were recorded as of June 30, 2022.

F. Advertising Expenses

Advertising costs are typically charged to expense when incurred. Total advertising costs expensed were $ 16,977 , $ 22,880 , and $ 24,533 for Fiscal Years 2023, 2022, and 2021, respectively.

G. Nonmonetary Transactions

The MSG Networks segment enters into nonmonetary transactions, primarily with its Distributors (as defined below), that involve the exchange of products or services, such as advertising and promotional benefits, for the segment's services. For arrangements that are subject to sales based and usage-based royalty guidance, MSG Networks measures noncash consideration that it receives at fair value as the sale or usage occurs. For other arrangements, the MSG Networks segment measures the estimated fair value of the noncash consideration that it receives at contract inception. If the MSG Networks segment cannot reasonably estimate the fair value of the noncash consideration, the segment measures the fair value of the consideration indirectly by reference to the standalone selling price of the services promised to the customer in exchange for the consideration as revenues. Nonmonetary transactions for the MSG Networks segment are included in advertising costs, which are classified in selling, general and administrative expenses on the accompanying consolidated statements of operations, as noted above.

H. Income Taxes

The Company accounts for income taxes in accordance with Accounting Standard Codification ("ASC") Topic 740, *Income Taxes*. The Company's provision for income taxes is based on current period income, changes in deferred tax assets and liabilities, and changes in estimates with regard to uncertain tax positions. Deferred tax assets are subject to an ongoing assessment of realizability. In assessing the realizability of deferred tax assets, management considers whether it is more likely than not that some portion or all of the deferred tax asset will not be realized. The Company's ability to realize its deferred tax assets depends upon the generation of sufficient future taxable income to allow for the realization of its deductible temporary differences. If such estimates and related assumptions change in the future, the Company may be required to record valuation allowances against its deferred tax assets, resulting in additional income tax expense in the Company's consolidated statements of operations.

Interest and penalties, if any, associated with uncertain tax positions are included in income tax expense.

I. Share-based Compensation

The Company measures the cost of employee services received in exchange for an award of equity-based instruments based on the grant date fair value of the award. Share-based compensation cost is recognized in earnings over the period during which an employee is required to provide service in exchange for the award, except for restricted stock units granted to non-employee directors which, unless otherwise provided under the applicable award agreement, are fully vested, and are expensed at the grant date.

The Company accounts for forfeitures as they occur, rather than estimating expected forfeitures.

J. Earnings (Loss) Per Common Share

Basic earnings per share ("EPS") attributable to the Company's common stockholders is based upon net income (loss) attributable to the Company's common stockholders divided by the weighted-average number of common shares outstanding during the period. Diluted EPS reflects the effect of the assumed vesting of restricted stock units and exercise of stock options only in the periods in which such effect would have been dilutive through the application of the treasury stock method. For the periods when a net loss is reported, the computation of diluted EPS equals the basic EPS calculation since common stock equivalents were antidilutive due to losses from continuing operations. Holders of Class A common stock and Class B common stock are entitled to receive dividends equally on a per-share basis if and when such dividends are declared. As the holders of Class A and Class B common stock are entitled to identical dividend and liquidation rights, the undistributed earnings are allocated on a proportionate basis to each class of common stock and the resulting basic and diluted net earnings (loss) per share attributable to common stockholders are, therefore, the same for both Class A and Class B common stock on both an individual and combined basis.

K. Cash and Cash Equivalents

The Company considers the balance of its investment in funds that substantially hold highly liquid securities that mature within three months or less from the date the fund purchases these securities to be cash equivalents. The carrying amount of cash and cash equivalents either approximates fair value due to the short-term maturity of these instruments or is at fair value. Checks outstanding in excess of related book balances are included in accounts payable, accrued, and other current liabilities in the accompanying consolidated balance sheets. The Company presents the change in these book cash overdrafts as cash flows from operating activities.

L. Restricted Cash

The Company's restricted cash includes cash deposited in escrow accounts. The Company has deposited cash in interest-bearing escrow accounts related to credit support, debt facilities, and collateral to its operating leases, workers compensation, and general liability insurance obligations.

The carrying amount of restricted cash approximates fair value due to the short-term maturity of these instruments.

M. Short-Term Investments

Short-term investments included investments that (i) had original maturities of greater than three months and (ii) the Company had the ability to convert into cash within one year. The Company classified its short-term investments at the time of purchase as "held-to-maturity" and re-evaluated its classification quarterly based on whether the Company had the intent and ability to hold until maturity. Short-term investments, which were recorded at cost and adjusted for accrued interest, approximate fair value. Cash inflows and outflows related to the sale and purchase of short-term investments are classified as investing activities in the Company's consolidated statements of cash flows.

N. Accounts Receivable

Accounts receivable is recorded at net realizable value. The Company maintains an allowance for credit losses to reserve for potentially uncollectible receivables. The allowance for credit losses is estimated based on the Company's consideration of credit risk and analysis of receivables aging, specific identification of certain receivables that are at risk of not being paid, past collection experience and other factors. The Company recognized an allowance of $ 171 and $ 843 as of June 30, 2023 and 2022, respectively.

O. Investments in Nonconsolidated Affiliates and Equity Securities

The Company's investments in nonconsolidated affiliates are primarily accounted for using the equity method of accounting and are carried at cost, plus or minus the Company's share of net earnings or losses of the investment, subject to certain other adjustments. The cost of equity method investments includes transaction costs of the acquisition. As required by GAAP, to the extent that there is a basis difference between the cost and the underlying equity in the net assets of an equity investment, the Company allocates such differences between tangible and intangible assets. The Company's share of net earnings or losses of the investment, inclusive of amortization expense for intangible assets associated with the investment, is reflected in Other income (expense), net within the Company's consolidated statements of operations. Dividends received from the investee reduce the carrying amount of the investment. Due to the timing of receiving financial information from certain of its nonconsolidated affiliates, the Company records its share of net earnings or losses of such affiliates on a three-month lag basis, with the exception of the amortization expense of intangible assets which are recorded currently.

The Company elected the fair value option in accounting for the MSGE Retained Interest and as such, does not report the impact to the consolidated statements of operations on a lag for this investment. Initial recognition of this asset required measurement of an unrealized gain or loss when comparing the book value of the investment to fair value. As a result, the Company initially and subsequently measures and records changes in the fair value of the MSGE Retained Interest based upon the quoted market price of the MSGE stock on the New York Stock Exchange on a periodic basis within Other income (expense), net in the accompanying consolidated statements of operations.

In addition to equity method investments, the Company also has other equity investments without readily determinable fair values. The Company measures equity investments without readily determinable fair values at cost, less any impairment, adjusted for observable price changes from orderly transactions for identical or similar investments of the same issuer. Changes in observable price are reflected within Other income (expense), net in the accompanying consolidated statements of operations.

Impairment of Investments

The Company reviews its investments at least quarterly to determine whether a decline in fair value below the cost basis is other-than-temporary. The primary factors the Company considers in its determination are the length of time that the fair value of the investment is below the Company's carrying value; future prospects of the investee; and the Company's intent and ability to hold the security for a period of time sufficient to allow for any anticipated recovery in fair value. In addition, the Company considers other factors such as general market conditions, industry conditions, and analysts' ratings. If the decline in fair value is deemed to be other-than-temporary, the cost basis of the investment is written down to fair value and the loss is realized as a component of net income.

P. Property and Equipment and Other Long-Lived Assets

Property and equipment and other long-lived assets, including amortizable intangible assets, are stated at cost or acquisition date fair value, if acquired. Expen ditures for new facilities or equipment, and expenditures that extend the useful lives of existing facilities or equipment, are capitalized and recorded at cost. The useful lives of the Company's long-lived assets are based on estimates of the period over which the Company expects the assets to be of economic benefit to the Company. In estimating the useful lives, the Company considers factors such as, but not limited to, risk of obsolescence, anticipated use, plans of the Company, and applicable laws and permit requirements. Depreciation starts on the date when the asset is available for its intended use. Construction in progress assets are not depreciated until available for their intended use. Costs of maintenance and repairs are expensed as incurred.

The major categories of property and equipment are depreciated on a straight-line basis using the estimated lives indicated below:

	Estimated Useful Lives
Buildings	Up to 40 years
Equipment	1 year to 30 years
Furniture and fixtures	1 year to 10 years
Leasehold improvements	Shorter of term of lease or useful life of improvement

Intangible assets with finite lives are amortized principally using the straight-line method over the following estimated useful lives:

	Estimated Useful Lives
Affiliate relationships	24 years

Q. Goodwill

See above (B. Business Combinations and Noncontrolling Interests) for the Company's accounting policy on how goodwill is measured at an acquisition date. Goodwill is not amortized.

R. Impairment of Long-Lived Assets

In assessing the recoverability of the Company's long-lived assets, the Company must make estimates and assumptions regarding future cash flows and other factors to determine the fair value of the respective assets. These estimates and assumptions could have a significant impact on whether an impairment charge is recognized and the magnitude of any such charge. Fair value estimates are made based on relevant information at a specific point in time, and are subjective in nature and involve significant uncertainties and judgments. If these estimates or assumptions change materially, the Company may be required to record impairment charges related to its long-lived assets.

Goodwill is tested annually for impairment as of August 31st and at any time upon the occurrence of certain events or changes in circumstances. The Company has the option to perform a qualitative assessment to determine if an impairment is more likely than not to have occurred. If the Company can support the conclusion that it is not more likely than not that the fair value of a reporting unit is less than its carrying amount, the Company would not need to perform a quantitative impairment test for that reporting unit. If the Company cannot support such a conclusion or the Company does not elect to perform the qualitative assessment, the Company would identify potential impairment by comparing the fair value of a reporting unit with its carrying amount, including goodwill. The Company generally determines the fair value of a reporting unit using an income approach, such as the discounted cash flow method, or other acceptable valuation techniques, including the cost approach, in instances when it does not perform the qualitative assessment of goodwill. The amount of an impairment loss is measured as the amount by which a reporting unit's carrying value exceeds its fair value, not to exceed the carrying amount of goodwill.

For other long-lived assets, including property and equipment, right-of-use lease assets and intangible assets that are amortized, the Company evaluates assets for recoverability when there is an indication of potential impairment. If the undiscounted cash flows from a group of assets being evaluated is less than the carrying value of that group of assets, the fair value of the asset group is determined and the carrying value of the asset group is written down to fair value. The Company generally determines the fair value of a finite-lived intangible asset using an income approach, such as the discounted cash flow method.

See Note 10. Goodwill and Intangible Assets for further discussion.

S. Leases

The Company's leases primarily consist of a ground lease for the land where Sphere in Las Vegas is being constructed, corporate office space, storage, and office and other equipment. The Company determines whether an arrangement contains a lease at the inception of the arrangement. If a lease is determined to exist, the lease term is assessed based on the date when the underlying asset is made available by the lessor for the Company's use. The Company's assessment of the lease term reflects the non-cancellable term of the lease, inclusive of any rent-free periods and/or periods covered by early-termination options which the Company is reasonably certain not to exercise, as well as periods covered by renewal options which the Company is reasonably certain to exercise. The Company's lease agreements do not contain material residual value guarantees or material restrictive covenants.

The Company determines lease classification as either operating or finance at lease commencement, which governs the pattern of expense recognition and the presentation reflected in the consolidated statements of operations and statements of cash flows over the lease term.

For leases with a term exceeding 12 months, a lease liability is recorded on the Company's consolidated balance sheets at lease commencement reflecting the present value of the fixed minimum payment obligations over the lease term. A corresponding right-of-use ("ROU") asset equal to the initial lease liability is also recorded, adjusted for any prepaid rent and/or initial direct costs incurred in connection with execution of the lease and reduced by any lease incentives received. In addition, the ROU asset is adjusted to reflect any above or below market lease terms under acquired lease contracts.

The Company includes fixed payment obligations related to non-lease components in the measurement of ROU assets and lease liabilities, as the Company has elected to account for lease and non-lease components together as a single lease component. ROU assets associated with finance leases are presented separate from ROU assets associated with operating leases and are included within Property and equipment, net on the Company's consolidated balance sheets. For purposes of measuring the present value of the Company's fixed payment obligations for a given lease, the Company uses its incremental borrowing rate, determined based on information available at lease commencement, as rates implicit in the underlying leasing arrangements are typically not readily determinable. The Company's incremental borrowing rate reflects the rate it would pay to borrow on a secured basis and incorporates the term and economic environment surrounding the associated lease.

For operating leases, fixed lease payments are recognized as lease expense on a straight-line basis over the lease term. For finance leases, the initial ROU asset is depreciated on a straight-line basis over the lease term, along with recognition of interest expense associated with accretion of the lease liability, which is ultimately reduced by the related fixed payments. For leases with a term of 12 months or less ("short-term leases"), any fixed lease payments are recognized on a straight-line basis over the lease term and are not recognized on the consolidated balance sheets. Variable lease costs for both operating and finance leases, if any, are recognized as incurred and such costs are excluded from lease balances recorded on the consolidated balance sheets.

T. Interest Capitalization

For significant long term construction projects and immersive content productions, the Company begins to capitalize qualified interest cost once activities necessary to get the asset ready for its intended use have commenced. The Company calculates qualified interest capitalization using the average amount of accumulated expenditures during the period the asset is being prepared for its intended use and a capitalization rate which is derived from the Company's weighted average borrowing rate during such time, in the absence of specific borrowings related to the significant long term construction projects. The Company ceases capitalization on any portions substantially completed and ready for their intended use.

U. Contingencies

Liabilities for loss contingencies arising from claims, assessments, litigation, fines and penalties and other sources are recorded when it is probable that a liability has been incurred and the amount of the assessment can be reasonably estimated.

V. Contingent Consideration

Some of the Company's acquisition agreements may include contingent earn-out arrangements, which are generally based on the achievement of future operating targets.

The fair values of these earn-out arrangements are included as part of the purchase price of the acquired companies on their respective acquisition dates. For each transaction, the Company estimates the fair value of contingent earn-out payments as part of the initial purchase price and records the estimated fair value of contingent consideration that the Company expects to pay to the former owners as a liability in Accrued and other current liabilities and Other liabilities on the consolidated balance sheets.

The Company measures its contingent earn-out liabilities at fair value on a recurring basis using significant unobservable inputs classified within Level III of the fair value hierarchy, which can result in a significantly higher or lower liability with a higher liability capped by the contractual maximum of the contingent earn-out obligation. Ultimately, the liability will be equivalent to the amount paid, and the difference between the fair value estimate and amount paid will be recorded in earnings as operating expense.

W. Defined Benefit Pension Plans and Other Postretirement Benefit Plan

Prior to the MSGE Distribution, the Company sponsored certain employee benefit pension plans and a postretirement plan. On the MSGE Distribution Date, the sponsorship of certain of these plans were transferred to MSG Entertainment. The Company accounts for the transferred defined benefit pension plans under the guidance of ASC Topic 715, *Compensation — Retirement Benefits* ("ASC Topic 715"). Accordingly, for the defined benefit pension plan liabilities prior to the MSGE Distribution Date, the consolidated financial statements reflected the full impact of such transferred plans on both the consolidated statements of operations and consolidated balance sheet (presented within discontinued operations) and the Company recorded an asset or liability of discontinued operations to recognize the funded status of the defined benefit pension plans (other than multiemployer plans), as well as a liability of discontinued operations only for any required contributions to the defined benefit pension plans that were accrued and unpaid at the balance sheet date. The related pension expenses attributed to the Company were based primarily on pension-eligible compensation of active participants.

After the MSGE Distribution Date, the Company has both remaining funded and unfunded defined benefit plans. The expense recognized by the Company is determined using certain assumptions, including the expected long-term rate of return and discount rates, among others. The Company recognizes the funded status of its defined benefit pension plans (other than multiemployer plans) and the other postretirement benefit plan as an asset or liability in the consolidated balance sheets and recognizes changes in the funded status in the year in which the changes occur through other comprehensive income (loss).

Actuarial gains and losses that have not yet been recognized through the consolidated statements of operations are recorded in accumulated other comprehensive income (loss) until they are amortized as a component of net periodic benefit cost through other comprehensive income (loss).

See Note 13, Pension Plans and Other Postretirement Benefit Plan for further discussion,

X. Fair Value Measurements

The fair value hierarchy is based on inputs to valuation techniques that are used to measure fair value that are either observable or unobservable. Observable inputs reflect assumptions market participants would use in pricing an asset or liability based on market data obtained from independent sources while unobservable inputs reflect a reporting entity's pricing based upon their own market assumptions. The fair value hierarchy consists of the following three levels:

- Level I — Quoted prices for identical instruments in active markets.
- Level II — Quoted prices for similar instruments in active markets; quoted prices for identical or similar instruments in markets that are not active; and model-derived valuations whose inputs are observable or whose significant value drivers are observable.
- Level III — Instruments whose significant value drivers are unobservable.

Y. Foreign Currency Translations

The consolidated financial statements are presented in U.S. Dollars. Assets and liabilities of non-U.S. subsidiaries and the Company's foreign-based equity method investments that operate in a local currency environment, where that local currency is the functional currency, are translated to U.S. Dollars at exchange rates in effect at the balance sheet date. Operating results of non-U.S. subsidiaries are translated at weighted-average exchange rates during the year which approximate the rates in effect at the transaction dates. For the Company's foreign-based equity method investments, the proportionate share of the investee's income is translated into U.S. dollars at the average exchange rate for the period and the investment is translated using the exchange rate as of the end of the reporting period. Foreign currency translation gains and losses are included as a component of accumulated other comprehensive income (loss) as changes in cumulative translation adjustments in the accompanying consolidated balance sheets.

Z. Concentrations of Risk

Financial instruments that may potentially subject the Company to a concentration of credit risk consist primarily of cash and cash equivalents and accounts receivable. Cash and cash equivalents are invested in U.S. treasury bills, money market accounts and time deposits. The Company monitors the financial institutions and money market funds where it invests its cash and cash equivalents with diversification among counterparties to mitigate exposure to any single financial institution. The Company's emphasis is primarily on safety of principal and liquidity, and secondarily on maximizing the yield on its investments.

AA. Recently Adopted Accounting Pronouncements

Recently Adopted Accounting Pronouncements

In October 2021, the Financial Accounting Standards Board issued Accounting Standards Update (" ASU") No. 2021-08, *Accounting for Contract Assets and Contract Liabilities From Contracts With Customers*. This ASU requires that the acquiring entity in a business combination recognize and measure contract assets and contract liabilities acquired in accordance with ASC Topic 606. This standard was adopted by the Company in the first quarter of Fiscal Year 2023. The adoption of this standard did not have an impact on the Company's consolidated financial statements.

Note 3. Discontinued Operations

MSG Entertainment

On April 20, 2023, the Company completed the MSGE Distribution. T he Company analyzed the quantitative and qualitative factors relevant to the MSGE Distribution and determined that the conditions for discontinued operations presentation were met during the fourth quarter of Fiscal Year 2023. As such, the results of the MSG Entertainment business previously owned and operated by the Company through its MSG Entertainment business segment, as well as transaction costs related to the MSGE Distribution, have been classified in the accompanying consolidated financial statements as discontinued operations for all periods presented. No impairment loss was recognized in connection with the reclassification to discontinued operations and no gain or loss was recognized in connection with the MSGE Distribution.

Indirect corporate and administrative costs do not qualify for discontinued operations presentation, and these costs are included in continuing operations for all periods presented through April 20, 2023. After the MSGE Distribution Date, these corporate and administrative services are provided to the Company by MSG Entertainment under a Transition Services Agreement (“MSGE TSA”), with the related costs included in continuing operations from April 21, 2023 through June 30, 2023. As noted above, results from continuing operations, prior to the MSGE Distribution Date, include certain corporate overhead expenses that the Company did not incur in the period after the completion of the MSGE Distribution, and the Company does not expect to incur such expenses in future periods.

Tao Group Hospitality

On May 3, 2023, the Company completed the Tao Group Hospitality Disposition. The Company analyzed the quantitative and qualitative factors relevant to the Tao Group Hospitality Disposition and determined that the criteria to classify the assets and liabilities of Tao Group Hospitality as held for sale, along with the related operations as a discontinued operation, had been satisfied as of the third quarter of Fiscal Year 2023. As such, the historical financial results of the Tao Group Hospitality segment have been reflected in the accompanying consolidated financial statements as discontinued operations for all periods presented. In connection with the Tao Group Hospitality Disposition, the Company recognized a gain of $ 212,857 , net of taxes of $ 1,020 , which is also presented in discontinued operations.

The tables below sets forth, for the periods presented, the balance sheet and the operating results of the disposal groups. Amounts presented below differ from historically reported results for the MSG Entertainment and Tao Group Hospitality business segments in order to reflect discontinued operations presentation.

	June 30, 2022		
	MSGE	Tao	Total
ASSETS			
Current Assets:			
Cash, cash equivalents, and restricted cash	$ 62,573	$ 23,125	$ 85,698
Accounts receivable, net	63,804	29,521	93,325
Prepaid expenses and other current assets	107,999	20,508	128,507
Total current assets	234,376	73,154	307,530
Non-Current Assets:			
Investments in nonconsolidated affiliates	350	3,157	3,507
Property and equipment, net	696,079	85,396	781,475
Right-of-use lease assets	271,154	109,194	380,348
Goodwill	42,010	1,364	43,374
Finite intangible assets, net	1,638	141,421	143,059
Indefinite-lived intangible assets	63,801	—	63,801
Other non-current assets	83,185	13,432	96,617
Total assets of the discontinued operations	$ 1,392,593	$ 427,118	$ 1,819,711
LIABILITIES			
Current Liabilities:			
Accounts payable, accrued, and other current liabilities	$ 252,346	$ 60,232	$ 312,578
Current portion of long-term debt	8,762	3,750	12,512
Operating lease liabilities, current	39,006	19,751	58,757
Deferred revenue	203,885	19,827	223,712
Total current liabilities [(a)]	503,999	103,560	607,559
Non-Current Liabilities:			
Long-term debt, net of deferred financing costs	654,912	80,130	735,042
Operating lease liabilities, non-current	254,114	89,437	343,551
Deferred tax liabilities, net	19,050	—	19,050
Other non-current liabilities	52,629	1,393	54,022
Total liabilities of the discontinued operations	1,484,704	274,520	1,759,224
Net (Liabilities) Assets of the disposal group classified as discontinued operations	(92,111)	152,598	60,487
Redeemable noncontrolling interests of disposal group classified as discontinued operations	$ —	$ 184,192	$ 184,192
Nonredeemable noncontrolling interests of disposal group classified as discontinued operations	$ (114)	$ 12,277	$ 12,163

	Year Ended June 30, 2023			
	MSGE	Tao	Eliminations [a]	Total
Revenues	$ 731,299	$ 447,929	$ (1,761)	$ 1,177,467
Direct operating expenses	(421,440)	(263,200)	1,371	(683,269)
Selling, general, and administrative expenses	(119,032)	(151,271)	(195)	(270,498)
Depreciation and amortization	(49,423)	(23,236)	—	(72,659)
Impairment and other gains, net	4,361	473	—	4,834
Restructuring charges	(7,435)	—	—	(7,435)
Operating income	138,330	10,695	(585)	148,440
Interest income	2,880	149	—	3,029
Interest expense	(1,031)	(2,551)	—	(3,582)
Other income, net	11,456	665	—	12,121
Income from discontinued operations before income taxes	151,635	8,958	(585)	160,008
Income tax expense	(5,517)	(33,695)	—	(39,212)
Income (loss) from discontinued operations, net of taxes	146,118	(24,737)	(585)	120,796
Gain on disposal before income taxes	—	213,877	—	213,877
Income tax expense	—	(1,020)	—	(1,020)
Gain on disposal, net of taxes	—	212,857	—	212,857
Net income from discontinued operations	146,118	188,120	(585)	333,653
Less: Net income attributable to redeemable noncontrolling interests	—	3,925	—	3,925
Less: Net loss attributable to nonredeemable noncontrolling interests	(553)	(464)	—	(1,017)
Net income from discontinued operations attributable to Sphere Entertainment Co.'s stockholders	$ 146,671	$ 184,659	$ (585)	$ 330,745

	Year Ended June 30,2022			
	MSGE	Tao	Eliminations [a]	Total
Revenues	$ 632,612	$ 484,649	$ (2,698)	$ 1,114,563
Direct operating expenses	(417,108)	(270,728)	2,077	(685,759)
Selling, general, and administrative expenses	(110,288)	(154,923)	—	(265,211)
Depreciation and amortization	(69,564)	(32,503)	—	(102,067)
Impairment and other gains, net	—	2,800	—	2,800
Restructuring charges	(1,286)	—	—	(1,286)
Operating income	34,366	29,295	(621)	63,040
Interest income	612	23	—	635
Interest expense	(25,453)	(1,702)	—	(27,155)
Other expense, net	(84,690)	(82)	—	(84,772)
(Loss) income from operations before income taxes	(75,165)	27,534	(621)	(48,252)
Income tax benefit (expense)	14,069	(18,114)	—	(4,045)
Net (loss) income	(61,096)	9,420	(621)	(52,297)
Less: Net income attributable to redeemable noncontrolling interests	—	7,739	—	7,739
Less: Net loss attributable to nonredeemable noncontrolling interests	(2,864)	(627)	—	(3,491)
Net (loss) income from discontinued operations attributable to Sphere Entertainment Co.'s stockholders	$ (58,232)	$ 2,308	$ (621)	$ (56,545)

	Year Ended June 30, 2021			
	MSGE	Tao	Eliminations [a]	Total
Revenues	$ 68,567	$ 99,865	$ (1,729)	$ 166,703
Direct operating expenses	(96,073)	(70,236)	1,502	(164,807)
Selling, general, and administrative expenses	(88,383)	(47,844)	227	(136,000)
Depreciation and amortization	(71,577)	(33,816)	—	(105,393)
Impairment and other gains, net	—	—	—	—
Restructuring charges	(13,238)	—	—	(13,238)
Operating loss	(200,704)	(52,031)	—	(252,735)
Interest income	29	21	—	50
Interest expense	(204)	—	—	(204)
Other income (expense), net	50,624	(2,059)	—	48,565
Loss from operations before income taxes	(150,255)	(54,069)	—	(204,324)
Income tax benefit	31,006	2,176	—	33,182
Net loss	(119,249)	(51,893)	—	(171,142)
Less: Net loss attributable to redeemable noncontrolling interests	—	(16,269)	—	(16,269)
Less: Net loss attributable to nonredeemable noncontrolling interests	(694)	(1,405)	—	(2,099)
Net loss from discontinued operations attributable to Sphere Entertainment Co.'s stockholders	$ (118,555)	$ (34,219)	$ —	$ (152,774)

[a] *Prior to the MSGE Distribution and Tao Group Hospitality Disposition, the Company's consolidated results of operations included a number of intercompany transactions between MSG Entertainment and Tao Group Hospitality which were presented in the Company's segment reporting disclosures. As such, these transactions are eliminated for purposes of this disclosure as they will not continue in periods subsequent to the MSGE Distribution and Tao Group Hospitality Disposition, respectively.*

As permitted under ASC Subtopic 205-20-50-5b(2), the Company has elected not to adjust the consolidated statements of cash flows for the years ended June 30, 2023, 2022, and 2021 to exclude cash flows attributable to discontinued operations. The table below sets forth, for the periods presented, significant selected financial information related to discontinued activities included in the accompanying consolidated financial statements:

	Years Ended June 30					
	2023		2022		2021	
	MSGE	Tao[a]	MSGE	Tao	MSGE	Tao
Non-cash items included in net income (loss):						
Depreciation and amortization	49,423	23,236	69,564	$ 32,503	71,577	$ 33,816
Impairments and other (gains), net	(4,361)	(214,350)	—	(2,800)	—	—
Share-based compensation expense	4,710	7,224	8,480	7,647	5,514	5,284
Cash flow from investing activities:						
Capital expenditures, net	12,832	17,488	15,797	23,309	10,315	3,192
Non-cash investing activities:						
Capital expenditures incurred but not yet paid	780	817	1,585	119	1,083	72
Investments and loans to nonconsolidated affiliates	—	113	—	791	—	—
Non-cash contribution received from noncontrolling interests	—	—	—	—	—	(59,763)

[a] *Impairments and other (gains) losses, net is inclusive of gain on Tao Disposition.*

Note 4. Revenue Recognition

For Fiscal Years 2023, 2022, and 2021, all revenue recognized in the consolidated statements of operations is considered to be revenue from contracts with customers in accordance with ASC Topic 606 — *Revenue From Contracts with Customers* ("ASC Topic 606"), except for revenues from sublease arrangements as disclosed below. In Fiscal Years 2023 and 2022, the Company did not have any material provisions for credit losses on receivables or contract assets arising from contracts with customers.

Sphere Segment

The Sphere Segment has yet to generate material revenue from contracts with customers during Sphere's pre-opening period.

MSG Networks Segment

The MSG Networks segment generates revenues principally from affiliation fees charged to cable, satellite, fiber-optic and other platforms ("Distributors") for the right to carry its networks, as well as from the sale of advertising. Advertising revenue is largely derived from the sale of inventory in MSG Networks' live professional sports programming, and as such, a significant share of this revenue has historically been earned in the second and third fiscal quarters. Due to the COVID-19 pandemic, the NBA and NHL 2020-21 regular seasons were delayed and primarily occurred during the third and fourth quarters of Fiscal Year 2021 and affected the comparability in the second, third and the fourth fiscal quarters of Fiscal Year 2022.

Affiliation fee revenue is earned from Distributors for the right to carry the segment's networks under affiliation agreements. The performance obligation under these affiliation agreements is satisfied as MSG Networks provides its programming over the term of the agreement.

Substantially all of MSG Networks' affiliation agreements are sales-based and usage-based royalty arrangements; revenue is recognized as the sale or usage occurs. The transaction price is represented by affiliation fees that are generally based upon contractual rates applied to the number of the Distributor's subscribers who receive or can receive MSG Networks programming. Such subscriber information is generally not received until after the close of the reporting period, and in these cases, the Company estimates the number of subscribers. Historical adjustments to recorded estimates have not been material.

The MSG Networks segment also generates advertising revenue primarily through the sale of commercial time and other advertising inventory during its live professional sports programming. In general, these advertising arrangements either do not exceed one year or are primarily multi-year media banks, the elements of which are agreed upon each year. Advertising revenue is recognized as advertising is aired. In certain advertising arrangements, the Company guarantees specified viewer ratings for its programming. In such cases, the promise to deliver the guaranteed viewer ratings by airing the advertising represents MSG Networks' performance obligation. A contract liability is recognized as deferred revenue to the extent any guaranteed viewer ratings are not met. This permits the customer to exercise a contractual right for additional advertising time. The related deferred revenue is subsequently recognized as revenue either when MSG Networks provides the required additional advertising time, or additional performance requirements become remote, which may be at the time the guarantee obligation contractually expires.

Disaggregation of Revenue

The following table disaggregates the Company's revenue by major source and reportable segment based upon the timing of transfer of goods or services to the customer for Fiscal Years 2023, 2022, and 2021:

	Year Ended June 30, 2023		
	Sphere	MSG Networks	Total
Signage [(a)]	—	6,990	6,990
Media related, primarily from affiliation agreements [(a)]	—	558,362	558,362
Other	—	5,869	5,869
Total revenues from contracts with customers	$ —	$ 571,221	$ 571,221
Revenues from subleases	2,610	—	2,610
Total revenues	$ 2,610	$ 571,221	$ 573,831

	Year Ended June 30, 2022		
	Sphere	MSG Networks	Total
Signage [(a)]	—	6,470	6,470
Media related, primarily from affiliation agreements [(a)]	—	596,032	596,032
Other	—	5,653	5,653
Total revenues from contracts with customers	$ —	$ 608,155	$ 608,155
Revenues from subleases	1,900	—	1,900
Total revenues	$ 1,900	$ 608,155	$ 610,055

	Year Ended June 30, 2021		
	Sphere	MSG Networks	Total
Signage [(a)]	—	4,022	4,022
Media related, primarily from affiliation agreements [(a)]	—	639,470	639,470
Other	—	4,018	4,018
Total revenues	$ —	$ 647,510	$ 647,510

[(a)] *See Note 2. Summary of Significant Accounting Policies, Revenue Recognition, for further details on the pattern of recognition of signage and media related revenues.*

In addition to the disaggregation of the Company's revenue by major source based upon the timing of transfer of goods or services to the customer disclosed above, the following table disaggregates the Company's combined revenues by type of goods or services in accordance with the required entity-wide disclosure requirements of ASC Subtopic 280-10-50-38 to 40 and the disaggregation of revenue required disclosures in accordance with ASC Subtopic 606-10-50-5 for Fiscal Years 2023, 2022, and 2021.

	Year Ended June 30, 2023		
	Sphere	MSG Networks	Total [(d)]
Media networks revenues [(a)]	—	571,221	571,221
Revenues from subleases	2,610	—	2,610
Total revenues	$ 2,610	$ 571,221	$ 573,831

	Year Ended June 30, 2022		
	Sphere	MSG Networks	Total
Media networks revenues [(a)]	—	608,155	608,155
Revenues from subleases	1,900	—	1,900
Total revenues	$ 1,900	$ 608,155	$ 610,055

	Year Ended June 30, 2021		
	Sphere	MSG Networks	Total
Media networks revenues [(a)]	—	647,510	647,510
Total revenues	$ —	$ 647,510	$ 647,510

[(a)] *Primarily consists of affiliation fees from Distributors and, to a lesser extent, advertising revenues through the sale of commercial time and other advertising inventory during MSG Networks programming.*

Contract Balances

The following table provides information about the opening and closing contract balances from the Company's contracts with customers as of June 30, 2023, 2022, and 2021.

	As of June 30,	
	2023	2022
Receivables from contracts with customers, net [(a)]	$ 115,039	$ 124,319
Contract assets, current [(b)]	314	—
Contract assets, non-current [(b)]	—	756
Deferred revenue, including non-current portion [(c)]	27,397	4,413

[(a)] *As of June 30, 2023, 2022, and 2021, the Company's receivables from contracts with customers above included $ 2,730 , $ 992 , and $ 260 , respectively, related to various related parties. See Note 17. Related Party Transactions for further details on these related party arrangements.*

[(b)] *Contract assets primarily relate to the Company's rights to consideration for goods or services transferred to customers, for which the Company does not have an unconditional right to bill as of the reporting date. Contract assets are transferred to accounts receivable once the Company's right to consideration becomes unconditional.*

[(c)] *Revenue recognized for Fiscal Year 2023 relating to the deferred revenue balance as of June 30, 2022 was $ 4,254 .*

Transaction Price Allocated to the Remaining Performance Obligations

The following table depicts the estimated revenue expected to be recognized in the future related to performance obligations that are unsatisfied (or partially unsatisfied) as of June 30, 2023. This primarily relates to performance obligations under sponsorship agreements that have original expected durations longer than one year and for which the considerations are not variable. In developing the estimated revenue, the Company applies the allowable practical expedient and does not disclose information about remaining performance obligations that have original expected durations of one year or less.

Fiscal year ending June 30, 2024	$ 36,070
Fiscal year ending June 30, 2025	30,322
Fiscal year ending June 30, 2026	17,011
Fiscal year ending June 30, 2027	3,433
Fiscal year ending June 30, 2028	—
Thereafter	—
	$ 86,836

Note 5. Restructuring Charges

During Fiscal Year 2023, the Company implemented a cost reduction program which resulted in the recognition of termination benefits for a workforce reduction related to certain executives and employees of the Sphere and MSG Networks segments. As a result, the Company recognized restructuring charges of $ 27,924 for Fiscal Year 2023, inclusive of $ 8,118 of share-based compensation expenses, which are recorded in Accounts payable, accrued and other current liabilities and Additional paid-in capital on the consolidated balance sheet. The Company recognized restructuring charges of $ 13,404 for Fiscal Year 2022, inclusive of $ 4,254 of share-based compensation expenses, which were also recorded in Accounts payable, accrued and other current liabilities and Additional paid-in capital on the consolidated balance sheet. For Fiscal Year 2021, the Company recorded restructuring charges of $ 8,061 , primarily related to termination benefits provided to employees, of which all amounts had been paid as of June 30, 2022. These measures included reductions in full-time workforce in August 2020 and November 2020.

Changes to the Company's restructuring liability through June 30, 2023 were as follows:

June 30, 2022	$ —
Restructuring charges (excluding share-based compensation expense)	19,806
Payments	(4,971)
MSGE Distribution-related transfers of liabilities	(5,944)
June 30, 2023	$ 8,891

Note 6. Computation of earnings per-share

The following table presents a reconciliation of weighted-average shares used in the calculations of basic and diluted earnings (loss) per common share attributable to Sphere Entertainment Co.'s stockholders.

	Years Ended June 30,		
	2023	**2022**	**2021**
Net income (loss) available to Sphere Entertainment Co.'s stockholders (numerator):			
Net income (loss) from continuing operations for EPS	$ 172,027	$ (137,850)	$ 4,623
Income (loss) from discontinued operations, net of taxes	$ 333,653	$ (52,297)	$ (171,142)
Less: Net income (loss) attributable to redeemable noncontrolling interests from discontinued operations	3,925	7,739	(16,269)
Less: Net loss attributable to nonredeemable noncontrolling interests from discontinued operations	(1,017)	(3,491)	(2,099)
Net income (loss) attributable to discontinued operations per statement of operations	330,745	(56,545)	(152,774)
Adjustment of redeemable noncontrolling interest to redemption value from discontinued operations	—	(3,173)	(8,728)
Net income (loss) attributable to discontinued operations for EPS:	$ 330,745	$ (59,718)	$ (161,502)
Weighted-average shares (denominator):			
Weighted-average shares for basic EPS	34,651	34,255	34,077
Dilutive effect of shares issuable under share-based compensation plans [(a)]	278	—	175
Weighted-average shares for diluted EPS	34,929	34,255	34,252
Weighted-average anti-dilutive shares [(a)]	800	—	1,207
Basic earnings (loss) per common share			
Continuing operations	$ 4.96	$ (4.02)	$ 0.14
Discontinued operations	$ 9.55	$ (1.75)	$ (4.74)
Basic earnings (loss) per common share attributable to Sphere Entertainment Co.'s stockholders	$ 14.51	$ (5.77)	$ (4.60)
Diluted earnings (loss) per common share			
Continuing operations	$ 4.93	$ (4.02)	$ 0.13
Discontinued operations	$ 9.47	$ (1.75)	$ (4.72)
Diluted earnings (loss) per common share attributable to Sphere Entertainment Co.'s stockholders	$ 14.40	$ (5.77)	$ (4.59)

[(a)] *For Fiscal Year 2022, all restricted stock units and stock options were excluded from the above table because the Company reported a net loss for the period presented, and therefore, their impact on reported loss per share would have been antidilutive. For Fiscal Year 2021, the Company reported income from continuing operations and as such dilutive earnings per share is presented above. See Note 14. Share-Based Compensation, for further details.*

Note 7. Investments in Nonconsolidated Affiliates

The Company's investments in nonconsolidated affiliates, which are accounted for under the equity method of accounting or as equity investments without readily determinable fair value, are included within Investments in nonconsolidated affiliates in the accompanying consolidated balance sheets and consisted of the following:

		Investment As of June 30,	
	Ownership Percentage	2023	2022
Equity method investments:			
SACO Technologies Inc. ("SACO")	30 %	$ 22,246	$ 31,448
Holoplot Loan [(a)]		20,971	—
Holoplot	25 %	1,542	2,096
MSG Entertainment[(b)]	20 %	341,039	—
Equity investments without readily determinable fair values [(c)]		8,721	6,753
Total investments in nonconsolidated affiliates		$ 394,519	$ 40,297

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(a) *In January 2023, the Company, through an indirect subsidiary, extended financing to Holoplot GmbH ("Holoplot") in the form of a three-year convertible loan (the "Holoplot Loan") of € 18,804 , equivalent to $ 20,484 using the applicable exchange rate at the time of the transaction. The Holoplot Loan is comprised of $ 7,625 cash and $ 12,859 of outstanding deposits paid by the Company to Holoplot in prior periods, plus accrued interest. Absent conversion, which is currently not available under the terms of the Holoplot Loan, the Holoplot Loan and interest accrued thereon are due and payable at the conclusion of the three year term.*

(b) *The Company elected the fair value option for its investment in MSG Entertainment. The fair value of the investment is determined based on quoted market prices on the New York Stock Exchange ("NYSE"), which are classified within Level I of the fair value hierarchy.*

(c) *For Fiscal Year 2023, the Company recorded an increase of $ 1,969 to the carrying value of its equity investments without readily determinable fair values. For Fiscal Years 2022 and 2021, the Company did no t have any changes in carrying value recorded to its equity investments without readily determinable fair values.*

Equity Method Investments

The Company determined that it has the ability to exert significant influence over the investee and therefore accounts for the following investments under the equity method of accounting.

SACO

In Fiscal Year 2019, the Company acquired a 30 % interest in SACO, a global provider of high-performance LED video lighting and media solutions, for a total consideration of $ 47,244 . The Company is utilizing SACO as a preferred display technology provider for Sphere in Las Vegas based upon commercial terms. The total consideration consisted of a $ 42,444 payment at closing and a $ 4,800 deferred payment, which was made in October 2018. As of the acquisition date, the carrying amount of the investment was greater than the Company's equity interest in the underlying net assets of SACO. As such, the Company allocated the difference to amortizable intangible assets of $ 25,350 and is amortizing these intangible assets on a straight-line basis over the expected useful lives ranging from 6 years to 12 years as a basis adjustment to the carrying amount of the investment.

Holoplot

In Fiscal Year 2018, the Company acquired a 25 % interest in Holoplot GmbH ("Holoplot"), a global leader in 3D audio technology based in Berlin, Germany.

In January 2023, the Company, through an indirect subsidiary, extended financing to Holoplot in the form of the Holoplot Loan of € 18,804 , equivalent to $ 20,484 using the applicable exchange rate at the time of the transaction. The Holoplot Loan is comprised of $ 7,625 cash and $ 12,859 of outstanding deposits paid by the Company to Holoplot in prior periods, plus accrued interest. Absent conversion, which is currently not available under the terms of the Holoplot Loan, the Holoplot Loan and interest accrued thereon are due and payable at the conclusion of the three-year term.

MSG Entertainment

The Company holds an investment in MSG Entertainment's Class A common stock, the MSGE Retained Interest. MSG Entertainment is a related party that is listed on the NYSE under the symbol "MSGE." See Note 1. Description of Business and Basis of Presentation, for details regarding the MSGE Retained Interest.

On June 27, 2023, the Company completed a secondary offering (the "Offering") of 6,038 shares of MSG Entertainment Class A common stock, which included the exercise in full of the underwriters' option to purchase additional shares, at a public offering price of $ 31.00 per share, less underwriting discounts and commissions ($ 29.76 per share). Concurrently with closing of the Offering on June 27, 2023, MSG Entertainment repurchased 840 shares of Class A common stock from us in a private transaction at the price at which the shares were sold to the public in the Offering less the underwriting discounts and commissions ($ 29.76 per share), pursuant to a stock purchase agreement, dated June 21, 2023, between the Company and MSG Entertainment. On August 9, 2023, the Company repaid all amounts outstanding under our delayed draw term loan with MSG Entertainment (the "DDTL Facility") using a portion of the MSGE Retained Interest, and as a result now holds approximately 17 % of the outstanding common stock of MSG Entertainment (in the form of MSG Entertainment Class A common stock), based on 49,128 total MSG Entertainment shares outstanding as of August 18, 2023. See Note 12. Credit Facilities for further discussion on the DDTL Facility.

The following table summarizes the unrealized and realized gains on the MSGE Retained Interest, which are reported in Other income (expenses), net in the accompanying consolidated statements of operations:

	June 30, 2023
Unrealized gain	$ 341,039
Gain from shares sold	204,676
Total realized and unrealized gain	$ 545,715
Supplemental information on realized gain:	
Shares of common stock sold	6,878
Cash proceeds from common stock sold	$ 204,676

Note 8. Property and Equipment, Net

As of June 30, 2023 and 2022, property and equipment, net consisted of the following:

	As of June 30,	
	2023	2022
Land	$ 80,878	$ 77,471
Buildings	69,049	1,380
Equipment, furniture and fixtures	159,786	102,745
Leasehold improvements	18,491	18,490
Construction in progress [(a)]	3,066,785	2,020,978
Total property and equipment, gross	3,394,989	2,221,064
Less accumulated depreciation and amortization	(87,828)	(63,487)
Total property and equipment, net	$ 3,307,161	$ 2,157,577

[(a)] *These costs primarily relate to the construction of Sphere in Las Vegas. Construction in progress includes labor and interest that are capitalized during the construction period for significant long term construction projects. For Fiscal Years 2023, 2022, and 2021, the Company capitalized interest of $ 70,349 , $ 48,507 , and $ 0 respectively.*

The increase in Construction in progress is primarily associated with the development and construction of Sphere in Las Vegas. The property and equipment balances above include $ 236,593 and $ 204,894 of capital expenditure accruals (primarily related to Sphere construction) as of June 30, 2023 and 2022, respectively, which are reflected in Accounts payable, accrued and other current liabilities in the accompanying consolidated balance sheets.

Depreciation expense on property and equipment was $ 27,601 , $ 16,794 , $ 13,146 , for Fiscal Years 2023, 2022, and 2021, respectively.

Note 9. Leases

The following table summarizes the ROU assets and lease liabilities recorded on the Company's consolidated balance sheets as of June 30, 2023 and 2022:

	As of June 30,	
	2023	2022
ROU assets	$ 84,912	$ 66,151
Lease liabilities:		
Operating leases, current	10,127	6,553
Operating leases, non-current	110,259	84,420
Total lease liabilities	$ 120,386	$ 90,973

The following table summarizes the activity recorded within the Company's consolidated statements of operations for Fiscal Years 2023, 2022, and 2021:

		Years Ended June 30,		
	Line Item in the Company's Consolidated Statements of Operations	2023	2022	2021
Operating lease cost	Direct operating expenses	$ 1,676	$ 1,287	$ 4,468
Operating lease cost	Selling, general and administrative expenses	15,925	16,977	15,969
Variable lease cost	Direct operating expenses	—	—	1,121
Variable lease cost	Selling, general and administrative expenses	1	20	18
Total lease cost		$ 17,602	$ 18,284	$ 21,576

The Company excluded its ground lease with a subsidiary of Las Vegas Gaming, LLC ("The Venetian") associated with Sphere in Las Vegas from its ROU assets and lease liabilities balances as the ground lease will not have any fixed rent. If certain return objectives are achieved, The Venetian will receive 25 % of the after-tax cash flow in excess of such objectives in the form of variable rent. The Venetian agreed to provide the Company with $ 75,000 to help fund the construction costs, including the cost of a pedestrian bridge that links Sphere to The Venetian Expo. Through June 30, 2023, The Venetian paid the Company $ 65,000 of this amount, and the 50 -year fixed term commenced on July 14, 2023.

Supplemental cash flow information related to operating leases is as follows:

	Years Ended June 30,		
	2023	2022	2021
Cash paid for amounts included in the measurement of operating lease liabilities	$ 12,332	$ 14,400	$ 16,603
Lease assets obtained in exchange for new lease obligations	6,435	43,834	19,182

For Fiscal Year 2022, the Company received $ 17,697 of tenant incentives from a landlord for capital expenditures on behalf of the Company. There were no tenant incentives received in Fiscal Years 2023 and 2021.

Maturities of operating lease liabilities are as follows:

	As of June 30, 2023
Fiscal year ending June 30, 2024	$ 10,489
Fiscal year ending June 30, 2025	17,174
Fiscal year ending June 30, 2026	14,657
Fiscal year ending June 30, 2027	11,382
Fiscal year ending June 30, 2028	11,570
Thereafter	119,439
Total lease payments	184,711
Less imputed interest	64,325
Total lease liabilities	$ 120,386

The weighted average remaining lease term and weighted average discount rate for our operating leases as of June 30, 2023 and 2022 were as follows:

	As of June 30,	
	2023	2022
Weighted average remaining lease term (in years)	12.1	2.2
Weighted average discount rate	5.38 %	0.78 %

As of June 30, 2023, the Company's existing operating leases, which are recorded on the accompanying financial statements, have remaining lease terms ranging from 0.4 years to 18.6 years.

Lessor Arrangements

For Fiscal Years 2023, 2022, and 2021, the Company recognized revenues of $ 2,610 , $ 1,900 , and $ 0 , respectively, from sublease arrangements.

Note 10. Goodwill and Intangible Assets

The carrying amounts and activity of goodwill from June 30, 2021 through June 30, 2023 were as follows:

	Sphere	MSG Networks	Total
Balance as of June 30, 2021	$ 32,299	$ 424,508	$ 456,807
Activity	—	—	—
Balance as of June 30, 2022	$ 32,299	$ 424,508	$ 456,807
Activity	—	—	—
Balance as of June 30, 2023	$ 32,299	$ 424,508	$ 456,807

During the first quarter of Fiscal Year 2023 and 2022, the Company performed its annual impairment tests of goodwill and determined that there were no impairments identified as of the impairment test date. The MSG Networks Segment (and reporting unit) had a negative carrying amount of net assets as of June 30, 2023 and 2022.

For periods prior to the MSGE Distribution, Sphere was included with the MSGE Entertainment business in a combined segment and reporting unit. In connection with the MSGE Distribution, the goodwill balance associated with this reporting unit was allocated between Sphere and MSG Entertainment discontinued operations based upon a relative fair value approach, resulting in $ 32,299 of goodwill attributed to Sphere.

The Company's intangible assets subject to amortization, which relate to affiliate relationships, as of June 30, 2023 and 2022 were as follows:

	June 30, 2023	June 30, 2022
Gross carrying amount	$ 83,044	83,044
Accumulated amortization	(65,134)	(62,019)
Intangible assets, net	17,910	21,025

Amortization expense for intangible assets was $ 3,115 , $ 5,768 and 3,460 for Fiscal Years 2023, 2022, and 2021, respectively.

The Company's annual amortization expense for existing intangible assets subject to amortization for each of the succeeding five fiscal years is as follows:

	For the years ending June 30,				
	2024	2025	2026	2027	2028
Estimated amortization expense	$ 3,115	$ 3,115	$ 3,115	$ 3,115	$ 3,115

Note 11. Commitments and Contingencies

Commitments

As of June 30, 2023, commitments of the Company in the normal course of business in excess of one year are as follows:

	Commitments						
	June 30, 2024	June 30, 2025	June 30, 2026	June 30, 2027	June 30, 2028	Thereafter	Total
Sphere							
Event-related commitments	$ 7,624	$ —	$ —	$ —	$ —	$ —	$ 7,624
Letter of credit	868	—	—	—	—	—	868
MSG Networks							
Broadcast rights	241,472	241,059	248,957	256,214	266,406	1,818,870	3,072,978
Purchase commitments	13,713	6,148	3,279	1,434	258	—	24,832
Talent commitments	5,701	2,086	512	345	354	359	9,357
Other	6,513	6,137	2,032	2,073	2,116	354	19,225
Total Commitments	$ 275,891	$ 255,430	$ 254,780	$ 260,066	$ 269,134	$ 1,819,583	$ 3,134,884

See Note 9. Leases for more information regarding the Company's contractually obligated minimum lease payments for operating leases having an initial noncancelable term in excess of one year for the Company's venues. These commitments are presented exclusive of the imputed interest used to reflect the payment's present value.

See Note 12. Credit Facilities for more information regarding the principal repayments required under the MSG Networks Term Loan and LV Sphere Term Loan Facility.

Legal Matters

Fifteen complaints were filed in connection with the Networks Merger by purported stockholders of the Company and MSG Networks Inc.

Nine of these complaints involved allegations of materially incomplete and misleading information set forth in the joint proxy statement/prospectus filed by the Company and MSG Networks Inc. in connection with the Networks Merger. As a result of supplemental disclosures made by the Company and MSG Networks Inc. on July 1, 2021, all of the disclosure actions were voluntarily dismissed with prejudice prior to or shortly following the consummation of the Networks Merger.

Six complaints involved allegations of fiduciary breaches in connection with the negotiation and approval of the Networks Merger and have since been consolidated into two remaining litigations.

On September 10, 2021, the Court of Chancery of the State of Delaware (the "Court") entered an order consolidating two derivative complaints filed by purported Company stockholders. The consolidated action is captioned: *In re Madison Square Garden Entertainment Corp. Stockholders Litigation* , C.A. No. 2021-0468-KSJM (the "MSG Entertainment Litigation"). The consolidated plaintiffs filed their Verified Consolidated Derivative Complaint on October 11, 2021. The complaint, which names the Company as only a nominal defendant, retains all of the derivative claims and alleges that the members of the board of directors and controlling stockholders violated their fiduciary duties in the course of negotiating and approving the Networks Merger. Plaintiffs seek, among other relief, an award of damages to the Company including interest, and plaintiffs' attorneys' fees. Pursuant to the indemnity rights in its bylaws and Delaware law, the Company has advanced the costs incurred by defendants in this action, and defendants have asserted indemnification rights in respect of any adverse judgment or settlement of the action.

On March 14, 2023, the parties to the MSG Entertainment Litigation reached an agreement in principle to settle the MSG Entertainment Litigation on the terms and conditions set forth in a binding term sheet, which was incorporated into a long-form settlement agreement (the "MSGE Settlement Agreement") that was filed with the Court on April 20, 2023. The MSGE Settlement Agreement provides for, among other things, the final dismissal of the MSG Entertainment Litigation in exchange for a settlement payment to the Company of $ 85,000 , subject to customary reduction for attorneys' fees and expenses, in an amount to be determined by the Court. The settlement's amount will be fully funded by the other defendants' insurers. The MSGE Settlement Agreement was approved by the Court on August 14, 2023. No gain amount relating to the proposed settlement has been recorded as of June 30, 2023.

On September 27, 2021, the Court entered an order consolidating four complaints filed by purported stockholders of MSG Networks Inc. The consolidated action is captioned: In re MSG Networks Inc. Stockholder Class Action Litigation, C.A. No. 2021-0575-KSJM (the "MSG Networks Litigation"). The consolidated plaintiffs filed their Verified Consolidated Stockholder Class Action Complaint on October 29, 2021. The complaint asserts claims on behalf of a putative class of former MSG Networks Inc. stockholders against each member of the board of directors of MSG Networks Inc. and the controlling stockholders prior to the Networks Merger. Plaintiffs allege that the MSG Networks Inc. board of directors and controlling stockholders breached their fiduciary duties in negotiating and approving the Networks Merger. The Company is not named as a defendant but has been subpoenaed to produce documents and testimony related to the Networks Merger. Plaintiffs seek, among other relief, monetary damages for the putative class and plaintiffs' attorneys' fees. Pursuant to the indemnity rights in its bylaws and Delaware law, the Company has advanced the costs incurred by defendants in this action, and defendants have asserted indemnification rights in respect of any adverse judgment or settlement of the action.

On April 6, 2023, the parties to the MSG Networks Litigation reached an agreement in principle to settle the MSG Networks Litigation, without admitting liability, on the terms and conditions set forth in a binding term sheet, which was incorporated into a long-form settlement agreement (the "MSGN Settlement Agreement") that was filed with the Court on May 18, 2023. The MSGN Settlement Agreement provides for, among other things, the final dismissal of the MSG Networks Litigation in exchange for a settlement payment to the plaintiffs and the class of $ 48,500 which has been recorded in Accounts payable, accrued and other current liabilities as of June 30, 2023 . MSG Networks has a dispute with its insurers over whether and to what extent there is insurance coverage for the settlement. Unless MSG Networks Inc. and the insurers settle that insurance dispute, it is expected to be resolved in a pending Delaware insurance coverage action. In the interim, and subject to final resolution of the parties' insurance coverage dispute, certain of MSG Networks' insurers have agreed to advance $ 20,500 to fund the settlement and related class notice costs. The MSGN Settlement Agreement was approved by the Court on August 14, 2023.

The Company is a defendant in various other lawsuits. Although the outcome of these other lawsuits cannot be predicted with certainty (including the extent of available insurance, if any), management does not believe that resolution of these other lawsuits will have a material adverse effect on the Company.

Note 12. Credit Facilities

The following table summarizes the presentation of the outstanding balances under the Company's credit agreements as of June 30, 2023 and 2022:

	June 30,	
	2023	2022
Current portion		
MSG Networks Term Loan	$ 82,500	$ 66,000
Total Current portion of long-term debt	$ 82,500	$ 66,000

	June 30, 2023			June 30, 2022		
	Principal	Unamortized Deferred Financing Costs	Net	Principal	Unamortized Deferred Financing Costs	Net
Non-current portion						
MSG Networks Term Loan	$ 849,750	$ (1,483)	$ 848,267	$ 932,250	$ (2,716)	$ 929,534
LV Sphere Term Loan Facility	275,000	(4,880)	270,120	—	—	—
Total Long-term debt, net of deferred financing costs	$ 1,124,750	$ (6,363)	$ 1,118,387	$ 932,250	$ (2,716)	$ 929,534

MSG Networks Credit Facilities

General. MSGN Holdings, L.P. ("MSGN L.P."), MSGN Eden, LLC, an indirect subsidiary of the Company and the general partner of MSGN L.P., Regional MSGN Holdings LLC, an indirect subsidiary of the Company and the limited partner of MSGN L.P. (collectively with MSGN Eden, LLC, the "MSGN Holdings Entities"), and certain subsidiaries of MSGN L.P. have senior secured credit facilities pursuant to a credit agreement (as amended and restated on October 11, 2019, the "MSGN Credit Agreement") consisting of: (i) an initial $ 1,100,000 term loan facility (the "MSGN Term Loan Facility") and (ii) a $ 250,000 revolving credit facility (the "MSGN Revolving Credit Facility" and together with the MSGN Term Loan Facility, the "MSG Networks Credit Facilities"), each with a term of five years . Up to $ 35,000 of the MSGN Revolving Credit Facility is available for the issuance of letters of credit. As of June 30, 2023, there were no borrowings or letters of credit issued and outstanding under the MSGN Revolving Credit Facility.

Interest Rates. Borrowings under the MSGN Credit Agreement bear interest at a floating rate, which at the option of MSGN L.P. may be either (i) a base rate plus an additional rate ranging from 0.25 % to 1.25 % per annum (determined based on a total net leverage ratio) (the "MSGN Base Rate"), or (ii) a Eurodollar rate plus an additional rate ranging from 1.25 % to 2.25 % per annum (determined based on a total net leverage ratio) (the "MSGN Eurodollar Rate"). Effective July 1, 2023, the MSGN Credit Agreement was amended to replace the MSGN Eurodollar Rate with a rate based on Term SOFR. Upon a payment default in respect of principal, interest or other amounts due and payable under the MSGN Credit Agreement or related loan documents, default interest will accrue on all overdue amounts at an additional rate of 2.00 % per annum. The MSGN Credit Agreement requires that MSGN L.P. pay a commitment fee ranging from 0.225 % to 0.30 % (determined based on a total net leverage ratio) in respect of the average daily unused commitments under the MSGN Revolving Credit Facility. MSGN L.P. will also be required to pay customary letter of credit fees, as well as fronting fees, to banks that issue letters of credit. The interest rate on the MSGN Term Loan Facility as of June 30, 2023 was 7.19 %.

Principal Repayments. Subject to customary notice and minimum amount conditions, MSGN L.P. may voluntarily repay outstanding loans under the MSGN Credit Agreement at any time, in whole or in part, without premium or penalty (except for customary breakage costs with respect to Eurodollar loans). The MSGN Term Loan Facility amortizes quarterly in accordance with its terms beginning March 31, 2020 through September 30, 2024 with a final maturity date of October 11, 2024. MSGN L.P. is required to make mandatory prepayments in certain circumstances, including without limitation from the net cash proceeds of certain sales of assets (including MSGN Collateral) or casualty insurance and/or condemnation recoveries (subject to certain reinvestment, repair or replacement rights) and the incurrence of certain indebtedness, subject to certain exceptions.

Covenants. The MSGN Credit Agreement generally requires the MSGN Holdings Entities and MSGN L.P. and its restricted subsidiaries on a c onsolidated basis to comply with a maximum total leverage ratio of 5.50 :1.00, subject, at the option of MSGN L.P. to an upward adjustment to 6.00 :1.00 during the continuance of certain events. All borrowings under the MSGN Credit Agreement are subject to the satisfaction of customary conditions, including absence of a default and accuracy of representations and warranties. In addition, the MSGN Credit Agreement requires a minimum interest coverage ratio of 2.00 :1.00 for the MSGN Holdings Entities and MSGN L.P. and its restricted subsidiaries on a consolidated basis. As of June 30, 2023, the MSGN Holdings Entities and MSGN L.P. and its restricted subsidiaries on a consolidated basis were in compliance with the covenants.

In addition to the financial covenants discussed above, the MSGN Credit Agreement and the related security agreement contain certain customary representations and warranties, affirmative covenants, and events of default. The MSGN Credit Agreement contains certain restrictions on the ability of MSGN L.P. and its restricted subsidiaries to take certain actions as provided in (and subject to various exceptions and baskets set forth in) the MSGN Credit Agreement, including the following: (i) incurring additional indebtedness and contingent liabilities; (ii) creating liens on certain assets; (iii) making investments, loans or advances in or to other persons; (iv) paying dividends and distributions or repurchasing capital stock; (v) changing their lines of business; (vi) engaging in certain transactions with affiliates; (vii) amending specified material agreements; (viii) merging or consolidating; (ix) making certain dispositions; and (x) entering into agreements that restrict the granting of liens. The MSGN Holdings Entities are also subject to customary passive holding company covenants.

Guarantors and Collateral. All obligations under the MSGN Credit Agreement are guaranteed by the MSGN Holdings Entities and MSGN L.P.'s existing and future direct and indirect domestic subsidiaries that are not designated as excluded subsidiaries or unrestricted subsidiaries (the "MSGN Subsidiary Guarantors," and together with the MSGN Holdings Entities, the "MSGN Guarantors"). All obligations under the MSGN Credit Agreement, including the guarantees of those obligations, are secured by certain assets of MSGN L.P. and each MSGN Guarantor (collectively, "MSGN Collateral"), including, but not limited to, a pledge of the equity interests in MSGN L.P. held directly by the Holdings Entities and the equity interests in each MSGN Subsidiary Guarantor held directly or indirectly by MSGN L.P.

LV Sphere Term Loan Facility

General. On December 22, 2022, MSG Las Vegas, LLC ("MSG LV"), an indirect, wholly-owned subsidiary of the Company, entered into a credit agreement with JP Morgan Chase Bank, N.A., as administrative agent and the lenders party thereto, providing for a five-year , $ 275,000 senior secured term loan facility (the "LV Sphere Term Loan Facility").

Interest Rates. Borrowings under the LV Sphere Term Loan Facility bear interest at a floating rate, which at the option of MSG LV may be either (i) a base rate plus a margin of 3.375 % per annum or (ii) adjusted Term SOFR (i.e., Term SOFR plus 0.10 %) plus a margin of 4.375 % per annum. The interest rate on the LV Sphere Term Loan Facility as of June 30, 2023 was 9.56 %.

Principal Repayments. The LV Sphere Term Loan Facility will mature on December 22, 2027. The principal obligations under the LV Sphere Term Loan Facility are due at the maturity of the facility, with no amortization payments prior to maturity. Under certain circumstances, MSG LV is required to make mandatory prepayments on the loan, including prepayments in an amount equal to the net cash proceeds of casualty insurance and/or condemnation recoveries (subject to certain reinvestment, repair or replacement rights), subject to certain exceptions.

Covenants. The LV Sphere Term Loan Facility and related guaranty by Sphere Entertainment Group include financial covenants requiring MSG LV to maintain a specified minimum debt service coverage ratio and requiring Sphere Entertainment Group to maintain a specified minimum liquidity level. The debt service coverage ratio covenant begins testing in the fiscal quarter ending December 31, 2023 on a historical basis and, beginning with the first fiscal quarter occurring after the date on which the first ticketed performance or event open to the general public occurs at Sphere in Las Vegas, is also tested on a prospective basis. Both the historical and prospective debt service coverage ratios are set at 1.35 :1. In addition, among other conditions, MSG LV is not permitted to make distributions to Sphere Entertainment Group unless the historical and prospective debt service coverage ratios are at least 1.50 :1. Following the Liquidity Covenant Reduction Date (as defined below), the minimum liquidity level for Sphere Entertainment Group is set at $ 50,000 , with $ 25,000 required to be held in cash or cash equivalents. Prior to the Liquidity Covenant Reduction Date, the minimum liquidity level was $ 100,000 , with $ 75,000 required to be held in cash or cash equivalents, which amounts (in addition to certain cash proceeds from the sale of the MSGE Retained Interest) were required to be held in an account pledged as collateral for the LV Sphere Term Loan Facility until its release upon the Liquidity Covenant Reduction Date. The Liquidity Covenant Reduction Date occurred on August 8, 2023, once Sphere in Las Vegas was substantially completed and certain of its systems were ready to be used in live, immersive events (the "Liquidity Covenant Reduction Date"). The minimum liquidity level was tested on the closing date and is tested as of the last day of each fiscal quarter thereafter based on Sphere Entertainment Group's unencumbered liquidity, consisting of cash and cash equivalents and available lines of credit, as of such date. Following the completion of the MSGE Distribution, the MSGE Retained Interest was pledged to secure the LV Sphere Term Loan Facility and was released as collateral upon the Liquidity Covenant Reduction Date. A portion of the value of the MSGE Retained Interest may also be counted toward the minimum liquidity level.

In addition to the covenants described above, the LV Sphere Term Loan Facility and the related guaranty and security and pledge agreements contain certain customary representations and warranties, affirmative and negative covenants and events of default. The LV Sphere Term Loan Facility contains certain restrictions on the ability of MSG LV and Sphere Entertainment Group to take certain actions as provided in (and subject to various exceptions and baskets set forth in) the LV Sphere Term Loan Facility and the related guaranty and security and pledge agreements, including the following: (i) incur additional indebtedness; (ii) until the occurrence of the Liquidity Covenant Reduction Date, create liens on Sphere in Las Vegas, the MSGE Retained Interest or the real property intended for development as Sphere in London; (iii) make investments, loans or advances in or to other persons; (iv) pay dividends and distributions (which will restrict the ability of MSG LV to make cash distributions to the Company); (v) change its lines of business; (vi) engage in certain transactions with affiliates; (vii) amend organizational documents; (viii) merge or consolidate; and (ix) make certain dispositions.

Guarantors and Collateral. All obligations under the LV Sphere Term Loan Facility are guaranteed by Sphere Entertainment Group. All obligations under the LV Sphere Term Loan Facility, including the guarantees of those obligations, are secured by all of the assets of MSG LV and certain assets of Sphere Entertainment Group including, but not limited to, MSG LV's leasehold interest in the land on which Sphere in Las Vegas is located, a pledge of all of the equity interests held directly by Sphere Entertainment Group in MSG LV and, until the Liquidity Covenant Reduction Date, the Pledged Account and a pledge of the MSGE Retained Interest.

Delayed Draw Term Loan Facility

On April 20, 2023, the Company entered into the DDTL Facility with MSG Entertainment Holdings, LLC ("MSG Entertainment Holdings"). Pursuant to the DDTL Facility, MSG Entertainment Holdings committed to lend up to $ 65,000 in delayed draw term loans to the Company on an unsecured basis for a period of 18 months following the consummation of the MSGE Distribution. As of June 30, 2023, the Company had not drawn upon the DDTL Facility.

Borrowings under the DDTL Facility bear interest at a variable rate equal to either, at the option of the Company, (a) a base rate plus an applicable margin, or (b) Term SOFR plus 0.10 %, plus an applicable margin. The applicable margin equals the applicable margin under the National Properties Credit Facilities, plus 1.00 % per annum.

Subject to customary borrowing conditions, the DDTL Facility is drawable in up to six separate borrowings of $ 5 million or more. The DDTL Facility is prepayable at any time without penalty and amounts repaid on the DDTL Facility may not be reborrowed. If drawn, the Company has the option to make any payments of principal, interest or fees under the DDTL Facility either in cash or by delivering to MSG Entertainment Holdings shares of MSG Entertainment Class A common stock. If the Company elects to make any payment in the form of MSG Entertainment Class A common stock, the amount of such payment would be calculated based on the dollar volume-weighted average trading price for MSG Entertainment Class A common stock for the twenty trading days ending on the day on which the Company made such election. The Company shall only be permitted to use the proceeds of the DDTL Facility (i) for funding costs associated with the Sphere initiative and (ii) in connection with refinancing of the indebtedness under MSG Networks Credit Facilities.

The DDTL Facility contains certain representations and warranties and affirmative and negative covenants, including, among others, financial reporting, notices of material events, and limitations on asset dispositions restricted payments, and affiliate transactions.

On July 14, 2023, the Company borrowed the full $ 65,000 amount available under the DDTL Facility and subsequently, on August 9, 2023, repaid all amounts outstanding under the DDTL Facility (including accrued interest and commitment fees) using a portion of the MSGE Retained Interest.

Debt Maturities

Maturities for the outstanding long term debt balances as of June 30, 2023 were as follows:

	MSG Networks Credit Facilities	LV Sphere Term Loan Facility	Total
Fiscal year ending June 30, 2024	$ 82,500	$ —	$ 82,500
Fiscal year ending June 30, 2025	849,750	—	849,750
Fiscal year ending June 30, 2026	—	—	—
Fiscal year ending June 30, 2027	—	—	—
Fiscal year ending June 30, 2028	—	275,000	275,000
Thereafter	—	—	—
Total Long-term debt	$ 932,250	$ 275,000	$ 1,207,250

Interest payments and loan principal repayments made by the Company under the credit agreements for Fiscal Years 2023, 2022, and 2021 were as follows:

	Interest Payments			Loan Principal Repayments		
	Years Ended June 30,			Years Ended June 30,		
	2023	2022	2021	2023	2022	2021
MSG Networks Credit Facilities	$ 58,311	$ 19,173	$ 18,559	$ 66,000	$ 49,500	$ 38,500
LV Sphere Term Loan Facility	12,825	—	—	—	—	—
Total Payments	$ 71,136	$ 19,173	$ 18,559	$ 66,000	$ 49,500	$ 38,500

The carrying value and fair value of the Company's financial instruments reported in the accompanying consolidated balance sheets as of June 30, 2023 and 2022 were as follows:

	June 30, 2023		June 30, 2022	
	Carrying Value [a]	Fair Value	Carrying Value [a]	Fair Value
Liabilities:				
MSG Networks Credit Facilities	$ 932,250	$ 927,589	$ 998,250	$ 958,320
LV Sphere Term Loan Facility	275,000	272,250	—	—
Total Long-term debt	$ 1,207,250	$ 1,199,839	$ 998,250	$ 958,320

[a] *The total carrying value of the Company's financial instruments as of June 30, 2023 and 2022 is equal to the current and non-current principal payments for the Company's credit agreements excluding unamortized deferred financing costs of $ 6,363 and $ 2,716 , respectively.*

The Company's long-term debt is classified within Level II of the fair value hierarchy as it is valued using quoted indices of similar instruments for which the inputs are readily observable.

Note 13. Pension Plans and Other Postretirement Benefit Plan

Defined Benefit Pension Plans and Postretirement Benefit Plan

Prior to the MSGE Distribution, the Company sponsored (i) a non-contributory, qualified cash balance retirement plan covering its non-union employees (the "Cash Balance Plan"), (ii) an unfunded non-contributory, non-qualified excess cash balance plan covering certain employees who participate in the underlying qualified plan (the "MSGE Excess Cash Balance Plan"), (iii) an unfunded non-contributory, non-qualified excess balance plan covering certain employees who participate in the underlying qualified plan (the "Networks Excess Cash Balance Plan"), (iv) an unfunded non-contributory, non-qualified benefit pension plan for the benefit of certain employees who participated in a frozen non-contributory qualified defined benefit plan, which became part of the Cash Balance Plan on March 1, 2011 (the "MSGE Excess Retirement Plan"), (v) an unfunded non-contributory, non-qualified benefit pension plan for the benefit of certain employees who participated in a frozen non-contributory qualified defined benefit plan, which became part of the Cash Balance Plan on March 1, 2022 (the "Networks Excess Retirement Plan"), (vi) a non-contributory, qualified defined benefit pension plan covering certain of the Company's union employees (the "Union Plan"), and (vii) a non-contributory, qualified defined benefit pension plan covering certain of its union employees (the "Networks 1212 Plan").

The Cash Balance Plan was amended to freeze participation and future benefit accruals. Therefore, since December 31, 2015, no new participants have been able to participate in the Cash Balance Plan and the Excess Cash Balance Plan and no further annual pay credits will be made for any future year. Existing account balances under the Cash Balance Plan and the Excess Cash Balance Plan will continue to be credited with monthly interest in accordance with the terms of the plans. As of December 31, 2007, the MSGE Excess Retirement Plan was amended to freeze all benefits earned through December 31, 2007, and to eliminate the ability of participants to earn benefits for future service under the MSGE Excess Retirement Plan.

The sponsorship of the Cash Balance Plan, the MSGE Excess Cash Balance Plan, the MSGE Excess Retirement Plan and the Union Plan was transferred from the Company to MSG Entertainment in connection with the MSGE Distribution. In addition, certain assets, if any, and liabilities associated with the Cash Balance Plan, the MSGE Excess Cash Balance Plan, the MSGE Excess Retirement plan and the Union Plan were also transferred from the Company to MSG Entertainment in connection with the MSGE Distribution.

After the MSGE Distribution, the Company continues to sponsor the Networks 1212 Plan, Networks Excess Cash Balance Plan, and the Networks Excess Retirement Plan (together, the "Networks Plans"). In connection with the MSGE Distribution, the Company established an unfunded non-contributory, non-qualified frozen excess cash balance plan covering certain employees who participated in the Cash Balance Plan (the "Sphere Excess Plan"). The Networks Plans and Sphere Excess Plans are collectively referred to as the "Pension Plans."

Prior to the MSGE Distribution, the Company sponsored two contributory welfare plans which provided certain postretirement healthcare benefits to certain employees hired prior to January 1, 2001. The sponsorship of the postretirement plan covering Networks employees was retained by the Company (the "Postretirement Plan") while the postretirement plan covering MSGE employees was transferred to MSG Entertainment in connection with MSGE Distribution. In addition, the liabilities associated with the postretirement plan for MSGE employees were transferred from the Company to MSG Entertainment in connection with the MSGE Distribution.

The following table summarizes the projected benefit obligations, assets, funded status and the amounts recorded on the Company's consolidated balance sheets as of June 30, 2023 and 2022, associated with the pension plans and Postretirement Plan based upon actuarial valuations as of those measurement dates.

	Pension Plans		Postretirement Plan	
	June 30,		June 30,	
	2023	2022	2023	2022
Change in benefit obligation:				
Benefit obligation at beginning of period	$ 39,683	$ 49,110	$ 1,598	$ 1,795
Service cost	245	371	20	27
Interest cost	1,755	1,048	68	31
Actuarial loss (gain) [(a)]	(1,485)	(8,771)	292	(244)
Benefits paid	(2,153)	(2,075)	(179)	(11)
Acquisitions	141	—	—	—
Plan settlements paid	(50)	—	—	—
Benefit obligation at end of period	38,136	39,683	1,799	1,598
Change in plan assets:				
Fair value of plan assets at beginning of period	18,756	24,231	—	—
Actual return on plan assets	(312)	(4,592)	—	—
Employer contributions	500	—	—	—
Benefits paid	(968)	(883)	—	—
Fair value of plan assets at end of period	17,976	18,756	—	—
Funded status at end of period	$ (20,160)	$ (20,927)	$ (1,799)	$ (1,598)

[(a)] *In Fiscal Year 2023 and Fiscal Year 2022, the actuarial gains on the benefit obligations were primarily due to a net increase in discount and interest crediting rates..*

Amounts recognized in the consolidated balance sheets as of June 30, 2023 and 2022 consist of:

	Pension Plans		Postretirement Plan	
	June 30,		June 30,	
	2023	2022	2023	2022
Current liabilities (included in Accounts payable, accrued, and other current liabilities)	$ (1,355)	$ (1,270)	$ (157)	$ (133)
Non-current liabilities (included in Other non-current liabilities)	(18,805)	(19,657)	(1,642)	(1,465)
	$ (20,160)	$ (20,927)	$ (1,799)	$ (1,598)

Accumulated other comprehensive loss, before income tax, as of June 30, 2023 and 2022 consists of the following amounts that have not yet been recognized in net periodic benefit cost:

	Pension Plans		Postretirement Plan	
	June 30,		June 30,	
	2023	2022	2023	2022
Actuarial gain (loss)	$ (7,249)	$ (7,883)	$ 203	$ 563

The following table presents components of net periodic benefit cost for the pension plans and Postretirement Plan included in the accompanying consolidated statements of operations for Fiscal Years 2023, 2022, and 2021. Service cost is recognized in Direct operating expenses and Selling, general and administrative expenses. All other components of net periodic benefit cost are reported in Other income (expense), net.

	Pension Plans			Postretirement Plan		
	Years Ended June 30,			Years Ended June 30,		
	2023	2022	2021	2023	2022	2021
Service cost	$ 245	$ 371	$ 404	$ 20	$ 27	$ 34
Interest cost	1,755	1,048	1,027	68	31	33
Expected return on plan assets	(853)	(858)	(740)	—	—	—
Recognized actuarial loss (gain)	358	585	506	(69)	(27)	—
Settlement gain	(12)	—	—	—	—	—
Net periodic benefit cost	$ 1,493	$ 1,146	$ 1,197	$ 19	$ 31	$ 67

Other pre-tax changes in plan assets and benefit obligations recognized in other comprehensive income (loss) for Fiscal Years 2023, 2022, and 2021 are as follows:

	Pension Plans			Postretirement Plan		
	Years Ended June 30,			Years Ended June 30,		
	2023	2022	2021	2023	2022	2021
Actuarial gain (loss), net	$ 288	$ 3,318	$ (709)	$ (292)	$ 243	$ 305
Recognized actuarial loss (gain)	358	585	506	(69)	(27)	—
Settlement gain	(12)	—	—	—	—	—
Total recognized in other comprehensive income (loss)	$ 634	$ 3,903	$ (203)	$ (361)	$ 216	$ 305

Funded Status

The accumulated benefit obligation for the pension plans aggregated to $ 37,842 and $ 39,355 at June 30, 2023 and 2022, respectively. As of June 30, 2023 and 2022, each of the pension plans had accumulated benefit obligations and projected benefit obligations in excess of plan assets.

Pension Plans and Postretirement Plan Assumptions

Weighted-average assumptions used to determine benefit obligations (made at the end of the period) as of June 30, 2023 and 2022 are as follows:

	Pension Plans		Postretirement Plan	
	June 30,		June 30,	
	2023	2022	2023	2022
Discount rate	5.34 %	4.82 %	5.41 %	4.66 %
Rate of compensation increase	3.00 %	3.00 %	n/a	n/a
Interest crediting rate	3.77 %	2.76 %	n/a	n/a
Healthcare cost trend rate assumed for next year	n/a	n/a	7.00 %	6.00 %
Rate to which the cost trend rate is assumed to decline (the ultimate trend rate)	n/a	n/a	5.00 %	5.00 %
Year that the rate reaches the ultimate trend rate	n/a	n/a	2032	2027

Weighted-average assumptions used to determine net periodic benefit cost (made at the beginning of the period) for Fiscal Years 2023, 2022, and 2021 are as follows:

	Pension Plans			Postretirement Plan		
	Years Ended June 30,			Years Ended June 30,		
	2023	2022	2021	2023	2022	2021
Discount rate - projected benefit obligation	4.81 %	1.36 %	2.69 %	4.66 %	2.25 %	2.16 %
Discount rate - service cost	5.06 %	3.13 %	3.05 %	4.89 %	2.62 %	2.46 %
Discount rate - interest cost	4.55 %	2.18 %	2.10 %	4.38 %	1.75 %	1.73 %
Expected long-term return on plan assets	5.00 %	3.96 %	3.31 %	n/a	n/a	n/a
Rate of compensation increase	3.00 %	3.00 %	3.00 %	n/a	n/a	n/a
Interest crediting rate	3.77 %	2.76 %	1.37 %	n/a	n/a	n/a
Healthcare cost trend rate assumed for next year	n/a	n/a	n/a	6.00 %	6.25 %	6.50 %
Rate to which the cost trend rate is assumed to decline (the ultimate trend rate)	n/a	n/a	n/a	5.00 %	5.00 %	5.00 %
Year that the rate reaches the ultimate trend rate	n/a	n/a	n/a	2027	2027	2027

The discount rates were determined (based on the expected duration of the benefit payments for the plans) from the Willis Towers Watson U.S. Rate Link: 40-90 Discount Rate Model as of June 30, 2023 and 2022 to select a rate at which the Company believed the plans' benefits could be effectively settled. This model was developed by examining the yields on selected highly rated corporate bonds. The expected long-term return on plan assets is based on a periodic review and modeling of the plans' asset allocation structures over a long-term horizon. Expectations of returns for each asset class are the most important of the assumptions used in the review and modeling and are based on comprehensive reviews of historical data, forward-looking economic outlook, and economic/financial market theory. The expected long-term rate of return was selected from within the reasonable range of rates determined by (i) historical returns for the asset classes covered by the investment policy and (ii) projections of returns over the long-term period during which benefits are payable to plan participants.

Plan Assets and Investment Policy

The weighted-average asset allocation of the pension plans assets at June 30, 2023 and 2022 was as follows:

	As of June 30,	
Asset Classes [a]:	**2023**	**2022**
Fixed income securities	75 %	99 %
Cash equivalents	25 %	1 %
	100 %	100 %

[a] *The Company's target allocation for the assets of the Networks 1212 Plan is 100 % fixed income securities as of June 30, 2023.*

Investment allocation decisions have been made by the Company's Investment and Benefits Committee. The Investment and Benefits Committee utilizes the services of an investment manager to actively manage the assets of the pension plans. The Company has established asset allocation targets and investment policies and guidelines with the investment manager. The investment manager takes into account expected long-term risks, returns, correlation, and other prudent investment assumptions when recommending asset classes and investment managers to the Company's Investment and Benefits Committee. The investment manager also considers each applicable Pension Plans' liabilities when making investment allocation recommendations. The majority of the Pension Plans' assets are invested in fixed income securities.

Investments at Estimated Fair Value

The cumulative fair values of the individual plan assets at June 30, 2023 and 2022 by asset class are as follows:

		As of June 30,	
	Fair Value Hierarchy	**2023**	**2022**
Fixed income securities:			
Money market fund [a]	I	$ 4,533	$ 218
Common collective trust [b]	II	13,443	18,538
Total investments measured at fair value		$ 17,976	$ 18,756

[a] *Money market funds are classified within Level I of the fair value hierarchy as they are valued using observable inputs that reflect quoted prices for identical assets in active markets.*

[b] *Common collective trust (CCT) is a non-exchange traded fund, classified within Level II of the fair value hierarchy at its net asset value (NAV) as reported by the Trustee. The NAV is based on the fair value of the underlying investments held by the fund which are based on quoted market prices less its liabilities. The CCT publish daily NAV and use such value as the basis for current transactions.*

Contributions for Qualified Defined Benefit Pension Plans

During Fiscal Year 2023, the Company contributed $ 500 to the Networks 1212 Plan. The Company expects to contribute $ 500 to the Networks 1212 Plan in Fiscal Year 2024.

Estimated Future Benefit Payments

The following table presents estimated future fiscal year benefit payments for the Pension Plans and Postretirement Plan:

	Pension Plans	**Postretirement Plan**
Fiscal year ending June 30, 2024	$ 2,605	$ 162
Fiscal year ending June 30, 2025	$ 2,734	$ 196
Fiscal year ending June 30, 2026	$ 2,943	$ 190
Fiscal year ending June 30, 2027	$ 3,018	$ 203
Fiscal year ending June 30, 2028	$ 2,970	$ 197
Fiscal years ending June 30, 2029 – 2033	$ 15,140	$ 965

Defined Contribution Plan

The Company sponsors the MSGN Holdings, L.P. Excess Savings Plan and the Sphere Entertainment Excess Savings Plan. The Company also participates in the Madison Square Garden 401(k) Savings Plan (the "401(k) Plan"). For Fiscal Years 2023, 2022, and 2021, expenses related to the Savings Plans that are included in the accompanying consolidated statements of operations were $ 7,421 , $ 5,778 and $ 3,369 , respectively.

Multiemployer Plans

The Company contributes to a number of multiemployer defined benefit pension plans, multiemployer defined contribution plans, and multiemployer health and welfare plans that provide benefits to retired union-represented employees under the terms of collective bargaining agreements ("CBAs").

Multiemployer Defined Benefit Pension Plans

The multiemployer defined benefit pension plans to which the Company contributes generally provide for retirement and death benefits for eligible union-represented employees based on specific eligibility/participant requirements, vesting periods and benefit formulas. The risks to the Company of participating in these multiemployer defined benefit pension plans are different from single-employer defined benefit pension plans in the following aspects:

- Assets contributed to a multiemployer defined benefit pension plan by one employer may be used to provide benefits to employees of other participating employers.
- If a participating employer stops contributing to a multiemployer defined benefit pension plan, the unfunded obligations of the plan may be borne by the remaining participating employers.
- If the Company chooses to stop participating in some of these multiemployer defined benefit pension plans, the Company may be required to pay those plans an amount based on the Company's proportion of the underfunded status of the plan, referred to as a withdrawal liability. However, cessation of participation in a multiemployer defined benefit pension plan and subsequent payment of any withdrawal liability is subject to the collective bargaining process.

The Company was not listed in any of the multiemployer plans' 5500's as providing more than 5 % of the total contributions . There were no multiemployer defined benefit pension plans, to which the company contributes, that were in a redzone (which are plans that are generally less than 65 % funded) for the most recent Pension Protection Act zone status available as of June 30,2023.

The Company contributed $ 677 , $ 389 and $ 299 for Fiscal Years 2023, 2022, and 2021, respectively, for multiemployer defined benefit pension plans.

Multiemployer Defined Contribution Plans

The Company contributed $ 142 , $ 152 and $ 106 for Fiscal Years 2023, 2022, and 2021, respectively, to multiemployer defined contribution plans.

Executive Deferred Compensation Plan

The Company sponsors the Sphere Entertainment Corp. Executive Deferred Compensation Plan (the "Deferred Compensation Plan"), for the purpose of permitting a select group of highly-compensated employees to defer the employee's annual base salary and bonus into the Deferred Compensation Plan with returns on such deferrals tracking the performance of certain investments. Following the MSGE Distribution accounts attributable to the Company's current employees were transferred from a deferred compensation plan sponsored by MSG Entertainment to the Deferred Compensation Plan. Amounts deferred and invested by employees under the Deferred Compensation Plan are placed in an irrevocable trust established by the Company and all assets of the trust are subject to the creditors of the Company in the event of insolvency. In accordance with ASC Topic 710, *Compensation – General* ("ASC Topic 710"), the assets of the trust are consolidated with the accounts of the Company and are recognized in the Company's consolidated balance sheet.

In accordance with ASC Topic 710, the Company remeasures the deferred compensation liability, with a charge (or credit) to compensation cost in the Company's consolidated statements of operations, to reflect changes in the fair value of the assets owed to the participants of the Deferred Compensation Plan. The Company remeasures the fair value of the assets held in trust in accordance with ASC Topic 321, *Investments – Equity Securities*, and recognizes unrealized gains and losses in Other income (expense), net in the Company's consolidated statements of operations. The Company recorded compensation expense (compensation cost credits) of $ 83 , for the year ended June 30, 2023, within Selling, general and administrative expenses to reflect the remeasurement of the Deferred

Compensation Plan liability. In addition, the Company recorded gains/(losses) of $ 83 , for the year ended June 30, 2023 within Other income (expense), net to reflect the remeasurement of the fair value of assets under the Deferred Compensation Plan.

Amounts recognized in the consolidated balance sheets as of June 30, 2023 related to the Deferred Compensation Plan consist of:

		June 30, 2023
Non-current assets (included in Other non-current assets)	$	1,087
Non-current liabilities (included in Other non-current liabilities)	$	(1,087)

Note 14. Share-based Compensation

Share-based Compensation Expense

The Company has three share-based compensation plans: the 2020 Employee Stock Plan (as amended, the "Employee Stock Plan"), the 2020 Stock Plan for Non-Employee Directors (as amended, the "Non-Employee Director Plan") and the MSG Networks Inc. 2010 Employee Stock Plan (as amended, the "MSG Networks Employee Stock Plan").

Share-based compensation expense is generally recognized straight-line over the vesting term of the award, which typically provides for three-year cliff or graded vesting subject to continued employment. For awards that provide for graded vesting and are subject to performance conditions, in addition to continued employment, the Company uses the graded-vesting method to recognize share-based compensation expense.

In connection with the MSGE Distribution, pursuant to the terms of the incentive plans and applicable award agreements, (i) each holder of an employee restricted stock unit ("RSU") and performance stock unit ("PSU") received one MSG Entertainment RSU or PSU in respect of every one Company RSU or PSU owned on the Record Date and continues to be entitled to one share of the Company's Class A Common Stock for each Company RSU or PSU in accordance with the existing award agreement, (ii) one share of MSG Entertainment Class A Common Stock was issued under the MSG Entertainment Non-Employee Director Plan in respect of every one RSU outstanding under the Company's 2020 Stock Plan for Non-Employee Directors, which remain outstanding and continue to be entitled to a share of the Company's Class A Common Stock in accordance with the existing award agreement, and (iii) each option to purchase the Company's Class A Common Stock became two options: one option to acquire MSG Entertainment Class A Common Stock and one option to acquire the Company's Class A Common Stock. The existing exercise price was allocated between the Company's options and the new MSG Entertainment options based upon the weighted average price of each of our Class A Common Stock and MSG Entertainment Class A Common Stock over the ten trading days immediately following the MSGE Distribution as reported by Bloomberg, and the underlying share amount was consistent with the one-to-one distribution ratio in the MSGE Distribution. Other than the split of the options and the allocation of the existing exercise price, there were no additional adjustments to existing options in connection with the MSGE Distribution.

The Company's RSUs/PSUs and/or stock options held by individuals who are solely employees of MSG Sports or MSG Entertainment are not expensed by the Company; however, such RSUs/PSUs and/or stock options do have a dilutive effect on earnings (loss) per share available to the Company's common stockholders.

The following table summarizes the Company's share-based compensation expense for Fiscal Years 2023, 2022, and 2021:

	Fiscal Year Ended June 30,		
	2023	2022	2021
Share-based compensation expense [(a)]	$ 42,607	$ 56,760	$ 59,786

[(a)] *Share-based compensation excludes costs that have been capitalized of $ 3,642 , $ 2,979 and $ 5,476 for Fiscal Years 2023, 2022, and 2021, respectively. For Fiscal Years 2023, 2022, and 2021, share-based compensation also excludes costs of $ 8,118 , $ 4,254 , and nil , respectively, that have been reclassified to Restructuring charges in the consolidated statements of operations, as detailed in Note 5, Restructuring Charges.*

RSU and PSU Award Activity

The following table summarizes activity related to the Company's RSUs and PSUs, held by the Company, MSG Sports and MSG Entertainment employees for Fiscal Year 2023:

	Number of		
	RSUs	PSUs	Weighted-Average Grant-date Fair Value [a]
Unvested award balance as of June 30, 2022	1,072	845	$ 75.70
Granted	833	593	$ 50.81
Vested [b]	(696)	(170)	$ 72.32
Forfeited	(69)	(89)	$ 63.82
Unvested award balance as of June 30, 2023	1,140	1,179	$ 63.74

[a] Weighted-average grant-date fair value as of June 30, 2022 and for activity prior to MSGE Distribution Date does not reflect any adjustment associated with the MSGE Distribution. See Note 1. Description of Business for further detail for the MSGE Distribution.

[b] The fair value of RSUs and PSUs that vested and were distributed during Fiscal Year 2023 was $ 42,467 . Upon delivery, RSUs and PSUs granted under the Employee Stock Plan and the MSG Networks Employee Stock Plan were net share-settled to cover the required statutory tax withholding obligations. To fulfill the employees' statutory minimum tax withholding obligations for the applicable income and other employment taxes, 354 awards, with an aggregate value of $ 17,477 were retained by the Company during Fiscal Year 2023, 6 of these awards, with an aggregate value of $ 305 , were related to MSG Sports employees.

As of June 30, 2023, there was $ 32,195 of unrecognized compensation cost related to unvested RSUs and PSUs held by the Company's employees. The cost is expected to be recognized over a weighted-average period of approximately 2 years. Additionally, there was no unrecognized compensation cost related to unvested stock options held by the Company's employees.

The following table summarizes additional information about RSUs and PSUs:

	Years Ended June 30,		
	2023	2022	2021 [a]
Weighted average grant date fair value per share of awards granted	$ 50.81	$ 79.34	$ 69.66
Fair value of awards vested	$ 42,467	$ 39,530	$ 27,077

[a] Includes the MSG Networks Inc. share conversion of 0.172 RSUs for the Company's Class A Common Stock as mentioned below in the "Treatment After Merger with MSG Networks Inc." section of the footnote. Intrinsic value for awards vested is based on the market value of the date of release.

Stock Options Award Activity

Compensation expense for the Company's existing stock options is determined based on the grant date fair value of the award calculated using the Black-Scholes options-pricing model. Stock options generally vest over a three year service period and expire 7.5 to 10 years from the date of grant.

The following table summarizes activity related to the Company's stock options for Fiscal Year 2023:

	Number of Time Vesting Options	Weighted-Average Exercise Price Per Share [a]	Weighted-Average Remaining Contractual Term (In Years)	Aggregate Intrinsic Value
Balance as of June 30, 2022	724	$ 103.88		
Options granted in Fiscal Year 2023	—	$ —		
Balance as of June 30, 2023	724	$ 48.03	2.47	$ —
Exercisable as of June 30, 2023	724	$ 48.03	2.47	$ —

[a] *Weighted-average exercise price per share as of June 30, 2022 and for activity prior to MSGE Distribution Date does not reflect any adjustment associated with the MSGE Distribution. See Note 1. Description of Business for further detail for the MSGE Distribution.*

Effective as of the 2020 Entertainment Distribution, the Company adopted two share-based compensation plans: the 2020 Employee Stock Plan (the "Employee Stock Plan") and the 2020 Stock Plan for Non-Employee Directors (the "Non-Employee Director Plan").

Under the Employee Stock Plan, the Company is authorized to grant incentive stock options, non-qualified stock options, restricted shares, RSUs, stock appreciation rights and other equity-based awards. The Company may grant awards for up to 4,500 shares of Class A Common Stock (subject to certain adjustments). Options and stock appreciation rights under the Employee Stock Plan must be granted with an exercise price of not less than the fair market value of a share of Class A Common Stock on the date of grant and must expire no later than 10 years from the date of grant (or up to one additional year in the case of the death of a holder). The terms and conditions of awards granted under the Employee Stock Plan, including vesting and exercisability, were determined by the Compensation Committee of the Board of Directors ("Compensation Committee") and included terms or conditions based upon performance criteria. RSUs that were awarded by the Company to its employees will settle in shares of Class A Common Stock (either from treasury or with newly issued shares), or, at the option of the Compensation Committee, in cash.

Under the Non-Employee Director Plan, the Company is authorized to grant non-qualified stock options, RSUs, restricted shares, stock appreciation rights and other equity-based awards. The Company may grant awards for up to 250 shares of Class A Common Stock (subject to certain adjustments). Options under the Non-Employee Director Plan must be granted with an exercise price of not less than the fair market value of a share of Class A Common Stock on the date of grant and must expire no later than 10 years from the date of grant (or up to one additional year in the case of the death of a holder). The terms and conditions of awards granted under the Non-Employee Director Plan, including vesting and exercisability, were determined by the Compensation Committee. Unless otherwise provided in an applicable award agreement, options granted under this plan will be fully vested and exercisable upon the date of grant. Unless otherwise provided in an applicable award agreement, RSUs granted under this plan will be fully vested upon the date of grant and will settle in shares of Class A Common Stock (either from treasury or with newly issued shares), or, at the option of the Compensation Committee, in cash, on the first business day after ninety days from the date the director incurs a separation from service or, if earlier, upon the director's death.

Treatment After the Merger with MSG Networks Inc.

Prior to the Networks Merger, share-based compensation awards were granted by MSG Networks Inc. under the MSG Networks Inc. 2010 Employee Stock Plan, as amended, (the "MSG Networks Employee Stock Plan") and the MSG Networks Inc. 2010 Stock Plan for Non-Employee Directors (together with the MSG Networks Employee Stock Plan, the "MSGN Equity Incentive Plans"). Upon exercise of stock options or vesting of time-based RSUs and performance condition based RSUs, collectively referred to as RSUs, under MSGN Equity Incentive Plans, shares were either issued from MSG Networks Inc.'s unissued reserved stock or from treasury stock.

At the effective time of the Networks Merger, each RSU for MSG Networks Inc.'s common stock was converted into 0.172 RSUs for Class A Common Stock and each outstanding stock option for MSG Networks Inc.'s common stock was converted into 0.172 options for Class A Common Stock. The exercise price of stock options was adjusted by dividing the exercise price of MSG Networks Inc.'s stock options by 0.172 (rounded to the nearest whole cent). All outstanding performance-based vesting RSU or stock option awards for which the performance period had not been completed were converted into time-based (non-performance based) vesting RSUs or stock option awards, respectively, based on the 100% target number of shares included in the terms of the original award ("Performance Award Conversion"). This conversion did not result in a modification of the existing awards for accounting purposes.

In connection with the closing of the Networks Merger, we assumed the MSG Networks Employee Stock Plan and may grant awards covering shares of Class A Common Stock under that plan to certain employees of the Company (non-overlap MSG Networks Inc. employees at the time of the Networks Merger).

Under the MSG Networks Employee Stock Plan, the Company is authorized to grant incentive stock options, non-qualified stock options, restricted shares, RSUs, stock appreciation rights and other equity-based awards. The total number of shares of MSG Networks Inc. Class A Common Stock that were originally eligible to be issued pursuant to awards under MSG Networks Employee Stock Plan was 12,500 (subject to certain adjustments). Options and stock appreciation rights under the MSG Networks Employee Stock Plan must be granted with an exercise price of not less than the fair market value of a share of Class A Common Stock on the date of grant and must expire no later than 10 years from the date of grant (or up to one additional year in the case of the death of a holder). The terms and conditions of awards granted under the MSG Networks Employee Stock Plan, including vesting and exercisability, were determined by the Compensation Committee and included terms or conditions based upon performance criteria. RSUs that were awarded by the Company to its employees will settle in shares of Class A Common Stock (either from treasury or with newly issued shares), or, at the option of the Compensation Committee, in cash.

Note 15. Equity

Stock Repurchase Program

On March 31, 2020, the Company's Board of Directors authorized the repurchase of up to $ 350,000 of the Company's Class A Common Stock. The program was re-authorized by the Company's Board of Directors on March 29, 2023. Under the authorization, shares of Class A Common Stock may be purchased from time to time in accordance with applicable insider trading and other securities laws and regulations. The timing and amount of purchases will depend on market conditions and other factors. The Company has not engaged in any share repurchase activities under its share repurchase program to date.

Accumulated Other Comprehensive Loss

The following table details the components of accumulated other comprehensive loss:

	Pension Plans and Postretirement Plan	Cumulative Translation Adjustments	Accumulated Other Comprehensive Loss
Balance as of June 30, 2022	$ (40,287)	$ (8,068)	$ (48,355)
Other comprehensive income (loss):			
Other comprehensive income before reclassifications	—	6,656	6,656
Amounts reclassified from accumulated other comprehensive loss [(a)]	1,755	—	1,755
Income tax expense	(323)	(1,212)	(1,535)
Other comprehensive income, total	1,432	5,444	6,876
Disposition of Tao Group Hospitality	—	2,824	2,824
Distribution of MSG Entertainment	33,717	—	33,717
Balance as of June 30, 2023	$ (5,138)	$ 200	$ (4,938)

	Pension Plans and Postretirement Plan	Cumulative Translation Adjustments	Accumulated Other Comprehensive Loss
Balance as of June 30, 2021	$ (45,425)	$ 15,153	$ (30,272)
Other comprehensive income (loss):			
Other comprehensive loss before reclassifications	—	(25,034)	(25,034)
Amounts reclassified from accumulated other comprehensive loss [(a)]	2,734	—	2,734
Income tax benefit	2,404	1,813	4,217
Other comprehensive income (loss), total	5,138	(23,221)	(18,083)
Balance as of June 30, 2022	$ (40,287)	$ (8,068)	$ (48,355)

	Pension Plans and Postretirement Plan	Cumulative Translation Adjustments	Accumulated Other Comprehensive Loss
Balance as of June 30, 2020	$ (40,248)	$ (10,225)	$ (50,473)
Other comprehensive income (loss):			
Other comprehensive (loss) income before reclassifications	(404)	27,688	27,284
Amounts reclassified from accumulated other comprehensive loss [(a)]	(2,445)	—	(2,445)
Income tax expense	(2,328)	(2,310)	(4,638)
Other comprehensive (loss) income, total	(5,177)	25,378	20,201
Balance as of June 30, 2021	$ (45,425)	$ 15,153	$ (30,272)

[(a)] *Amounts reclassified from accumulated other comprehensive loss represent curtailments, settlement losses recognized, the amortization of net actuarial gain (loss) and net unrecognized prior service credit included in net periodic benefit cost, which is reflected under Other income (expense), net in the accompanying consolidated statements of operations (see Note 13. Pension Plans and Other Postretirement Benefit Plan).*

Note 16. Income Taxes

Income tax expense (benefit) attributable to continuing operations is comprised of the following components:

	Years Ended June 30,		
	2023	2022	2021
Current expense (benefit):			
Federal	$ (1,389)	$ (1,555)	$ (19,310)
State and other	4,672	(9,927)	(10,378)
	3,283	(11,482)	(29,688)
Deferred expense (benefit):			
Federal	59,253	(17,665)	35,564
State and other	40,867	(683)	33,031
	100,120	(18,348)	68,595
Income tax expense (benefit)	$ 103,403	$ (29,830)	$ 38,907

The income tax expense (benefit) attributable to continuing operations differs from the amount derived by applying the statutory federal rate to pre-tax income (loss) principally due to the effect of the following items:

	Years Ended June 30,		
	2023	2022	2021
Federal tax expense (benefit) at statutory federal rate	57,840	(35,213)	$ 9,142
State income taxes, net of federal benefit	35,656	(3,970)	9,222
Change in the estimated applicable tax rate used to determine deferred taxes	1,286	(1,732)	5,332
Change in valuation allowance	(2,053)	(2,200)	4,863
Nondeductible officers' compensation	4,814	12,759	9,646
Nondeductible expenses	291	172	139
Excess tax benefit related to share-based payment awards	4,678	320	962
Other	891	34	(399)
Income tax expense (benefit)	$ 103,403	$ (29,830)	$ 38,907

The tax effects of temporary differences which give rise to significant portions of the deferred tax assets and liabilities at June 30, 2023 and 2022 are as follows:

	June 30,	
	2023	2022
Deferred tax asset:		
Net operating loss ("NOL") carryforwards	$ 26,684	$ 172,595
Tax credit carryforwards	—	2,682
Accrued employee benefits	27,349	14,335
Restricted stock units and stock options	9,231	11,931
Right-of-use lease assets and lease liabilities, net	11,040	7,250
Investments	—	26,946
Accrued litigation	14,991	—
Other	3,694	2,251
Total deferred tax assets	$ 92,989	$ 237,990
Less valuation allowance	(30)	(2,923)
Net deferred tax assets	$ 92,959	$ 235,067
Deferred tax liabilities:		
Intangible and other assets	$ (264,800)	$ (264,605)
Property and equipment	(105,405)	(109,556)
Prepaid expenses	(5,870)	(2,091)
Deferred interest	(12,474)	(3,206)
Other investments	(83,962)	—
Total deferred tax liabilities	$ (472,511)	$ (379,458)
Deferred tax liabilities, net	$ (379,552)	$ (144,391)

In assessing the realizability of deferred tax assets, management considers whether it is more likely than not that some portion or all of the deferred tax assets will not be realized. The Company's ability to realize its deferred tax assets depends upon the generation of sufficient future taxable income to allow for the utilization of its federal net operating loss carryforward and its future deductible temporary differences. As of June 30, 2023, based on current facts and circumstances, management believes that it is more likely than not that the Company will not realize its deferred tax assets related to foreign NOLs. The Company will continue to assess the realizability of its deferred tax assets on a quarterly basis.

The federal NOL carryforward as of June 30, 2023 was approximately $ 119,000 and is carried forward indefinitely.

Prior to the MSGE Distribution, the Company and MSG Entertainment entered into a Tax Disaffiliation Agreement ("TDA") that governs the parties' respective rights, responsibilities and obligations with respect to taxes and tax benefits. Under the TDA, the Company will generally be responsible for all U.S. federal, state, local and other applicable income taxes of the Company for any taxable period or portion of such period ending on or before the MSGE Distribution Date.

The Company does not have any recorded tax benefit for uncertain tax positions as of June 30, 2023 and 2022.

Income tax payments (refunds), net, were $ 7,288 , $(1,014) and $ 101,972 for Fiscal Years 2023, 2022, and 2021, respectively.

Note 17. Related Party Transactions

As of June 30, 2023, members of the Dolan family including trusts for member of the Dolan family (collectively, the "Dolan Family Group"), for purposes of Section 13(d) of the Securities Exchange Act of 1934, as amended, collectively beneficially owned 100 % of the Company's outstanding Class B Common Stock and approximately 5.5 % of the Company's outstanding Class A Common Stock (inclusive of options exercisable within 60 days of June 30, 2023). Such shares of Class A Common Stock and Class B Common Stock, collectively, represent approximately 72.3 % of the aggregate voting power of Company's outstanding common stock. Members of the Dolan family are also the controlling stockholders of MSG Entertainment, MSG Sports and AMC Networks Inc. ("AMC Networks").

Current Related Party Arrangements

As of June 30, 2023, the Company was party to the following agreements and/or arrangements with MSG Entertainment and MSG Sports, as applicable:

- Media rights agreements with MSG Sports pursuant to which the Company has the exclusive live media rights to Knicks and Rangers games in their local markets;
- MSGE TSA pursuant to which the Company receives certain services from MSG Entertainment, such as information technology, security, accounts payable, payroll, tax, certain legal functions, human resources, insurance and risk management, government affairs, investor relations, corporate communications, benefit plan administration and reporting, and internal audit functions as well as certain marketing functions, in exchange for service fees. The Company also provides certain services to MSG Entertainment, including studio and corporate technology services, in exchange for service fees;
- The DDTL Facility with MSG Entertainment that provided for a $ 65,000 senior unsecured delayed draw term loan facility. The DDTL Facility was fully drawn on July 14, 2023 and on August 9, 2023, the Company repaid all amounts outstanding under the DDTL Facility (including accrued interest and commitment fees) using a portion of the MSGE Retained Interest. See Note 12. Credit Facilities and Note 21. Subsequent Events for more information;
- A stockholder and registration rights agreement with MSG Entertainment pursuant to which the Company has "demand" and "piggyback" registration rights with respect to the MSGE Retained Interest. In addition, the Company has agreed to vote the MSGE Retained Interest in proportion to the votes cast by the other holders of MSG Entertainment's class A common stock, to the extent such shares of class A common stock are entitled to be voted on such matter. The Company has granted MSG Entertainment an irrevocable proxy to implement these voting agreements. See Note 7. Investments in Nonconsolidated Affiliates for additional information on the MSGE Retained Interest;
- Other agreements with MSG Entertainment entered into in connection with the MSGE Distribution, including a distribution agreement, a tax disaffiliation agreement, an employee matters agreement, a trademark license agreement and certain other arrangements;
- Aircraft time sharing agreements pursuant to which MSG Entertainment has agreed from time to time to make certain aircraft available to the Company for use on a "time sharing" basis;
- Other agreements with MSG Sports entered into in connection with the 2020 Entertainment Distribution such as a distribution agreement, a tax disaffiliation agreement, an employee matters agreement, and certain other arrangements.

Further, the Company shares certain executive support costs, including office space, executive assistants, security and transportation costs, for (i) the Company's Executive Chairman and Chief Executive Officer with MSG Entertainment and MSG Sports, (ii) the Company's Vice Chairman with MSG Entertainment, MSG Sports and AMC Networks and (iii) the Company's Executive Vice President with MSG Sports and AMC Networks. Additionally, the Company, MSG Entertainment, MSG Sports and AMC Networks have agreed on an allocation of the costs of certain other aircraft, including helicopter, use by shared executives. In addition, the Company, through its MSG Networks segment, has also entered into various agreements with AMC Networks with respect to a number of ongoing commercial relationships.

From time to time the Company enters into arrangements with 605, LLC. James L. Dolan, the Company's Executive Chairman, Chief Executive Officer and a director, and his spouse, Kristin A. Dolan (a director of the Company), own 50 % of 605, LLC. Kristin A. Dolan is also the founder and Non-Executive Chairman of 605, LLC. 605, LLC provides audience measurement and data analytics services to the Company and its subsidiaries in the ordinary course of business.

The Company has also entered into certain commercial agreements with its equity method investment nonconsolidated a ffiliates in connection with Sphere. For Fiscal Years 2023, 2022, and 2021 the Company recorded $ 93,823 , $ 121,115 , and $ 66,525 respectively, of capital expenditures in connection with services provided to the Company under these agreements. As of June 30, 2023, 2022, and 2021 accrued capital expenditures associated with related parties were $ 13,412 , $ 25,028 , and $ 6,921 respectively, and are reported within Accrued and other current liabilities in the accompanying consolidated balance sheets.

Related Party Arrangements Prior to the MSGE Distribution

Following the MSGE Distribution, except as otherwise noted, the Company is no longer party to the arrangements described below. However, the amounts associated with such arrangements are reflected in the Company's results of operations for the periods prior to the MSGE Distribution.

The Company was party to a services agreement (the "MSG Sports Services Agreement") pursuant to which the Company provided certain corporate and other services to MSG Sports, such as information technology, security, accounts payable, payroll, tax, certain legal functions, human resources, insurance and risk management, government affairs, investor relations, corporate communications, benefit plan administration and reporting, and internal audit functions as well as certain marketing functions, in exchange for service fees. MSG Sports also provided certain services to the Company, including certain legal functions, communications, ticket sales and certain operational and marketing services, in exchange for service fees. This agreement was assigned to MSG Entertainment.

The Company also shared certain executive support costs, including office space, executive assistants, security and transportation costs, for (i) the Company's Executive Chairman and Chief Executive Officer with MSG Sports and (ii) the Company's Vice Chairman with MSG Sports and AMC Networks. Prior to April 1, 2022, the Company also shared costs for the Company's former President with MSG Sports. Following the MSGE Distribution, the Company also shares these expenses with MSG Entertainment. See "— Current Related Party Arrangements."

The Company was a party to various aircraft arrangements, which were assigned to MSG Entertainment in connection with the MSGE Distribution. The Company was party to reciprocal time sharing/dry lease agreements with Charles F. Dolan and Sterling2k LLC (collectively, "CFD"), an entity owned and controlled by Deborah Dolan-Sweeney, the daughter of Charles F. Dolan and the sister of James L. Dolan, pursuant to which the Company had agreed from time to time to make its aircraft available to CFD and CFD had agreed from time to time to make their aircraft available to the Company. Pursuant to the terms of the agreements, CFD could lease on a non-exclusive, "time sharing" basis, certain Company aircraft.

The Company was also party to a dry lease agreement and a time sharing agreement with Brighid Air, LLC ("Brighid Air"), a company owned and controlled by Patrick F. Dolan, the son of Charles F. Dolan and the brother of James L. Dolan, pursuant to which Brighid Air had agreed from time to time to make its Bombardier BD100-1A10 Challenger 350 aircraft (the "Challenger") available to the Company on a non-exclusive basis. In connection with the dry lease agreement, the Company also entered into a Flight Crew Services Agreement (the "Flight Crew Agreement") with Dolan Family Office, LLC ("DFO"), an entity owned and controlled by Charles F. Dolan, pursuant to which the Company could utilize pilots employed by DFO for purposes of flying the Challenger when the Company was leasing that aircraft under the Company's dry lease agreement with Brighid Air.

Pursuant to certain aircraft support services agreements (the "Support Agreements"), the Company provided certain aircraft support services to (i) Charles F. Dolan, a director, and certain of his children, including James L. Dolan, the Company's Executive Chairman, Chief Executive Officer and a director, Deborah Dolan-Sweeney, Patrick F. Dolan, Marianne Dolan Weber (a director of the Company), and Kathleen M. Dolan, and (ii) an entity controlled by Patrick F. Dolan, the son of Charles F. Dolan and brother of James L. Dolan.

Prior to December 21, 2021, the Company was also party to (i) a reciprocal time sharing/dry lease agreement with Quart 2C, LLC ("Q2C"), a company controlled by James L. Dolan and Kristin A. Dolan, his spouse and a director of the Company, pursuant to which the Company from time to time made its aircraft available to Q2C, and Q2C, from time to time made its aircraft available to the Company, and (ii) an aircraft support services agreement with an entity controlled by James L. Dolan, pursuant to which the Company provided certain aircraft support services. These agreements were no longer effective as of December 21, 2021.

The Company and each of MSG Sports and AMC Networks were party to certain aircraft time sharing agreements, pursuant to which the Company had agreed from time to time to make aircraft available to MSG Sports and/or AMC Networks for lease on a "time sharing" basis. Additionally, the Company, MSG Sports and AMC Networks had agreed on an allocation of the costs of certain aircraft and helicopter use by their shared executives.

In addition to the aircraft arrangements described above, certain executives of the Company were party to aircraft time sharing agreements, pursuant to which the Company had agreed from time to time to make certain aircraft available for lease on a "time sharing" basis for personal use in exchange for payment of actual expenses of the flight (as listed in the agreement).

Revenues and Operating Expenses

The following table summarizes the composition and amounts of the transactions with the Company's affiliates. The significant components of these amounts are discussed below. These amounts are reflected in revenues and operating expenses in the accompanying consolidated statements of operations for Fiscal Years 2023, 2022, and 2021:

	Years Ended June 30,		
	2023	2022	2021
Revenues	$ 2,079	$ 1,220	$ —
Operating expenses (credits):			
Media rights fees	$ 172,581	$ 163,131	$ 143,464
Cost reimbursement from MSG Sports - MSG Sports Services Agreement	(29,836)	(38,254)	(36,502)
Corporate general and administrative expenses, net - MSGE TSA	27,494	—	—
Origination, master control and technical services	4,982	4,880	4,784
Other operating expenses, net	261	952	3,381
Total operating expenses, net [(a)]	$ 175,482	$ 130,709	$ 115,127

[(a)] *Of the total operating expenses, net, $ 206,804 , $ 167,928 and $ 150,226 for Fiscal Years 2023, 2022, and 2021, respectively, are included in direct operating expenses in the accompanying consolidated statements of operations, and $(31,322), $(37,219) and $(35,099) for Fiscal Years 2023, 2022, and 2021, respectively, are included as net credits in selling, general and administrative expenses.*

Revenues

Revenues from related parties relate primarily to MSG Networks virtual signage with MSG Sports with the Knicks and Rangers.

Operating Expenses

Media Rights Fees

MSG Networks' media rights agreements with MSG Sports, effective as of July 1, 2015, provide the MSG Networks segment with the exclusive live media rights to Knicks and Rangers games in their local markets. These media rights fees are paid to MSG Sports.

Cost reimbursement from MSG Sports — MSG Sports Services Agreement

The Company's corporate overhead expenses that were charged to MSG Sports prior to the MSGE Distribution are primarily related to centralized functions, including information technology, security, accounts payable, payroll, tax, legal, human resources, insurance and risk management, investor relations, corporate communications, benefit plan administration and reporting, and internal audit. These charges are reflected in the Company's results of operations for the periods prior to the MSGE Distribution as they do not meet the criteria for inclusion in discontinued operations. Following the MSGE Distribution, the Company no longer provides these services to MSG Sports.

Corporate general and administrative expenses, net — MSGE TSA

Corporate general and administrative expense, net — MSGE TSA reflects charges from MSG Entertainment pursuant to the MSGE TSA for certain business functions that were previously performed by internal resources. These services include information technology, accounting, accounts payable, payroll, tax, legal, human resources, insurance and risk management, investor relations, corporate communications, benefit plan administration and reporting, and internal audit.

Origination, Master Control and Technical Services

AMC Networks provides certain origination, master control, and technical services to the MSG Networks segment.

Other Operating Expenses, net

The Company and its related parties enter into transactions with each other in the ordinary course of business. Other operating expenses include net charges relating to (i) reciprocal aircraft arrangements between the Company and each of Q2C and CFD, (ii) time sharing and/or dry lease agreements with MSG Sports, AMC Networks and Brighid Air and (iii) commission under the group ticket sales representation agreement with MSG Sports. The aircraft arrangements were assigned to MSG Entertainment in connection with the MSGE Distribution. In addition, the reciprocal aircraft arrangement between the Company and Q2C and the related aircraft support services agreement between them was no longer effective as of December 21, 2021.

Note 18. Segment Information

As of June 30, 2023, the Company was comprised of two reportable segments: Sphere and MSG Networks. The Company takes into account whether two or more operating segments can be aggregated together as one reportable segment as well as the type of discrete financial information that is available and regularly reviewed by its Chief Operating Decision Maker.

The Company incurs non-capitalizable content development and technology costs associated with the Company's Sphere business, which are reported in the Sphere segment. Sphere also includes other expenses such as (a) corporate and supporting department operating costs that are attributable to Sphere development, including charges under the MSGE TSA and (b) non-event related operating expenses such as (i) insurance, (ii) utilities, (iii) repairs and maintenance, (iv) labor related to the overall management of Sphere segment and (v) depreciation and amortization expense related to certain corporate property, equipment and leasehold improvements.

The Company evaluates segment performance based on several factors, of which the key financial measure is adjusted operating income (loss), a non-GAAP financial measure. We define adjusted operating income (loss) as operating income (loss) excluding:

(i) depreciation, amortization and impairments of property and equipment, goodwill and intangible assets,

(ii) amortization for capitalized cloud computing arrangement costs,

(iii) share-based compensation expense,

(iv) restructuring charges or credits,

(v) merger and acquisition-related costs, including litigation expenses,

(vi) gains or losses on sales or dispositions of businesses and associated settlements,

(vii) the impact of purchase accounting adjustments related to business acquisitions, and

(viii) gains and losses related to the remeasurement of liabilities under the Company's Executive Deferred Compensation Plan (which was established in November 2021).

The Company believes that the exclusion of share-based compensation expense or benefit allows investors to better track the performance of the Company's business without regard to the settlement of an obligation that is not expected to be made in cash. The Company eliminates merger and acquisition-related costs, when applicable, because the Company does not consider such costs to be indicative of the ongoing operating performance of the Company as they result from an event that is of a non-recurring nature, thereby enhancing comparability. In addition, management believes that the exclusion of gains and losses related to the remeasurement of liabilities under the Company's Executive Deferred Compensation Plan provides investors with a clearer picture of the Company's operating performance given that, in accordance with GAAP, gains and losses related to the remeasurement of liabilities under the Company's Executive Deferred Compensation Plan are recognized in Operating income (loss) whereas gains and losses related to the remeasurement of the assets under the Company's Executive Deferred Compensation Plan, which are equal to and therefore fully

offset the gains and losses related to the remeasurement of liabilities, are recognized in Other income (expense), net, which is not reflected in Operating income (loss).

The Company believes adjusted operating income (loss) is an appropriate measure for evaluating the operating performance of its business segments and the Company on a consolidated basis. Adjusted operating income (loss) and similar measures with similar titles are common performance measures used by investors and analysts to analyze the Company's performance. The Company uses revenues and adjusted operating income (loss) measures as the most important indicators of its business performance, and evaluates management's effectiveness with specific reference to these indicators.

Adjusted operating income (loss) should be viewed as a supplement to and not a substitute for operating income (loss), net income (loss), cash flows from operating activities, and other measures of performance and/or liquidity presented in accordance with GAAP. Since adjusted operating income (loss) is not a measure of performance calculated in accordance with GAAP, this measure may not be comparable to similar measures with similar titles used by other companies. The Company has presented the components that reconcile operating income (loss), the most directly comparable GAAP financial measure, to adjusted operating income (loss).

Information as to the operations of the Company's reportable segments is set forth below.

	Year Ended June 30, 2023		
	Sphere	MSG Networks	Total
Revenues	$ 2,610	$ 571,221	$ 573,831
Direct operating expenses	(5,545)	(336,666)	(342,211)
Selling, general and administrative expenses	(325,660)	(126,482)	(452,142)
Depreciation and amortization	(24,048)	(6,668)	(30,716)
Impairment and other gains (losses), net	6,229	(109)	6,120
Restructuring charges	(23,136)	(4,788)	(27,924)
Operating (loss) income	(369,550)	96,508	(273,042)
Interest income			11,585
Interest expense			—
Other income (expense), net			536,887
Income from operations before income taxes			$ 275,430
Reconciliation of operating income (loss) to adjusted operating income (loss):			
Operating (loss) income	$ (369,550)	$ 96,508	$ (273,042)
Add back:			
Share-based compensation expense	36,188	6,419	42,607
Depreciation and amortization	24,048	6,668	30,716
Restructuring charges	23,136	4,788	27,924
Impairment and other (gains) losses, net	(6,229)	109	(6,120)
Merger and acquisition related costs	(189)	55,236	55,047
Amortization for capitalized cloud computing costs	—	161	161
Remeasurement of deferred compensation plan liabilities	187	—	187
Adjusted operating (loss) income	$ (292,409)	$ 169,889	$ (122,520)
Other information:			
Capital expenditures	$ 1,025,700	$ 9,185	$ 1,034,885

	Year Ended June 30, 2022		
	Sphere	MSG Networks	Total
Revenues	$ 1,900	$ 608,155	$ 610,055
Direct operating expenses	—	(320,278)	(320,278)
Selling, general and administrative expenses	(293,664)	(126,129)	(419,793)
Depreciation and amortization	(13,168)	(9,394)	(22,562)
Impairment and other gains, net	245	—	245
Restructuring charges	(12,952)	(452)	(13,404)
Operating (loss) income	(317,639)	151,902	(165,737)
Interest income			3,575
Interest expense			—
Other income (expense), net			(5,518)
Loss from operations before income taxes			$ (167,680)
Reconciliation of operating income (loss) to adjusted operating income (loss):			
Operating (loss) income	$ (317,639)	$ 151,902	$ (165,737)
Add back:			
Share-based compensation expense	39,668	17,092	56,760
Depreciation and amortization	13,168	9,394	22,562
Restructuring charges	12,952	452	13,404
Impairment and other gains, net	(245)	—	(245)
Merger and acquisition related costs	20,834	27,683	48,517
Amortization for capitalized cloud computing costs	95	176	271
Adjusted operating (loss) income	$ (231,167)	$ 206,699	$ (24,468)
Other information:			
Capital expenditures	$ 717,093	$ 3,673	$ 720,766

	Year Ended June 30, 2021		
	Sphere	MSG Networks	Total
Revenues	$ —	$ 647,510	$ 647,510
Direct operating expenses	—	(262,859)	(262,859)
Selling, general and administrative expenses	(193,831)	(101,641)	(295,472)
Depreciation and amortization	(9,271)	(7,335)	(16,606)
Restructuring charges	(8,061)	—	(8,061)
Operating (loss) income	(211,163)	275,675	64,512
Interest income			3,172
Interest expense			(20,219)
Other income (expense), net			(3,935)
Income from operations before income taxes			$ 43,530
Reconciliation of operating income (loss) to adjusted operating income (loss):			
Operating (loss) income	$ (211,163)	$ 275,675	64,512
Add back:			
Share-based compensation expense	42,119	17,667	59,786
Depreciation and amortization	9,271	7,335	16,606
Restructuring charges	8,061	—	8,061
Merger and acquisition related costs	16,080	4,502	20,582
Adjusted operating (loss) income	$ (135,632)	$ 305,179	$ 169,547
Other information:			
Capital expenditures	$ 438,647	$ 2,814	$ 441,461

As a result of the MSGE Distribution in April 2023 (which is presented as discontinued operations herein), prior period results of the MSG Networks segment have been recast to exclude expenses of approximately $ 8,800 , $ 20,900 and $ 13,700 for Fiscal Year 2023, 2022, and 2021, respectively, related to the Networks Advertising Sales Representation Agreement with MSG Entertainment, which was terminated effective as of December 31, 2022. A portion of these expenses were absorbed directly by MSG Networks following the termination of the advertising sales representation agreement and are reflected in MSG Networks' results beginning January 1, 2023.

Accounts receivable, net on the accompanying consolidated balance sheets as of June 30, 2023 and 2022 included amounts due from the following individual customers, substantially derived from the MSG Networks segment, which accounted for the noted percentages of the gross balance:

	As of June 30,	
	2023	2022
Customer A	23 %	21 %
Customer B	22 %	21 %
Customer C	17 %	18 %
Customer D	N/A	12 %

Revenues in the accompanying consolidated statements of operations for Fiscal Years 2023, 2022, and 2021 included amounts from the following individual customers, primarily derived from the MSG Networks segment, which accounted for the noted percentages of the total:

	Years Ended June 30,		
	2023	2022	2021
Customer 1	26 %	26 %	25 %
Customer 2	26 %	27 %	27 %
Customer 3	21 %	21 %	20 %

As of June 30, 2023, the Company employed approximately 1,100 full-time and part-time employees, of which approximately 29 % are subject to CBAs. Approximately 10 % are subject to CBAs that expired as of June 30, 2023 and approximately 67 % are subject to CBAs that will expire by June 30, 2024, if they are not extended prior thereto.

Note 19. Additional Financial Information

The following table provides a summary of the amounts recorded as cash and cash equivalents, and restricted cash as of June 30, 2023 and 2022:

	As of June 30,	
	2023	2022
Cash and cash equivalents	$ 131,965	$ 747,313
Restricted cash	$ 297,149	$ 12,999
Total Cash and cash equivalents, and restricted cash	$ 429,114	$ 760,312

The Company's cash equivalents consist of money market accounts, time deposits and U.S. treasury bills of $ 108,701 and $ 597,036 as of June 30, 2023 and 2022, respectively. Cash equivalents are measured at fair value within Level I of the fair value hierarchy on a recurring basis using observable inputs that reflect quoted prices for identical assets in active markets.

Prepaid expenses and other current assets as of June 30, 2023 and 2022 consisted of the following:

	As of June 30,	
	2023	2022
Prepaid expenses	$ 22,616	$ 10,647
Prepaid income taxes	834	4,510
Notes and other receivables	21,453	2,404
Current contract assets[(a)]	314	—
Current deferred production costs	6,524	3,427
Other	4,344	5,874
Total prepaid expenses and other current assets	$ 56,085	$ 26,862

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[(a)] *See Note 4. Revenue Recognition for more information on contract assets.*

Accounts payable, accrued, and other current liabilities as of June 30, 2023 and 2022 consisted of the following:

	As of June 30,	
	2023	2022
Accounts payable	$ 39,654	$ 2,014
Accrued payroll and employee related liabilities	75,579	46,221
Cash due to promoters	73,611	—
Income taxes payable	11,842	—
Capital related accruals	236,593	204,894
Accrued legal fees	53,857	6,970
Other accrued expenses	24,595	16,459
Total accounts payable, accrued, and other current liabilities	$ 515,731	$ 276,558

Other income (expense), net for Fiscal Years 2023, 2022, and 2021 included the following:

	Years Ended June 30,		
	2023	2022	2021
Realized and unrealized gain on MSGE Retained Interest, see Note 7 for further detail	$ 545,715	$ —	$ —
Unrealized gain on equity investments without readily determinable fair value	1,969	—	1,252
Loss on other equity method investments	(8,184)	(4,863)	(4,828)
Other	(2,613)	(655)	(359)
Total other income (expense), net	$ 536,887	$ (5,518)	$ (3,935)

Note 20. Interim Condensed Financial Information (Unaudited)

The following is a summary of the Company's selected quarterly financial data for Fiscal Years 2023 and 2022:

	Three Months Ended			
	September 30, 2022	December 31, 2022	March 31, 2023	June 30, 2023
Revenues	$ 123,129	$ 159,541	$ 162,062	$ 129,099
Operating expenses	(174,184)	(209,276)	(263,969)	(199,444)
Operating loss	$ (51,055)	$ (49,735)	$ (101,907)	$ (70,345)
Net (loss) income from continuing operations	$ (23,158)	$ (50,453)	$ (113,999)	$ 359,637
Net income from discontinued operations, net of taxes	$ 2,236	$ 97,889	$ 55,441	$ 178,087
Net (loss) income	$ (20,922)	$ 47,436	$ (58,558)	$ 537,724
Less: Net income (loss) attributable to redeemable noncontrolling interests from discontinued operations	1,124	3,029	(1,492)	1,264
Less: Net loss attributable to nonredeemable noncontrolling interests from discontinued operations	(410)	(56)	(216)	(335)
Net (loss) income attributable to Sphere Entertainment Co.'s stockholders	$ (21,636)	$ 44,463	$ (56,850)	$ 536,795
Continuing Operations				
Basic (loss) earnings per common share attributable to Sphere Entertainment Co.'s stockholders	$ (0.67)	$ (1.45)	$ (3.28)	$ 10.34
Diluted (loss) earnings per common share attributable to Sphere Entertainment Co.'s stockholders	$ (0.67)	$ (1.45)	$ (3.28)	$ 10.21
Discontinued Operations				
Basic earnings per common share attributable to Sphere Entertainment Co.'s stockholders	$ 0.04	$ 2.74	$ 1.65	$ 5.09
Diluted earnings per common share attributable to Sphere Entertainment Co.'s stockholders	$ 0.04	$ 2.73	$ 1.65	$ 5.03

	Three Months Ended			
	September 30, 2021	December 31, 2021	March 31, 2022	June 30, 2022
Revenues	$ 141,473	$ 160,753	$ 168,080	$ 139,749
Operating expenses	(193,897)	(190,029)	(190,268)	(201,598)
Operating loss	$ (52,424)	$ (29,276)	$ (22,188)	$ (61,849)
Net loss from continuing operations	$ (37,337)	$ (21,941)	$ (27,021)	$ (51,551)
Net (loss) income from discontinued operations	$ (39,318)	$ 26,959	$ 7,715	$ (47,653)
Net (loss) income	$ (76,655)	$ 5,018	$ (19,306)	$ (99,204)
Less: Net income (loss) attributable to redeemable noncontrolling interests from discontinued operations	2,212	2,642	(442)	3,327
Less: Net loss attributable to nonredeemable noncontrolling interests from discontinued operations	365	106	(1,373)	(2,589)
Net (loss) income attributable to Sphere Entertainment Co.'s stockholders per statement of operations	(79,232)	2,270	(17,491)	(99,942)
Adjustment of redeemable noncontrolling interest to redemption value from discontinued operations	—	—	—	(3,173)
Net (loss) income attributable to Sphere Entertainment Co.'s stockholders for EPS	$ (79,232)	$ 2,270	$ (17,491)	$ (103,115)
Continuing Operations				
Basic (loss) earnings per common share attributable to Sphere Entertainment Co.'s stockholders	$ (1.10)	$ (0.64)	$ (0.79)	$ (1.50)
Diluted (loss) earnings per common share attributable to Sphere Entertainment Co.'s stockholders	$ (1.10)	$ (0.64)	$ (0.79)	$ (1.50)
Discontinued Operations				
Basic (loss) earnings per common share attributable to Sphere Entertainment Co.'s stockholders	$ (1.23)	$ 0.71	$ 0.28	$ (1.50)
Diluted (loss) earnings per common share attributable to Sphere Entertainment Co.'s stockholders	$ (1.23)	$ 0.70	$ 0.28	$ (1.50)

Note 21. Subsequent Events

Delayed Draw Term Loan Facility

On July 14, 2023, the Company drew down the full amount of the $ 65,000 under the DDTL Facility. On August 9, 2023, the Company repaid all amounts outstanding under the DDTL Facility (including accrued interest and commitment fees) by delivering to MSG Entertainment Holdings 1,923 shares of MSG Entertainment Class A common stock. As a result, the Company now holds approximately 17 % of the outstanding common stock of MSG Entertainment (in the form of MSG Entertainment Class A common stock), based on 49,128 total shares of MSG Entertainment common stock outstanding as of August 18, 2023.

Settlement of the Networks Merger Litigation

On August 14, 2023, the MSGE Settlement Agreement and the MSGN Settlement Agreement were both approved by the Court. With respect to the MSG Entertainment Litigation, no gain amount relating to the proposed settlement to the Company had been recorded as of June 30, 2023. With respect to the MSG Networks Litigation, the Company had accrued $ 48,500 . Refer to Note 11. Commitments and contingencies for more information in regards to these matters.

Exhibit 4.5

DESCRIPTION OF CAPITAL STOCK

The following description of the capital stock of Sphere Entertainment Co. (the "Company," "we," "us," and "our") is not complete and may not contain all the information you should consider before investing in our capital stock. This description is summarized from, and qualified in its entirety by reference to, our amended and restated certificate of incorporation and amended by-laws, which have been publicly filed with the Securities and Exchange Commission ("SEC"). The terms of these securities may also be affected by the General Corporation Law of the State of Delaware.

Our authorized capital stock consists of 165,000,000 shares, with a par value of $0.01 per share, of which 120,000,000 shares are Class A Common Stock, par value $.01 per share (the "Class A Common Stock"), 30,000,000 shares are Class B Common Stock, par value $.01 per share (the "Class B Common Stock" and, together with the Class A Common Stock, the "Common Stock"), and 15,000,000 shares are Preferred Stock, par value $.01 per share.

Class A Common Stock and Class B Common Stock

All shares of our Common Stock currently outstanding are fully paid and non-assessable, not subject to redemption and without preemptive or other rights to subscribe for or purchase any proportionate part of any new or additional issues of stock of any class or of securities convertible into stock of any class.

Voting

Holders of Class A Common Stock are entitled to one vote per share. Holders of Class B Common Stock are entitled to ten votes per share. All actions submitted to a vote of stockholders are voted on by holders of Class A Common Stock and Class B Common Stock voting together as a single class, except for the election of directors and as otherwise set forth below. With respect to the election of directors, holders of Class A Common Stock vote together as a separate class and are entitled to elect 25% of the total number of directors constituting the whole Board of Directors and, if such 25% is not a whole number, then the holders of Class A Common Stock, voting together as a separate class, are entitled to elect the nearest higher whole number of directors that is at least 25% of the total number of directors. Holders of Class B Common Stock, voting together as a separate class, are entitled to elect the remaining directors.

If, however, on the record date for any stockholders meeting at which directors are to be elected, the number of outstanding shares of Class A Common Stock is less than 10% of the total number of outstanding shares of both classes of Common Stock, the holders of Class A Common Stock and Class B Common Stock vote together as a single class with respect to the election of directors and the holders of Class A Common Stock do not have the right to elect 25% of the total number of directors but have one vote per share for all directors and the holders of Class B Common Stock have ten votes per share for all directors.

If, on the record date for notice of any stockholders meeting at which directors are to be elected, the number of outstanding shares of Class B Common Stock is less than 12 1/2% of the total number of outstanding shares of both classes of Common Stock, then the holders of Class A Common Stock, voting as a separate class, continue to elect a number of directors equal to 25% of the total number of directors constituting the whole Board of Directors and, in addition, vote together with the holders of Class B Common Stock, as a single class, to elect the remaining directors to be elected at such meeting, with the holders of Class A Common Stock entitled to one vote per share and the holders of Class B Common Stock entitled to ten votes per share.

In addition, the affirmative vote or consent of the holders of at least 66 2/3% of the outstanding shares of Class B Common Stock, voting separately as a class, is required for the authorization or issuance of any additional shares of Class B Common Stock and for any amendment, alteration or repeal of any provisions of our amended and restated certificate of incorporation which would affect adversely the powers, preferences or rights of the Class B Common Stock. The number of authorized shares of Class A Common Stock may be increased or decreased (but not below the number of shares thereof then outstanding) by the affirmative vote of the holders of the majority of the Common Stock. Our amended and restated certificate of incorporation does not provide for cumulative voting.

The Dolan family, including trusts for the benefit of members of the Dolan family (collectively, the "Dolan Family Group"), by virtue of their ownership of Class B Common Stock, are able collectively to control decisions on matters in which holders of our Class A Common Stock and Class B Common Stock vote together as a single class (including, but not limited to, a change in control), and to elect up to 75% of the Company's Board. Members of the Dolan Family Group are parties to a Stockholders Agreement, which has the effect of causing the voting power of the holders of our Class B Common Stock to be cast as a block with respect to all matters to be voted on by holders of our Class B Common Stock. Under the Stockholders Agreement, the shares of Class B Common Stock owned by members of the Dolan Family Group are to be voted on all matters in accordance with the determination of the Dolan Family Committee, except that the decisions of the Dolan Family Committee are non-binding with respect to the Class B shares owned by certain Dolan family trusts that collectively own approximately 40.5% of the outstanding Class B Common Stock.

Advance Notification of Stockholder Nominations and Proposals

Our amended bylaws establish advance notice procedures with respect to stockholder proposals and nomination of candidates for election as directors other than nominations made by or at the direction of our Board of Directors. In particular, stockholders must notify our corporate secretary in writing prior to the meeting at which the matters are to be acted upon or directors are to be elected. The notice must contain the information specified in our amended bylaws. To be timely, the notice must be received by our corporate secretary not less than 60 or more than 90 days prior to the date of the stockholders' meeting, provided that if the date of the meeting is publicly announced or disclosed less than 70 days prior to the date of the meeting, the notice must be given not more than ten days after such date is first announced or disclosed.

No Stockholder Action by Written Consent

Our amended and restated certificate of incorporation provides that, except as otherwise provided as to any series of preferred stock in the terms of that series, no action of stockholders required or permitted to be taken at any annual or special meeting of stockholders may be taken without a meeting of stockholders, without prior notice and without a vote, and the power of the stockholders to consent in writing to the taking of any action without a meeting is specifically denied.

Conversions

The Class A Common Stock has no conversion rights. The Class B Common Stock is convertible into Class A Common Stock in whole or in part at any time and from time to time on the basis of one share of Class A Common Stock for each share of Class B Common Stock. In the case of any sale or disposition of Class B Common Stock by a Dolan children trust, or of any children trust shares by any other Dolan family interest to which such shares have been transferred, such stock must be converted to Class A Common Stock on a one-for-one basis. This conversion requirement will not apply to sales or dispositions of Class B Common Stock to Charles F. Dolan or other Dolan family interests. Any conversion of Class B

Common Stock into Class A Common Stock would result in the issuance of additional shares of Class A Common Stock. As a result of any such conversion, existing holders of Class A Common Stock would own the same percentage of the outstanding Common Stock but a smaller percentage of the total number of shares of issued and outstanding Class A Common Stock. Additionally, the conversion of shares of Class B Common Stock, which are entitled to ten votes per share, into shares of Class A Common Stock, which are entitled to one vote per share, would increase the voting power of Class A Common Stockholders with respect to all actions that are voted on by holders of Class A Common Stock and Class B Common Stock as a single class; however, the holders of Class B Common Stock, voting as a separate class, would continue to have the right to elect up to 75% of the Board of Directors unless and until the Class B Common Stock represented less than 12 1/2% of the outstanding Common Stock and, when both classes vote together as one class, would continue to represent a majority of the outstanding voting power of our Common Stock unless and until the Class B Common Stock represented less than approximately 9.1% of our outstanding Common Stock.

Dividends

Holders of Class A Common Stock and Class B Common Stock are entitled to receive dividends equally on a per-share basis if and when such dividends are declared by the Board of Directors from funds legally available therefor. No dividend may be declared or paid in cash or property or shares of either Class A Common Stock or Class B Common Stock unless the same dividend is paid simultaneously on each share of the other class of Common Stock. In the case of any stock dividend, holders of Class A Common Stock are entitled to receive the same dividend on a percentage basis (payable in shares of or securities convertible to shares of Class A Common Stock and other securities of us or any other person) as holders of Class B Common Stock receive (payable in shares of or securities convertible into shares of Class A Common Stock, shares of or securities convertible into shares of Class B Common Stock and other securities of us or any other person). The distribution of shares or other securities of the Company or any other person to common stockholders is permitted to differ to the extent that the Common Stock differs as to voting rights and rights in connection to certain dividends.

Liquidation

Holders of Class A Common Stock and Class B Common Stock share with each other on a ratable basis as a single class in the net assets available for distribution in respect of Class A Common Stock and Class B Common Stock in the event of a liquidation.

Other Terms

Neither the Class A Common Stock nor the Class B Common Stock may be subdivided, consolidated, reclassified or otherwise changed, except as expressly provided in our amended and restated certificate of incorporation, unless the other class of Common Stock is subdivided, consolidated, reclassified or otherwise changed at the same time, in the same proportion and in the same manner.

In any merger, consolidation or business combination, the consideration to be received per share by holders of either Class A Common Stock or Class B Common Stock must be identical to that received by holders of the other class of Common Stock, except that in any such transaction in which shares of capital stock are distributed, such shares may differ as to voting rights only to the extent that voting rights now differ between Class A Common Stock and Class B Common Stock.

Transfer Agent and Registrar

The transfer agent and registrar for the Class A Common Stock is EQ Shareowner Services.

Listing

Our Class A Common Stock is listed on the NYSE under the symbol “SPHR.”

Preferred Stock

Under our amended and restated certificate of incorporation, our Board of Directors is authorized, without further stockholder action to provide for the issuance of up to 15,000,000 shares of preferred stock in one or more series. The powers, designations, preferences and relative, participating, optional or other special rights, and qualifications, limitations or restrictions, including dividend rights, voting rights, conversion rights, terms of redemption and liquidation preferences, of the preferred stock of each series will be fixed or designated by the Board of Directors pursuant to a certificate of designations. There are no shares of our preferred stock currently outstanding. Any issuance of preferred stock may adversely affect the rights of holders of our Common Stock and may render more difficult certain unsolicited or hostile attempts to take over the Company.

Section 203 of the Delaware General Corporation Law

Section 203 of the Delaware General Corporation Law prohibits certain transactions between a Delaware corporation and an “**interested stockholder**.” An “interested stockholder” for this purpose is a stockholder who is directly or indirectly a beneficial owner of 15% or more of the aggregate voting power of a Delaware corporation. This provision prohibits certain business combinations between an interested stockholder and a corporation for a period of three years after the date on which the stockholder became an interested stockholder, unless: (1) prior to the time that a stockholder became an interested stockholder, either the business combination or the transaction which resulted in the stockholder becoming an interested stockholder is approved by the Company’s Board of Directors; (2) the interested stockholder acquired at least 85% of the aggregate voting power of the Company in the transaction in which the stockholder became an interested stockholder; or (3) the business combination is approved by a majority of the Board of Directors and the affirmative vote of the holders of two-thirds of the aggregate voting power not owned by the interested stockholder at or subsequent to the time that the stockholder became an interested stockholder. These restrictions do not apply if, among other things, the Company’s certificate of incorporation contains a provision expressly electing not to be governed by Section 203. Our amended and restated certificate of incorporation does not contain such an election. However, our Board of Directors exercised its right under Section 203 to approve the acquisition of Common Stock in the spin-off of the Company from Madison Square Garden Sports Corp. by members of the Dolan family group. This has the effect of making Section 203 inapplicable to transactions between the Company and current and future members of the Dolan family group. Section 203 also may be inapplicable to the Dolan family group or to other persons for other reasons specified in the statute.

Exhibit 10.28

June 15, 2023

Mr. David Granville-Smith
Sphere Entertainment Co.
Two Pennsylvania Plaza
New York, NY 10121

Dear David:

This letter agreement (the “Agreement”), effective as of June 15, 2023 (the “Effective Date”), will confirm the terms of your employment with Sphere Entertainment Co. (the “Company”) following the Effective Date.

1. Your title will be Executive Vice President and you will report to the Executive Chairman and Chief Executive Officer of the Company. Subject to Section 2 below, you agree to devote such amount of your business time and attention to the business and affairs of the Company as is necessary, and as you may be requested, to perform your duties in a diligent, competent, professional and skillful manner and in accordance with applicable law.

2. The Company acknowledges that, in addition to your services pursuant to this Agreement, and from and after the commencement of your employment with each such entity, you will simultaneously be employed by, and are expected to devote a portion of your business time and attention to, each of Madison Square Garden Sports Corp. (“MSGS”) and AMC Networks Inc. (“AMC”). The Company understands that you have entered into an employment agreement with each of MSGS and AMC and recognizes and agrees that your responsibilities to MSGS and AMC will preclude you from devoting substantially all of your time and attention to the Company’s affairs, but apart from your arrangements with MSGS and AMC you will not undertake any outside business commitments without the Company’s consent and you will, upon request, cooperate with the Company in reviewing your obligations under Section (1) above. In addition, as recognized in Article Tenth of the Company’s Amended and Restated Certificate of Incorporation and the Policy Concerning Matters Relating to Madison Square Garden Entertainment Corp., Madison Square Garden Sports Corp. and AMC Networks Inc., Including Responsibilities of Overlapping Directors and Officers (together, the “Overlap Policy”), there may be certain potential conflicts of interest and fiduciary duty issues associated with your roles at the Company, MSGS, and AMC. The Company recognizes and agrees that none of (i) your multiple responsibilities at the Company, MSGS, and AMC, (ii) your inability to devote substantially all of your time and attention to the Company’s affairs, (iii) the actual or potential conflicts of interest and fiduciary duty issues that are waived in the Overlap Policy, or (iv) any actions taken, or omitted to be taken, by you in good faith to comply with your duties and responsibilities to the Company in light of your multiple responsibilities to the Company, MSGS, and AMC, shall be deemed to be a breach by you of your obligations under this Agreement (including your obligations under Annex A) nor shall any of the foregoing constitute “Cause” as such term is defined in Section 13 hereof.

3. Your annual base salary will be not less than $800,000 annually, paid bi-weekly, subject to annual review and potential increase by the Compensation Committee of the Board of Directors of the Company (the “Compensation Committee”) in its discretion. The Compensation Committee will review your compensation package on an annual basis to ensure that you are paid consistently with other similarly situated executives as well as external peers.

4. Commencing with the Company’s fiscal year starting July 1, 2023, you will also participate in our discretionary annual bonus program with an annual target bonus opportunity equal to not less than 100% of your annual base salary. Bonus payments depend on a number of factors including Company, unit and individual performance. However, the decision of whether or not to pay a bonus, and the amount of that bonus, if any, is made by the Compensation Committee, in its sole discretion. Annual bonuses are typically paid early in the subsequent fiscal year. Except as otherwise provided herein, in order to receive a bonus, you must be employed by the Company at the time bonuses are being paid.

5. Commencing with the Company’s fiscal year starting July 1, 2023, you will also, subject to your continued employment by the Company and actual grant by the Compensation Committee, participate in such equity and other long-term incentive programs that are made available in the future to similarly situated executives at the Company. It is expected that such awards will consist of annual grants of cash and/or equity awards with an annual target value of not less than $1,700,000, all as determined by the Compensation Committee in its discretion. Notwithstanding the foregoing, subject to your continued employment by the Company and actual grant by the Compensation Committee, it is expected that the award issued to you in August or September 2023 will have an annual target value of $2,000,000, as determined by the Compensation Committee in its sole discretion. All awards described in this Section and Section 6 below, in addition to being subject to actual grant by the Compensation Committee, would be pursuant to the applicable plan document and would be subject to any terms and conditions established by the Compensation Committee in its sole discretion that would be detailed in separate agreements you would receive after any award is actually made; provided, however, that such terms and conditions shall be consistent with those in awards granted to similarly situated executives. Long-term incentive awards are currently expected to be subject to three-year vesting.

6. In addition to your participation in the Company’s regular long-term incentive programs, subject to your continued employment by the Company and actual grant by the Compensation Committee, you will receive a one-time special award of restricted stock units with an aggregate grant date fair value of $3,500,000 (as determined by the Compensation Committee in its discretion) (the “Special RSU Grant”). Subject to the terms of the award agreement and Section 9 below, the Special RSU Grant will be made on or as soon as practicable after the Effective Date, and will be subject to three-year vesting (1/3 vesting on each of September 15, 2024, September 15, 2025 and September 15, 2026). The Special RSU Grant would be pursuant to the applicable plan document and would be subject to any terms and conditions established by the Compensation Committee in its sole discretion that would be detailed in a separate agreement you would receive after any award is actually made.

7. Subject to your continued employment by the Company, you will also be entitled to a one-time special cash award of $925,000, to be paid within 30 days of the commencement of your employment. If, prior to the first anniversary of the commencement of your employment, you either (a) are terminated for “Cause”, or (b) voluntarily resign without “Good Reason” (each as defined below), then you agree to repay the full amount of the special cash award to the Company as soon as practicable following such termination or resignation of your employment.

8. While you are employed by MSGS, you will not be eligible to participate in the Company’s benefits program except as provided below. If your employment with MSGS terminates while you remain employed by the Company, you will be eligible to participate in our standard benefits program subject to meeting the relevant eligibility requirements, payment of the required premiums, and the terms of the plans themselves. Notwithstanding the first sentence of this Section 8, you will also be eligible to participate in our standard life insurance program and our non-qualified pension plans, subject to meeting the relevant eligibility requirements, payment of the required premiums, and the terms of the plans themselves. To the extent required by the Company’s insurance provider, any payout under the Company’s life insurance program will be aggregated with similar payouts under AMC and/or MSGS’s life insurance programs with respect to any applicable maximum coverage. You will also be eligible for flexible time off in accordance with Company policy.

9. If your employment with the Company is terminated on or prior to the fifth anniversary of the date your employment commences (the “Scheduled Expiration Date”) (i) by the Company (other than for “Cause”); or (ii) by you with “Good Reason” (other than if “Cause” then exists); then, subject to your execution and delivery, within 60 days after the date of termination of your employment, and non-revocation (within any applicable revocation period) of the Separation Agreement (as defined below), the Company will provide you with the following:

(a) Severance in an amount to be determined by the Company (the “Severance Amount”), but in no event less than two (2) times the sum of your annual base salary and your annual target bonus as in effect at the time your employment terminates (not taking into account any reductions which would constitute “Good Reason”). Sixty percent (60%) of the Severance Amount will be payable to you on the six-month anniversary of the date your employment so terminates (the “Termination Date”) and the remaining forty percent (40%) of the Severance Amount will be payable to you on the twelve-month anniversary of the Termination Date;

(b) Any unpaid annual bonus for the Company’s fiscal year prior to the fiscal year which includes your Termination Date, and a pro rated bonus based on the amount of your base salary actually earned by you during the Company’s fiscal year through the Termination Date, each of which will be paid to you when such bonuses are generally paid to similarly situated active executives and will be based on your then current annual target bonus as well as Company and your

business unit performance for the applicable fiscal year as determined by the Company in its sole discretion, but without adjustment for your individual performance;

(c) Each of your outstanding long-term cash awards, if any, granted under the plans of the Company shall immediately vest in full and shall be payable to you at the same time as such awards are paid to active executives of the Company and the payment amount of such award shall be to the same extent that other similarly situated active executives receive payment as determined by the Compensation Committee (subject to satisfaction of any applicable performance criteria but without adjustment for your individual performance);

(d) (i) All of the time-based restrictions on each of your outstanding restricted stock or restricted stock unit awards granted to you under the plans of the Company, including the Special RSU Grant, shall immediately be eliminated, (ii) deliveries with respect to your restricted stock that are not subject to performance criteria or are subject to performance criteria that have previously been satisfied (as certified by the Compensation Committee) shall be made immediately after the effective date of the Separation Agreement, (iii) payment and deliveries with respect to your restricted stock units that are not subject to performance criteria or are subject to performance criteria that have previously been satisfied (as certified by the Compensation Committee) shall be made on the 90th day after the termination of your employment and (iv) payments or deliveries with respect to your restricted stock and restricted stock units that are subject to performance criteria that have not yet been satisfied shall be made on the 90th day after the applicable performance criteria is certified by the Compensation Committee as having been satisfied; and

(e) Each of your outstanding stock options and stock appreciation awards, if any, under the plans of the Company shall immediately vest and become exercisable, and you shall have the right to exercise each of those options and stock appreciation awards for the remainder of the term of such option or award.

If you die after a termination of your employment that is subject to this Section 9, your estate or beneficiaries will be provided with any remaining benefits and rights under this Section 9.

10. If you cease to be an employee of the Company prior to the Scheduled Expiration Date as a result of your death or your Disability (as defined in the Company's Long Term Disability Plan), and at such time Cause does not exist then, subject (other than in the case of death) to your execution and delivery, within 60 days after the date of termination of your employment, and non-revocation (within any applicable revocation period) of the Separation Agreement, you or your estate or beneficiary shall be provided with the benefits and rights set forth in Sections 9 (b), (d) and (e) above, and each of your outstanding long-term cash awards, if any, granted under the plans of the Company shall immediately vest in full, whether or not subject to performance

criteria and shall be payable on the 90th day after the termination of your employment; provided, that if any such award is subject to any performance criteria, then (i) if the measurement period for such performance criteria has not yet been fully completed, then the payment amount shall be at the target amount for such award and (ii) if the measurement period for such performance criteria has already been fully completed, then the payment of such award shall be at the same time and to the extent that other similarly situated executives receive payment as determined by the Compensation Committee (subject to satisfaction of the applicable performance criteria).

11. For purposes hereof, "*Separation Agreement*" shall mean the Company's standard severance agreement (modified to reflect the terms of this Agreement) which will include, without limitation, the provisions set forth in Sections 9, 10, and 12 hereof, as applicable, and Annex A hereto regarding non-compete (limited to one year), non-disparagement, non-hire/non-solicitation, confidentiality (including, without limitation, the last paragraph of section 3 of Annex A), and further cooperation obligations and restrictions on you (with Company reimbursement of your associated expenses and payment for your services as described in Annex A in connection with any required post-employment cooperation) as well as a general release by you of the Company and its affiliates (and their respective directors and officers but such release shall not extend to MSGS or AMC or their respective subsidiaries to the extent that at the time of your separation you are employed by such entities), but shall otherwise contain no post-employment covenants unless agreed to by you. The Company shall provide you with the form of Separation Agreement within seven days of your termination of employment. For avoidance of doubt, your rights of indemnification under the Company's Amended and Restated Certificate of Incorporation and under any insurance policy, or under any other resolution of the Board of Directors of the Company, shall not be released, diminished or affected by any Separation Agreement or release or any termination of your employment.

12. Except as otherwise set forth in Sections 9 and 10 hereof, in connection with any termination of your employment, your then outstanding equity and cash incentive awards shall be treated in accordance with their terms and, other than as provided in this Agreement, you shall not be eligible for severance benefits under any other plan, program or policy of the Company. Nothing in this Agreement is intended to limit any more favorable rights that you may be entitled to under your equity and/or cash incentive award agreements, including, without limitation, your rights in the event of a termination of your employment, a "Going Private Transaction" or a "Change of Control" (as those terms are defined in the applicable award agreement).

13. For purposes of this Agreement, "*Cause*" means your (i) commission of an act of fraud, embezzlement, misappropriation, willful misconduct, gross negligence or breach of fiduciary duty against the Company or an affiliate thereof, or (ii) commission of any act or omission that results in a conviction, plea of no contest, plea of *nolo contendere*, or imposition of unadjudicated probation for any crime involving moral turpitude or any felony.

For purposes of this Agreement, "*Good Reason*" means that (1) without your written consent, (A) your annual base salary or annual target bonus (as each may be increased from time to time in the Compensation Committee's sole discretion) is reduced, (B) your title (as in effect from

time to time) is diminished, (C) you report to someone other than the Executive Chairman & Chief Executive Officer (or if the individual holding such position at the time your employment commences is no longer in that position with the Company, to someone other than the Chief Executive Officer or Chairman or Executive Chairman of the Board of Directors of the Company), (D) the Company requires that your principal office be located outside of the Borough of Manhattan, or (E) the Company materially breaches its obligations to you under this Agreement, (2) you have given the Company written notice, referring specifically to this Agreement and definition, that you do not consent to such action, (3) the Company has not corrected such action within 15 days of receiving such notice, and (4) you voluntarily terminate your employment with the Company within 90 days following the happening of the action described in subsection (1) above.

14. This Agreement does not constitute a guarantee of employment for any definite period. Your employment is at will and may be terminated by you or the Company at any time, with or without notice or reason.

15. The Company may withhold from any payment due to you any taxes required to be withheld under any law, rule or regulation. If any payment otherwise due to you hereunder would result in the imposition of the excise tax imposed by Section 4999 of the Code, the Company will instead pay you either (i) such amount or (ii) the maximum amount that could be paid to you without the imposition of the excise tax, depending on whichever amount results in your receiving the greater amount of after-tax proceeds. In the event that the payments and benefits payable to you would be reduced as provided in the previous sentence, then such reduction will be determined in a manner which has the least economic cost to you and, to the extent the economic cost is equivalent, such payments or benefits will be reduced in the inverse order of when the payments or benefits would have been made to you (i.e. later payments will be reduced first) until the reduction specified is achieved. If the Company elects to retain any accounting or similar firm to provide assistance in calculating any such amounts, the Company shall be responsible for the costs of any such firm.

16. It is intended that this Agreement will comply with Section 409A to the extent this Agreement is subject thereto, and that this Agreement shall be interpreted on a basis consistent with such intent. Any payment or benefit under Sections 9 or 10 of this Agreement that is payable to you by reason of your termination of employment shall be made or provided to you only upon a “separation from services” as defined for purposes of Section 409A under applicable regulation, provided that the service recipient and the employer for this purpose shall be the service recipient as defined by Treasury Regulation Section 1.409A-1(g). If and to the extent that any payment or benefit under this Agreement, or any plan, award or arrangement of the Company or its affiliates, constitutes “non-qualified deferred compensation” subject to Section 409A and is payable to you by reason of your termination of employment, then if you are a “specified employee” (within the meaning of Section 409A as determined by the Company), such payment or benefit shall not be made or provided before the date that is six months after the date of your separation from service (or your earlier death). Any amount not paid or benefit not provided in respect of the six month period specified in the preceding sentence will be paid to

you, together with interest on such delayed amount at a rate equal to the average of the one-year LIBOR fixed rate equivalent for the ten business days prior to the date of your employment termination, in a lump sum or provided to you as soon as practicable after the expiration of such six month period. Each payment or benefit provided under this Agreement shall be treated as a separate payment for purposes of Section 409A to the extent Section 409A applies to such payment. If any provision hereunder would be determined by the parties hereto to be in violation of Section 409A, the parties shall cooperate to modify such provision to be in compliance therewith, with the intention of preserving the original economic benefit to you prior to such modification.

17. To the extent you are entitled to any expense reimbursement from the Company that is subject to Section 409A, (i) the amount of any such expenses eligible for reimbursement in one calendar year shall not affect the expenses eligible for reimbursement in any other taxable year (except under any lifetime limit applicable to expenses for medical care), (ii) in no event shall any such expense be reimbursed after the last day of the calendar year following the calendar year in which you incurred such expense, and (iii) in no event shall any right to reimbursement be subject to liquidation or exchange for another benefit.

18. The Company will not take any action, or omit to take any action, that would expose any payment or benefit to you to the additional tax of Section 409A, unless (i) the Company is obligated to take the action under an agreement, plan or arrangement to which you are a party, (ii) you request the action, (iii) the Company advises you in writing that the action may result in the imposition of the additional tax and (iv) you subsequently request the action in a writing that acknowledges you will be responsible for any effect of the action under Section 409A. The Company will hold you harmless for any action it may take or omission in violation of this Section 18, including any attorney's fees you may incur in enforcing your rights.

19. It is our intention that the benefits and rights to which you could become entitled in connection with termination of employment be exempt from or comply with Section 409A. If you or the Company believes, at any time, that any of such benefit or right is not exempt or does not comply, it will promptly advise the other and will negotiate reasonably and in good faith to amend the terms of such arrangement such that it complies (with the most limited possible economic effect on you and on the Company).

20. This Agreement is personal to you and without the prior written consent of the Company shall not be assignable by you. This Agreement shall inure to the benefit of and be enforceable by your legal representatives. This Agreement shall inure to the benefit of and be binding upon the Company and its successors and assigns. The rights or obligations of the Company under this Agreement may only be assigned or transferred pursuant to a merger or consolidation in which the Company is not the continuing entity, or the sale or liquidation of all or substantially all of the assets of Company; provided, however, that the assignee or transferee is the successor to all or substantially all of the assets of Company and such assignee or transferee assumes the liabilities and duties of Company, as contained in this Agreement, either contractually or as a matter of law.

21. **To the extent permitted by law, you and the Company waive any and all rights to a jury trial with respect to any matter relating to this Agreement (including the covenants set forth in Annex A hereof). This Agreement will be governed by and construed in accordance with the law of the State of New York applicable to contracts made and to be performed entirely within that State.**

22. Both the Company and you hereby irrevocably submit to the jurisdiction of the courts of the State of New York and the federal courts of the United States of America in each case located in the City of New York, Borough of Manhattan, solely in respect of the interpretation and enforcement of the provisions of this Agreement, and each party hereby waives, and agrees not to assert, as a defense that either party, as appropriate, is not subject thereto or that the venue thereof may not be appropriate. You and the Company each agree that mailing of process or other papers in connection with any such action or proceeding in any manner as may be permitted by law shall be valid and sufficient service thereof.

23. This Agreement may not be amended or modified otherwise than by a written agreement executed by the parties hereto or their respective successors and legal representatives. The invalidity or unenforceability of any provision of this Agreement shall not affect the validity or enforceability of any other provision of this Agreement. It is the parties' intention that this Agreement not be construed more strictly with regard to you or the Company.

24. This Agreement reflects the entire understanding and agreement of you and the Company with respect to the subject matter hereof and supersedes all prior understandings or agreements relating thereto. You represent and warrant that there are no obligations, contractual, or otherwise, relating to a current or prior employer, or any other entity for which you rendered services or with which you are affiliated which would prevent or prohibit you from signing this Agreement, accepting employment with the Company, commencing such employment as of the Effective Date and/or performing fully your job responsibilities now or in the future.

25. This Agreement will automatically terminate, and be of no further force or effect, on the Scheduled Expiration Date; provided, however, that the provisions of Sections 9 through 12, 15 through 24 and Annex A and any amounts earned but not yet paid to you pursuant to the terms of this Agreement as of the Scheduled Expiration Date shall survive the termination of the Agreement and remain binding on you and the Company in accordance with their terms.

Sincerely,

SPHERE ENTERTAINMENT CO.

/s/ James Dolan
By: James L. Dolan
Title: Executive Chairman & CEO

Accepted and Agreed:

/s/ David Granville-Smith
David Granville-Smith

ANNEX A
ADDITIONAL COVENANTS
(This Annex constitutes part of the Agreement)

You agree to comply with the following covenants in addition to those set forth in the Agreement.

1. CONFIDENTIALITY

You agree to retain in strict confidence and not divulge, disseminate, copy or disclose to any third party any Confidential Information, other than for legitimate business purposes of the Company and its subsidiaries. As used herein, “Confidential Information” means any non-public information that is material or of a confidential, proprietary, commercially sensitive or personal nature of, or regarding, the Company or any of its subsidiaries or any current or former director, officer or member of senior management of any of the foregoing (collectively “Covered Parties”). The term Confidential Information includes information in written, digital, oral or any other format and includes, but is not limited to (i) information designated or treated as confidential; (ii) budgets, plans, forecasts or other financial or accounting data; (iii) customer, guest, fan, vendor, sponsor, marketing affiliate or shareholder lists or data; (iv) technical or strategic information regarding the Covered Parties’ advertising, entertainment, theatrical, or other businesses; (v) advertising, sponsorship, business, sales or marketing tactics, strategies or information; (vi) policies, practices, procedures or techniques; (vii) trade secrets or other intellectual property; (viii) information, theories or strategies relating to litigation, arbitration, mediation, investigations or matters relating to governmental authorities; (ix) terms of agreements with third parties and third party trade secrets; (x) information regarding employees, talent, agents, consultants, advisors or representatives, including their compensation or other human resources policies and procedures; (xi) information or strategies relating to any potential or actual business development transactions and/or any potential or actual business acquisition, divestiture or joint venture, and (xii) any other information the disclosure of which may have an adverse effect on the Covered Parties’ business reputation, operations or competitive position, reputation or standing in the community.

If disclosed, Confidential Information or Other Information could have an adverse effect on the Company’s standing in the community, its business reputation, operations or competitive position or the standing, reputation, operations or competitive position of any of its affiliates, subsidiaries, officers, directors, employees, consultants or agents or any of the Covered Parties.

Notwithstanding the foregoing, the obligations of this section, other than with respect to subscriber information, shall not apply to Confidential Information which is:
a) already in the public domain or which enters the public domain other than by your breach of this Paragraph 1;

b) disclosed to you by a third party with the right to disclose it in good faith; or

c) specifically exempted in writing by the Company from the applicability of this Agreement.

Notwithstanding anything elsewhere in this Agreement, including this Paragraph 1 and Paragraph 3 below, you are authorized to make any disclosure required of you by any federal, state and local laws or judicial, arbitral or governmental agency proceedings (including making truthful statements in connection with a judicial or arbitral proceeding to enforce your rights under this Agreement, to the extent reasonably required and made in good faith). In addition, this Agreement in no way restricts or prevents you from providing truthful testimony concerning the Company to judicial, administrative, regulatory or other governmental authorities.

2. NON-COMPETE

You acknowledge that due to your executive position in the Company and your knowledge of the Company's confidential and proprietary information which you will obtain during the term of your employment hereunder, your employment by certain businesses would be irreparably harmful to the Company. During your employment with the Company and thereafter through the first anniversary of the date on which your employment with the Company has terminated for any reason, you agree not to (other than with the prior written consent of the Company) become employed by any Competitive Entity (as defined below). A "Competitive Entity" shall mean any person or entity (other than MSGS, AMC, and their respective subsidiaries) that (1) is engaged in the business then conducted by the Company or its subsidiaries, which, as of the date of this Agreement, is anticipated to include, without limitation, any arena, stadium, concert venue, concert promoter, theatrical producer, or similar or related business (e.g., Internet sites in connection therewith) within the United States or within any other country in which the Company has any competing business or from which such business, person or entity competes with any of the Company's domestic businesses, or any regional sports network (that operates primarily in New York, New Jersey or Connecticut), or (2) is an affiliate of a person or entity described in clause (1). For purposes of this Paragraph 2, an affiliate of an entity (including, without limitation, the Company) shall mean an entity that directly or indirectly controls, is controlled by, or under common control with, such entity. Ownership of not more than 1% of the outstanding equity of any publicly traded company shall not, by itself, be a violation of this Paragraph.

3. ADDITIONAL UNDERSTANDINGS

You agree, for yourself and others acting on your behalf, that you (and they) have not disparaged and will not disparage, make negative statements about (either "on the record" or "off the record") or act in any manner which is intended to or does damage to the good will of, or the business or personal reputations of the Company or any of its incumbent or former officers, directors, agents, consultants, employees, successors and assigns or any of the Covered Parties.

The Company agrees that, except as necessary to comply with applicable law or the rules of the New York Stock Exchange or any other stock exchange on which the Company's stock may be

traded (and any public statements made in good faith by the Company in connection therewith), it and its corporate officers and directors, employees in its public relations department or third party public relations representatives retained by the Company will not disparage you or make negative statements in the press or other media which are damaging to your business or personal reputation. In the event that the Company so disparages you or makes such negative statements, then notwithstanding the “Additional Understandings” provision to the contrary, you may make a proportional response thereto.

In addition, you agree that the Company is the owner of all rights, title and interest in and to all documents, tapes, videos, designs, plans, formulas, models, processes, computer programs,
inventions (whether patentable or not), schematics, music, lyrics and other technical, business, financial, advertising, sales, marketing, customer or product development plans, forecasts, strategies, information and materials (in any medium whatsoever) developed or prepared by you or with your cooperation in connection with your employment by the Company (the “Materials”). The Company will have the sole and exclusive authority to use the Materials in any manner that it deems appropriate, in perpetuity, without additional payment to you.

If requested by the Company, you agree to deliver to the Company upon the termination of your employment, or at any earlier time the Company may request, all memoranda, notes, plans, files, records, reports, and software and other documents and data (and copies thereof regardless of the form thereof (including electronic copies)) containing, reflecting or derived from Confidential Information or the Materials of the Company or any of its affiliates which you may then possess or have under your control. If so requested, you shall provide to the Company a signed statement confirming that you have fully complied with this Paragraph. Notwithstanding the foregoing, you shall be entitled to retain your contacts, calendars and personal diaries and any materials needed for your tax return preparation or related to your compensation.

In addition, you agree for yourself and others acting on your behalf, that you (and they) shall not, at any time, participate in any way in the writing or scripting (including, without limitation, any “as told to” publications) of any book, periodical story, movie, play, or other similar written or theatrical work or video that (i) relates to your services to the Company or any of its affiliates or (ii) otherwise refers to the Company or its respective businesses, activities, directors, officers, employees or representatives, without the prior written consent of the Company.

4. FURTHER COOPERATION

Following the date of termination of your employment with the Company (the “Expiration Date”), you will no longer provide any regular services to the Company or represent yourself as a Company agent. If, however, the Company so requests, you agree to cooperate fully with the Company in connection with any matter with which you were involved prior to the Expiration Date, or in any litigation or administrative proceedings or appeals (including any preparation therefore) where the Company believes that your personal knowledge, attendance and participation could be beneficial to the Company. This cooperation includes, without limitation, participation on behalf of the Company in any litigation or administrative proceeding brought by

any former or existing Company employees, representatives, agents or vendors. The Company will pay you for your services rendered under this provision at the rate of $7,500 per day for each day or part thereof, within 30 days of the approval of the invoice therefor; provided that, if you provide services on the same day for any of the Company, MSGS and AMC, your daily rate shall not exceed $7,500 in the aggregate.

The Company will provide you with reasonable notice in connection with any cooperation it requires in accordance with this section and will take reasonable steps to schedule your cooperation in any such matters so as not to materially interfere with your other professional and personal commitments. The Company will reimburse you for any reasonable out-of-pocket expenses you reasonably incur in connection with the cooperation you provide hereunder as soon as practicable after you present appropriate documentation evidencing such expenses. You agree to provide the Company with an estimate of such expense before you incur the same.

5. NON-HIRE OR SOLICIT

You agree not to hire, seek to hire, or cause any person or entity to hire or seek to hire (without the prior written consent of the Company), directly or indirectly (whether for your own interest or any other person or entity's interest) any person who is or was in the prior six months an employee of the Company, or any of its subsidiaries, until the first anniversary of the date of your termination of employment with the Company. This restriction does not apply to any former employee who was discharged by the Company. In addition, this restriction will not prevent you from providing references. If you remain continuously employed with the Company through the Scheduled Expiration Date, then this agreement not to hire or solicit will expire on the Scheduled Expiration Date.

6. ACKNOWLEDGMENTS

You acknowledge that the restrictions contained in this Annex A, in light of the nature of the Company's business and your position and responsibilities, are reasonable and necessary to protect the legitimate interests of the Company. You acknowledge that the Company has no adequate remedy at law and would be irreparably harmed if you breach or threaten to breach the provisions of this Annex A, and therefore agree that the Company shall be entitled to injunctive relief, to prevent any breach or threatened breach of any of those provisions and to specific performance of the terms of each of such provisions in addition to any other legal or equitable remedy it may have. You further agree that you will not, in any equity proceeding relating to the enforcement of the provisions of this Annex A, raise the defense that the Company has an adequate remedy at law. Nothing in this Annex A shall be construed as prohibiting the Company from pursuing any other remedies at law or in equity that it may have or any other rights that it may have under any other agreement. If it is determined that any of the provisions of this Annex A or any part thereof, is unenforceable because of the duration or scope (geographic or otherwise) of such provision, it is the intention of the parties that the duration or scope of such provision, as the case may be, shall be reduced so that such provision becomes enforceable and, in its reduced form, such provision shall then be enforceable and shall be enforced.

7. SURVIVAL

The provisions of this Annex A shall survive any termination of your employment by the Company or the expiration of the Agreement except as otherwise provided herein.

Exhibit 10.31

Sphere Entertainment Co.

(Formerly Madison Square Garden Entertainment Corp.)

Policy Concerning Certain Matters Relating to Madison Square Garden Entertainment Corp. (formerly MSGE Spinco, Inc.), Madison Square Garden Sports Corp.

and AMC Networks Inc., Including Responsibilities of Overlapping Directors and Officers

A. Certain Acknowledgements; Definitions.

Sphere Entertainment Co. (formerly Madison Square Garden Entertainment Corp. and referred to herein as the "Corporation") recognizes that (a) certain directors and officers of the Corporation and its subsidiaries (the "Overlap Persons") have served and may serve as directors, officers, employees and agents of Madison Square Garden Entertainment Corp. (formerly MSGE Spinco, Inc. and referred to herein as "MSG Entertainment"), Madison Square Garden Sports Corp. ("MSG Sports"), AMC Networks Inc., and their respective subsidiaries and successors (each of the foregoing, including its subsidiaries and successors, is an "Other Entity"), (b) the Corporation and its subsidiaries, directly or indirectly, may engage in the same, similar or related lines of business as those engaged in by any Other Entity and other business activities that overlap with or compete with those in which such Other Entity may engage, (c) the Corporation or its subsidiaries may have an interest in the same areas of business opportunity as an Other Entity, (d) the Corporation will derive substantial benefits from the service as directors or officers of the Corporation and its subsidiaries of Overlap Persons, and (e) it is in the best interests of the Corporation that the rights of the Corporation, and the duties of any Overlap Persons, be determined and delineated as provided in this Policy in respect of any Potential Business Opportunities (as defined below) and in respect of the agreements and transactions referred to herein. The provisions of this Policy will, to the fullest extent permitted by law, regulate and define the conduct of the business and affairs of the Corporation and its officers and directors who are Overlap Persons in connection with any Potential Business Opportunities and in connection with any agreements and transactions referred to herein. Any person purchasing or otherwise acquiring any shares of capital stock of the Corporation, or any interest therein, will be deemed to have notice of and to have consented to the provisions of this Policy. References in this Policy to "directors," "officers," "employees" and "agents" of any person will be deemed to include those persons who hold similar positions or exercise similar powers and authority with respect to any other entity that is a limited liability company, partnership, joint venture or other non-corporate entity.

B. Duties of Directors and Officers Regarding Potential Business Opportunities; Renunciation of Interest in Potential Business Opportunities.

The Corporation hereby renounces, on behalf of itself and its subsidiaries, to the fullest extent permitted by law, any interest or expectancy in any Potential Business Opportunity that is not a Restricted Potential Business Opportunity. If a director or officer of the Corporation who is an Overlap Person is presented or offered, or otherwise acquires knowledge of, a potential transaction or matter that may constitute or present a business opportunity for the Corporation or any of its subsidiaries, in which the Corporation or any of its subsidiaries could, but for the

provisions of this Policy, have an interest or expectancy (any such transaction or matter, and any such actual or potential business opportunity, a "Potential Business Opportunity"), (i) such Overlap Person will, to the fullest extent permitted by law, have no duty or obligation to refrain from referring such Potential Business Opportunity to any Other Entity and, if such Overlap Person refers such Potential Business Opportunity to an Other Entity, such Overlap Person shall have no duty or obligation to refer such Potential Business Opportunity to the Corporation or to any of its subsidiaries or to give any notice to the Corporation or to any of its subsidiaries regarding such Potential Business Opportunity (or any matter related thereto), (ii) if such Overlap Person refers a Potential Business Opportunity to an Other Entity, such Overlap Person, to the fullest extent permitted by law, will not be liable to the Corporation as a director, officer, stockholder or otherwise, for any failure to refer such Potential Business Opportunity to the Corporation, or for referring such Potential Business Opportunity to any Other Entity, or for any failure to give any notice to the Corporation regarding such Potential Business Opportunity or any matter relating thereto, (iii) any Other Entity may participate, engage or invest in any such Potential Business Opportunity notwithstanding that such Potential Business Opportunity may have been referred to such Other Entity by an Overlap Person, and (iv) if a director or officer who is an Overlap Person refers a Potential Business Opportunity to an Other Entity, then, as between the Corporation and/or its subsidiaries, on the one hand, and such Other Entity, on the other hand, the Corporation and its subsidiaries shall be deemed to have renounced any interest, expectancy or right in or to such Potential Business Opportunity or to receive any income or proceeds derived therefrom solely as a result of such Overlap Person having been presented or offered, or otherwise acquiring knowledge of, such Potential Business Opportunity, unless in each case referred to in clause (i), (ii), (iii) or (iv), such Potential Business Opportunity satisfies all of the following conditions (any Potential Business Opportunity that satisfies all of such conditions, a "Restricted Potential Business Opportunity"): (A) such Potential Business Opportunity was expressly presented or offered to the Overlap Person in his or her capacity as a director or officer of the Corporation; (B) the Overlap Person believed that the Corporation possessed, or would reasonably be expected to be able to possess, the resources necessary to exploit such Potential Business Opportunity; and (C) such opportunity relates (x) primarily to a theatrical or arena venue; *provided*, that if the conditions in clauses (A) and (B) and the proviso at the end of this Section B also are satisfied with respect to MSG Entertainment and such opportunity relates primarily to a theatrical or arena venue in the United States, then the Overlap Person shall alternate referring such opportunity to the Corporation and MSG Entertainment (with the first opportunity after the date hereof being referred to the Corporation), or (y) exclusively to the business of owning and operating a regional professional sports programming service that features the live carriage of games of teams that compete in the National Hockey League, the National Basketball Association or Major League Baseball and that is targeted to, and made available to, multichannel video programming distributors in the New York, New Jersey and Connecticut tri-state area; *provided further*, that in the case of each of clauses (x) and (y), the Corporation or any of its subsidiaries is directly engaged in such business at the time the Potential Business Opportunity is presented or offered to the Overlap Person. In the event the Corporation's board of directors, or a committee thereof, declines to pursue a Restricted Potential Business Opportunity, Overlap Persons shall be free to refer such Restricted Potential Business Opportunity to an Other Entity.

C. Certain Agreements and Transactions Permitted.

No contract, agreement, arrangement or transaction (or any amendment, modification or termination thereof) entered into between the Corporation and/or any of its subsidiaries, on the one hand, and an Other Entity, on the other hand, before the Corporation ceased to be a direct, wholly-owned subsidiary of MSG Sports, before MSG Networks became a direct, wholly-owned subsidiary of the Corporation, or before MSG Entertainment ceased to be a direct, wholly-owned subsidiary of the Corporation shall be void or voidable or be considered unfair to the Corporation or any of its subsidiaries solely because such Other Entity is a party thereto, or because any directors, officers or employees of such Other Entity were present at or participated in any meeting of the board of directors, or a committee thereof, of the Corporation, or the board of directors, or committee thereof, of any subsidiary of the Corporation, that authorized the contract, agreement, arrangement or transaction (or any amendment, modification or termination thereof), or because his, her or their votes were counted for such purpose. The Corporation may from time to time enter into and perform, and cause or permit any of its subsidiaries to enter into and perform, one or more contracts, agreements, arrangements or transactions (or amendments, modifications or supplements thereto) with an Other Entity. To the fullest extent permitted by law, no such contract, agreement, arrangement or transaction (nor any such amendments, modifications or supplements), nor the performance thereof by the Corporation, any subsidiary of the Corporation or an Other Entity, shall be considered contrary to any fiduciary duty owed to the Corporation (or to any subsidiary of the Corporation, or to any stockholder of the Corporation or any of its subsidiaries) by any director or officer of the Corporation (or by any director or officer of any subsidiary of the Corporation) who is an Overlap Person. To the fullest extent permitted by law, no director or officer of the Corporation or any subsidiary of the Corporation who is an Overlap Person thereof shall have or be under any fiduciary duty to the Corporation (or to any subsidiary of the Corporation, or to any stockholder of the Corporation or any of its subsidiaries) to refrain from acting on behalf of the Corporation, any subsidiary of the Corporation or an Other Entity in respect of any such contract, agreement, arrangement or transaction or performing any such contract, agreement, arrangement or transaction in accordance with its terms and each such director or officer of the Corporation or any subsidiary of the Corporation who is an Overlap Person shall be deemed to have acted in good faith and in a manner such person reasonably believed to be in or not opposed to the best interests of the Corporation and its subsidiaries, and shall be deemed not to have breached his or her duties of loyalty to the Corporation or any of its subsidiaries or any of their respective stockholders, and not to have derived an improper personal benefit therefrom.

D. Amendment of this Policy.

No alteration, amendment or repeal of, or adoption of any provision inconsistent with, any provision of this Policy will have any effect upon (a) any agreement between the Corporation or a subsidiary thereof and any Other Entity, that was entered into before the time of such alteration, amendment or repeal or adoption of any such inconsistent provision (the "Amendment Time"), or any transaction entered into in connection with the performance of any such agreement, whether such transaction is entered into before or after the Amendment Time, (b) any transaction entered into between the Corporation or a subsidiary thereof and any Other Entity, before the Amendment Time, (c) the allocation of any business opportunity between the

Corporation or any subsidiary thereof and any Other Entity before the Amendment Time, or (d) any duty or obligation owed by any director or officer of the Corporation or any subsidiary of the Corporation (or the absence of any such duty or obligation) with respect to any Potential Business Opportunity which such director or officer was offered, or of which such director or officer otherwise became aware, before the Amendment Time (regardless of whether any proceeding relating to any of the above is commenced before or after the Amendment Time).

Exhibit 10.44

LIBOR TRANSITION AMENDMENT

SECOND AMENDMENT TO CREDIT AGREEMENT

This SECOND AMENDMENT to the Existing Credit Agreement (referred to below), dated as of May 30, 2023 (this "Amendment"), is made by and among MSGN HOLDINGS, L.P., a Delaware limited partnership (the "Company"), the GUARANTORS party hereto, and JPMORGAN CHASE BANK, N.A., as administrative agent (in such capacity, the "Administrative Agent").

RECITALS

WHEREAS, the Company, the Guarantors, the lenders from time to time party thereto (the "Lenders"), and JPMorgan Chase Bank, N.A., as Administrative Agent and as the collateral agent, are party to that certain Amended and Restated Credit Agreement, dated as of October 11, 2019, as amended by that certain First Amendment to Credit Agreement, dated as of November 5, 2021 (and as further amended, modified, extended, restated, replaced, or supplemented from time to time prior to the date hereof, the "Existing Credit Agreement"; the Existing Credit Agreement as amended by this Amendment, the "Credit Agreement");

WHEREAS, certain loans, commitments and/or other extensions of credit (the "Loans") under the Existing Credit Agreement that are denominated in Dollars incur, or are permitted to incur, interest, fees and/or other amounts based on the Eurodollar Base Rate in accordance with the terms of the Existing Credit Agreement;

WHEREAS, pursuant to Section 3.03(b) of the Existing Credit Agreement, the Administrative Agent and the Company have determined in accordance with the Existing Credit Agreement that the Eurodollar Rate should be replaced with an alternate rate of interest for all purposes under the Credit Agreement and each other Loan Document as specified in this Amendment, and all such changes shall become effective on July 1, 2023 (the "Amendment Effective Date"), so long as the Administrative Agent has not received, by 5:00 p.m. (New York City time) on the fifth (5th) Business Day after the date notice of such alternate rate of interest is provided to the Lenders (such time, the "Objection Deadline"), written notice of objection to such alternate rate of interest from Lenders constituting the Required Lenders; and

WHEREAS, pursuant to the last paragraph of Section 10.01 of the Existing Agreement, the Administrative Agent and the Company, acting together, have determined in accordance with the Existing Credit Agreement that Sections 2.04 and 3.04(b) should be amended to correct typographical errors in the defined term "Swing Line" and such changes shall become effective without any further action or consent of any other party to the Existing Credit Agreement;

NOW, THEREFORE, in consideration of the premises and the mutual covenants contained herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

1. Defined Terms. Capitalized terms used herein but not otherwise defined herein shall have the meanings provided to such terms in the Credit Agreement or the Existing Credit Agreement, as applicable.

2. Amendment. Effective as of the Amendment Effective Date,

(a) the Existing Credit Agreement is hereby amended to delete the stricken text (indicated textually in the same manner as the following example: ~~stricken text~~) and to add the double-

underlined text (indicated textually in the same manner as the following example: double-underlined text) as set forth in the pages attached as Exhibit A hereto.

(b) the exhibits to the Existing Credit Agreement are hereby amended to (i) amend and restate Exhibit A-1, the Form of Committed Revolving Loan Notice, in the form attached as Exhibit B hereto; (ii) amend and restate Exhibit A-3, the Form of Committed Term Loan Notice, in the form attached as Exhibit C hereto; (iii) amend and restate Exhibit C, the Form of Compliance Certificate, in the form attached as Exhibit D hereto, (iv) amend and restate Exhibit H-1, the Form of Revolving Credit Supplement, in the form attached as Exhibit E hereto; (v) amend and restate Exhibit H-2, the Form of Incremental Term Loan A Supplement, in the form attached as Exhibit F hereto; and (vi) amend and restate Exhibit H-3, the Form of Incremental Term Loan B Supplement, in the form attached as Exhibit G hereto (for the avoidance of doubt, all other exhibits to the Existing Credit Agreement will remain in full force and effect in the form attached to the Existing Credit Agreement prior to the Amendment Effective Date).

3. Conditions Precedent. The occurrence of the Amendment Effective Date is subject to the satisfaction of each of the following conditions:

(a) The Administrative Agent (or its counsel) shall have received from each of the Loan Parties, either (x) a counterpart of this Amendment signed on behalf of such party or (y) written evidence reasonably satisfactory to the Administrative Agent (which may include delivery of a signed signature page of this Amendment by facsimile or other means of electronic transmission (e.g., "pdf")) that such party has signed a counterpart of this Amendment.

(b) The Administrative Agent has not received, by the Objection Deadline, written notice of objection to such alternate rate of interest or the amendments to the Existing Credit Agreement as provided herein from Lenders constituting the Required Lenders.

(c) The representations and warranties of each Loan Party set forth in Section 4 hereof shall be true and correct in all material respects, in each case on and as of the Amendment Effective Date (or true and correct in all material respects as of a specified date, if earlier).

(d) At the time of and immediately after effectiveness of this Amendment, no Default or Event of Default shall have occurred and be continuing.

4. Representations and Warranties. Each Loan Party represents and warrants to the Administrative Agent that, as of the date hereof:

(a) this Amendment has been duly authorized, executed and delivered by such Loan Party and constitutes the legal, valid and binding obligation of such Loan Party enforceable against each such Loan Party in accordance with its terms, subject to (i) the effects of bankruptcy, insolvency, moratorium, reorganization, fraudulent conveyance or other similar laws affecting creditors' rights generally, (ii) general principles of equity (regardless of whether such enforceability is considered in a proceeding in equity or at law), (iii) implied covenants of good faith and fair dealing and (iv) any foreign laws, rules and regulations as they relate to pledges of Equity Interests of Foreign Subsidiaries that are not Loan Parties; and

(b) the execution, delivery and performance by each Loan Party of this Amendment will not (i) violate (A) any provision of law, statute, rule or regulation applicable to the Company or any Guarantor, (B) the certificate or articles of incorporation or other constitutive documents (including any partnership, limited liability company or operating agreements) or by-laws of the Company or any Guarantor, (C) any applicable order of any court or any rule, regulation or order of any Governmental

Authority or (D) any provision of any indenture, certificate of designation for preferred stock, agreement or other instrument to which the Company or any Guarantor is a party or by which any of them or any of their property is or may be bound, (ii) result in a breach of or constitute (alone or with due notice or lapse of time or both) a default under, give rise to a right of or result in any cancellation or acceleration of any right or obligation (including any payment) under any such indenture, certificate of designation for preferred stock, agreement or other instrument, where any such conflict, violation, breach or default referred to in clause (i) or this clause (ii) would reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect, or (iii) result in the creation or imposition of any Lien upon or with respect to any property or assets now owned or hereafter acquired by the Company or any Guarantor, other than the Liens permitted under Section 7.16 of the Credit Agreement, other than Liens created by the Loan Documents.

(c) At the time of and immediately after effectiveness of this Amendment, no Default or Event of Default shall have occurred and be continuing.

5. Reaffirmation; Reference to and Effect on the Loan Documents.

(a) From and after the Amendment Effective Date, each reference in the Credit Agreement to "hereunder," "hereof," "this Credit Agreement" or words of like import and each reference in the other Loan Documents to "Credit Agreement," "thereunder," "thereof" or words of like import referring to the Existing Credit Agreement shall, unless the context otherwise requires, mean and be a reference to the Credit Agreement. This Amendment is a Loan Document.

(b) The Loan Documents, and the obligations of the Company and the Guarantors under the Loan Documents, are hereby ratified and confirmed and shall remain in full force and effect according to their terms.

(c) The Company and each Guarantor (i) acknowledges and consents to all of the terms and conditions of this Amendment, (ii) affirms all of its obligations under the Loan Documents, (iii) agrees that this Amendment and all documents executed in connection herewith do not operate to reduce or discharge its obligations under the Loan Documents, (iv) agrees that the Collateral Documents continue to be in full force and effect and are not impaired or adversely affected in any manner whatsoever, (v) confirms its grant of security interests pursuant to the Collateral Documents to which it is a party as Collateral for the Obligations, and (vi) acknowledges that all Liens granted (or purported to be granted) pursuant to the Collateral Documents remain and continue in full force and effect in respect of, and to secure, the Obligations. Each Guarantor hereby reaffirms its obligations under the Guaranty and agrees that its obligation to guarantee the Obligations is in full force and effect as of the date hereof.

(d) The execution, delivery and effectiveness of this Amendment shall not, except as expressly provided herein, operate as a waiver of any right, power or remedy of any Lender or the Administrative Agent under any of the Loan Documents, nor constitute a waiver of any provision of any of the Loan Documents.

(e) In the event of any conflict between the terms of this Amendment and the terms of the Existing Credit Agreement or the other Loan Documents, the terms hereof shall control.

6. Transition to Adjusted Term SOFR Rate. Notwithstanding any other provision herein or in the Credit Agreement, the interest on any Loans outstanding as of the Amendment Effective Date will continue to be determined by reference to the provisions that apply prior to the Amendment Effective Date, until the scheduled termination of each then-current Interest Period on such Loans, at which time interest shall be determined after giving effect to the Amendment.

7. Payment of Expenses. The Company agrees to reimburse the Administrative Agent for all reasonable fees, charges and disbursements of the Administrative Agent in connection with the preparation, execution and delivery of this Amendment, including all reasonable fees, charges and disbursements of counsel to the Administrative Agent.

8. Indemnification. The Company hereby confirms that the indemnification and expense reimbursement provisions set forth in Section 10.04 of the Credit Agreement, shall apply to this Amendment and the transactions contemplated hereby, as if set forth in full herein.

9. Amendments; Headings; Severability. This Amendment may not be amended nor may any provision hereof be waived except pursuant to a writing signed by the Company, the other Loan Parties and the Administrative Agent. The Section headings used herein are for convenience of reference only, are not part of this Amendment and are not to affect the construction of, or to be taken into consideration in interpreting this Amendment. Any provision of this Amendment held to be invalid, illegal or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such invalidity, illegality or unenforceability without affecting the validity, legality and enforceability of the remaining provisions hereof, and the invalidity of a particular provision in a particular jurisdiction shall not invalidate such provision in any other jurisdiction. The parties hereto shall endeavor in good-faith to replace the invalid, illegal or unenforceable provisions with valid provisions, the economic effect of which comes as close as possible to that of the invalid, illegal or unenforceable provisions.

10. Governing Law; Jurisdiction; Consent to Service of Process; Waiver of Jury Trial, Etc.

(a) THIS AMENDMENT SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAW OF THE STATE OF NEW YORK.

(b) **SECTIONS 10.13(b), 10.13(c), 10.13(d) AND 10.14 OF THE CREDIT AGREEMENT ARE INCORPORATED HEREIN BY THIS REFERENCE, AS IF SUCH SECTIONS WERE SET FORTH IN FULL HEREIN**.

11. Execution in Counterparts; Electronic Signatures. This Amendment may be executed in one or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument. Delivery by the Administrative Agent of an executed counterpart of a signature page of this Amendment by telecopy, emailed pdf or any other electronic means that reproduces an image of the actual executed signature page shall be effective as delivery of a manually executed counterpart signature page of this Amendment. The words "execution," "signed," "signature," "delivery," and words of like import in or relating to any document to be signed in connection with this Amendment and the transactions contemplated hereby shall be deemed to include electronic signatures, deliveries or the keeping of records in electronic form, each of which shall be of the same legal effect, validity or enforceability as a manually executed signature, physical delivery thereof or the use of a paper-based recordkeeping system, as the case may be, to the extent and as provided for in any applicable law, including the Federal Electronic Signatures in Global and National Commerce Act, the New York State Electronic Signatures and Records Act, or any other similar state laws based on the Uniform Electronic Transactions Act.

12. Notices. All notices hereunder shall be given in accordance with the provisions of Section 10.02 of the Credit Agreement.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

IN WITNESS WHEREOF, the parties hereto have duly executed and delivered this Second Amendment to Credit Agreement as of the date first written above.

MSGN HOLDINGS, L.P., as the Company

By: **MSGN EDEN, LLC**, as its General Partner

By: /s/ Gautam Ranji
Name: Gautam Ranji
Title: Executive Vice President, Chief Financial Officer and Treasurer

MSGN EDEN, LLC, as a Guarantor

By: /s/ Gautam Ranji
Name: Gautam Ranji
Title: Executive Vice President, Chief Financial Officer and Treasurer

REGIONAL MSGN HOLDINGS LLC, as a Guarantor

By: /s/ Gautam Ranji
Name: Gautam Ranji
Title: Executive Vice President, Chief Financial Officer and Treasurer

MSGN INTERACTIVE, LLC,
MSGN PUBLISHING, LLC,
MSGN SONGS, LLC,
SPORTSCHANNEL ASSOCIATES,
THE 31st STREET COMPANY, L.L.C., as Guarantors

By: **MSGN EDEN, LLC**, as the General Partner of MSGN Holdings L.P.

By: /s/ Gautam Ranji
Name: Gautam Ranji
Title: Executive Vice President, Chief Financial Officer and Treasurer

JPMORGAN CHASE BANK, N.A., as
Administrative Agent

By: /s/ Rohan Bhatia
Name: Rohan Bhatia
Title: Vice President

Exhibit A

AMENDED AND RESTATED CREDIT AGREEMENT

dated as of October 11, 2019 (as amended by that certain First Amendment to Credit Agreement, dated as of November 5, 2021~~),~~, and by that certain Second Amendment to Credit Agreement (LIBOR Transition Amendment), dated as of May 30, 2023),
among

MSGN HOLDINGS, L.P.,
the Company,

CERTAIN SUBSIDIARIES OF THE COMPANY,
MSGN EDEN, LLC and REGIONAL MSGN HOLDINGS LLC
as Guarantors,

THE LENDERS PARTY HERETO,

JPMORGAN CHASE BANK, N.A.,
as Administrative Agent and Collateral Agent,

JPMORGAN CHASE BANK, N.A.,
BOFA SECURITIES, INC.,
MUFG BANK, LTD.,
THE BANK OF NOVA SCOTIA,
WELLS FARGO BANK, N.A.,
FIFTH THIRD BANK,
SUNTRUST ROBINSON HUMPHREY, INC. and
TD BANK, N.A.,
as Joint Book Runners,

BOFA SECURITIES, INC.,
MUFG BANK, LTD.,
THE BANK OF NOVA SCOTIA and
WELLS FARGO BANK, N.A.,
as Co-Syndication Agents,

and

FIFTH THIRD BANK,
SUNTRUST ROBINSON HUMPHREY, INC. and
TD BANK, N.A.,
as Co-Documentation Agents

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AMENDED AND RESTATED CREDIT AGREEMENT

This AMENDED AND RESTATED CREDIT AGREEMENT (this "Credit Agreement") is entered into as of October 11, 2019, among MSGN HOLDINGS, L.P., a Delaware limited partnership (the "Company"), the Restricted Subsidiaries (such term and each other capitalized term used but not defined in these recitals having the meaning ascribed thereto in Section 1.01 of this Credit Agreement) identified herein, as Guarantors, MSGN EDEN, LLC, a Delaware limited liability company ("MSGN Eden"), and REGIONAL MSGN HOLDINGS LLC, a Delaware limited liability company (together with MSGN Eden, the "Holdings Entities", and individually each a "Holdings Entity"), the banks, financial institutions and other Persons which are parties hereto, together with their respective successors and assigns, as Lenders, the L/C Issuers from time to time party hereto, and JPMORGAN CHASE BANK, N.A., as Administrative Agent, Collateral Agent, Swing Line Lender and an L/C Issuer.

WHEREAS, the Company, certain of the Guarantors, the Holdings Entities, certain of the Lenders and the Administrative Agent are all parties to that certain Credit Agreement, dated as of September 28, 2015 (as amended, supplemented and otherwise modified prior to the date hereof, the "Existing Credit Agreement"); and

WHEREAS, the Company, the Guarantors, the Lenders and the Administrative Agent all desire to amend and restate the Existing Credit Agreement as of the Effective Date to, among other things, extend the maturity dates of the "Initial Facilities" (as defined in the Existing Credit Agreement), and to make such other changes to the Existing Credit Agreement as more fully set forth herein, subject to the conditions to effectiveness set forth in Sections 5.01 and 5.02 of this Credit Agreement;

NOW, THEREFORE, in consideration of the mutual covenants and agreements herein contained, the receipt and sufficiency of which are hereby acknowledged, the parties hereto hereby covenant and agree as follows:

ARTICLE I

DEFINITIONS AND ACCOUNTING MATTERS

Section 1.01 Certain Defined Terms. As used herein, the following terms shall have the following meanings:

"Adjusted Daily Simple SOFR" means an interest rate per annum equal to (a) the Daily Simple SOFR, plus (b) 0.10%; provided that if the Adjusted Daily Simple SOFR as so determined would be less than the Floor, such rate shall be deemed to be equal to the Floor for the purposes of this Credit Agreement.

"Adjusted Operating Income" means for any period, the following for the Company and the Restricted Subsidiaries for such period, each component determined on a consolidated basis in accordance with GAAP: (i) aggregate revenues, minus (ii) aggregate operating expenses (including direct operating and selling, general administrative), such expenses to exclude impairments of property, equipment and intangible assets, depreciation and amortization and charges and credits relating to employee and director stock plans and

restructuring charges and credits, and in each case without duplication to exclude expenses allocated to Affiliates that are not Restricted Subsidiaries; provided, however, that for purposes of determining Adjusted Operating Income for any period (A) there shall be included any dividends and distributions to the extent paid in cash by an Unrestricted Subsidiary to the Company or any Restricted Subsidiary to the extent such dividend or distribution relates to net income earned or cash realized from operating activities by such Unrestricted Subsidiary in the immediately preceding 12 month period, (B) there shall be excluded all management fees paid by any Unrestricted Subsidiary to the Company or any Restricted Subsidiary during such period other than any such amounts settled in cash to the extent not in excess of 5% of Adjusted Operating Income as determined without including any such fees, (C) Adjusted Operating Income for such period shall be increased or reduced, as the case may be, by the Adjusted Operating Income of assets or businesses acquired or disposed of (provided that in each case it has an impact on Adjusted Operating Income of at least $500,000) (including by means of any re-designation of any subsidiary) by the Company or any Restricted Subsidiary on or after the first day of such period, determined on a pro forma basis reasonably satisfactory to the Administrative Agent (it being agreed that it shall be satisfactory to the Administrative Agent that such pro forma calculations may be based upon GAAP as applied in the preparation of the financial statements for the Company, delivered or deemed delivered pursuant to Section 7.01 rather than as applied in the financial statements of the company whose assets were acquired and may include, in the Company's discretion, a reasonable estimate of savings under existing contracts resulting from any such acquisitions), as though the Company or such Restricted Subsidiary acquired or disposed of such assets on the first day of such period, and (D) there shall be excluded any gains or losses on sales or dispositions of businesses by the Company or any of its Restricted Subsidiaries. For purposes of this definition, operating revenues and operating expenses may exclude the following, provided that all exclusions for cash items (whether representing a cash item in the period in question or in a future period) shall be limited to an aggregate of $40,000,000 per year (the "Annual Cash Basket Amount") and an aggregate of $75,000,000 during the period from the Effective Date through the Maturity Date of the Initial Facilities (the "Cash Basket Amount"): (1) provisions for severance obligations; (2) losses resulting from any write-off or write-down of Investments by the Company or any of its Restricted Subsidiaries; (3) the effect of the loss of any currently held real estate tax exemptions; (4) costs and expenses incurred to implement the Spin-Off, (5) amortization of production and development costs associated with shows or other content or the costs resulting from the cancellation of shows or other content or abandonment of shows or other content under development or write-off of any deferred production costs associated with shows; (6) losses resulting from currency fluctuations and any unrealized losses from hedging transactions; (7) pension curtailment or settlements; (8) other non-recurring, non-cash items in excess of $1,000,000; and (9) changes to US GAAP that would cause a covenant default (provided that the Company shall provide reconciliations to demonstrate compliance under previous US GAAP and the parties shall agree to negotiate in good faith to amend covenants accordingly). In the case of clauses (1) through (3) above only, if the expense is required to be recognized in one period but paid in whole or in part in subsequent periods and the expense, when aggregated with all other expenses described in clauses (1) through (9) above relating to such initial period, exceeds the Annual Cash Basket Amount, (i) the expense in the period in which it is recognized shall be limited, when aggregated with all other expenses described in clauses (1) through (9) above relating to such initial period, to the Annual Cash Basket Amount, and (ii) the amount of

expense in excess of the Annual Cash Basket Amount may be recognized or considered an expense (for purposes of clause (ii) of this definition) in any subsequent period in which such excess amount is paid, subject in any event to the Cash Basket Amount. In the event of any suspension of carriage by any party to an Affiliation Agreement during renewal negotiations of such Affiliation Agreement or expiration or termination of or disputes under such Affiliation Agreements, the Adjusted Operating Income calculation, for purposes of complying with the Financial Covenants (but not for any other purpose), may be adjusted (the "Carriage Suspension Adjustment") to add back the Adjusted Operating Income attributable to the affected Affiliation Agreement from the corresponding period one year prior to each period during which such suspension of carriage continues, but in any event not to exceed six months; provided that the Carriage Suspension Adjustment shall be limited only to the Adjusted Operating Income attributable to one Affiliation Agreement during any period; provided, further, that with respect to any Carriage Suspension Adjustment, the Company shall provide reports with reasonably detailed supporting calculations showing the "lost" Adjusted Operating Income attributable to the affected Affiliation Agreement for each corresponding monthly period of the prior year, in each case certified by a financial officer of the Company.

"Adjusted Term SOFR Rate" means for any Interest Period, an interest rate per annum equal to (a) the Term SOFR Rate for such Interest Period, plus (b) 0.10%; provided that if the Adjusted Term SOFR Rate as so determined would be less than the Floor, such rate shall be deemed to be equal to the Floor for the purposes of this Credit Agreement.

"Administrative Agent" means JPMorgan Chase Bank, N.A., in its capacity as administrative agent for the Lenders hereunder and its successors in such capacity.

"Administrative Agent's Office" means the Administrative Agent's address and, as appropriate, account as set forth on Schedule 10.02, or such other address or account as the Administrative Agent may from time to time notify to the Company and the Lenders.

"Administrative Questionnaire" means an Administrative Questionnaire in a form supplied by the Administrative Agent.

"Affiliate" means, as to any Person, any other Person which directly or indirectly controls, or is under common control with, or is controlled by, such Person. As used in this definition, "control" (including, with its correlative meanings, "controlled by" and "under common control with") means possession, directly or indirectly, of the power to direct or cause the direction of management or policies (whether through ownership of securities or partnership or other ownership interests, by contract or otherwise), provided that for purposes of this definition, in any event, any Person which owns directly or indirectly 10% or more of the securities having ordinary voting power for the election of directors or other governing body of a corporation or 10% or more of the partnership or other ownership interests of any other Person (other than as a limited partner of such other Person) will be deemed to control such corporation or other Person; and provided further that no individual shall be an Affiliate of a corporation or partnership solely by reason of his or her being an officer, director or partner of such entity, except in the case of a partner if his or her interests in such partnership shall qualify him or her as an Affiliate.

"Affiliated Lender" means the Parent or any Affiliate of the Parent, other than (a) the Company or (b) any Subsidiary of the Company.

"Affiliation Agreements" means the agreements listed on Schedule 1.01(c) and all other existing and future agreements of the Company or any Restricted Subsidiary for the distribution of the Program Services by distributors (e.g., Comcast, DirecTV, Verizon).

"Agent Parties" has the meaning set forth Section 10.02(c).

"Aggregate Commitments" means the Commitments of all the Lenders.

"Alternate Base Rate" means, for any day, a rate per annum equal to the greatest of (a) the Prime Rate in effect on such day, (b) the New York Fed Bank Rate in effect on such day plus ½ of 1%, and (c) the Adjusted Term SOFR Rate for a one-month Interest Period as published two (2) U.S. Government Securities Business Days prior to such day (or if such day is not a U.S. Government Securities Business Day, the immediately preceding U.S. Government Securities Business Day) plus 1%, provided that, for the purpose of this definition, the Adjusted Term SOFR Rate for any day shall be based on the Term SOFR Reference Rate at approximately 5:00 a.m. Chicago time on such day (or any amended publication time for the Term SOFR Reference Rate, as specified by the CME Term SOFR Administrator in the Term SOFR Reference Rate methodology). Any change in the Alternate Base Rate due to a change in the Prime Rate, the New York Fed Bank Rate or the Adjusted Term SOFR Rate shall be effective from and including the effective date of such change in the Prime Rate, the New York Fed Bank Rate or the Adjusted Term SOFR Rate, respectively. If the Alternate Base Rate is being used as an alternate rate of interest pursuant to Section 3.03 (for the avoidance of doubt, only until the Benchmark Replacement has been determined pursuant to Section 3.03(b)), then the Alternate Base Rate shall be the greater of clauses (a) and (b) above and shall be determined without reference to clause (c) above.

"Annual Cash Basket Amount" has the meaning specified in the definition of "Adjusted Operating Income".

"Anti-Corruption Laws" means all published laws, rules and regulations of any jurisdiction applicable to the Company or its Subsidiaries from time to time penalizing actions in connection with bribery, money-laundering or other corrupt actions.

"Applicable Commitment Fee Percentage" means (a) (i) initially, in respect of the Initial Revolving Credit Facility, 0.25% per annum, and (ii) following the delivery of the Compliance Certificate for the second full fiscal quarter of the Company following the Effective Date, as determined by the Company's Total Leverage Ratio, as follows:

Level	Total Leverage Ratio	Applicable Commitment Fee Percentage
Level 6	Greater than or equal to 5.50:1.00	0.30%
Level 5	Greater than or equal to 4.50:1.00 but less than 5.50:1.00	0.30%

Level 4	Greater than or equal to 3.50:1.00, but less than 4.50:1.00	0.25%
Level 3	Greater than or equal to 2.50:1.00, but less than 3.50:1.00	0.25%
Level 2	Greater than or equal to 1.50:1.00, but less than 2.50:1.00	0.25%
Level 1	Less than 1.50:1.00	0.225%

"Applicable Percentage" means (a) in respect of the Initial Term Facility, with respect to any Term Lender at any time, the percentage (carried out to the ninth decimal place) of the Initial Term Facility represented by such Term Lender's Term Commitment at such time (including any Incremental Term Commitments that increase the Term Commitments under the Initial Term Facility), (b) in respect of any Incremental Term Facility that is a separate tranche of Term Commitments and Term Loans, with respect to any Incremental Term Lender thereunder at any time, the percentage (carried out to the ninth decimal place) of such Incremental Term Facility represented by such Incremental Term Lender's Incremental Term Commitment at such time, (c) in respect of the Initial Revolving Credit Facility, with respect to any Revolving Credit Lender at any time, the percentage (carried out to the ninth decimal place) of the Initial Revolving Credit Facility represented by such Revolving Credit Lender's Revolving Credit Commitment at such time (including any Incremental Revolving Credit Commitments that increase the Revolving Credit Commitments under the Initial Revolving Credit Facility), and (d) in respect of any Incremental Revolving Credit Facility that is a separate tranche of Revolving Credit Commitments and Revolving Credit Loans, with respect to any Incremental Revolving Credit Lender thereunder at any time, the percentage (carried out to the ninth decimal place) of such Incremental Revolving Credit Facility represented by such Incremental Revolving Credit Lender's Incremental Revolving Credit Commitment at such time. If the commitment of each Revolving Credit Lender to make Revolving Credit Loans and the obligation of the L/C Issuers to make L/C Credit Extensions have been terminated pursuant to Section 8.02, or if the Revolving Credit Commitments have expired, then the Applicable Percentage of each Revolving Credit Lender in respect of a Revolving Credit Facility shall be determined based on the Applicable Percentage of such Revolving Credit Lender in respect of such Revolving Credit Facility most recently in effect, giving effect to any subsequent assignments. The initial Applicable Percentage of each Lender in respect of each Facility is set forth opposite the name of such Lender on Schedule 2.01 (or, in the case of any Incremental Lender, on Schedule I to the applicable Incremental Supplement, if any) or in the Assignment and Assumption pursuant to which such Lender becomes a party hereto, as applicable.

"Applicable Rate" means (a) (i) initially, in respect of the Initial Term Facility and the Initial Revolving Credit Facility, 0.50% per annum for Base Rate Loans and 1.50% per annum for ~~Eurodollar Rate~~Term Benchmark Loans, and (ii) following the delivery of the

Compliance Certificate for the second full fiscal quarter of the Company following the Effective Date, as determined by the Company's Total Leverage Ratio, as follows:

Level	Total Leverage Ratio	Revolving Credit Facility and Term Facility	
		~~Eurodollar Rate~~Term Benchmark Loans Applicable Margin	Base Rate Loans Applicable Margin
Level 6	Greater than or equal to 5.50:1.00	2.25%	1.25%
Level 5	Greater than or equal to 4.50:1.00 but less than 5.50:1.00	2.00%	1.00%
Level 4	Greater than or equal to 3.50:1.00, but less than 4.50:1.00	1.75%	0.75%
Level 3	Greater than or equal to 2.50:1.00, but less than 3.50:1.00	1.50%	0.50%
Level 2	Greater than or equal to 1.50:1.00, but less than 2.50:1.00	1.375%	0.375%
Level 1	Less than 1.50:1.00	1.25%	0.25%

(b) (i) initially, in respect of the Swing Line Sublimit, 1.50% per annum, and (ii) following the delivery of the Compliance Certificate for the second full fiscal quarter of the Company following the Effective Date, as determined by the Company's Total Leverage Ratio as set forth in clause (a)(ii) above for Base Rate Loans, and (c) in respect of any Incremental Facility, the percentages per annum for Base Rate Loans and for ~~Eurodollar Rate~~Term Benchmark Loans that are agreed by the Company and the applicable Incremental Lenders and specified in the applicable Incremental Supplement with respect to such Incremental Facility.

"Applicable Revolving Credit Percentage" means with respect to any Revolving Credit Lender at any time, such Revolving Credit Lender's Applicable Percentage in respect of the applicable Revolving Credit Facility at such time.

"Appropriate Lender" means, at any time, (a) with respect to the Initial Term Facility, the Initial Revolving Credit Facility or an Incremental Facility, if any, a Lender that has a Commitment with respect to such Facility or holds a Term Loan, a Revolving Credit Loan or an Incremental Loan, respectively, at such time, (b) with respect to the Letter of Credit Sublimit, (i) each L/C Issuer and (ii) if any Letters of Credit have been issued pursuant to Section 2.03(a), the Revolving Credit Lenders, and (c) with respect to the Swing Line Sublimit, (i) any Swing Line Lender and (ii) if any other Revolving Credit Lender shall have made Swing Line Loans

pursuant to Section 2.04 that are outstanding at such time, each such other Revolving Credit Lender.

"Approved Electronic Platform" has the meaning specified in Section 10.02(b).

"Approved Fund" means any Fund that is administered or managed by (a) a Lender, (b) an Affiliate of a Lender or (c) an entity or an Affiliate of an entity that administers or manages a Lender.

"Article 55 BRRD" means Article 55 of Directive 2014/59/EU establishing a framework for the recovery and resolution of credit institutions and investment firms.

"Assignee Group" means two or more Eligible Assignees that are Affiliates of one another or two or more Approved Funds managed by the same investment advisor.

"Assignment and Assumption" means an assignment and assumption entered into by a Lender and an Eligible Assignee (with the consent of any party whose consent is required by Section 10.06(b)), and accepted by the Administrative Agent, in substantially the form of Exhibit G or any other form approved by the Administrative Agent.

"Availability Period" means (a) in respect of the Initial Revolving Credit Facility, the period from and including the Effective Date to the earliest of (i) the Maturity Date for the Initial Revolving Credit Facility, (ii) the date of termination of the Revolving Credit Commitments under the Initial Revolving Credit Facility pursuant to Section 2.06, and (iii) the date of termination of the commitment of each Revolving Credit Lender to make Revolving Credit Loans and of the obligation of each L/C Issuer to make L/C Credit Extensions under the Initial Revolving Credit Facility pursuant to Section 8.02, (b) in respect of any Incremental Revolving Credit Facility that is a separate tranche of Revolving Credit Commitments and Revolving Credit Loans, the period from and including the applicable Incremental Closing Date to the earliest of (i) the Maturity Date for such Incremental Revolving Credit Facility, (ii) the date of termination of the Revolving Credit Commitments under such Incremental Revolving Credit Facility pursuant to Section 2.06, and (iii) the date of termination of the commitment of each Incremental Revolving Credit Lender to make Revolving Credit Loans and of the obligation of each L/C Issuer to make L/C Credit Extensions under such Incremental Revolving Credit Facility pursuant to Section 8.02.

"Available Tenor" means, as of any date of determination and with respect to the then-current Benchmark, as applicable, any tenor for such Benchmark (or component thereof) or payment period for interest calculated with reference to such Benchmark (or component thereof), as applicable, that is or may be used for determining the length of an Interest Period for any term rate or otherwise, for determining any frequency of making payments of interest calculated pursuant to this Credit Agreement as of such date and not including, for the avoidance of doubt, any tenor for such Benchmark that is then-removed from the definition of "Interest Period" pursuant to clause (e) of Section 3.03.

"Bail-In Action" means the exercise of any Write-Down and Conversion Powers.

"Bail-In Legislation" means (a) with respect to an EEA Member Country which has implemented, or which at any time implements, Article 55 BRRD, the relevant implementing law or regulation as described in the EU Bail-In Legislation Schedule from time to time; and (b) with respect to any state other than such an EEA Member Country or (to the extent that the United Kingdom is not such an EEA Member Country) the United Kingdom, any analogous law or regulation from time to time which requires contractual recognition of any Write-Down and Conversion Powers contained in that law or regulation.

"Bank of America" means Bank of America, N.A. and its successors.

"Bankruptcy Code" means Title 11 of the United States Code entitled "Bankruptcy", as now and hereafter in effect, or any successor statute.

~~"Base Rate" means for any day a fluctuating rate per annum equal to the highest of (a) the New York Fed Bank Rate plus ½ of 1%, (b) the rate of interest in effect for such day as publicly announced from time to time by the Administrative Agent as its "prime rate," and (c) one-month floating Eurodollar Rate on such day (or if such day is not a Business Day, the immediately preceding Business Day) plus 1%; provided that the Eurodollar Rate for any day shall be based on the Eurodollar Base Rate at approximately 11:00 a.m. London time on such day, subject to the interest rate floor set forth in the definition of the term "Eurodollar Base Rate". Any change in the Base Rate due to a change in the Prime Rate, the New York Fed Bank Rate or the Eurodollar Rate shall be effective from and including the effective date of such change in the Prime Rate, the New York Fed Bank Rate or the Eurodollar Rate, respectively. The "Prime Rate" is a rate set by the Administrative Agent based upon various factors including JPMorgan's costs and desired return, general economic conditions and other factors, and is used as a reference point for pricing some loans, which may be priced at, above, or below such announced rate. Any change in such rate announced by JPMorgan shall take effect at the opening of business on the day specified in the public announcement of such change.~~

"Base Rate Loan" means a Term Loan, Revolving Credit Loan or an Incremental Loan that bears interest based on the Alternate Base Rate.

"Benchmark" means, initially, with respect to any Term Benchmark Loan, the Term SOFR Reference Rate; provided that if a Benchmark Transition Event and the related Benchmark Replacement Date have occurred with respect to the Term SOFR Rate, as applicable, or the then-current Benchmark, then "Benchmark" means the applicable Benchmark Replacement to the extent that such Benchmark Replacement has replaced such prior benchmark rate pursuant to clause (b) of Section 3.03.

"Benchmark Replacement" means, for any Available Tenor, the first alternative set forth in the order below that can be determined by the Administrative Agent for the applicable Benchmark Replacement Date:

(1) the Adjusted Daily Simple SOFR; or

(2) the sum of: (a) the alternate benchmark rate that has been selected by the Administrative Agent and the Company as the replacement for the then-current Benchmark for the applicable Corresponding Tenor giving due consideration to (i) any selection or

recommendation of a replacement benchmark rate or the mechanism for determining such a rate by the Relevant Governmental Body or (ii) any evolving or then-prevailing market convention for determining a benchmark rate as a replacement for the then-current Benchmark for dollar-denominated syndicated credit facilities at such time in the United States and (b) the related Benchmark Replacement Adjustment.

If the Benchmark Replacement as determined pursuant to clause (1) or (2) above would be less than the Floor, the Benchmark Replacement will be deemed to be the Floor for the purposes of this Credit Agreement and the other Loan Documents.

"Benchmark Replacement Adjustment" means, with respect to any replacement of the then-current Benchmark with an Unadjusted Benchmark Replacement for any applicable Interest Period and Available Tenor for any setting of such Unadjusted Benchmark Replacement, the spread adjustment, or method for calculating or determining such spread adjustment, (which may be a positive or negative value or zero) that has been selected by the Administrative Agent and the Company for the applicable Corresponding Tenor giving due consideration to (i) any selection or recommendation of a spread adjustment, or method for calculating or determining such spread adjustment, for the replacement of such Benchmark with the applicable Unadjusted Benchmark Replacement by the Relevant Governmental Body on the applicable Benchmark Replacement Date and/or (ii) any evolving or then-prevailing market convention for determining a spread adjustment, or method for calculating or determining such spread adjustment, for the replacement of such Benchmark with the applicable Unadjusted Benchmark Replacement for dollar-denominated syndicated credit facilities at such time.

"Benchmark Replacement Conforming Changes" means, with respect to any Benchmark Replacement and/or any Term Benchmark Loan, any technical, administrative or operational changes (including changes to the definition of "Alternate Base Rate," the definition of "Business Day," the definition of "U.S. Government Securities Business Day," the definition of "Interest Period," timing and frequency of determining rates and making payments of interest, timing of borrowing requests or prepayment, conversion or continuation notices, length of lookback periods, the applicability of breakage provisions, and other technical, administrative or operational matters) that the Administrative Agent decides may be appropriate to reflect the adoption and implementation of such Benchmark Replacement and to permit the administration thereof by the Administrative Agent in a manner substantially consistent with market practice (or, if the Administrative Agent decides that adoption of any portion of such market practice is not administratively feasible or if the Administrative Agent determines that no market practice for the administration of such Benchmark Replacement exists, in such other manner of administration as the Administrative Agent decides is reasonably necessary in connection with the administration of this Credit Agreement and the other Loan Documents).

"Benchmark Replacement Date" means, with respect to any Benchmark, the earliest to occur of the following events with respect to such then-current Benchmark:

(1) in the case of clause (1) or (2) of the definition of "Benchmark Transition Event," the later of (a) the date of the public statement or publication of information referenced therein and (b) the date on which the administrator of such Benchmark (or the published

component used in the calculation thereof) permanently or indefinitely ceases to provide all Available Tenors of such Benchmark (or such component thereof); or

(2) in the case of clause (3) of the definition of "Benchmark Transition Event," the first date on which such Benchmark (or the published component used in the calculation thereof) has been determined and announced by the regulatory supervisor for the administrator of such Benchmark (or such component thereof) to be no longer representative; provided, that such non-representativeness will be determined by reference to the most recent statement or publication referenced in such clause (3) and even if any Available Tenor of such Benchmark (or such component thereof) continues to be provided on such date.

For the avoidance of doubt, (i) if the event giving rise to the Benchmark Replacement Date occurs on the same day as, but earlier than, the Reference Time in respect of any determination, the Benchmark Replacement Date will be deemed to have occurred prior to the Reference Time for such determination and (ii) the "Benchmark Replacement Date" will be deemed to have occurred in the case of clause (1) or (2) with respect to any Benchmark upon the occurrence of the applicable event or events set forth therein with respect to all then-current Available Tenors of such Benchmark (or the published component used in the calculation thereof).

"Benchmark Transition Event" means, with respect to any Benchmark, the occurrence of one or more of the following events with respect to such then-current Benchmark:

(1) a public statement or publication of information by or on behalf of the administrator of such Benchmark (or the published component used in the calculation thereof) announcing that such administrator has ceased or will cease to provide all Available Tenors of such Benchmark (or such component thereof), permanently or indefinitely, provided that, at the time of such statement or publication, there is no successor administrator that will continue to provide any Available Tenor of such Benchmark (or such component thereof);

(2) a public statement or publication of information by the regulatory supervisor for the administrator of such Benchmark (or the published component used in the calculation thereof), the Federal Reserve Board, the New York Fed, the CME Term SOFR Administrator, an insolvency official with jurisdiction over the administrator for such Benchmark (or such component), a resolution authority with jurisdiction over the administrator for such Benchmark (or such component) or a court or an entity with similar insolvency or resolution authority over the administrator for such Benchmark (or such component), in each case, which states that the administrator of such Benchmark (or such component) has ceased or will cease to provide all Available Tenors of such Benchmark (or such component thereof) permanently or indefinitely; provided that, at the time of such statement or publication, there is no successor administrator that will continue to provide any Available Tenor of such Benchmark (or such component thereof); or

(3) a public statement or publication of information by the regulatory supervisor for the administrator of such Benchmark (or the published component used in the calculation

thereof) announcing that all Available Tenors of such Benchmark (or such component thereof) are no longer, or as of a specified future date will no longer be, representative.

For the avoidance of doubt, a "Benchmark Transition Event" will be deemed to have occurred with respect to any Benchmark if a public statement or publication of information set forth above has occurred with respect to each then-current Available Tenor of such Benchmark (or the published component used in the calculation thereof).

"Benchmark Unavailability Period" means, with respect to any Benchmark, the period (if any) (x) beginning at the time that a Benchmark Replacement Date pursuant to clauses (1) or (2) of that definition has occurred if, at such time, no Benchmark Replacement has replaced such then-current Benchmark for all purposes hereunder and under any Loan Document in accordance with Section 3.03 and (y) ending at the time that a Benchmark Replacement has replaced such then-current Benchmark for all purposes hereunder and under any Loan Document in accordance with Section 3.03.

"Beneficial Ownership Certification" means a certification regarding beneficial ownership or control as required by the Beneficial Ownership Regulation.

"Beneficial Ownership Regulation" means 31 C.F.R. § 1010.230.

"Benefit Plan" means any of (a) an "employee benefit plan" (as defined in Section 3(3) of ERISA) that is subject to Title I of ERISA, (b) a "plan" as defined in Section 4975 of the Code to which Section 4975 of the Code applies, and (c) any Person whose assets include (for purposes of the Plan Asset Regulations or otherwise for purposes of Title I of ERISA or Section 4975 of the Code) the assets of any such "employee benefit plan" or "plan".

"BHC Act Affiliate" of a party means an "affiliate" (as such term is defined under, and interpreted in accordance with, 12 U.S.C. § 1841(k)) of such party.

"Borrowing" means a Term Borrowing, Revolving Credit Borrowing, a Swing Line Borrowing or an Incremental Borrowing, if any, as the context may require.

"Business" has the meaning specified in Section 7.19.

"Business Day" means, any day (other than a Saturday, or a Sunday ~~or other day on which commercial banks are authorized to close under the Laws of, or are in fact closed in, the State of New York and, if such day relates to any Eurodollar Rate Loan, means any such day on which dealings in Dollar deposits are conducted by and between banks in the London interbank eurodollar market.~~) on which banks are open for business in New York City; provided that, in addition to the foregoing, a Business Day shall be in relation to Loans referencing the Adjusted Term SOFR Rate and any interest rate settings, fundings, disbursements, settlements or payments of any such Loans referencing the Adjusted Term SOFR Rate or any other dealings of such Loans referencing the Adjusted Term SOFR Rate, any such day that is only a U.S. Government Securities Business Day.

"Cablevision Spin Agreements" means the agreements listed on Schedule 1.01(e).

"Capitalized Lease Obligations" means, as to any Person, the obligations of such Person to pay rent or other amounts under a lease of (or other agreement conveying the right to use) real and/or personal property, which obligations are required to be classified and accounted for as a capital lease on a balance sheet of such Person under GAAP and, for purposes of this Credit Agreement, the amount of such obligations shall be the capitalized amount thereof, determined in accordance with GAAP. Notwithstanding the foregoing or any other provision contained in this Credit Agreement or in any Loan Document, for purposes of this definition, GAAP shall mean GAAP as in effect prior to giving effect to the adoption of ASU No. 2016-02 "Leases (Topic 842)" and ASU No. 2018-11 "Leases (Topic 842)".

"Carriage Suspension Adjustment" has the meaning specified in the definition of "Adjusted Operating Income."

"Cash Basket Amount" has the meaning specified in the definition of "Adjusted Operating Income".

"Cash Collateral" has the meaning specified in Section 2.03(g).

"Cash Collateralize" has the meaning specified in Section 2.03(g).

"Cash Equivalents" means any of the following types of Investments, to the extent owned by the Company or any of its Restricted Subsidiaries (and, where applicable, the Parent or any of its consolidated Subsidiaries) free and clear of all Liens (other than Liens created under the Collateral Documents and other Liens permitted hereunder):

(a) marketable, direct obligations of the United States of America or United States government agencies;

(b) bonds, notes and/or commercial paper outstanding at any time issued by any Person organized under the laws of any state of the United States of America;

(c) fully collateralized repurchase agreements in such amounts and with such financial institutions, as the Company may select from time to time;

(d) bank deposits, certificates of deposit, banker's acceptances and time deposits, which are issued by any Lender or by a United States national or state bank or foreign bank; and

(e) money market funds that comply with the criteria set forth in SEC Rule 2a-7 under the Investment Company Act.

Such Investments will be measured as of the date the Investment is acquired with the maximum maturity of any individual investment not exceeding 24 months, and a maximum portfolio average maturity of 12 months.

Such Investments will also bear at least two credit ratings, including (i) for commercial paper, minimum ratings of "A2" by S&P and "P2" by Moody's, (ii) for longer term bonds and notes, average long-term equivalent ratings of "A+" by S&P and "A1" by Moody's for the portfolio of

this investment class, (iii) for repurchase agreements, bank deposits, certificates of deposit, banker's acceptances and time deposits, a minimum rating of "BBB" by S&P and "Baa" by Moody's is required, unless, with respect to U.S. bank deposits and U.S. certificates of deposit, the amount invested is less than $250,000. To the extent that S&P or Moody's credit ratings for such instruments are not available, equivalent credit ratings from Fitch Ratings, Inc. are acceptable.

"Cash Management Agreement" means any agreement to provide cash management services, including treasury, depository, overdraft, credit or debit card, electronic funds transfer and other cash management arrangements.

"Cash Management Bank" means any Person that, (i) at the time it enters into a Cash Management Agreement with a Loan Party, is a Lender or an Affiliate of a Lender or (ii) is a Lender or an Affiliate of a Lender as of the Effective Date and is a party to a Cash Management Agreement with a Loan Party on the Effective Date, in each case in its capacity as a party to such Cash Management Agreement.

"CERCLA" means the Comprehensive Environmental Response, Compensation and Liability Act of 1980.

"Change in Law" means the occurrence, after the date of this Credit Agreement, of any of the following: (a) the adoption or taking effect of any law, rule, regulation or treaty, (b) any change in any law, rule, regulation or treaty or in the administration, interpretation or application thereof by any Governmental Authority or (c) the making or issuance of any request, guideline or directive (whether or not having the force of law) by any Governmental Authority; provided that, notwithstanding anything to the contrary herein, it is understood and agreed that any changes resulting from requests, rules, guidelines or directives (x) issued under, or in connection with, the Dodd-Frank Wall Street Reform and Consumer Protection Act or (y) promulgated by the Bank for International Settlements, the Basel Committee on Banking Supervision (or any successor or similar authority) or the United States or foreign regulatory authorities, in each case pursuant to Basel III, shall, for the purposes of this Credit Agreement, be deemed to be adopted subsequent to the Effective Date.

"Change of Control" means an event or series of events by which:

(a) (i) Dolan Family Interests or (ii) Persons Controlled by Dolan Family Interests (any such Person, a "Dolan Family Interest Controlled Person") (so long as, in the case of this clause (ii), no "person" or "group" (as such terms are used in Sections 13(d) and 14(d) of the Securities Exchange Act of 1934, as amended) other than the Dolan Family Interests shall beneficially own (within the meaning of Rule 13d-3 (as in effect on the Effective Date) promulgated under the Securities Exchange Act of 1934, as amended), in the aggregate, more than fifty percent (50%) of the Equity Interests in such Dolan Family Interest Controlled Person(s)) shall cease at any time to have beneficial ownership (within the meaning of Rule 13d-3 (as in effect on the Effective Date) promulgated under the Securities Exchange Act of 1934, as amended) of shares of the

capital stock of Parent, having sufficient votes to elect (or otherwise designate) at such time a majority of the members of the Board of Directors of Parent, or

(b) Parent shall cease to own (free and clear of all Liens), directly or indirectly, 100% of the Equity Interests of the Company.

"CME Term SOFR Administrator" means CME Group Benchmark Administration Limited as administrator of the forward-looking term SOFR (or a successor administrator).

"Co-Documentation Agents" means Fifth Third Bank, SunTrust Robinson Humphrey, Inc. and TD Bank, N.A., in each case acting in its capacity as a co-documentation agent.

"Co-Syndication Agents" means BofA Securities, Inc., MUFG Bank, Ltd, The Bank of Nova Scotia, and Wells Fargo Bank, N.A., in each case acting in its capacity as a co-syndication agent.

"Code" means the Internal Revenue Code of 1986, as amended.

"Collateral" means all of the "Collateral" referred to in the Collateral Documents and all of the other property that is or is intended under the terms of the Collateral Documents to be subject to Liens in favor of the Administrative Agent for the benefit of the Secured Parties and for the avoidance of doubt, shall exclude all Excluded Assets.

"Collateral Agent" means JPMorgan in its capacity as collateral agent for the Lenders under the Security Agreement and its successors in such capacity.

"Collateral Documents" means, collectively, the Security Agreement, the Intellectual Property Security Agreement, and each of the collateral assignments, Security Agreement Supplements, Intellectual Property Security Agreement Supplements, security agreements, pledge agreements or other similar agreements, instruments or documents that creates or purports to create a Lien in favor of the Administrative Agent for the benefit of the Secured Parties.

"Committed Loan Notice" means a Committed Revolving Loan Notice or a Committed Term Loan Notice, as the context may require.

"Committed Revolving Loan Notice" means a notice of (a) a Revolving Credit Borrowing (including an Incremental Revolving Credit Borrowing), (b) a conversion of Revolving Credit Loans from one Type to the other, or (c) a continuation of ~~Eurodollar Rate~~Term Benchmark Loans, pursuant to Section 2.02(a), which, if in writing, shall be substantially in the form of Exhibit A-1.

"Committed Term Loan Notice" means a notice of (a) a Term Borrowing (including an Incremental Term Borrowing), (b) a conversion of Term Loans from one Type to

another, or (c) a continuation of ~~Eurodollar Rate~~Term Benchmark Loans pursuant to Section 2.02(a), which, if in writing, shall be in substantially in the form of Exhibit A-3.

"Commitment" means a Term Loan Commitment, a Revolving Credit Commitment, a Letter of Credit Commitment, any Incremental Term Loan Commitment (if any) or any Incremental Revolving Commitment (if any) as the context may require.

"Commitment Fee" has the meaning given to such term in Section 2.09(a).

"Commodity Exchange Act" means the Commodity Exchange Act (7 U.S.C. § 1 et seq.), as amended from time to time, and any successor statute.

"Company" has the meaning given to such term in the preamble to this Credit Agreement.

"Company Materials" means, collectively, any notice, demand, communication, information, document or other material provided by or on behalf of any Loan Party pursuant to any Loan Document or the transactions contemplated therein which is distributed by the Administrative Agent, any Lender or any L/C Issuer by means of electronic communications pursuant to Section 10.02, including through an Approved Electronic Platform.

"Compliance Certificate" means a certificate of a senior financial executive of the Company in substantially the form of Exhibit C.

"Consolidated Net Indebtedness" means, as of any date of determination, an amount equal to (a) the aggregate amount, without duplication, of all Indebtedness of the Holdings Entities, the Company and any Restricted Subsidiary that would be reflected as debt on a consolidated balance sheet of the Company (and, where applicable, of the applicable Holdings Entity) prepared in accordance with GAAP, minus (b) the amount of cash and Cash Equivalents in deposit or securities accounts of the Company and its Restricted Subsidiaries as of such date in an aggregate amount not to exceed the greater of (i) $175,000,000 and (ii) 50% of Adjusted Operating Income for the most recently completed four fiscal quarter period for which financial statements were required to have been delivered pursuant to Section 7.01, giving full pro forma effect to all Specified Transactions (as provided in such definition) that have occurred since the last day of the most recently completed Measurement Period for which financial statements were required to have been delivered pursuant to Section 7.01 and to the application of the proceeds of any proposed transaction, in each case without duplication; provided that to the extent that any calculation of "Consolidated Net Indebtedness" is used in determining pro forma compliance with a Total Leverage Ratio test and/or the Financial Covenants, under Section 2.14, 2.15 or 7.14(xii), then in no event shall any of the proceeds of the Indebtedness permitted to be incurred as a result of compliance with such test be included in the cash and Cash Equivalents pursuant to the preceding clause (b) when determining such compliance under such aforementioned sections.

"Contractual Obligation" means, as to any Person, any provision of any security issued by such Person or of any agreement, instrument or other undertaking to which such Person is a party or by which it or any of its property is legally bound.

"Control" means the possession, directly or indirectly, of the power to direct or cause the direction of the management or policies of a Person, whether through the ability to exercise voting power, by contract or otherwise. "Controlling" and "Controlled" have meanings correlative thereto.

"Corresponding Tenor" with respect to any Available Tenor means, as applicable, either a tenor (including overnight) or an interest payment period having approximately the same length (disregarding business day adjustment) as such Available Tenor.

"Covered Entity" means any of the following:

(a) a "covered entity" as that term is defined in, and interpreted in accordance with, 12 C.F.R. § 252.82(b);

(b) a "covered bank" as that term is defined in, and interpreted in accordance with, 12 C.F.R. § 47.3(b); or

(c) a "covered FSI" as that term is defined in, and interpreted in accordance with, 12 C.F.R. § 382.2(b).

"Covered Party" has the meaning assigned to it in Section 10.23.

"Credit Agreement" has the meaning given to such term in the preamble to this Credit Agreement.

"Credit Extension" means each of the following: (a) a Borrowing, or (b) an L/C Credit Extension.

"Cumulative AOI" means an amount, determined on the date of any proposed Restricted Payment equal to Adjusted Operating Income for the period from October 1, 2015 through the end of the most recently ended Quarter as to which financial statements have been delivered pursuant to Section 7.01.

"Cumulative Interest Expense" means for the period from October 1, 2015 through the end of the most recently ended quarter as to which financial statements have been delivered pursuant to Section 7.01, the aggregate of the interest expense of the Company and its Restricted Subsidiaries for such period, determined on a consolidated basis in accordance with GAAP.

"Daily Simple SOFR" means, for any day (a "SOFR Rate Day"), a rate per annum equal to SOFR for the day (such day "SOFR Determination Date") that is five (5) U.S. Government Securities Business Days prior to (i) if such SOFR Rate Day is a U.S. Government Securities Business Day, such SOFR Rate Day or (ii) if such SOFR Rate Day is not a U.S. Government Securities Business Day, the U.S. Government Securities Business Day immediately preceding such SOFR Rate Day, in each case, as such SOFR is published by the SOFR Administrator on the SOFR Administrator's Website. Any change in Daily Simple SOFR

due to a change in SOFR shall be effective from and including the effective date of such change in SOFR without notice to the Company.

"Debt Instruments" means, collectively, the respective notes and debentures evidencing, and indentures and other agreements governing, any Indebtedness.

"Debtor Relief Laws" means the Bankruptcy Code, and all other liquidation, conservatorship, bankruptcy, assignment for the benefit of creditors, moratorium, rearrangement, receivership, insolvency, reorganization, or similar debtor relief Laws of the United States or other applicable jurisdictions from time to time in effect and affecting the rights of creditors generally.

"Default" means any event or condition that constitutes an Event of Default or that, with the giving of any notice, the passage of time, or both, would be an Event of Default.

"Default Rate" means (a) when used with respect to Obligations other than Letter of Credit Fees, an interest rate equal to (i) the Alternate Base Rate plus (ii) the Applicable Rate, if any, applicable to Base Rate Loans plus (iii) 2% per annum; provided, however, that with respect to a ~~Eurodollar Rate~~Term Benchmark Loan, the Default Rate shall be an interest rate equal to the interest rate (including any Applicable Rate) otherwise applicable to such Loan plus 2% per annum and (b) when used with respect to Letter of Credit Fees, a rate equal to the Applicable Rate plus 2% per annum.

"Default Right" has the meaning assigned to that term in, and shall be interpreted in accordance with, 12 C.F.R. §§ 252.81, 47.2 or 382.1, as applicable.

"Defaulting Lender" any Lender that (a) has failed to (i) fund all or any portion of its Loans within two Business Days of the date such Loans were required to be funded hereunder unless such Lender notifies the Administrative Agent and the Company in writing that such failure is the result of such Lender's good faith determination that one or more conditions precedent to funding (each of which conditions precedent, together with any applicable default, shall be specifically identified in such writing) has not been satisfied, or (ii) pay to the Administrative Agent, any L/C Issuer, any Swing Line Lender or any other Lender any other amount required to be paid by it hereunder (including in respect of its participation in L/C Obligations or Swing Line Loans) within two Business Days of the date when due, (b) has notified the Company, the Administrative Agent or any L/C Issuer or Swing Line Lender in writing that it does not intend to comply with its funding obligations hereunder, or has made a public statement to that effect (unless such writing or public statement relates to such Lender's obligation to fund a Loan hereunder and states that such position is based on such Lender's good faith determination that a condition precedent to funding (which condition precedent, together with any applicable default, shall be specifically identified in such writing or public statement) cannot be satisfied), or (c) has (i) become the subject of a proceeding under any Debtor Relief Law or a Bail-In Action, or (ii) had appointed for it a receiver, custodian, conservator, trustee, administrator, assignee for the benefit of creditors or similar Person charged with reorganization or liquidation of its business or assets, including the Federal Deposit Insurance Corporation or any other state or federal regulatory authority acting in such a capacity; provided that a Lender shall not be a Defaulting Lender solely by virtue of the ownership or acquisition of any equity

interest in that Lender or any direct or indirect parent company thereof by a Governmental Authority so long as such ownership interest does not result in or provide such Lender with immunity from the jurisdiction of courts within the United States or from the enforcement of judgments or writs of attachment on its assets or permit such Lender (or such Governmental Authority) to reject, repudiate, disavow or disaffirm any contracts or agreements made with such Lender. Any determination by the Administrative Agent that a Lender is a Defaulting Lender under any one or more of clauses (a) through (c) above shall be made by the Administrative Agent in its reasonable discretion acting in good faith, and such Lender shall be deemed to be a Defaulting Lender upon delivery of written notice of such determination to the Company, each L/C Issuer, each Swing Line Lender and each Lender.

"Deposit Account Control Agreement" means an agreement, substantially in the form attached as Exhibit E to the Security Agreement or otherwise reasonably satisfactory to the Administrative Agent, among a Loan Party, a depository institution holding the funds of such Loan Party, and the Administrative Agent with respect to collection and control of the deposits and balances held in a deposit account maintained by such Loan Party.

"Disposition" or "Dispose" means the sale, transfer, license, lease or other disposition (including any sale and leaseback transaction) of any Collateral (for purposes of Section 7.24, including (x) Related Documents and (y) agreements under which the Company or any Restricted Subsidiary has rights to content or rights to obtain content for distribution as part of the Program Services, in each case under clauses (x) and (y) that are not Collateral solely as a result of the application of clause (vi) of the definition of Excluded Assets whether in this Credit Agreement or through an equivalent provision in any other Loan Document) (or the granting of any option or other right to do any of the foregoing), including any sale, assignment, transfer or other disposal, with or without recourse, of any notes or accounts receivable or any rights and claims associated therewith; provided that the term Disposition specifically excludes (i) dispositions of property, whether now owned or hereafter acquired, that is obsolete, worn out, damaged, surplus or otherwise no longer used or useful in the ordinary course of business, (ii) dispositions of inventory (including advertising, sponsorship, tickets, air time, signage and similar items) in the ordinary course of business, (iii) dispositions of cash and Cash Equivalents in the ordinary course of business and the conversion of cash into Cash Equivalents and Cash Equivalents into cash, (iv) dispositions of property by any Subsidiary to the Company or to a Restricted Subsidiary (provided that in the case of this clause (iv) if the transferor of such property is a Loan Party, the transferee thereof must be a Loan Party), (v) sales or other dispositions without recourse and in the ordinary course of business of overdue accounts receivable of financially troubled debtors in connection with the compromise or collection thereof, (vi) the licensing or sublicensing of intellectual property rights and other transfers of copyrighted material in the ordinary course of business, (vii) the settlement of tort or other litigation claims in the ordinary course of business or determined by the Board of Directors or similar governing entity to be fair and reasonable in light of the circumstances, (viii) charitable contributions in amounts that in the aggregate are not material to the Company and its Restricted Subsidiaries taken as a whole, and (ix) the sale, transfer, license, lease or other disposition of property involving property or assets having a fair market value of less than $5,000,000 in a single transaction or a series of related transactions.

"Dolan" means Charles F. Dolan.

"Dolan Family Interests" means (i) any Dolan Family Member, (ii) any trusts for the benefit of any Dolan Family Members, (iii) any estate or testamentary trust of any Dolan Family Member for the benefit of any Dolan Family Members, (iv) any executor, administrator, trustee, conservator or legal or personal representative of any Person or Persons specified in clauses (i), (ii) and (iii) above to the extent acting in such capacity on behalf of any Dolan Family Member or Members and not individually and (v) any corporation, partnership, limited liability company or other similar entity, in each case 80% of which is owned and controlled by any of the foregoing or combination of the foregoing.

"Dolan Family Interest Controlled Person" has the meaning specified in the definition of "Change of Control".

"Dolan Family Members" means Dolan, his spouse, his descendants and any spouse of any of such descendants.

"Dollars" and "$" means lawful money of the United States of America.

"EEA Financial Institution" means (a) any institution established in any EEA Member Country which is subject to the supervision of an EEA Resolution Authority, (b) any entity established in an EEA Member Country which is a parent of an institution described in clause (a) of this definition, or (c) any institution established in a EEA Member Country which is a subsidiary of an institution described in clauses (a) or (b) of this definition and is subject to consolidated supervision with its parent.

"EEA Member Country" means any of the member states of the European Union, Iceland, Lichtenstein, and Norway.

"EEA Resolution Authority" means any public administrative authority or any Person entrusted with public administrative authority of any EEA Member Country (including any delegee) having responsibility for the resolution of any EEA Financial Institution.

"Effective Date" means the first date all the conditions precedent in Section 5.01 are satisfied or waived in accordance with Section 10.01.

"Eligible Assignee" has the meaning specified in Section 10.06(b)(iii)(A); provided that, notwithstanding the foregoing, the term "Eligible Assignee" shall, solely with respect to an assignment of any Incremental Term Loan, include the Company, any Affiliated Lender or any of the Company's Subsidiaries, provided, that:

(a) none of the Company, any Affiliated Lender or any of the Company's Subsidiaries holding Incremental Term Loans shall have any right to (i) attend (including by telephone) any meeting or discussions (or portion thereof) among the Administrative Agent and/or any Lenders to which representatives of the Company are not then present, or (ii) receive any information or material prepared by the Administrative Agent or any Lender or any communication by or among Administrative Agent and one or more

Lenders, except to the extent such information or materials have been made available to the Company or its representatives;

(b) notwithstanding anything in Section 10.01 or the definition of "Required Lenders" to the contrary, for purposes of determining whether the Required Lenders have (i) consented (or not consented) to any amendment, modification, waiver, consent or other action with respect to any of the terms of any Loan Document or any departure by any Loan Party therefrom, or subject to clause (c) below, any plan of reorganization pursuant to the Bankruptcy Code, (ii) otherwise acted on any matter related to any Loan Document, or (iii) directed or required the Administrative Agent or any Lender to undertake any action (or refrain from taking any action) with respect to or under any Loan Document, no Affiliated Lender shall have any right to consent (or not consent), otherwise act or direct or require the Administrative Agent or any Lender to take (or refrain from taking) any such action, and (x) all Term Loans held by any Affiliated Lender shall be deemed to be not outstanding for all purposes of calculating whether the Required Lenders have taken any actions and (y) all Term Loans held by Affiliated Lenders shall be deemed to be not outstanding for all purposes of calculating whether all Lenders have taken any action unless the action in question affects such Affiliated Lender in a disproportionately adverse manner than its effect on other Lenders;

(c) notwithstanding anything in this Credit Agreement or the other Loan Documents to the contrary, each Affiliated Lender, by its purchase of any Term Loans, hereby agrees that if a proceeding under any Debtor Relief Laws shall be commenced by or against the Company or any other Loan Party at a time when such Lender is an Affiliated Lender, such Affiliated Lender irrevocably authorizes and empowers the Administrative Agent to vote on behalf of such Affiliated Lender with respect to the Term Loans held by such Affiliated Lender in any manner in the Administrative Agent's sole discretion, unless the Administrative Agent instructs such Affiliated Lender to vote, in which case such Affiliated Lender shall vote with respect to the Term Loans held by it as the Administrative Agent directs, provided that such Affiliated Lender shall be entitled to vote in accordance with its sole discretion (and not in accordance with the direction of the Administrative Agent) in connection with any plan of reorganization to the extent any such plan of reorganization proposes to treat any Obligations held by such Affiliated Lender in a disproportionately adverse manner than the proposed treatment of similar Obligations held by Term Lenders that are not Affiliated Lenders.

(d) any purchase of Term Loans by the Company or any of its Subsidiaries shall (i) be effected by an offer to purchase Term Loans pro rata from each Term Lender under the applicable Term Facility in a manner reasonably acceptable to the Administrative Agent, (ii) result in such Term Loans being immediately retired upon such assignment, and (iii) not be funded with a borrowing of Revolving Credit Loans; and

(e) the aggregate principal amount of all Term Loans under any Term Loan Facility purchased by assignment pursuant to Section 10.06 and held at any one time by

all Affiliated Lenders shall not exceed 10% of the aggregate outstanding principal amount of all Term Loans under such Term Loan Facility.

"Environmental Laws" means any and all Federal, state, local, and foreign statutes, laws, regulations, ordinances, rules, judgments, orders, decrees, permits, concessions, grants, franchises, licenses, agreements or governmental restrictions relating to pollution and the protection of the environment or the release of any materials into the environment, including those related to hazardous substances or wastes, air emissions and discharges to waste or public systems.

"Environmental Liability" means any liability, contingent or otherwise (including any liability for damages, costs of environmental remediation, fines, penalties or indemnities), of the Company, any other Loan Party or any of their respective Subsidiaries directly or indirectly resulting from or based upon (a) violation of any Environmental Laws, (b) the generation, use, handling, transportation, storage, treatment or disposal of any Hazardous Materials, (c) exposure to any Hazardous Materials, (d) the release or threatened release of any Hazardous Materials into the environment or (e) any contract, agreement or other consensual arrangement pursuant to which liability is assumed or imposed with respect to any of the foregoing.

"Equity Interests" means, with respect to any Person, all of the shares of capital stock of (or other ownership or profit interests in) such Person, all of the warrants, options or other rights for the purchase or acquisition from such Person of shares of capital stock of (or other ownership or profit interests in) such Person, all of the securities convertible into or exchangeable for shares of capital stock of (or other ownership or profit interests in) such Person or warrants, rights or options for the purchase or acquisition from such Person of such shares (or such other interests), and all of the other ownership or profit interests in such Person (including partnership, member or trust interests therein), whether voting or nonvoting, and whether or not such shares, warrants, options, rights or other interests are outstanding on any date of determination.

"ERISA" means the Employee Retirement Income Security Act of 1974, as amended, and the rules and regulations promulgated thereunder.

"ERISA Affiliate" means, when used with respect to a Plan, ERISA, the PBGC or a provision of the Code pertaining to employee benefit plans, any Person that is a member of any group of organizations within the meaning of Sections 414(b), (c), (m) or (o) of the Code of which the Company is a member.

"EU Bail-In Legislation Schedule" means the EU Bail-In Legislation Schedule published by the Loan Market Association (or any successor Person), as in effect from time to time.

~~"Eurodollar Base Rate" means, for such Interest Period, the rate per annum equal to the London interbank offered rate as administered by the ICE Benchmark Administration (or any other Person that takes over the administration of such rate) at approximately 11:00 a.m., London time, two Business Days prior to the commencement of such Interest Period, for Dollar deposits (for delivery on the first day of such Interest Period) with a term equivalent to such~~

Interest Period as displayed on the Reuters Screen LIBOR01 Page or LIBOR02 Page (or, in the event such rate does not appear on any of such Reuters pages, on any successor or substitute page on such screen that displays such rate, or on the appropriate page of such other information service that publishes such rate from time to time, as selected by the Administrative Agent in its reasonable discretion). If such rate is not available at such time for any other reason, then the "Eurodollar Rate" for such Interest Period shall be the rate per annum determined by the Administrative Agent to be the rate at which deposits in Dollars for delivery on the first day of such Interest Period in same day funds in the approximate amount of the Eurodollar Rate Loan being made, continued or converted by JPMorgan and with a term equivalent to such Interest Period would be offered by JPMorgan's London Branch to major banks in the London interbank eurodollar market at their request at approximately 11:00 a.m. (London time) two Business Days prior to the commencement of such Interest Period; provided that if the Eurodollar Base Rate for any Interest Period would be a rate per annum of less than zero, then such rate shall be deemed to be 0.0% per annum.

"Eurodollar Rate" means, for any Interest Period with respect to a Eurodollar Rate Loan, a rate per annum determined by the Administrative Agent pursuant to the following formula:

$$\text{(Del)}\ \text{ollar Rate} = \frac{\text{Eurodollar Base Rate}}{1.00 - \text{Eurodollar Reserve Percentage}}$$

"Eurodollar Rate Loan" means a Term Loan or a Revolving Credit Loan that bears interest at a rate based on the Eurodollar Rate.

"Eurodollar Reserve Percentage" means, for any day during any Interest Period, the reserve percentage (expressed as a decimal, carried out to five decimal places) in effect on such day, whether or not applicable to any Lender, under regulations issued from time to time by the FRB for determining the maximum reserve requirement (including any emergency, supplemental or other marginal reserve requirement) with respect to Eurocurrency funding (currently referred to as "Eurocurrency liabilities"). The Eurodollar Rate for each outstanding Eurodollar Rate Loan shall be adjusted automatically as of the effective date of any change in the Eurodollar Reserve Percentage.

"Event of Default" means any of the events described in Article VIII hereof.

"Event of Loss" means, with respect to any property of the Company or a Restricted Subsidiary, (i) the actual or constructive total loss of such property or the use thereof, resulting from destruction, damage beyond repair, or the rendition of such property permanently unfit for normal use from any casualty or similar occurrence whatsoever, (ii) the destruction or damage of a material portion of such property from any casualty or similar occurrence whatsoever under circumstances in which such damage cannot reasonably be expected to be repaired, or such property cannot reasonably be expected to be restored to its condition immediately prior to such destruction or damage, within 180 days after the occurrence of such destruction or damage, (iii) the condemnation, confiscation or seizure of, or requisition of title to

or use of, any property, or (iv) in the case of any property located upon a leasehold, the termination or expiration of such leasehold.

"Excluded Asset" means any and all of the following: (i) those assets set forth on Schedule 1.01(b), (ii) intellectual property that is necessary to or utilized in connection with an Excluded Asset as defined under clause (i), (iii), (iv) or (viii) of this definition, (iii) interests in Teams, (iv) Leases to the extent that such Leases require the consent of the lessor or any third party for the granting of a security interest therein, (v) motor vehicles and other assets subject to certificates of title, (vi) assets consisting of contract rights pursuant to contracts containing enforceable restrictions on the granting of security interests therein except to the extent such restrictions are rendered ineffective under Section 9-406, 9-407 or 9-408 of the UCC or other applicable law, (vii) voting stock of or other equity interests (A) in excess of 65% of the voting stock or other equity interests held by the Company or Guarantors in first tier non-US subsidiaries, (B) in non-wholly owned subsidiaries if the pledge of such stock or equity interest is prohibited by agreement, organizational documents or applicable law or regulation, (C) in Unrestricted Subsidiaries, (D) in Excluded Subsidiaries, or (E) in any other Subsidiary of the Company (1) existing as of the Effective Date, whose assets primarily consist of direct ownership interests in one or more Teams (or indirect ownership interests in one or more Teams, so long as the sole purpose of such indirect owner is to directly hold ownership interests in the direct owner of one or more Teams), or (2) that is formed after the Effective Date for the primary purpose of holding direct ownership interests in one or more Teams (or indirect ownership interests, so long as the sole purpose of such indirect owner is to hold ownership interests in the direct owner of one or more Teams) and whose assets primarily consist of ownership interests in one or more Teams, (viii) Real Property, (ix) Excluded Accounts; (x) any Affiliation Agreements, Sports Telecast Rights Agreements and Related Documents to the extent that the relevant agreement requires the consent of any entity other than an Affiliate of the Company for the pledge thereof, or if the pledge thereof is prohibited by, or constitutes a breach or default under any provision of, or results in the termination of, the relevant agreement existing prior to the Effective Date (or the date of acquisition of the Grantor party to such agreement, if applicable); provided, (i) in no event shall any Media Rights Agreement be excluded from the Collateral pursuant hereto and (ii) that all rights to payment, cash flow, proceeds, payments and products of such Affiliation Agreements, Sports Telecast Rights Agreements and Related Documents are considered Collateral hereunder, and (xi) those assets as to which the Administrative Agent and the Company agree that the cost of obtaining such a security interest or perfection thereof are excessive in relation to the benefit to the Lenders of the security to be afforded thereby.

"Excluded Consolidated Subsidiaries" has the meaning specified in the definition of "Financial Statement Variance".

"Excluded Indebtedness" has the meaning given to such term in Section 8.01(e).

"Excluded Accounts" means (x) deposit or securities accounts maintained solely as tax accounts, payroll accounts, escrow accounts, trust accounts, operational disbursements accounts, petty cash accounts or flexible spending and other benefits and healthcare accounts (including healthcare claims funding accounts), and (y) other deposit or securities accounts so

long as they contain less than $5,000,000 individually and $25,000,000 in the aggregate at any time.

"Excluded Subsidiary" means a Restricted Subsidiary that is not a Foreign Subsidiary and is not a Guarantor.

"Excluded Swap Obligation" means, with respect to any Guarantor, any Swap Obligation if, and to the extent that, all or a portion of the Guarantee of such Guarantor of, or the grant by such Guarantor of a security interest to secure, such Swap Obligation (or any Guarantee thereof) is or becomes illegal under the Commodity Exchange Act or any rule, regulation or order of the Commodity Futures Trading Commission (or the application or official interpretation of any thereof) by virtue of such Guarantor's failure for any reason to constitute an "eligible contract participant" as defined in the Commodity Exchange Act and the regulations thereunder at the time the Guarantee of such Guarantor or the grant of such security interest becomes effective with respect to such related Swap Obligation.

"Excluded Taxes" means, with respect to the Administrative Agent, any Lender, any L/C Issuer or any other recipient of any payment to be made by or on account of any obligation of the Company hereunder, (a) any Taxes imposed on or measured by its overall net income (however denominated), branch profits taxes, and franchise taxes imposed on it (in lieu of net income taxes), as a result of a present or former connection between such Administrative Agent, Lender or L/C Issuer, as the case may be, and the jurisdiction of the Governmental Authority imposing such tax or any taxing authority thereof or therein (other than any such connection arising solely from the Administrative Agent, such Lender or such L/C Issuer having executed, delivered or performed its obligations or received a payment under, or enforced, any Loan Document), (b) any Tax imposed pursuant to FATCA, and (c) in the case of a Foreign Lender (other than an assignee pursuant to a request by the Company under Section 10.12), any U.S federal withholding tax that is imposed on amounts payable to such Foreign Lender at the time such Foreign Lender becomes a party hereto (or designates a new Lending Office), except to the extent that such Foreign Lender (or its assignor, if any) was entitled, at the time of designation of a new Lending Office (or assignment), to receive additional amounts from the Company with respect to such withholding tax pursuant to Section 3.01(a) and (d) any Taxes attributable to the failure or inability of any Lender or any L/C Issuer to comply with Section 3.01(f).

"Existing Credit Agreement" has the meaning specified in the introductory statements to this Credit Agreement.

"Existing Indebtedness" means Indebtedness of each Loan Party and its subsidiaries outstanding immediately before the occurrence of the Effective Date.

"Existing Letters of Credit" means those letters of credit listed on Schedule 2.03.

"Existing Maturity Date" has the meaning specified in Section 2.17.

"Extended Facility" has the meaning specified in Section 2.17(a).

"Extended Maturity Date" has the meaning specified in Section 2.17(a).

"Extended Revolving Credit Commitments" has the meaning specified in Section 2.17(a).

"Extended Revolving Credit Facility" has the meaning specified in Section 2.17(a).

"Extended Term Facility" has the meaning specified in Section 2.17(a).

"Extending Lender" has the meaning specified in Section 2.17.

"Extension" has the meaning specified in Section 2.17(a).

"Extension Amendment" has the meaning specified in Section 2.17(e).

"Extension Request" means a written request from the Company to the Administrative Agent requesting an extension of the Maturity Date pursuant to Section 2.17.

"Facility" means any Term Facility, Revolving Credit Facility, the Swing Line Sublimit or an Incremental Facility, if any, as the context may require.

"FATCA" means Sections 1471 through 1474 of the Code, as of the date of this Credit Agreement (or any amended or successor version that is substantively comparable and not materially more onerous to comply with), any current or future regulations or official interpretations thereof, any agreements entered into pursuant to Section 1471(b)(1) of the Code and any fiscal or regulatory legislation, rules or practices adopted pursuant to any intergovernmental agreement, treaty or convention among Governmental Authorities and implementing such Sections of the Code.

"Federal Funds Effective Rate" means, for any day, the rate calculated by the New York Fed based on such day's federal funds transactions by depository institutions (as determined in such manner as the New York Fed shall set forth on its public website from time to time) and published on the next succeeding Business Day by the New York Fed as the federal funds effective rate.

"Fee Letters" means, collectively, each letter agreement made between the Company and the Administrative Agent or a Joint Book Runner for the payment of fees in connection with this Credit Agreement.

"Financial Covenants" means the covenants contained in Sections 7.28 and 7.29.

"Financial Statement Variance" means, for any financial reporting period, a difference of (a) greater than 5.0% between the cumulative revenues of the Parent and its consolidated Subsidiaries for the most recently completed Measurement Period and the cumulative revenues of the Company and its Restricted Subsidiaries for the most recently completed Measurement Period; (b) greater than 5.0% between the total assets of the Parent and its consolidated Subsidiaries for the last reporting period and the total assets of the Company and

its Restricted Subsidiaries for the last reporting period (for purposes of this clause (b) only, determined without taking into account any assets arising from intercompany Indebtedness between or among the Company (as lender) and the Parent and/or its direct and indirect equityholders (as borrowers)); or (c) greater than 10.0% between the Parent Adjusted Operating Income of the Parent and its consolidated Subsidiaries for the most recently completed Measurement Period and the Adjusted Operating Income of the Company and its Restricted Subsidiaries for the most recently completed Measurement Period. Notwithstanding anything to the contrary elsewhere in this Credit Agreement, references to "consolidated Subsidiaries" of the Parent in the immediately preceding sentence shall exclude (x) those consolidated Subsidiaries of the Parent listed on Schedule 1.01(g), and (y) such other consolidated Subsidiaries of the Parent that are not Restricted Subsidiaries whose assets primarily consist of investments in and/or loans to non-consolidated Affiliates so long as the aggregate assets of all consolidated Subsidiaries of the Parent excluded from the immediately preceding sentence pursuant this sentence does not exceed 20% of the aggregate assets of the Parent and its consolidated Subsidiaries (determined without giving effect to any exclusions pursuant to this sentence) (such consolidated Subsidiaries of the Parent excluded pursuant to this sentence at any time of determination being the "Excluded Consolidated Subsidiaries").

"First Amendment to Credit Agreement" means that certain First Amendment to Credit Agreement, dated as of November 5, 2021, by and among the Company, the Guarantors party thereto, the Lenders party thereto and the Administrative Agent.

"Floor" means the benchmark rate floor, if any, provided in this Credit Agreement (as of the execution of this Credit Agreement, the modification, amendment or renewal of this Credit Agreement or otherwise) with respect to the Adjusted Term SOFR Rate or the Adjusted Daily Simple SOFR, as applicable. For the avoidance of doubt, the initial Floor for the Adjusted Term SOFR Rate or the Adjusted Daily Simple SOFR, as applicable, shall be 0.0% per annum.

"Foreign Lender" means any Lender that is organized under the laws of a jurisdiction other than that in which the Company is resident for tax purposes (including such a Lender when acting in the capacity of an L/C Issuer). For purposes of this definition, the United States, each State thereof and the District of Columbia shall be deemed to constitute a single jurisdiction.

"Foreign Subsidiary" means (i) any Subsidiary that is not a United States Person and (ii) any Subsidiary of an entity that is a Foreign Subsidiary under clause (i) of this definition.

"Form 10" means the SEC Form 10 General Form for Registration of Securities pursuant to Section 12(b) or (g) of the Securities Exchange Act of 1934.

"Fronting Exposure" means, at any time there is a Defaulting Lender, (a) with respect to any L/C Issuer, such Defaulting Lender's Applicable Percentage of the outstanding L/C Obligations with respect to Letters of Credit issued by such L/C Issuer other than L/C Obligations as to which such Defaulting Lender's participation obligation has been reallocated to other Lenders or Cash Collateralized in accordance with the terms hereof, and (b) with respect to any Swing Line Lender, such Defaulting Lender's Applicable Percentage of outstanding Swing

Line Loans made by such Swing Line Lender other than Swing Line Loans as to which such Defaulting Lender's participation obligation has been reallocated to other Lenders.

"Fund" means any Person (other than a natural person) that is (or will be) engaged in making, purchasing, holding or otherwise investing in commercial loans and similar extensions of credit in the ordinary course of its business.

"GAAP" means generally accepted accounting principles in the United States set forth in the opinions and pronouncements of the Accounting Principles Board and the American Institute of Certified Public Accountants and statements and pronouncements of the Financial Accounting Standards Board or such other principles as may be approved by a significant segment of the accounting profession in the United States, that are applicable to the circumstances as of the date of determination, consistently applied.

"Governmental Authority" means the government of the United States or any other nation, or of any political subdivision thereof, whether state or local, and any agency, authority, instrumentality, regulatory body, court, central bank or other entity exercising executive, legislative, judicial, taxing, regulatory or administrative powers or functions of or pertaining to government (including any supra-national bodies such as the European Union or the European Central Bank).

"Granting Lenders" has the meaning given to such term in Section 10.06(h).

"Grantor" has the meaning given to such term in the Security Agreement.

"Guarantee" has the meaning given to such term in Section 7.15.

"Guarantors" means the Persons set forth on Schedule 1.01(a), each Holdings Entity and New Restricted Subsidiary required to become a Guarantor pursuant to Section 7.10.

"Guaranty" means the Guaranty made by the Guarantors under Article IV in favor of the Secured Parties.

"Hazardous Materials" means all explosive or radioactive substances or wastes and all hazardous or toxic substances, wastes or other pollutants, including petroleum or petroleum distillates, asbestos or asbestos-containing materials, polychlorinated biphenyls, radon gas, infectious or medical wastes and all other substances or wastes of any nature regulated pursuant to any Environmental Laws.

"Hedge Bank" means any Person that, at the time it enters into a Secured Hedge Agreement, is a Lender or an Affiliate of a Lender, in its capacity as a party to such Secured Hedge Agreement.

"Holdings Entities" has the meaning specified in the recital of parties to this Credit Agreement.

"Honor Date" has the meaning given to such term in Section 2.03(c)(i).

"Incremental Borrowing" means an Incremental Term Borrowing or an Incremental Revolving Credit Borrowing, as the context may require.

"Incremental Closing Date" means, with respect to any Incremental Facility, the first date all of the conditions precedent set forth in the Incremental Supplement applicable to such Incremental Facility are satisfied or waived in accordance with Section 10.01.

"Incremental Facility" means an Incremental Term Facility or an Incremental Revolving Credit Facility, as the context may require.

"Incremental Lender" means an Incremental Term Lender or an Incremental Revolving Credit Lender, as the context may require.

"Incremental Loan" means an Incremental Term Loan or an Incremental Revolving Credit Loan, as the context may require.

"Incremental Note" means an Incremental Term Loan Note or an Incremental Revolving Credit Note, as the context may require.

"Incremental Revolving Credit Borrowing" means a borrowing consisting of simultaneous Incremental Revolving Credit Loans of the same Type and, in the case of ~~Eurodollar Rate~~Term Benchmark Loans, having the same Interest Period made by each of the applicable Incremental Revolving Credit Lenders pursuant to Section 2 of any Incremental Revolving Credit Supplement.

"Incremental Revolving Credit Commitment" means, subject to the terms and conditions of Section 2.14 as to each Incremental Revolving Credit Lender, its obligation to make Incremental Revolving Credit Loans to the Company pursuant to Section 2 of the applicable Incremental Revolving Credit Supplement in an aggregate principal amount at any one time outstanding not to exceed the amount set forth opposite such Lender's name on Schedule I to such Incremental Supplement under the caption "Incremental Revolving Credit Commitment" or opposite such caption in the Assignment and Assumption pursuant to which such Incremental Revolving Credit Lender becomes a party hereto, as applicable, as such amount may be adjusted from time to time in accordance with this Credit Agreement.

"Incremental Revolving Credit Facility" has the meaning specified in Section 2.14(a).

"Incremental Revolving Credit Lender" means at any time, (a) on or prior to the applicable Incremental Closing Date, any Lender that has Incremental Revolving Credit Commitments at such time, and (b) at any time after the applicable Incremental Closing Date, any Lender that holds Incremental Revolving Credit Commitments and/or Incremental Revolving Credit Loans at such time.

"Incremental Revolving Credit Loan" means an advance made by any Incremental Revolving Credit Lender under an Incremental Revolving Credit Facility.

"Incremental Revolving Credit Note" means a promissory note made by the Company in favor of an Incremental Revolving Credit Lender, evidencing Incremental Revolving Credit Loans made by such Incremental Revolving Credit Lender, substantially in the form of Exhibit B-2.

"Incremental Revolving Credit Supplement" has the meaning specified in Section 2.14(b).

"Incremental Supplement" means an Incremental Term Supplement or an Incremental Revolving Credit Supplement, as the context may require.

"Incremental Term Borrowing" means a borrowing consisting of simultaneous Incremental Term Loans of the same Type and, in the case of ~~Eurodollar Rate~~Term Benchmark Loans, having the same Interest Period, made by each of the applicable Incremental Term Lenders pursuant to Section 2 of any Incremental Term Supplement.

"Incremental Term Commitment" means, subject to the terms and conditions of Section 2.15 as to each Incremental Term Lender, its obligation to make Incremental Term Loans to the Company on the applicable Incremental Closing Date, pursuant to Section 2 of the applicable Incremental Term Supplement in an aggregate principal amount at any one time outstanding not to exceed the amount set forth opposite such Incremental Term Lender's name on Schedule I to such Incremental Term Supplement under the caption "Incremental Term Commitment" or opposite such caption in the Assignment and Assumption pursuant to which such Incremental Term Lender becomes a party hereto, as applicable, as such amount may be adjusted from time to time in accordance with this Credit Agreement.

"Incremental Term Facility" has the meaning specified in Section 2.15(a).

"Incremental Term Lender" means at any time, (a) on or prior to the applicable Incremental Closing Date, any Lender that has an Incremental Term Commitment at such time and (b) at any time after the applicable Incremental Closing Date, any Lender that holds Incremental Term Loans at such time.

"Incremental Term Loan" means an advance made by any Incremental Term Lender under an Incremental Term Facility.

"Incremental Term Loan Note" means a promissory note made by the Company in favor of an Incremental Term Lender, evidencing Incremental Term Loans made by such Incremental Term Lender, substantially in the form of Exhibit B-4.

"Incremental Term Supplement" has the meaning specified in Section 2.15(b).

"Indebtedness" means, as to any Person, Capitalized Lease Obligations of such Person and other indebtedness of such Person for borrowed money (whether by loan or the issuance and sale of debt securities) or for the deferred purchase or acquisition price of property or services in respect of which such Person is the purchaser, other than accounts payable (other than for borrowed money) incurred in the ordinary course of business of such Person. Without limiting the generality of the foregoing, for the avoidance of doubt, (a) such term shall include

(1) when applied to the Parent, the Company and/or any Subsidiary of the Parent (other than an Unrestricted Subsidiary of the Company), all obligations of the Parent, the Company and/or any Subsidiary of the Parent (other than an Unrestricted Subsidiary of the Company) under Swap Contracts and (2) when applied to the Parent, the Company and/or any or any other Person, all Indebtedness of others Guaranteed by such Person and (b) such term shall exclude (1) deferred revenue (including advance ticket sales), (2) obligations to make or pay advances, deposits or deferred compensation to announcers, broadcasters, on-air talent, promoters, producers or other third parties in connection with the development, booking, production, broadcast, promotion, execution, staging or presentations of shows, events or other entertainment activities or related merchandising, concessions or licensing and (3) obligations to pay advances, deposits or deferred compensation to the holders of rights to content or intellectual property in connection with the development, broadcast, distribution or license of content or underlying intellectual property.

"Indemnified Taxes" means (a) Taxes, other than Excluded Taxes, imposed on or with respect to any payment made by or on account of any obligation of the Company under any Loan Document and (b) to the extent not otherwise described in (a), Other Taxes.

"Indemnitee" has the meaning specified in Section 10.04(b).

"Information" has the meaning specified in Section 10.20.

"Initial L/C Issuer" has the meaning specified in the definition of "L/C Issuer."

"Initial Facilities" means the Initial Revolving Credit Facility and the Initial Term Facility.

"Initial Revolving Credit Facility" means, initially, the aggregate amount of the Revolving Credit Lenders' Revolving Credit Commitments on the Effective Date, and hereafter on any date of determination, the aggregate amount of the Revolving Credit Commitments of the Revolving Credit Lenders on such date.

"Initial Term Facility" means, initially, the aggregate amount of the Term Lenders' Term Commitments on the Effective Date, and hereafter on any date of determination, the aggregate principal amount of the Term Loans made on the Effective Date outstanding on such date.

"Intellectual Property Security Agreement" means the Intellectual Property Security Agreement, duly executed by each Loan Party.

"Intellectual Property Security Agreement Supplement" has the meaning specified in Section 13(b) of the Security Agreement.

"Interest Coverage Ratio" means, as of any date of determination, the ratio of (a) Adjusted Operating Income to (b) Net Interest Expense for the most recently completed Measurement Period.

"Interest Payment Date" means, (a) as to any ~~Eurodollar Rate~~Term Benchmark Loan, the last day of each Interest Period applicable to such Loan and the Maturity Date of the Facility under which such Loan was made; provided, however, that if any Interest Period for a ~~Eurodollar Rate~~Term Benchmark Loan exceeds three months, the respective dates that fall every three months after the beginning of such Interest Period shall also be Interest Payment Dates; and (b) as to any Base Rate Loan or Swing Line Loan, the last Business Day of each March, June, September and December, and the Maturity Date of the Facility under which such Loan was made.

"Interest Period" means~~, as to each Eurodollar Rate Loan~~ with respect to any Term Benchmark Borrowing, the period commencing on the date of such ~~Eurodollar Rate Loan is disbursed or converted to or continued as a Eurodollar Rate Loan~~Borrowing and ending on the ~~date~~numerically corresponding day in the calendar month that is one ~~week, or one, two~~, three or six months thereafter~~, as selected by~~ (in each case, subject to the availability for the Benchmark applicable to the relevant Loan), as the Company ~~in its Committed Loan Notice~~may elect; provided that~~:~~

(~~a~~i) if any Interest Period ~~that~~ would ~~otherwise~~ end on a day ~~that is not~~other than a Business Day, such Interest Period shall be extended to the next succeeding Business Day unless such next succeeding Business Day ~~falls in another~~would fall in the next calendar month, in which case such Interest Period shall end on the next preceding Business Day~~;~~, (~~b~~ii) any Interest Period that ~~begins~~commences on the last Business Day of a calendar month (or on a day for which there is no numerically corresponding day in the last calendar month ~~at the end~~ of such Interest Period) shall end on the last Business Day of the last calendar month ~~at the end~~ of such Interest Period~~;~~, (iii) no tenor that has been removed from this definition pursuant to Section 3.03(e) shall be available for specification in such Borrowing Request or Interest Election Request, and (~~c~~iv) no Interest Period shall extend beyond the Maturity Date of the applicable Facility. For purposes hereof, the date of a Borrowing initially shall be the date on which such Borrowing is made and thereafter, in the case of any Borrowing other than a Swing Line Loan, shall be the effective date of the most recent conversion or continuation of such Borrowing.

"Investments" has the meaning given to such term in Section 7.17.

"ISP" means the International Standby Practices (ISP98) International Chamber of Commerce Publication No. 590, as the same may be amended and as in effect from time to time.

"Issuer Documents" means with respect to any Letter of Credit, the Letter of Credit Application, and any other document, agreement and instrument entered into by any L/C Issuer and the Company or any Subsidiary or in favor of any L/C Issuer and relating to any such Letter of Credit.

"JPMorgan" means JPMorgan Chase Bank, N.A. and its successors.

"Joint Book Runners" means JPMorgan, BofA Securities, Inc., MUFG Bank, Ltd., The Bank of Nova Scotia, Wells Fargo Bank, N.A., Fifth Third Bank, SunTrust Robinson Humphrey, Inc. and TD Bank, N.A., in each case acting in its capacity as a joint book runner.

"Labor Controversy" means any strike, lock-out or other labor controversy, including (i) any work stoppage or other actions or proceedings involving any teams or unions representing any employees or agents of the Company or any of its Subsidiaries, MSG or any of its Subsidiaries or any teams or (ii) any individual disputes with employees or agents (including players, coaches or scouts) of the Company or any of its Subsidiaries, MSG or any of its Subsidiaries or any teams, whether (1) in negotiating extensions or renewals of contracts or (2) related to any such employee or agent seeking an improvement in such individual's arrangements with the Company or any of its Subsidiaries, MSG or any of its Subsidiaries or any team in advance of scheduled contract extensions or renewals.

"Labor Controversy Step Up" has the meaning specified in Section 7.28.

"Labor Dispute" means any strike, lockout, work stoppage, or other similar action involving any labor organization representing any employees of the Company or any of its Restricted Subsidiaries. For the avoidance of doubt, "Labor Dispute" does not include any individual disputes with employees or agents (including players, coaches or scouts) of the Company or any of its Restricted Subsidiaries.

"Laws" means, collectively, all international, foreign, Federal, state and local statutes, treaties, rules, guidelines, regulations, ordinances, codes and administrative or judicial precedents or authorities, including the interpretation or administration thereof by any Governmental Authority charged with the enforcement, interpretation or administration thereof, and all applicable administrative orders, directives, requests, licenses, authorizations and permits of, and agreements with, any Governmental Authority, in each case whether or not having the force of law.

"L/C Advance" means, with respect to each Lender, such Lender's funding of its participation in any L/C Borrowing in accordance with its Applicable Revolving Credit Percentage.

"L/C Borrowing" means an extension of credit resulting from a drawing under any Letter of Credit which has not been reimbursed on the date when made or refinanced as a Borrowing.

"L/C Credit Extension" means, with respect to any Letter of Credit, the issuance thereof or extension of the expiry date thereof, or the increase of the amount thereof.

"L/C Issuer" means JPMorgan and Bank of America, N.A. (each, an "Initial L/C Issuer"), any Eligible Assignee to which a portion of the Letter of Credit Commitment under this Credit Agreement has been assigned pursuant to Section 10.06, or any other Lender that is a bank and that agrees to act as an L/C Issuer hereunder, so long as (1) such Initial L/C Issuer, Eligible Assignee or other Lender is not a Defaulting Lender, and (2) such Eligible Assignee or other Lender expressly agrees to perform in accordance with their terms all of the obligations that by the terms of this Credit Agreement are required to be performed by it as an L/C Issuer and notifies the Administrative Agent of its Letter of Credit Commitment and Lending Office, for so long as such Initial L/C Issuer, Eligible Assignee or other Lender, as the case may be, shall have a Letter of Credit Commitment.

"L/C Obligations" means, as at any date of determination, the aggregate amount available to be drawn under all outstanding Letters of Credit plus the aggregate of all Unreimbursed Amounts, including all L/C Borrowings. For purposes of computing the amount available to be drawn under any Letter of Credit, the amount of such Letter of Credit shall be determined in accordance with Section 1.06. For all purposes of this Credit Agreement, if on any date of determination a Letter of Credit has expired by its terms but any amount may still be drawn thereunder by reason of the operation of Rule 3.14 of the ISP, such Letter of Credit shall be deemed to be "outstanding" in the amount so remaining available to be drawn.

"LCA Election" has the meaning given to such term in Section 1.10.

"LCA Test Date" has the meaning given to such term in Section 1.10.

"League" means (i) an organization governing, administering or regulating the participation of teams or participants in any professional sport, including the National Basketball Association, the National Hockey League and the Women's National Basketball Association and any minor league teams associated therewith, including, in each case, the Commissioner, management council, executive committee or similar governing body of each such organization and (ii) any entity through which each such organization conducts business or that may be formed generally by the member clubs of such organization.

"League Rules" means (a) the constitution and by-laws of each League, (b) the governing documents of each League, (c) all present and future rules, regulations, interpretations, memoranda, procedures, resolutions, directives, policies and guidelines of each League, (d) any agreements and arrangements to which the Company or any of its subsidiaries is (or after the Effective Date may become) subject or by which it or its assets are (or may become) bound with or in favor of any League, (e) any agreements and arrangements to which any League's teams generally are (or after the Effective Date may become) subject or by which they or their assets are (or may become) bound, in each case as such agreements or arrangements may be amended or adopted from time to time and including the custom and practice thereunder, including, but not limited to, League Rules relating to membership relocation, indebtedness and ownership transfers, territorial rights and limitations, the telecast or broadcast, by over-the-air television, non-broadcast television, radio or any other means, whether on a local, regional, national or international basis, of team games and the use of League or team logos, names or other intellectual property and (f) any conditions that the League may impose with respect to transactions in which the Teams may engage.

"League-wide Labor Controversy" means any Labor Controversy affecting any entire League involving Teams with respect to which the Company or any Restricted Subsidiaries has one or more Media Rights Agreements and/or Sports Telecast Rights Agreements.

"Leases" means those leases and subleases pursuant to which any of the Loan Parties has been granted or holds the right to use and occupy Real Property demised thereunder, together with all amendments, modifications, extensions, renewals and restatements thereof.

"Lenders" means the banks or other financial institutions which are parties hereto, as well as any Persons that become a "Lender" hereunder pursuant to Section 10.06 and, as the context requires, includes any Incremental Lender and Swing Line Lender, together with their respective successors and assigns.

"Lending Office" means, as to any Lender, the office or offices of such Lender described as such in such Lender's Administrative Questionnaire, or such other office or offices as a Lender may from time to time notify the Company and the Administrative Agent.

"Letter of Credit" means (i) any letter of credit issued hereunder and (ii) any Existing Letter of Credit issued by an issuer that is also a Lender hereunder. A Letter of Credit may be a Trade Letter of Credit or a Standby Letter of Credit.

"Letter of Credit Application" means an application and agreement for the issuance or amendment of a Letter of Credit in the form from time to time in use by an L/C Issuer.

"Letter of Credit Commitment" means, as to any L/C Issuer, (a) the amount set forth opposite such L/C Issuer's name on Schedule 2.01 under the caption "Letter of Credit Commitment" or (b) if such L/C Issuer has entered into one or more Assignment and Assumptions, the amount set forth for such L/C Issuer in the Register as such L/C Issuer's "Letter of Credit Commitment", as such amount may be reduced at or prior to such time pursuant to Section 2.06(a); provided that if any L/C Issuer shall become a Defaulting Lender, the Company may use its commercially reasonable efforts to reallocate the Letter of Credit Commitment of such Defaulting Lender among other Lenders; provided, further that if, after 20 Business Days of the Company attempting to reallocate such Letter of Credit Commitments (or such longer period as the Company may decide in its sole discretion), the Letter of Credit Commitments of such Defaulting Lender have not been fully reallocated among other Lenders, then at the option of the Company (which shall be exercised by a written notice thereof to the Administrative Agent), the Letter of Credit Commitment of each other L/C Issuer (but excluding any L/C Issuer who shall have only become an L/C Issuer as a result of the Company's reallocation efforts) that is not a Defaulting Lender shall be increased by a pro rata amount of the remaining unallocated amount of such Defaulted Lender's Letter of Credit Commitment, such that the aggregate Letter of Credit Commitments are not reduced as a result thereof, or the Company shall be permitted to replace such L/C Issuer in accordance with Section 10.12.

"Letter of Credit Expiration Date" means (1) initially, the day that is seven days prior to the Maturity Date then in effect for the Initial Revolving Credit Facility (or, if such day is not a Business Day, the next preceding Business Day) and (2) after the consummation of any Incremental Revolving Credit Facility with a Maturity Date that is later than the Maturity Date of the Initial Revolving Credit Facility, if an Incremental Revolving Credit Lender thereunder agrees to be an L/C Issuer and issue a Letter of Credit with a Letter of Credit Expiration Date that is the day that is seven days prior to the Maturity Date then in effect for the Revolving Credit Facility (or, if such day is not a Business Day, the next preceding Business Day) with the latest Maturity Date, the day that is seven days prior to the Maturity Date then in effect for the

Revolving Credit Facility (or, if such day is not a Business Day, the next preceding Business Day) with the latest Maturity Date.

"Letter of Credit Fee" has the meaning specified in Section 2.03(i).

"Letter of Credit Sublimit" means an amount equal to the lesser of (a) $35,000,000 and (b) the aggregate amount of the L/C Issuers' Letter of Credit Commitments at such time, as such amount may be reduced pursuant to Section 2.06(a). The Letter of Credit Sublimit is part of, and not in addition to, the Revolving Credit Facility.

"Liens" has the meaning given to such term in Section 7.16.

"Limited Condition Acquisition" means an acquisition (or similar material investment) by any Loan Party of any assets, business or Person permitted to be acquired by such Loan Party under the terms of this Credit Agreement, in each case the consummation of which is not conditioned on the availability of, or on obtaining, third-party financing.

"Liquidity" means at any time the sum of unrestricted cash and Cash Equivalents on the balance sheet of the Company and the unused commitments under the Revolving Credit Facility at such time.

"Loan" means an extension of credit by a Lender to the Company under Article II in the form of a Term Loan, a Revolving Credit Loan or a Swing Line Loan (including Incremental Loans, if any).

"Loan Documents" means, collectively, (a) this Credit Agreement, (b) the Notes, (c) the Collateral Documents, (d) the Fee Letters, (e) each Issuer Document, (f) each Incremental Supplement, if any and (g) solely for purposes of the Collateral Documents (including in the term "Obligations" as used in the definition of "Secured Obligations" in the Security Agreement and in the Intellectual Property Security Agreement) and Article IV hereof, each Secured Hedge Agreement and each Secured Cash Management Agreement.

"Loan Parties" means, collectively, the Company and each Guarantor.

"Mandatory Prepayment Disposition" has the meaning given to such term in Section 2.05(b)(i).

"Margin Stock" means "margin stock" as defined in Regulation U.

"Master Agreement" has the meaning specified in the definition of "Swap Contract."

"Master Subordinated Intercompany Note" means an intercompany note substantially in the form of Exhibit I.

"Material Adverse Effect" means a materially adverse effect upon (i) the property, business, assets, condition (financial or otherwise), liabilities or operations of the Company and its Restricted Subsidiaries taken as a whole on a combined basis in accordance

with GAAP, (ii) the Facility or Collateral (with respect to clauses (i) and (ii), other than changes resulting from industry wide developments affecting companies in similar businesses that do not have a disproportionate impact on the Company and its Restricted Subsidiaries, suspension of carriage during negotiation of Affiliation Agreements, or changes resulting from a League-wide Labor Controversy; provided that any Labor Controversy shall not, in and of itself, be deemed to constitute a Material Adverse Effect), (iii) the ability of the Company and the Restricted Subsidiaries taken as a whole to perform the Obligations hereunder, or (iv) the legality, validity, binding nature or enforceability of this Credit Agreement or any other Loan Document or the validity, perfection, priority or enforceability of the security interest created, or purported to be created, by the Security Agreement.

"Maturity Date" means (a) with respect to the Initial Facilities, October 11, 2024, (b) with respect to each Incremental Facility, the maturity date for such Incremental Facility set forth in the applicable Incremental Supplement (provided, that the maturity date of any Incremental Term Facility shall be subject to the provisions of Section 2.15(b)) and (c) with respect to Swing Line Loans, the latest Maturity Date of the Initial Revolving Credit Facility.

"Maximum Rate" has the meaning specified in Section 10.08.

"Measurement Period" means, as of each date of determination, the period of four consecutive fiscal quarters of the Company (or Parent, where applicable), then most recently ended for which financial statements are required to have been delivered by the Company pursuant to Section 7.01.

"Media Rights Agreement" means, with respect to the New York Knicks and the New York Rangers, each written telecast rights agreement made between the Company, on the one hand, and such Team, on the other hand, (a) pursuant to which the Company has been granted exclusive local telecast rights to exhibit games of such Team (as was originally required in the Existing Credit Agreement), as such Media Rights Agreement may be terminated, amended or otherwise modified in accordance with Section 7.21, (b) which has been pledged as Collateral, and (c) having a term that expires no earlier than 180 days after the latest Maturity Date (after giving effect to all then-completed extensions to such Media Rights Agreement).

"Merge" has the meaning specified in Section 7.23.

"Moody's" means Moody's Investors Service, Inc. and any successor thereto.

"MSG" means The Madison Square Garden Company, a Delaware corporation, or any other Person owning any Team owned by The Madison Square Garden Company on the Effective Date.

"MSGE" means Madison Square Garden Entertainment Corp., a Delaware corporation.

"MSG Form 10" means the Form 10, dated September 11, 2015, that MSG SpinCo filed with the SEC, as such filing has been amended, modified or otherwise supplemented prior to the Original Closing Date.

"MSG Spin Agreements" means the agreements listed on Schedule 1.01(f).

"MSG SpinCo" means MSG SpinCo, Inc., a Delaware corporation, which, in connection with the Spin-Off, will change its name to The Madison Square Garden Company.

"Multiemployer Plan" means a multiemployer plan as defined in Section 4001(a)(3) of ERISA.

"Net Cash Proceeds" means proceeds received by the Company or any of the Restricted Subsidiaries in cash as and when received from (x) any Disposition or the incurrence or issuance of Indebtedness of the Company or any of the Restricted Subsidiaries, in each case after deduction of (i) the costs of selling, recovery or other transaction expenses payable by the Company or any of the Restricted Subsidiaries in connection with obtaining such proceeds (including banking, professional or other fees, commissions, discounts and expenses, transfer and similar taxes incurred in connection with such Disposition, incurrence or issuance, and the Company's good faith reasonable estimate of any income, franchise, transfer or other tax liability and reserves for indemnification) arising from, such Disposition, incurrence or issuance and (ii) the principal amount of, and the premium or penalty, if any, plus the interest and other amounts on any Indebtedness that is secured by the applicable asset and that is required to be repaid by the terms of such Indebtedness (unless permitted by such terms to be reinvested) in connection with such transaction (other than Indebtedness under the Loan Documents) or (y) any casualty insurance or condemnation awards with respect to an Event of Loss, after deduction of (i) the costs of obtaining such award with respect to an Event of Loss (including fees and costs of experts, consultants and/or attorneys), and any income, franchise, transfer or other tax liability arising therefrom and (ii) the principal amount of, and the premium or penalty, if any, plus the interest and other amounts on any financing permitted under this Credit Agreement that is secured by the applicable assets and is required to be repaid by the terms of such Indebtedness (unless permitted by such terms to be reinvested) in connection with such Event of Loss. If any amount payable to the Company or any such Restricted Subsidiary in respect of any such incurrence or issuance shall be or become evidenced by any promissory note or other negotiable or non-negotiable instrument, the cash proceeds received on any such note or instrument shall constitute Net Cash Proceeds as and when received.

"Net Interest Expense" means, for any Measurement Period, the sum of (a) all interest expense, premium payments, debt discount, fees, charges and related expenses incurred in connection with (x) borrowed money (including capitalized interest) or (y) the deferred purchase price of assets, and in each case to the extent treated as interest in accordance with GAAP during such Measurement Period (including all interest paid or payable with respect to discontinued operations only to the extent the revenues and expenses of such operations are included in the Adjusted Operating Income) and (b) the portion of rent under Capitalized Lease Obligations that is treated as interest in accordance with GAAP during such Measurement Period, in the case of each of clauses (a) and (b), of the Holdings Entities, the Company and its Restricted Subsidiaries determined on a consolidated basis without duplication and in accordance with GAAP for the most recently completed Measurement Period; provided, however, that there shall be deducted from Net Interest Expense all interest income (without taking into account any interest income arising from intercompany Indebtedness between or among the Company (as lender) and the Parent and/or its direct and indirect equityholders (as

borrowers)) for such Measurement Period of the Holdings Entities, the Company and its Restricted Subsidiaries determined on a consolidated basis without duplication and in accordance with GAAP.

"Network Assets" means all assets of the Company and its Restricted Subsidiaries, including but not limited to the Affiliation Agreements, the Media Rights Agreements and the Sports Telecast Rights Agreements, used or necessary to the operation of the Network Business (other than the Excluded Assets under clauses (i) through (v) and (vii) through (ix) of the definition of Excluded Assets).

"Network Business" means the business of providing Program Services pursuant to the Affiliation Agreements.

"New Restricted Subsidiary" means any Unrestricted Subsidiary designated as a Restricted Subsidiary pursuant to Section 7.08(b) or any New Subsidiary who is required to become a Guarantor or Restricted Subsidiary pursuant to Section 7.10.

"New Subsidiary" means any Person which becomes a Subsidiary of the Company after the Effective Date.

"New York Fed" means the Federal Reserve Bank of New York.

"New York Fed Bank Rate" means, for any day, the greater of (a) the Federal Funds Effective Rate in effect on such day and (b) the Overnight Bank Funding Rate in effect on such day (or for any day that is not a Business Day, for the immediately preceding Business Day); provided that if both such rates are not so published for any day that is a Business Day, the term "New York Fed Bank Rate" means the rate quoted for such day for a federal funds transaction at 11:00 a.m. on such day received by the Administrative Agent from a Federal funds broker of recognized standing selected by it; provided, further, that if any of the aforesaid rates shall be less than zero, such rate shall be deemed to be zero for purposes of this Credit Agreement.

"Non-Defaulting Lender" means, at any time, each Lender that is not a Defaulting Lender at such time.

"Non-Extending Lender" has the meaning specified in Section 2.17(a).

"Non-Financial Entity" has the meaning specified in Section 10.06(b).

"Non-Required Consents" means the consent of any counterparty to a Contractual Obligation to the grant of a security interest in the agreement constituting the Contractual Obligation.

"Note" means Term Loan Note, a Revolving Credit Note, an Incremental Term Loan Note, if any, or an Incremental Revolving Credit Note, if any, as the context may require.

"Obligations" means all advances to, and debts, liabilities, obligations (but, with respect to any Guarantor at any time, excluding all Excluded Swap Obligations with respect to

such Guarantor at such time), covenants and duties of, any Loan Party arising under any Loan Document or otherwise with respect to any Loan or Letter of Credit, whether direct or indirect (including those acquired by assumption), absolute or contingent, due or to become due, now existing or hereafter arising and including interest and fees that accrue after the commencement by or against any Loan Party or any Restricted Subsidiary thereof of any proceeding under any Debtor Relief Laws naming such Person as the debtor in such proceeding, regardless of whether such interest and fees are allowed claims in such proceeding.

"Original Closing Date" means September 28, 2015.

"Other Connection Taxes" means, with respect to the Administrative Agent, any Lender or any L/C Issuer, Taxes imposed as a result of a present or former connection between such Administrative Agent, Lender or L/C Issuer and the jurisdiction imposing such Tax (other than connections arising from such Administrative Agent, Lender or L/C Issuer having executed, delivered, become a party to, performed its obligations under, received payments under, received or perfected a security interest under, engaged in any other transaction pursuant to or enforced any Loan Document, or sold or assigned an interest in any Loan or Loan Document).

"Other Taxes" means all present or future stamp, court or documentary taxes, intangible, recording, filing or similar Taxes that arise from any payment made under, from the execution, delivery, performance, enforcement or registration of, from the receipt or perfection of a security interest under, or otherwise with respect to, any Loan Document, except any such Taxes that are Other Connection Taxes imposed with respect to an assignment (other than an assignment made pursuant to Section 3.06(b)).

"Outstanding Amount" means (a) with respect to Term Loans, Revolving Credit Loans and Swing Line Loans on any date, the aggregate outstanding principal amount thereof after giving effect to any borrowings and prepayments or repayments of Term Loans, Revolving Credit Loans and Swing Line Loans, as the case may be, occurring on such date; and (b) with respect to any L/C Obligations on any date, the amount of such L/C Obligations on such date after giving effect to any L/C Credit Extension occurring on such date and any other changes in the aggregate amount of the L/C Obligations as of such date, including as a result of any reimbursements by the Company of Unreimbursed Amounts.

"Overnight Bank Funding Rate" means, for any day, the rate comprised of both overnight federal funds and overnight ~~Eurodollar borrowings~~eurodollar transactions denominated in Dollars by U.S.–managed banking offices of depository institutions (as such composite rate shall be determined by the New York Fed as set forth on its public website from time to time) and published on the next succeeding Business Day by the New York Fed as an overnight bank funding rate (from and after such date as the New York Fed shall commence to publish such composite rate).

"Parent" means MSG Networks Inc., a Delaware corporation or its successor.

"Parent Adjusted Operating Income" means for any period, the following for the Parent and its consolidated Subsidiaries for such period, each component determined on a consolidated basis in accordance with GAAP: (i) aggregate revenues, minus (ii) aggregate

operating expenses (including direct operating and selling, general administrative), such expenses to exclude impairments of property, equipment and intangible assets, depreciation and amortization and charges and credits relating to employee and director stock plans and restructuring charges and credits, and in each case without duplication to exclude expenses allocated to Parent Affiliates; provided, however, that for purposes of determining Parent Adjusted Operating Income for any period (A) there shall be included any dividends and distributions to the extent paid in cash by any Parent Affiliate to the Parent or any of its consolidated Subsidiaries to the extent such dividend or distribution relates to net income earned or cash realized from operating activities by such Parent Affiliate in the immediately preceding 12 month period, (B) there shall be excluded all management fees paid by any Parent Affiliate to the Parent or any of its consolidated Subsidiaries during such period other than any such amounts settled in cash to the extent not in excess of 5% of Parent Adjusted Operating Income as determined without including any such fees, (C) Parent Adjusted Operating Income for such period shall be increased or reduced, as the case may be, by the Parent Adjusted Operating Income of assets or businesses acquired or disposed of (provided that in each case it has an impact on Parent Adjusted Operating Income of at least $500,000) by the Parent or any of its consolidated Subsidiaries on or after the first day of such period, determined on a pro forma basis reasonably satisfactory to the Administrative Agent (it being agreed that it shall be satisfactory to the Administrative Agent that such pro forma calculations may be based upon GAAP as applied in the preparation of the financial statements for the Parent, delivered or deemed delivered pursuant to Section 7.01 rather than as applied in the financial statements of the company whose assets were acquired and may include, in the Parent's discretion, a reasonable estimate of savings under existing contracts resulting from any such acquisitions), as though the Parent or such consolidated Subsidiary acquired or disposed of such assets on the first day of such period, and (D) there shall be excluded any gains or losses on sales or dispositions of businesses by the Parent or any of its consolidated Subsidiaries. For purposes of this definition, operating revenues and operating expenses may exclude the following, provided that all exclusions for cash items (whether representing a cash item in the period in question or in a future period) shall be limited to an aggregate of $40,000,000 per year (the "Parent Annual Cash Basket Amount") and an aggregate of $75,000,000 during the entire term of the Facility (the "Parent Cash Basket Amount"): (1) provisions for severance obligations; (2) losses resulting from any write-off or write-down of Investments by the Parent or any of its consolidated Subsidiaries; (3) the effect of the loss of any currently held real estate tax exemptions; (4) costs and expenses incurred to implement the Spin-Off, (5) amortization of production and development costs associated with shows or other content or the costs resulting from the cancellation of shows or other content or abandonment of shows or other content under development or write-off of any deferred production costs associated with shows; (6) losses resulting from currency fluctuations and any unrealized losses from hedging transactions; (7) pension curtailment or settlements; (8) other non-recurring, non-cash items in excess of $1,000,000; and (9) changes to US GAAP that would cause a covenant default (provided that the Parent shall provide reconciliations to demonstrate compliance under previous US GAAP and the parties shall agree to negotiate in good faith to amend covenants accordingly). In the case of clauses (1) through (3) above only, if the expense is required to be recognized in one period but paid in whole or in part in subsequent periods and the expense, when aggregated with all other expenses described in clauses (1) through (9) above relating to such initial period, exceeds the Parent Annual Cash Basket Amount, (i) the expense in the period in which it is recognized shall

be limited, when aggregated with all other expenses described in clauses (1) through (9) above relating to such initial period, to the Parent Annual Cash Basket Amount, and (ii) the amount of expense in excess of the Parent Annual Cash Basket Amount may be recognized or considered an expense (for purposes of clause (ii) of this definition) in any subsequent period in which such excess amount is paid, subject in any event to the Parent Cash Basket Amount.

"Parent Affiliate" means an Affiliate of the Parent that is not a Subsidiary of the Parent.

"Parent Annual Cash Basket Amount" has the meaning specified in the definition of "Parent Adjusted Operating Income".

"Parent Cash Basket Amount" has the meaning specified in the definition of "Parent Adjusted Operating Income".

"Participant" has the meaning given to such term in Section 10.06(d).

"Participant Register" has the meaning given to such term in Section 10.06(d).

"Payment" has the meaning set forth in Section 9.13(a).

"Payment Notice" has the meaning set forth in Section 9.13(b).

"PBGC" means the Pension Benefit Guaranty Corporation or any entity succeeding to any or all of its functions under ERISA.

"Permitted Investments" means (a) Investments in cash and Cash Equivalents; (b) accounts receivable arising in the ordinary course of business, (c) accounts receivable owing to the Company or any Restricted Subsidiary from any Unrestricted Subsidiary for management or other services or other overhead or shared expenses allocated in the ordinary course of business provided by the Company or any Restricted Subsidiary to such Unrestricted Subsidiary, (d) any Investment constituting Indebtedness permitted under Section 7.14(v), Guarantees permitted under Section 7.15, Restricted Payments permitted under Section 7.18, or any sale, transfer, license, lease or other disposition (including any sale and leaseback transaction) that is not a Disposition or that is a Disposition permitted under Section 7.24, (e) any Investment constituting a Permitted Parent Payment, (f) any Permitted Restricted Subsidiary Transaction, (g) Investments in existence as of the Effective Date and set forth on Schedule 6.15, (h) Investments received in settlement of overdue amounts or amounts owed by a Person that is insolvent or distributions in insolvency proceedings of any such Person or received by foreclosure or enforcement of any Lien in favor of the Company or any Restricted Subsidiary, (i) any Investment under any of the Cablevision Spin Agreements and the MSG Spin Agreements, (j) Investments consisting of advances, deposits or deferred compensation to (i) announcers, broadcasters, on-air talent, promoters, producers or other third parties in connection with the development, booking, production, broadcast, promotion, execution, staging or presentations of shows, events or other entertainment activities or related merchandising, concessions or licensing, or (ii) holders of rights to content or intellectual property in connection with the development, broadcast, distribution or license of content or underlying intellectual property, (k) Investments in one or more Unrestricted Subsidiaries, Excluded Subsidiaries or

joint ventures; provided that the aggregate amount of all such Investments, when combined with the aggregate amount of Guarantees permitted pursuant to Section 7.15(xii), does not exceed the greater of (A) $105,000,000 and (B) 30% of Adjusted Operating Income for the most recently completed four fiscal quarter period for which financial statements were required to have been delivered pursuant to Section 7.01, (l) advances of payroll payments to employees in the ordinary course of business, and (m) Investments consisting of notes, other similar instruments or non-cash consideration received in connection with any disposition not prohibited by Section 7.24.

"Permitted Liens" means, with respect to any Person: (i) (A) pledges or deposits of cash to secure obligations of such Person under workers' compensation laws, unemployment insurance laws or similar legislation, or (B) good faith deposits in connection with bids, tenders, contracts (other than for the payment of Indebtedness) or Leases to which such Person is a party, or (C) deposits of cash to secure public or statutory obligations of such Person or (D) deposits of cash or U.S. Government bonds to secure surety or appeal bonds to which such Person is a party, or (E) deposits as security for contested taxes or import, customs or similar duties or for the payment of rent or royalties; (ii) Liens imposed by law, such as carriers', warehousemen's and mechanics' Liens, setoff and recoupment rights or other Liens arising out of judgments or awards against such Person with respect to which such Person shall then be prosecuting appeal or other proceedings for review (and as to which all foreclosures and other enforcement proceedings shall have been fully bonded or otherwise effectively stayed); (iii) Liens for (x) Taxes (other than property taxes), assessments, charges or other governmental levies not overdue by more than 30 days or which if more than 30 days overdue, (1) the period of grace, if any, related thereto has not expired or which are being contested in good faith by appropriate proceeding (provided that a reserve or other appropriate provision shall have been made therefor as appropriate in accordance with GAAP) or (2) the aggregate principal outstanding amount of the obligations secured thereby does not exceed $5,000,000, and (y) property taxes not yet subject to penalties for non-payment or which are being contested in good faith and by appropriate proceedings (and as to which all foreclosures and other enforcement proceedings shall have been fully bonded or otherwise effectively stayed); (iv) Liens in favor of issuers of performance bonds issued pursuant to the request of and for the account of such Person in the ordinary course of its business; (v) minor survey exceptions, minor encumbrances, easements or reservations of, or rights of others for rights of way, sewers, electric lines, telegraph and telephone lines and other similar purposes, or zoning or other restrictions as to the use of real properties or Liens incidental to the conduct of the business of such Person or to the ownership of its properties which were not incurred in connection with Indebtedness or other extensions of credit and which do not in the aggregate materially detract from the value of said properties or materially impair their use in the operation of the business of such Person; (vi) Liens on cash created in the ordinary course of business and customary in the Business consisting of pledges to, deposits with or advances to announcers, broadcasters, on-air talent, promoters, producers or other third parties in connection with the development, booking, production, broadcast, promotion, execution, staging or presentations of shows, events or other entertainment activities or related merchandising, concessions or licensing; (vii) Liens on cash created in the ordinary course of business and customary in the Business consisting of obligations to pay advances, deposits or deferred compensation to the holders of rights to content or intellectual property in connection with the development, broadcast, distribution or license of content or underlying intellectual property; or (viii) Liens created in the ordinary course of business and customary in

the relevant industry securing obligations of any of the Company and its Restricted Subsidiaries not to exceed, in the aggregate, the greater of (A) $35,000,000 and (B) 10% of Adjusted Operating Income for the most recently completed four fiscal quarter period for which financial statements were required to have been delivered pursuant to Section 7.01.

"Permitted Parent Payments" means (a) payments consisting of the issuance of common equity interests in the Company, (b) payments sufficient to permit Parent to pay dividends unpaid to equity holders of Parent but declared within the 60 days preceding such payment and permitted to be paid under this Credit Agreement at time of such declaration, (c) tax payments under customary intercompany tax sharing arrangements for payment, not to exceed the lesser of (x) the amount of taxes that would have been paid by the Company had the Company been a taxpayer and (y) the amount of taxes actually owed by Parent as a result of its ownership of the Company, (d) payments under equity and other compensation incentive programs to employees and directors of the Company or any of its current or former Affiliates in the ordinary course of business; provided that, in the case of employees or directors of former Affiliates, such payments relate to awards granted prior to the consummation of the Spin-Off, (e) payment of overhead of Parent (including the salaries, bonuses, and incentive and other compensation payable to officers and employees of Parent), directors' fees and other out of pocket fees, costs, expenses and indemnities incurred by Parent on behalf of or in managing the business of the Company or any of its Restricted Subsidiaries, or otherwise in connection with Parent's status as a public company and a parent holding company; and (f) payments due and payable under the Cablevision Spin Agreements and the MSG Spin Agreements.

"Permitted Restricted Subsidiary Transaction" means any transaction by which any Restricted Subsidiary shall (i) pay dividends or make any distribution on its capital stock or other equity securities or pay any of its Indebtedness owed to the Company or any other Restricted Subsidiaries, (ii) make any loans or advances to the Company or any other Restricted Subsidiaries or (iii) transfer any of its properties or assets to, merge or consolidate with or into, or liquidate or dissolve into the Company or any other Restricted Subsidiaries; provided that if the Restricted Subsidiary making such payment, loan, advance or transfer is a Guarantor, then the Restricted Subsidiary receiving the same shall be the Company or a Guarantor as well.

"Person" means any natural person, corporation, limited liability company, trust, joint venture, association, company, partnership, Governmental Authority or other entity.

"Plan" means, at any time, an employee pension benefit plan (other than a Multiemployer Plan) which is covered by Title IV of ERISA or subject to the minimum funding standards under Section 412 of the Code and is maintained by the Company or an ERISA Affiliate.

"Plan Asset Regulations" means 29 CFR § 2510.3-101 et seq., as modified by Section 3(42) of ERISA, as amended from time to time.

"Pledged Account" means a deposit account subject to a Deposit Account Control Agreement or a securities account that is the subject of a Securities Account Control Agreement.

"Pledged Equity Interests" has the meaning given to such term in the Security Agreement.

"Prime Rate" means a rate set by the Administrative Agent based upon various factors including JPMorgan's costs and desired return, general economic conditions and other factors, and is used as a reference point for pricing some loans, which may be priced at, above, or below such announced rate. Any change in such rate announced by JPMorgan shall take effect at the opening of business on the day specified in the public announcement of such change.

"Proceedings" has the meaning given to such term in Section 7.01(g).

"Program Services" means, collectively, the program services currently known as MSG, MSG Plus, MSG HD and MSG Plus HD and all substitutions, replacements, extensions and expansions thereof and "Program Service" means any of them.

"Prohibited Transaction" means a transaction that is prohibited under Section 4975 of the Code or Section 406 of ERISA and not exempt under Section 4975 of the Code or Section 408 of ERISA.

"PTE" means a prohibited transaction class exemption issued by the U.S. Department of Labor, as any such exemption may be amended from time to time.

"Public Lender" has the meaning given to such term in Section 7.01.

"QFC" has the meaning given to the term "qualified financial contract" in, and shall be interpreted in accordance with, 12 U.S.C. § 5390(c)(8)(D).

"QFC Credit Support" has the meaning given to the term in Section 10.23.

"Qualified ECP Guarantor" means, in respect of any Swap Obligation, each Loan Party that has total assets exceeding $10,000,000 at the time the relevant Guarantee or grant of the relevant security interest becomes effective with respect to such Swap Obligation or such other person as constitutes an "eligible contract participant" under the Commodity Exchange Act or any regulations promulgated thereunder and can cause another person to qualify as an "eligible contract participant" at such time by entering into a keepwell under Section la(l8)(A)(v)(II) of the Commodity Exchange Act.

"Quarter" means a fiscal quarterly period of the Company.

"Real Property" means all real property and all rights benefiting such real property, specifically including (without intending to limit the generality of the foregoing) the following, whether now or hereafter existing, except to the extent that any of the following or the foregoing constitutes personal property relating primarily to, pertaining primarily to, used primarily in, or necessary for, the Network Business including, without limitation, the Related Documents (1) all buildings, structures and other improvements erected or located on such real property (collectively, the "Real Property Improvements"); (2) all easements, rights-of-way or use, air rights and development rights, and other estates, right, title, interest, privileges and

appurtenances of any nature whatsoever, in any way belonging, relating or pertaining to or benefiting such real property or the Improvements (collectively, the "Real Property Other Interests"); (3) fixtures located in or upon such real property, Real Property Improvements or Real Property Other Interests; (4) all leases, subleases, licenses, concessions or other agreements with respect to all or any portion of such real property, Real Property Improvements or Real Property Other Interests, and all other rights, powers, privileges, options and benefits thereunder; (5) all agreements, contracts, certificates, permits, approvals, guaranties, supporting obligations, warranties, instruments, plans, specifications and other records and documents with respect to all or any part of such real property, Real Property Improvements or Real Property Other Interests, and all rights, powers, privileges, options and benefits thereunder; (6) all rights to appear in and defend, and to commence, any action or proceeding with respect to all or any portion of such real property, Real Property Improvements or Real Property Other Interests; (7) all right, title and interest in or to (i) insurance proceeds, (ii) all awards with by reason of any condemnation, eminent domain or other taking (or any disposition made in lieu thereof) of all or any portion of such real property, Real Property Improvements or Real Property Other Interests (in the case of such Real Property Other Interests, excluding any personal property not constituting (x) licenses or (y) rights of ingress or egress), or (iii) any causes of action, awards, damages, claims, payments, proceeds and other compensation, rights, benefits, and advantages on account of any other event with respect to all or any portion of such real property, Real Property Improvements or Real Property Other Interests (in the case of such Real Property Other Interests, excluding any personal property not constituting (x) licenses or (y) rights of ingress or egress); and (8) all refunds, rebates, reimbursements, reserves, deferred payments, deposits, cost savings, credits, waivers and payments, whether in cash or in kind, due or payable by any governmental or quasi-governmental entity or any insurance or utility company relating to or arising out of such real property, Real Property Improvements or Real Property Other Interests, or in connection with any taxes, assessments, charges or levies with respect to such real property, Real Property Improvements or Real Property Other Interests.

"Receipts" means cash, cash equivalents, funds, instruments, securities, securities entitlements, financial assets, and other similar items or property.

"Reduction Amount" has the meaning set forth in Section 2.05(b)(iv).

"Reference Time" with respect to any setting of the then-current Benchmark means (1) if such Benchmark is the Term SOFR Rate, 5:00 a.m. (Chicago time) on the day that is two U.S. Government Securities Business Days preceding the date of such setting, (2) if such Benchmark is Daily Simple SOFR, then four Business Days prior to such setting or (3) if such Benchmark is none of the Term SOFR Rate or Daily Simple SOFR, the time determined by the Administrative Agent in its reasonable discretion.

"Refinancing" has the meaning given to such term in Section 7.09.

"Register" has the meaning given to such term in Section 10.06(c).

"Registered Public Accounting Firm" has the meaning specified by the Securities Laws and shall be independent of the Company as prescribed by the Securities Laws.

"Regulation U" means Regulation U of the Board of Governors of the Federal Reserve System as the same may be amended or supplemented from time to time.

"Related Documents" means all Affiliation Agreements, Sports Telecast Rights Agreements and Media Rights Agreements.

"Related Parties" means, with respect to any Person, such Person's Affiliates and the partners, directors, officers, employees, agents and advisors of such Person and of such Person's Affiliates.

"Relevant Governmental Body" means the Federal Reserve Board and/or the New York Fed, or a committee officially endorsed or convened by the Federal Reserve Board and/or the New York Fed or, in each case, any successor thereto.

"Removal Effective Date" has the meaning specified in Section 9.06(b).

"Replacement Lender" has the meaning specified in Section 2.17(c).

"Reportable Event" means (i) any of the events set forth in Section 4043(c) (other than a Reportable Event as to which the provision of 30 days' notice to the PBGC is waived).

"Request for Credit Extension" means (a) with respect to a Borrowing, conversion or continuation of Term Loans or Revolving Credit Loans, a Committed Loan Notice, (b) with respect to an L/C Credit Extension, a Letter of Credit Application, and (c) with respect to a Swing Line Loan, a Swing Line Loan Notice.

"Required Lenders" means, as of any date of determination, Lenders holding more than 50% of the sum of the (a) Total Outstandings (with the aggregate amount of each Lender's risk participation, funded participation in L/C Obligations and Swing Line Loans being deemed "held" by such Lender for purposes of this definition) and (b) aggregate unused Commitments; provided that the unused Commitment of, and the portion of the Total Outstandings held or deemed held by, any Defaulting Lender shall be excluded for purposes of making a determination of Required Lenders.

"Required Revolver Lenders" means, as of any date of determination, Lenders holding more than 50% of the sum of the (a) the Total Revolving Credit Outstandings (with the aggregate amount of each Revolving Credit Lender's risk participation and funded participation in L/C Obligations being deemed "held" by such Revolving Credit Lender for purposes of this definition), and (b) aggregate unused Revolving Credit Commitments; provided that the unused Revolving Credit Commitment of, and the portion of the Total Revolving Credit Outstandings held or deemed held by, any Defaulting Lender shall be excluded for purposes of making a determination of Required Revolver Lenders.

"Resolution Authority" means any body which has authority to exercise any Write-Down and Conversion Powers, including any EEA Resolution Authority.

"Response Date" has the meaning specified in Section 2.17(a).

"Restricted Payments" means direct or indirect distributions, dividends or other payments by the Company or any Restricted Subsidiary on account of (including, without limitation, sinking fund or other payments on account of the redemption, retirement, purchase or acquisition of) any general or limited partnership or joint venture interest in, or any capital stock of, the Company or such Restricted Subsidiary, as the case may be (whether made in cash, property or other obligations), other than any such distributions, dividends and other payments made by a Restricted Subsidiary to the Company or a Guarantor in respect of such interest in or stock of the former held by the latter.

"Restricted Subsidiaries" means the Persons set forth on Schedule 6.02(i) and any New Restricted Subsidiary, provided that any Restricted Subsidiary designated as an Unrestricted Subsidiary pursuant to and in compliance with Section 7.08(a) shall cease to be a Restricted Subsidiary.

"Revolving Credit Borrowing" means a borrowing consisting of simultaneous Revolving Credit Loans of the same Type and, in the case of ~~Eurodollar Rate~~Term Benchmark Loans, having the same Interest Period made by each of the Revolving Credit Lenders pursuant to Section 2.01, including any Incremental Revolving Credit Borrowing.

"Revolving Credit Commitment" means, as to each Revolving Credit Lender, its obligation to (a) make Revolving Credit Loans to the Company pursuant to Section 2.01, and (b) purchase participations in L/C Obligations, in an aggregate principal amount at any one time outstanding not to exceed the amount set forth opposite such Lender's name on Schedule 2.01 under the caption "Revolving Credit Commitment" or opposite such caption in the Assignment and Assumption pursuant to which such Lender becomes a party hereto, as applicable, as such amount may be adjusted from time to time in accordance with this Credit Agreement, including any Incremental Revolving Credit Commitment.

"Revolving Credit Exposure" means, as to any Revolving Credit Lender at any time, the aggregate principal amount at such time of its outstanding Revolving Credit Loans and such Revolving Credit Lender's participation in L/C Obligations and Swing Line Loans at such time.

"Revolving Credit Facility" means the Initial Revolving Credit Facility, an Incremental Revolving Credit Facility or, collectively, the Initial Revolving Credit Facility and the Incremental Revolving Credit Facilities, as the context may require.

"Revolving Credit Lender" means, at any time, any Lender that has a Revolving Credit Commitment at such time, including any Incremental Revolving Credit Lender.

"Revolving Credit Loan" has the meaning specified in Section 2.01(b) and shall include any Incremental Revolving Credit Loan.

"Revolving Credit Note" means a promissory note made by the Company in favor of a Revolving Credit Lender evidencing Revolving Credit Loans made by such Revolving Credit Lender under the Initial Revolving Credit Facility, substantially in the form of Exhibit B-1.

"S&P" means Standard & Poor's Ratings Services, a division of The McGraw-Hill Companies, Inc., and any successor thereto.

"Sanctioned Country" means, at any time, a country or territory which is the target of any Sanctions.

"Sanctioned Person" means, at any time, (a) any Person listed in any Sanctions-related list of designated Persons maintained by the Office of Foreign Assets Control of the U.S. Department of the Treasury, the U.S. Department of State, or by the United Nations Security Council, the European Union or any EU member state, (b) any Person organized under the laws of or resident in a Sanctioned Country, (c) any Person 50% or more owned or controlled by any such Person, or (d) any Person otherwise the target of any Sanctions.

"Sanctions" means all economic or financial sanctions or trade embargoes imposed, administered or enforced from time to time by the Office of Foreign Assets Control of the U.S. Department of the Treasury, the U.S. Department of State, the United Nations Security Council, the European Union, Her Majesty's Treasury of the United Kingdom or other relevant sanctions authority.

"Sarbanes-Oxley" means the Sarbanes-Oxley Act of 2002.

"SEC" means the Securities and Exchange Commission, or any Governmental Authority succeeding to any of its principal functions.

"Secured Cash Management Agreement" means any Cash Management Agreement that is entered into by and between any Loan Party and any Cash Management Bank and which provides by its terms that it is intended to be secured as an Obligation hereunder.

"Secured Hedge Agreement" means any Swap Contract permitted under Article VII that is entered into by and between the Company and any Hedge Bank and which provides by its terms that (x) it is intended to be secured as an Obligation hereunder and (y) the counterparty to such agreement has expressly agreed to be bound by the provisions of Article IX as if it were a Lender.

"Secured Parties" means, collectively, the Administrative Agent, the Lenders, the L/C Issuers, the Hedge Banks, the Cash Management Banks, each co-agent or sub-agent appointed by the Administrative Agent from time to time pursuant to Section 9.05, and the other Persons the Obligations owing to which are or are stated to be secured by the Collateral under the terms of the Collateral Documents.

"Securities Account Control Agreement" means an agreement, substantially in the form attached as Exhibit F to the Security Agreement or otherwise reasonably satisfactory to the Administrative Agent, among the Company or a Guarantor, a financial institution holding certain securities of the Company or such Guarantor, and the Administrative Agent with respect to collection and control of securities held in a securities account maintained by the Company or such Guarantor.

"Securities Laws" means the Securities Act of 1933, the Securities Exchange Act of 1934, Sarbanes-Oxley, and the applicable accounting and auditing principles, rules, standards and practices promulgated, approved or incorporated by the SEC or the Public Company Accounting Oversight Board.

"Security Agreement" means that certain Security Agreement, dated as of September 28, 2015, made by and among the Company, the other Loan Parties and the Collateral Agent, as amended, supplemented or otherwise modified from time to time in accordance with the terms of this Credit Agreement.

"Security Agreement Supplement" has the meaning specified in Section 22(b) of the Security Agreement.

"SOFR" means a rate equal to the secured overnight financing rate as administered by the SOFR Administrator.

"SOFR Administrator" means the New York Fed (or a successor administrator of the secured overnight financing rate).

"SOFR Administrator's Website" means the New York Fed's website, currently at http://www.newyorkfed.org, or any successor source for the secured overnight financing rate identified as such by the SOFR Administrator from time to time.

"SOFR Determination Date" has the meaning specified in the definition of "Daily Simple SOFR".

"SOFR Rate Day" has the meaning specified in the definition of "Daily Simple SOFR".

"Solvent" and "Solvency" mean, with respect to any Person on any date of determination, that on such date (a) the fair value of the property of such Person is greater than the total amount of liabilities, including contingent liabilities, of such Person, (b) the present fair salable value of the assets of such Person is not less than the amount that will be required to pay the probable liability of such Person on its debts as they become absolute and matured, (c) such Person does not intend to, and does not believe that it will, incur debts or liabilities beyond such Person's ability to pay such debts and liabilities as they mature, and (d) such Person is not engaged in business or a transaction, and is not about to engage in business or a transaction, for which such Person's property would constitute an unreasonably small capital. The amount of contingent liabilities at any time shall be computed as the amount that, in the light of all the facts and circumstances existing at such time, represents the amount that can reasonably be expected to become an actual or matured liability.

"Solvency Certificate" means a certificate of a senior financial executive of the Company in form and substance satisfactory to the Administrative Agent in its sole discretion.

"SPC" has the meaning specified in Section 10.06(h).

"Specified Event of Default" means any Event of Default under Section 8.01(b), (g) or (h).

"Specified Transaction" means any acquisition or disposition of an asset or business by the Company or any of its Restricted Subsidiaries, in each case only to the extent that such acquisition or disposition has the effect of increasing or decreasing the Company's Adjusted Operating Income by at least $500,000 when such acquisition or disposition is given full pro forma effect for the most recently completed Measurement Period, assuming that such acquisition or disposition had occurred on the first day of such Measurement Period.

"Spin-Off" means a series of transactions in which the entertainment and sports businesses were contributed to MSG SpinCo and the interests in MSG SpinCo were then distributed through a series of transactions to the Parent and then distributed by the Parent to its then existing shareholders, on substantially the same terms and subject to the conditions described in the MSG Form 10 (with any differences not being, in the aggregate, materially adverse to the interests of the Lenders).

"Sports Telecast Rights Agreements" means the agreements listed on Schedule 1.01(d) and all other existing and future agreements of the Company or any Restricted Subsidiary for the exhibition by the Program Services of live games of the New York Islanders, New Jersey Devils, Buffalo Sabres or any other Major League Baseball, National Basketball Association (other than the New York Knicks), National Hockey League (other than the New York Rangers) or National Football League team.

"Spot Rate" has the meaning specified in Section 1.07.

"Standby Letter of Credit" means any Letter of Credit issued hereunder, other than a Trade Letter of Credit.

"Subsidiary" of a Person means a corporation, partnership, joint venture, limited liability company or other business entity of which a majority of the shares or securities or other interests having ordinary voting power for the election of directors or other governing body (other than securities or interests having such power only by reason of the happening of a contingency) are at the time beneficially owned, or the management of which is otherwise controlled, directly, or indirectly through one or more intermediaries, or both, by such Person. Unless otherwise specified, all references herein to a "Subsidiary" or to "Subsidiaries" shall refer to a Subsidiary or Subsidiaries of the Company.

"Subsidiary Redesignation" has the meaning specified in Section 7.08(b).

"Supplemental Collateral Documents" means Security Agreement Supplements, Intellectual Property Security Agreement Supplements and other security and pledge agreements securing payment of the Obligations of a newly-formed or newly-acquired Guarantor under the Loan Documents and constituting Liens as required pursuant to the terms of Section 7.10, in each case covering the types of property constituting Collateral, subject to exclusions for Excluded Assets.

"Supported QFC" has the meaning given to the term in Section 10.23.

"Swap Contract" means (a) any and all rate swap transactions, basis swaps, credit derivative transactions, forward rate transactions, commodity swaps, commodity options, forward commodity contracts, equity or equity index swaps or options, bond or bond price or bond index swaps or options or forward bond or forward bond price or forward bond index transactions, interest rate options, forward foreign exchange transactions, cap transactions, floor transactions, collar transactions, currency swap transactions, cross-currency rate swap transactions, currency options, spot contracts, or any other similar transactions or any combination of any of the foregoing (including any options to enter into any of the foregoing), whether or not any such transaction is governed by or subject to any master agreement, and (b) any and all transactions of any kind, and the related confirmations, which are subject to the terms and conditions of, or governed by, any form of master agreement published by the International Swaps and Derivatives Association, Inc., any International Foreign Exchange Master Agreement, or any other master agreement (any such master agreement, together with any related schedules, a "Master Agreement"), including any such obligations or liabilities under any Master Agreement.

"Swap Obligation" means, with respect to any Guarantor, any obligation to pay or perform under any agreement, contract or transaction that constitutes a "swap" within the meaning of section 1a(47) of the Commodity Exchange Act.

"Swing Line Borrowing" means a borrowing of a Swing Line Loan pursuant to Section 2.04.

"Swing Line Lender" means JPMorgan in its capacity as provider of Swing Line Loans, or any successor swing line lender hereunder.

"Swing Line Loan" has the meaning specified in Section 2.04(a).

"Swing Line Loan Notice" means a notice of a Swing Line Borrowing pursuant to Section 2.04(b) which, if in writing, shall be substantially in the form of Exhibit A-2.

"Swing Line Sublimit" means an amount equal to the lesser of (a) $15,000,000 and (b) the Revolving Credit Facility. The Swing Line Sublimit is part of, and not in addition to, the Revolving Credit Facility.

"Taxes" means all present or future taxes, levies, imposts, duties, deductions, withholdings (including backup withholding), assessments, fees, or other charges imposed by any Governmental Authority, including any interest, additions to tax or penalties applicable thereto.

"Teams" means a member club or team of any League, including The New York Knicks, The New York Rangers, The New York Liberty, the Westchester Knicks and The Hartford Wolf Pack.

"Term Benchmark" when used in reference to any Loan or Borrowing, refers to whether such Loan, or the Loans comprising such Borrowing, are bearing interest at a rate

determined by reference to the Adjusted Term SOFR Rate, other than pursuant to clause (c) of the definition of "Alternate Base Rate".

"Term Benchmark Loan" means a Term Loan or a Revolving Credit Loan that bears interest at a rate determined by reference to the Adjusted Term SOFR Rate, other than pursuant to clause (c) of the definition of "Alternate Base Rate".

"Term Borrowing" means a borrowing consisting of simultaneous Term Loans of the same type and, in the case of ~~Eurodollar Rate~~Term Benchmark Loans, having the same Interest Period made by each of the Term Lenders pursuant to Section 2.01(a), including any Incremental Term Borrowing.

"Term Commitment" means, as to each Term Lender, its obligation to make Term Loans to the Company pursuant to Section 2.01, as such amount may be adjusted from time to time in accordance with this Credit Agreement, including any Incremental Term Commitment.

"Term Facility" means the Initial Term Facility, an Incremental Term Facility or, collectively, the Initial Term Facility and the Incremental Term Facilities, as the context may require.

"Term Lender" means, (a) at any time on or prior to the Effective Date, any Lender that has a Term Commitment at such time and (b) at any time after the Effective Date, any Lender that holds Term Loans at such time.

"Term Loan" means an advance made by any Term Lender under any Term Facility and shall include any Incremental Term Loan.

"Term Loan Note" means a promissory note made by the Company in favor of a Term Lender evidencing Term Loans made by such Term Lender under the Initial Term Facility, substantially in the form of Exhibit B-3.

"Term SOFR Determination Day" has the meaning assigned to it under the definition of Term SOFR Reference Rate.

"Term SOFR Rate" means, with respect to any Term Benchmark Borrowing and for any tenor comparable to the applicable Interest Period, the Term SOFR Reference Rate at approximately 5:00 a.m., Chicago time, two U.S. Government Securities Business Days prior to the commencement of such tenor comparable to the applicable Interest Period, as such rate is published by the CME Term SOFR Administrator.

"Term SOFR Reference Rate" means, for any day and time (such day, the "Term SOFR Determination Day"), with respect to any Term Benchmark Borrowing and for any tenor comparable to the applicable Interest Period, the rate per annum published by the CME Term SOFR Administrator and identified by the Administrative Agent as the forward-looking term rate based on SOFR. If by 5:00 pm on such Term SOFR Determination Day, the "Term SOFR Reference Rate" for the applicable tenor has not been published by the CME Term SOFR Administrator and a Benchmark Replacement Date with respect to the Term SOFR Rate has not occurred, then, so long as such day is otherwise a U.S. Government Securities Business Day, the

Term SOFR Reference Rate for such Term SOFR Determination Day will be the Term SOFR Reference Rate as published in respect of the first preceding U.S. Government Securities Business Day for which such Term SOFR Reference Rate was published by the CME Term SOFR Administrator, so long as such first preceding U.S. Government Securities Business Day is not more than five (5) U.S. Government Securities Business Days prior to such Term SOFR Determination Day.

"Termination Event" means (i) a Reportable Event, (ii) the termination of a Plan, or the filing of a notice of intent to terminate a Plan, or the treatment of a Plan amendment as a termination under Section 4041(c) of ERISA, (iii) the institution of proceedings to terminate a Plan under Section 4042 of ERISA or (iv) the appointment of a trustee to administer any Plan under Section 4042 of ERISA.

"Total Leverage Ratio" means, at any date of determination, the ratio of Consolidated Net Indebtedness at such date to Adjusted Operating Income of the Company and its Restricted Subsidiaries for the most recently completed Measurement Period. Notwithstanding the foregoing, for purposes of calculating the Total Leverage Ratio, there shall be excluded from Indebtedness, to the extent otherwise included as Indebtedness, (A) any deferred or contingent obligation of the Company to pay the consideration for an Investment not prohibited by Section 7.17; (B) any deferred purchase price in connection with any acquisition not prohibited by Section 7.17; (C) all obligations under any Swap Contract; and (D) all obligations under any Guarantee not prohibited by Section 7.15; in each of clauses (A), (B) and (D) above, such exclusion to apply only to the extent that such obligation can be satisfied with the delivery of common stock of the Parent or other common equity interests of the Parent (and the Company hereby covenants and agrees that such obligation shall be satisfied solely by the delivery of such common stock or other common equity interests).

"Total Outstandings" means the aggregate Outstanding Amount of all Loans and all L/C Obligations.

"Total Revolving Credit Outstandings" means the aggregate Outstanding Amount of all Revolving Credit Loans, Swing Line Loans and L/C Obligations.

"Trade Letter of Credit" means any Letter of Credit issued hereunder for the benefit of a supplier of inventory to the Company or any of its Subsidiaries to effect payment for such inventory.

"Transactions" means, collectively, (a) the entering into by the Loan Parties and their applicable Subsidiaries of the Loan Documents to which they are or are intended to be a party, (b) the payment of all fees and expenses incurred in connection with the Loan Documents and (c) the Refinancing.

"Type" means, ~~with respect to a Loan, its character as a Base Rate Loan or a Eurodollar~~when used in reference to any Loan or Borrowing, refers to whether the rate of interest on such Loan, or on the Loans comprising such Borrowing, is determined by reference to the Adjusted Term SOFR Rate or the Alternate Base Rate, other than pursuant to clause (c) of the definition of "Alternate Base Rate ~~Loan~~".

"UCP" means the Uniform Customs and Practice for Documentary Credits, 2007 revision, International Chamber of Commerce Publication No. 600, as the same may be amended and in effect from time to time.

"UK Bail-In Legislation" means (to the extent the United Kingdom is not an EEA Member Country which has implemented, or implements, Article 55 BRRD) Part I of the United Kingdom Banking Act 2009 and any other law or regulation applicable to the United Kingdom relating to the resolution of unsound or failing banks, investment firms or other financial institutions or their affiliates (otherwise than through liquidation, administration of other insolvency proceedings).

"United States Person" means a corporation, partnership or other entity created, organized or incorporated under the laws of the United States of America or a State thereof (including the District of Columbia).

"Unreimbursed Amount" has the meaning specified in Section 2.03(c)(i).

"Unrestricted Subsidiaries" means the Persons set forth on Schedule 6.02(ii) and any Subsidiary of the Company designated by the Company as an Unrestricted Subsidiary pursuant to and in compliance with Section 7.08.

"U.S. Government Securities Business Day" means any day except for (i) a Saturday, (ii) a Sunday or (iii) a day on which the Securities Industry and Financial Markets Association recommends that the fixed income departments of its members be closed for the entire day for purposes of trading in United States government securities.

"U.S. Special Resolution Regimes" has the meaning assigned to it in Section 10.23.

"Write-Down and Conversion Powers" means:

(a) with respect to any Bail-In Legislation described in the EU Bail-In Legislation Schedule from time to time, the powers described as such in relation to that Bail-In Legislation in the EU Bail-In Legislation Schedule;

(b) in relation to any UK Bail-In Legislation:

(i) any powers under that UK Bail-In Legislation to cancel, transfer or dilute shares issued by a Person that is a bank or investment firm or other financial institution or affiliate of a bank, investment firm or other financial institution, to cancel, reduce, modify or change the form of a liability of such a Person or any contract or instrument under which that liability arises, to convert all or part of that liability into shares, securities or obligations of that Person or any other Person, to provide that any such contract or instrument is to have effect as if a right had been exercised under it or to suspend any obligation in respect of that liability or any of the powers under that UK Bail-In Legislation that are related to or ancillary to any of those powers; and

(ii) any similar or analogous powers under that UK Bail-In Legislation; and

(c) in relation to any other applicable Bail-In Legislation:

(i) any powers under that Bail-In Legislation to cancel, transfer or dilute shares issued by a Person that is a bank or investment firm or other financial institution or affiliate of a bank, investment firm or other financial institution, to cancel, reduce, modify or change the form of a liability of such a Person or any contract or instrument under which that liability arises, to convert all or part of that liability into shares, securities or obligations of that Person or any other Person, to provide that any such contract or instrument is to have effect as if a right had been exercised under it or to suspend any obligation in respect of that liability or any of the powers under that Bail-In Legislation that are related to or ancillary to any of those powers; and

(ii) any similar or analogous powers under that Bail-In Legislation.

Section 1.02 Other Interpretive Provisions. With reference to this Credit Agreement and each other Loan Document, unless otherwise specified herein or in such other Loan Document:

(a) The definitions of terms herein shall apply equally to the singular and plural forms of the terms defined. Whenever the context may require, any pronoun shall include the corresponding masculine, feminine and neuter forms. The words "include," "includes" and "including" shall be deemed to be followed by the phrase "without limitation." The word "will" shall be construed to have the same meaning and effect as the word "shall." Unless the context requires otherwise, (i) any definition of or reference to any agreement, instrument or other document (including any organization document) shall be construed as referring to such agreement, instrument or other document as from time to time amended, supplemented or otherwise modified (subject to any restrictions on such amendments, supplements or modifications set forth herein or in any other Loan Document), (ii) any reference herein to any Person shall be construed to include such Person's successors and assigns, (iii) the words "herein," "hereof" and "hereunder," and words of similar import when used in any Loan Document, shall be construed to refer to such Loan Document in its entirety and not to any particular provision thereof, (iv) all references in a Loan Document to Articles, Sections, Exhibits and Schedules shall be construed to refer to Articles and Sections of, and Exhibits and Schedules to, the Loan Document in which such references appear, (v) any reference to any law shall include all statutory and regulatory provisions consolidating, amending, replacing or interpreting such law and any reference to any law or regulation shall, unless otherwise specified, refer to such law or regulation as amended, modified or supplemented from time to time, and (vi) the words "asset" and "property" (except when used as accounting terms, in which case GAAP shall apply) shall be construed to have the same meaning and effect and to refer to any and all tangible and intangible assets and properties, including cash, securities, accounts and contract rights.

(b) In the computation of periods of time from a specified date to a later specified date, the word "from" means "from and including;" the words "to" and "until" each mean "to but excluding;" and the word "through" means "to and including."

(c) Section headings herein and in the other Loan Documents are included for convenience of reference only and shall not affect the interpretation of this Credit Agreement or any other Loan Document.

Section 1.03 Accounting Terms. (a) Generally. All accounting terms not specifically or completely defined herein shall be construed in conformity with, and all financial data (including financial ratios and other financial calculations) required to be submitted pursuant to this Credit Agreement shall be prepared in conformity with, GAAP applied on a consistent basis, as in effect from time to time, applied in a manner consistent with that used in preparing the audited financial statements, except as otherwise specifically prescribed herein.

(b) Changes in GAAP. If at any time any change in GAAP would affect the computation of any financial ratio or requirement set forth in any Loan Document, and either the Company or in the case of any financial ratio, the Administrative Agent or the Required Lenders, shall so request, the Administrative Agent, the applicable Lenders and the Company shall negotiate in good faith to amend such ratio or requirement to preserve the original intent thereof in light of such change in GAAP (subject to the approval of the Required Lenders, as applicable); provided that, in the event of a request for an amendment, until so amended, (i) such ratio or requirement shall continue to be computed in accordance with GAAP prior to such change therein and (ii) the Company shall provide to the Administrative Agent and the Lenders financial statements and other documents required under this Credit Agreement or as reasonably requested hereunder setting forth a reconciliation between calculations of such ratio or requirement made before and after giving effect to such change in GAAP.

(c) Capitalized Lease Obligations. Notwithstanding anything to the contrary contained in Section 1.03(a), whether a lease shall be treated as operating lease and not a capital lease or finance lease will be determined in accordance with the principles set forth in the definition of Capitalized Lease Obligations.

Section 1.04 Rounding. Any financial ratios required to be maintained by the Company pursuant to this Credit Agreement shall be calculated by dividing the appropriate component by the other component, carrying the result to one place more than the number of places by which such ratio is expressed herein and rounding the result up or down to the nearest number (with a rounding-up if there is no nearest number).

Section 1.05 Times of Day. Unless otherwise specified, all references herein to times of day shall be references to ~~Eastern~~New York City time ~~(daylight or standard, as applicable)~~.

Section 1.06 Letter of Credit Amounts. Unless otherwise specified herein, the amount of a Letter of Credit at any time shall be deemed to be the stated amount of such Letter of Credit in effect at such time; provided, however, that with respect to

any Letter of Credit that, by its terms or the terms of any Issuer Document related thereto, provides for one or more automatic increases in the stated amount thereof, the amount of such Letter of Credit shall be deemed to be the maximum stated amount of such Letter of Credit after giving effect to all such increases, whether or not such maximum stated amount is in effect at such time.

Section 1.07 Currency Equivalents Generally. Any amount specified in this Credit Agreement (other than in Articles II, IV and IX) or any of the other Loan Documents to be in Dollars shall also include the equivalent of such amount in any currency other than Dollars, such equivalent amount thereof in the applicable currency to be determined by the Administrative Agent at such time on the basis of the Spot Rate (as defined below) for the purchase of such currency with Dollars. For purposes of this Section 1.07, the "Spot Rate" for a currency means the rate determined by the Administrative Agent to be the rate quoted by the Person acting in such capacity as the spot rate for the purchase by such Person of such currency with another currency through its principal foreign exchange trading office at approximately 11:00 a.m. on the date two Business Days prior to the date of such determination; provided that the Administrative Agent may obtain such spot rate from another financial institution designated by the Administrative Agent if the Person acting in such capacity does not have as of the date of determination a spot buying rate for any such currency.

Section 1.08 Interest Rates; ~~LIBOR Notification~~Benchmark Notifications. The interest rate on ~~Eurodollar Rate Loans is determined by reference to the Eurodollar Rate, which is derived from the London interbank offered rate. The London interbank offered rate is intended to represent the rate at which contributing banks may obtain short-term borrowings from each other in the London interbank market. In July 2017, the U.K. Financial Conduct Authority announced that, after the end of 2021, it would no longer persuade or compel contributing banks to make rate submissions to the ICE Benchmark Administration (together with any successor to the ICE Benchmark Administrator, the "IBA") for purposes of the IBA setting the London interbank offered rate. As a result, it is possible that commencing in 2022, the London interbank offered rate may no longer be available or may no longer be deemed an appropriate reference rate upon which to determine the interest rate on Eurodollar Rate Loans. In light of this eventuality, public and private sector industry initiatives are currently underway to identify new or alternative reference rates to be used in place of the London interbank offered rate. In the event that the London interbank offered rate is no longer available or in certain other circumstances as set forth in Section 3.03(b) of this Credit Agreement, such~~a Loan denominated in dollars may be derived from an interest rate benchmark that may be discontinued or is, or may in the future become, the subject of regulatory reform. Upon the occurrence of a Benchmark Transition Event, Section 3.03(b) provides a mechanism for determining an alternative rate of interest. The ~~Administrative Agent will notify the Company, pursuant to Section 3.03, in advance of any change to the reference rate upon which the interest rate on Eurodollar Rate Loans is based. However, the~~ Administrative Agent does not warrant or accept any responsibility for, and shall not have any liability with respect to, the administration, submission, performance or any other matter related to ~~the London interbank offered rate or other rates in the definition of "Eurodollar Rate"~~any interest rate used in this Credit Agreement, or with respect to any alternative or successor rate thereto, or replacement rate thereof, including without limitation, whether the

composition or characteristics of any such alternative, successor or replacement reference rate~~, as it may or may not be adjusted pursuant to Section 3.03(b),~~ will be similar to, or produce the same value or economic equivalence of, the ~~Eurodollar Rate~~existing interest rate being replaced or have the same volume or liquidity as did ~~the London interbank offered~~any existing interest rate prior to its discontinuance or unavailability. The Administrative Agent and its affiliates and/or other related entities may engage in transactions that affect the calculation of any interest rate used in this Credit Agreement or any alternative, successor or alternative rate (including any Benchmark Replacement) and/or any relevant adjustments thereto, in each case, in a manner adverse to the Company. The Administrative Agent may select information sources or services in its reasonable discretion to ascertain any interest rate used in this Credit Agreement, any component thereof, or rates referenced in the definition thereof, in each case pursuant to the terms of this Credit Agreement, and shall have no liability to the Company, any Lender or any other person or entity for damages of any kind, including direct or indirect, special, punitive, incidental or consequential damages, costs, losses or expenses (whether in tort, contract or otherwise and whether at law or in equity), for any error or calculation of any such rate (or component thereof) provided by any such information source or service.

Section 1.09 Divisions. For all purposes under the Loan Documents, in connection with any division or plan of division under Delaware law (or any comparable event under a different jurisdiction's laws): (a) if any asset, right, obligation or liability of any Person becomes the asset, right, obligation or liability of a different Person, then it shall be deemed to have been transferred from the original Person to the subsequent Person, and (b) if any new Person comes into existence, such new Person shall be deemed to have been organized and acquired on the first date of its existence by the holders of its Equity Interests at such time.

Section 1.10 Limited Condition Acquisitions. In connection with any action being taken solely in connection with a Limited Condition Acquisition, for purposes of (i) determining compliance with any provision of the Loan Documents which requires the calculation of the Total Leverage Ratio or the Interest Coverage Ratio; (ii) determining (A) the accuracy of representations and warranties in Article VI (other than customary "specified representations" and those representations of the seller or target company (as applicable) included in the acquisition agreement for the relevant Limited Condition Acquisition that are material to the interests of the Lenders and only to the extent that the relevant acquirer has the right to terminate its obligations under such acquisition agreement as a result of such representations (which representations, notwithstanding anything herein to the contrary, shall be required to be accurate on the basis set forth in the acquisition agreement as of the date of the consummation of any Limited Condition Acquisition)), and/or (B) whether a Default or Event of Default (other than a Specified Event of Default (the absence of which, notwithstanding anything herein to the contrary, shall be required on the date of the consummation of such Limited Condition Acquisition)) has occurred and is continuing or would result therefrom; or (iii) testing availability under baskets set forth in the Loan Documents; in each case, at the option of the Company (the Company's election to exercise such option in connection with any Limited Condition Acquisition, an "LCA Election"), the date of determination of whether any such action is permitted under the Loan Documents, shall be deemed to be the date the definitive agreement for such Limited

Condition Acquisition is entered into (the "LCA Test Date"), and if, on a pro forma basis after giving effect to the Limited Condition Acquisition and the other transactions to be entered into in connection therewith as if they had occurred at the beginning of the most recent Measurement Period ending prior to the LCA Test Date, the Company could have taken such action on the relevant LCA Test Date in compliance with such ratio or basket, such ratio or basket shall be deemed to have been complied with. For the avoidance of doubt, if the Company has made an LCA Election for any Limited Condition Acquisition and any of the ratios or baskets for which compliance was determined or tested as of the LCA Test Date are exceeded or otherwise non-compliant as a result of fluctuations in any such ratio or basket, including due to fluctuations in Adjusted Operating Income of the Company or the Person subject to such Limited Condition Acquisition or any applicable currency exchange rate, at or prior to the consummation of the relevant transaction or action, such baskets, ratios, metrics or thresholds will not be deemed to have been exceeded or non-compliant as a result of such fluctuations solely for purposes of determining compliance of the relevant transaction or action with such provisions, baskets or thresholds. If the Company has made an LCA Election for any Limited Condition Acquisition, then in connection with any subsequent calculation of any ratio or basket availability with, on or following the relevant LCA Test Date and prior to the earlier of (i) the date on which such Limited Condition Acquisition is consummated or (ii) the date that the definitive agreement for such Limited Condition Acquisition is terminated or expires without consummation of such Limited Condition Acquisition, any such ratio or basket shall be calculated on (A) a pro forma basis assuming such Limited Condition Acquisition and other transactions in connection therewith (including any incurrence of Indebtedness and the use of proceeds thereof) have been consummated until such time as the Limited Condition Acquisition has been consummated or the definitive agreement with respect thereto has been terminated or expires and (B) on a standalone basis without giving effect to such Limited Condition Acquisition and the other transactions in connection therewith.

ARTICLE II

THE COMMITMENTS AND CREDIT EXTENSIONS

Section 2.01 The Loans.

(a) The Term Borrowing. Subject to the terms and conditions hereof, each Term Lender severally agrees to make a single loan in Dollars to the Company on the Effective Date in a principal amount not to exceed its Term Commitment under the Initial Term Facility on the Effective Date. The Term Borrowing under the Initial Term Facility shall consist of Term Loans made simultaneously by the Term Lenders in accordance with their respective Applicable Percentage of the Initial Term Facility. Any Term Lender that is also a "Term Lender" under the Existing Credit Agreement may make, in whole or in part, its respective Term Loan by means of a dollar-for-dollar, cashless exchange of all or a portion of the "Term Loan" (as defined in the Existing Credit Agreement) it holds under the Existing Credit Agreement immediately prior to the occurrence of the Effective Date into a Term Loan hereunder pursuant to cashless settlement mechanisms reasonably approved by the Company, the Administrative Agent and such Term Lender. Amounts borrowed under this Section 2.01(a) and repaid or prepaid may not be

reborrowed. Term Loans may be Base Rate Loans or ~~Eurodollar Rate~~Term Benchmark Loans, as further provided herein.

(b) Revolving Credit Borrowings. Subject to the terms and conditions set forth herein, each Revolving Credit Lender severally agrees to make loans in Dollars (each such loan, a "Revolving Credit Loan") to the Company from time to time, on any Business Day during the Availability Period, in an aggregate amount not to exceed at any time outstanding the amount of such Lender's Revolving Credit Commitment; provided, however, that after giving effect to any Revolving Credit Borrowing, (i) the Total Revolving Credit Outstandings shall not exceed the Revolving Credit Facility, and (ii) the aggregate Outstanding Amount of the Revolving Credit Loans of any Lender, plus such Revolving Credit Lender's Applicable Revolving Credit Percentage of the Outstanding Amount of all L/C Obligations, plus such Revolving Credit Lender's Applicable Revolving Credit Percentage of the Outstanding Amount of all Swing Line Loans shall not exceed such Revolving Credit Lender's Revolving Credit Commitment. Within the limits of each Revolving Credit Lender's Revolving Credit Commitment, and subject to the other terms and conditions hereof, the Company may borrow under this Section 2.01, prepay under Section 2.05, and reborrow under this Section 2.01. Revolving Credit Loans may be Base Rate Loans or ~~Eurodollar Rate~~Term Benchmark Loans, as further provided herein.

Section 2.02 Borrowings, Conversions and Continuations of Loans. (b) Each Term Borrowing, each Revolving Credit Borrowing, each conversion of Term Loans or Revolving Credit Loans from one Type to the other, and each continuation of ~~Eurodollar Rate~~Term Benchmark Loans shall be made upon the Company's irrevocable notice to the Administrative Agent, which may be given by telephone (a "Committed Loan Notice"). Each such notice must be received by the Administrative Agent not later than (i) 11:00 a.m. three U.S. Government Securities Business Days prior to the requested date of any Borrowing of, conversion to or continuation of ~~Eurodollar Rate~~Term Benchmark Loans or of any conversion of ~~Eurodollar Rate~~Term Benchmark Loans to Base Rate Loans, and (ii) 11:00 a.m. on the requested date of any Borrowing of Base Rate Loans; provided, however, that notice of (x) the initial Borrowing of Base Rate Loans may be received by the Administrative Agent at such time as agreed by the Administrative Agent on the requested date of Borrowing and (y) any conversion of such initial Borrowing to ~~Eurodollar Rate~~Term Benchmark Loans may be received by the Administrative Agent no later than 11:00 a.m. on the third U.S. Government Securities Business Day prior to the requested date of conversion. Each telephonic notice by the Company pursuant to this Section 2.02(a) must be confirmed promptly by delivery to the Administrative Agent of a written Committed Loan Notice, appropriately completed and signed by a senior executive of the Company. In the case of any discrepancies between telephonic and written notices received by the Administrative Agent, the telephonic notice shall be effective as understood in good faith by the Administrative Agent. Each Borrowing of, conversion to or continuation of ~~Eurodollar Rate~~Term Benchmark Loans shall be in a principal amount of $1,000,000 or a whole multiple of $1,000,000 in excess thereof. Except as provided in Sections 2.03(c) and 2.04(c) each Borrowing of or conversion to Base Rate Loans shall be in a principal amount of $500,000 or a whole multiple of $100,000 in excess thereof. Each Committed Loan Notice (whether telephonic or written) shall specify (i) whether the Company is requesting a Term Borrowing, Revolving Credit Borrowing, an Incremental Borrowing, if available, a conversion of Term

Loans or Revolving Credit Loans from one Type to the other, or a continuation of ~~Eurodollar Rate~~Term Benchmark Loans, (ii) the requested date of the Borrowing, conversion or continuation, as the case may be (which shall be a U.S. Government Securities Business Day (or in the case of a conversion to a Base Rate Loan, which shall be a Business Day)), (iii) the principal amount of Loans to be borrowed, converted or continued, (iv) the Type of Loans to be borrowed or to which existing Loans are to be converted, and (v) if applicable, the duration of the Interest Period with respect thereto. If the Company fails to specify a Type of Loan in a Committed Loan Notice or if the Company fails to give a timely notice requesting a conversion or continuation, then the applicable Loans shall be made as, or converted to, Base Rate Loans. Any such automatic conversion to Base Rate Loans shall be effective as of the last day of the Interest Period then in effect with respect to the applicable ~~Eurodollar Rate~~Term Benchmark Loans. If the Company requests a Borrowing of, conversion to, or continuation of ~~Eurodollar Rate~~Term Benchmark Loans in any such Committed Loan Notice, but fails to specify an Interest Period, it will be deemed to have specified an Interest Period of one month. Notwithstanding anything to the contrary herein, a Swing Line Loan may not be converted to a ~~Eurodollar Rate~~Term Benchmark Loan.

(b) Following receipt of a Committed Loan Notice, the Administrative Agent shall promptly notify each Lender of the amount of its Applicable Percentage under the applicable Facility of the applicable Term Loans, Revolving Credit Loans or Incremental Loans, if any, and if no timely notice of a conversion or continuation is provided by the Company, the Administrative Agent shall notify each Lender of the details of any automatic conversion to Base Rate Loans described in Section 2.02(a). In the case of a Term Borrowing or a Revolving Credit Borrowing, each Appropriate Lender shall make the amount of its Loan available to the Administrative Agent in immediately available funds at the Administrative Agent's Office not later than (i) one hour after receipt of notice from the Administrative Agent on the Effective Date in the case of the initial Borrowing of Base Rate Loans (as long as such notice is received prior to 1:30 p.m. on such day) or (ii) 1:00 p.m. on the Business Day specified in the applicable Committed Loan Notice. Upon satisfaction of the applicable conditions set forth in Section 5.02 (and, (x) if such Borrowing is the initial Credit Extension on the Effective Date, Section 5.01 and (y) if such Borrowing is an Incremental Borrowing, the applicable conditions set forth in the Incremental Supplement), the Administrative Agent shall make all funds so received available to the Company in like funds as received by the Administrative Agent either by (i) crediting the account of the Company on the books of JPMorgan with the amount of such funds or (ii) wire transfer of such funds, in each case in accordance with instructions provided to (and reasonably acceptable to) the Administrative Agent by the Company; provided, however, that if, on the date a Committed Loan Notice with respect to a Revolving Credit Borrowing is given by the Company, there are L/C Borrowings outstanding, then the proceeds of such Revolving Credit Borrowing, first, shall be applied to the payment in full of any such L/C Borrowings, and second, shall be made available to the Company as provided above.

(c) Except as otherwise provided herein, a ~~Eurodollar Rate~~Term Benchmark Loan may be continued or converted only on the last day of an Interest Period for such ~~Eurodollar Rate~~Term Benchmark Loan. During the existence of a Default, the Administrative Agent may notify the Company that Loans may only be converted into or continued as Loans of certain specified Types and, thereafter, until no Default shall continue to exist, Loans may not be

converted into or continued as Loans of any Type other than one or more of such specified Types.

(d) The Administrative Agent shall promptly notify the Company and the Lenders of the interest rate applicable to any Interest Period for ~~Eurodollar Rate~~Term Benchmark Loans upon determination of such interest rate. At any time that Base Rate Loans are outstanding, the Administrative Agent shall notify the Company and the Lenders of any change in ~~JPMorgan's prime rate~~the Prime Rate used in determining the Alternate Base Rate promptly following the public announcement of such change.

(e) After giving effect to all Borrowings, all conversions of Loans from one Type to the other, and all continuations of Loans as the same Type, there shall not be more than twelve (12) Interest Periods in effect in respect of the Facilities.

Section 2.03 Letters of Credit. (c) The Letter of Credit Commitment. (i) Subject to the terms and conditions set forth herein, (A) each L/C Issuer agrees, in reliance upon the agreements of the Revolving Credit Lenders set forth in this Section 2.03, (1) from time to time on any Business Day during the period from the Effective Date until the Letter of Credit Expiration Date, to issue Letters of Credit for the account of the Company or its Subsidiaries, and to amend Letters of Credit previously issued by it, in accordance with Section 2.03(b), and (2) to honor drawings under the Letters of Credit issued by it; and (B) the Revolving Credit Lenders severally agree to participate in Letters of Credit issued for the account of the Company or its Subsidiaries and any drawings thereunder; provided that after giving effect to any L/C Credit Extension with respect to any Letter of Credit, (w) the Total Revolving Credit Outstandings shall not exceed the aggregate Revolving Credit Commitments, (x) the aggregate Outstanding Amount of the Revolving Credit Loans of any Revolving Credit Lender, plus such Revolving Credit Lender's Applicable Revolving Credit Percentage of the Outstanding Amount of all L/C Obligations, plus such Lender's Applicable Revolving Credit Percentage of the Outstanding Amount of all Swing Line Loans shall not exceed such Lender's Revolving Credit Commitment, (y) the aggregate amount available to be drawn under all Letters of Credit issued by the applicable L/C Issuer issuing such Letter of Credit shall not exceed either of (I) such L/C Issuer's Letter of Credit Commitment (provided, that any L/C Issuer may, following a request from the Company, in its sole discretion, issue Letters of Credit in an aggregate available amount in excess of such L/C Issuer's Letter of Credit Commitment so long as the Outstanding Amount of all L/C Obligations shall not exceed the Letter of Credit Sublimit) and (II) the aggregate amount of such L/C Issuer's unused Revolving Credit Commitment, and (z) the Outstanding Amount of the L/C Obligations shall not exceed the Letter of Credit Sublimit. Each request by the Company for the issuance or amendment of a Letter of Credit shall be deemed to be a representation by the Company that the L/C Credit Extension so requested complies with the conditions set forth in the proviso to the preceding sentence. Within the foregoing limits, and subject to the terms and conditions hereof, the Company's ability to obtain Letters of Credit shall be fully revolving, and accordingly the Company may, during the foregoing period, obtain Letters of Credit to replace Letters of Credit that have expired or that have been drawn upon and reimbursed.

(ii) No L/C Issuer shall issue any Letter of Credit if:

(A) the expiry date of such requested Letter of Credit would occur more than (x) in the case of Standby Letters of Credit, twelve months after the date of issuance or (y) in the case of Trade Letters of Credit, 180 days after the date of issuance, unless the Required Revolver Lenders have approved such expiry date;

(B) the expiry date of such requested Letter of Credit would occur after the Letter of Credit Expiration Date, unless all the Revolving Credit Lenders have approved such expiry date; or

(C) such Letter of Credit is to be denominated in a currency other than Dollars;

(iii) No L/C Issuer shall be under any obligation to issue any Letter of Credit if:

(A) any order, judgment or decree of any Governmental Authority or arbitrator shall by its terms purport to enjoin or restrain such L/C Issuer from issuing such Letter of Credit, or any Law applicable to such L/C Issuer or any request or directive (whether or not having the force of law) from any Governmental Authority with jurisdiction over such L/C Issuer shall prohibit, or request that such L/C Issuer refrain from, the issuance of letters of credit generally or such Letter of Credit in particular or shall impose upon such L/C Issuer with respect to such Letter of Credit any restriction, reserve or capital requirement (for which such L/C Issuer is not otherwise compensated hereunder) not in effect on the Effective Date, or shall impose upon such L/C Issuer any unreimbursed loss, cost or expense which was not applicable on the Effective Date and which such L/C Issuer in good faith deems material to it;

(B) the issuance of such Letter of Credit would violate one or more policies of such L/C Issuer generally applicable to the issuance of letters of credit;

(C) except as otherwise agreed by the Administrative Agent and such L/C Issuer, such Letter of Credit is in an initial stated amount less than $50,000;

(D) such Letter of Credit contains any provisions for automatic reinstatement of the stated amount after any drawing thereunder; or

(E) a default of any Lender's obligations to fund under Section 2.03(c) exists or any Lender is at such time a Defaulting Lender, unless such L/C Issuer has entered into arrangements satisfactory to such L/C Issuer with the Company or such Lender to eliminate such L/C Issuer's risk with respect to such Lender.

(iv) No L/C Issuer shall amend any Letter of Credit if such L/C Issuer would not be permitted at such time to issue such Letter of Credit in its amended form under the terms hereof.

(v) No L/C Issuer shall be under any obligation to amend any Letter of Credit if (A) such L/C Issuer would have no obligation at such time to issue such Letter of Credit in its amended form under the terms hereof, or (B) the beneficiary of such Letter of Credit does not accept the proposed amendment to such Letter of Credit.

(vi) Each L/C Issuer shall act on behalf of the Revolving Credit Lenders with respect to any Letters of Credit issued by it and the documents associated therewith, and each L/C Issuer shall have all of the benefits and immunities (A) provided to the Administrative Agent in Article IX with respect to any acts taken or omissions suffered by such L/C Issuer in connection with Letters of Credit issued by it or proposed to be issued by it and Issuer Documents pertaining to such Letters of Credit as fully as if the term "Administrative Agent" as used in Article IX included such L/C Issuer with respect to such acts or omissions, and (B) as additionally provided herein with respect to such L/C Issuer.

(b) Procedures for Issuance and Amendment of Letters of Credit. (ii) Each Letter of Credit shall be issued or amended, as the case may be, upon the request of the Company delivered to any L/C Issuer (with a copy to the Administrative Agent) in the form of a Letter of Credit Application, appropriately completed and signed by a senior executive of the Company. Such Letter of Credit Application may be sent by facsimile, by United States mail, by overnight courier, by electronic transmission as provided in Section 10.02(b), by personal delivery or by any other means acceptable to the L/C Issuer. Such Letter of Credit Application must be received by the applicable L/C Issuer and the Administrative Agent not later than 11:00 a.m. at least two Business Days (or such later date and time as the Administrative Agent and the applicable L/C Issuer may agree in a particular instance in their sole discretion) prior to the proposed issuance date or date of amendment, as the case may be. In the case of a request for an initial issuance of a Letter of Credit, such Letter of Credit Application shall specify in form and detail satisfactory to the applicable L/C Issuer: (A) the proposed issuance date of the requested Letter of Credit (which shall be a Business Day); (B) the amount thereof; (C) the expiry date thereof; (D) the name and address of the beneficiary thereof; (E) the documents to be presented by such beneficiary in case of any drawing thereunder; (F) the full text of any certificate to be presented by such beneficiary in case of any drawing thereunder; (G) the purpose and nature of the requested Letter of Credit; and (H) such other matters as the applicable L/C Issuer may require. In the case of a request for an amendment of any outstanding Letter of Credit, such Letter of Credit Application shall specify in form and detail satisfactory to the applicable L/C Issuer (1) the Letter of Credit to be amended; (2) the proposed date of amendment thereof (which shall be a Business Day); (3) the nature of the proposed amendment; and (4) such other matters as the applicable L/C Issuer may require. Additionally, the Company shall furnish to each L/C Issuer and the Administrative Agent such other documents and information pertaining to such requested Letter of Credit issuance or amendment, including any Issuer Documents, as any L/C Issuer or the Administrative Agent may require.

(ii) Promptly after receipt of any Letter of Credit Application, the applicable L/C Issuer will confirm with the Administrative Agent (by telephone or in writing) that the Administrative Agent has received a copy of such Letter of Credit Application from the Company and, if not, such L/C Issuer will provide the Administrative Agent with a copy thereof. Unless the applicable L/C Issuer has received written notice from any Revolving Credit Lender, the Administrative Agent or any Loan Party, at least one Business Day prior to the requested date of issuance or amendment of the applicable Letter of Credit, that one or more applicable conditions contained in Article V shall not then be satisfied, then, subject to the terms and conditions hereof, such L/C Issuer shall, on the requested date, issue a Letter of Credit for the account of the Company (or the applicable Subsidiary) or enter into the applicable amendment, as the case may be, in each case in accordance with such L/C Issuer's usual and customary business practices. Immediately upon the issuance of each Letter of Credit, each Revolving Credit Lender shall be deemed to, and hereby irrevocably and unconditionally agrees to, purchase from the applicable L/C Issuer a risk participation in such Letter of Credit in an amount equal to the product of such Revolving Credit Lender's Applicable Revolving Credit Percentage times the amount of such Letter of Credit.

(iii) Promptly after its delivery of any Letter of Credit or any amendment to a Letter of Credit to an advising bank with respect thereto or to the beneficiary thereof, the applicable L/C Issuer will also deliver to the Company and the Administrative Agent a true and complete copy of such Letter of Credit or amendment.

(c) Drawings and Reimbursements; Funding of Participations. (iii) Upon receipt from the beneficiary of any Letter of Credit of any notice of a drawing under such Letter of Credit, the applicable L/C Issuer shall notify the Company and the Administrative Agent thereof. Not later than 11:00 a.m. on the date of any payment by such L/C Issuer under a Letter of Credit (each such date, an "Honor Date"), the Company shall reimburse such L/C Issuer through the Administrative Agent in an amount equal to the amount of such drawing. If the Company fails to so reimburse the applicable L/C Issuer by such time, the Administrative Agent shall promptly notify each Revolving Credit Lender of the Honor Date, the amount of the unreimbursed drawing (the "Unreimbursed Amount"), and the amount of such Revolving Credit Lender's Applicable Revolving Credit Percentage thereof. In such event, the Company shall be deemed to have requested a Revolving Credit Borrowing of Base Rate Loans to be disbursed on the Honor Date in an amount equal to the Unreimbursed Amount, without regard to the minimum and multiples specified in Section 2.02 for the principal amount of Base Rate Loans, but subject to the amount of the unutilized portion of the Revolving Credit Commitments and the conditions set forth in Section 5.02 (other than the delivery of a Committed Loan Notice). Any notice given by any L/C Issuer or the Administrative Agent pursuant to this Section 2.03(c)(i) may be given by telephone if immediately confirmed in writing; provided that the lack of such an immediate confirmation shall not affect the conclusiveness or binding effect of such notice.

(ii) Each Revolving Credit Lender shall upon any notice pursuant to Section 2.03(c)(i) make funds available to the Administrative Agent for the account of the applicable L/C Issuer at the Administrative Agent's Office in an amount equal to its Applicable Revolving Credit Percentage of the Unreimbursed Amount not later than 1:00 p.m. on the Business Day specified in such notice by the Administrative Agent,

whereupon, subject to the provisions of Section 2.03(c)(iii), each Revolving Credit Lender that so makes funds available shall be deemed to have made a Base Rate Loan to the Company in such amount. The Administrative Agent shall remit the funds so received to the applicable L/C Issuer.

(iii) With respect to any Unreimbursed Amount that is not fully refinanced by a Revolving Credit Borrowing of Base Rate Loans because the conditions set forth in Section 5.02 cannot be satisfied or for any other reason, the Company shall be deemed to have incurred from the applicable L/C Issuer an L/C Borrowing in the amount of the Unreimbursed Amount that is not so refinanced, which L/C Borrowing shall be due and payable on demand (together with interest) and shall bear interest at the Default Rate. In such event, each Revolving Credit Lender's payment to the Administrative Agent for the account of such L/C Issuer pursuant to Section 2.03(c)(ii) shall be deemed payment in respect of its participation in such L/C Borrowing and shall constitute an L/C Advance from such Lender in satisfaction of its participation obligation under this Section 2.03.

(iv) Until each Revolving Credit Lender funds its Revolving Credit Loan or L/C Advance pursuant to this Section 2.03(c) to reimburse the applicable L/C Issuer for any amount drawn under any Letter of Credit, interest in respect of such Lender's Applicable Revolving Credit Percentage of such amount shall be solely for the account of such L/C Issuer.

(v) Each Revolving Credit Lender's obligation to make Revolving Credit Loans to the Company or L/C Advances to reimburse any L/C Issuer for amounts drawn under Letters of Credit, as contemplated by this Section 2.03(c), shall be absolute and unconditional and shall not be affected by any circumstance, including (A) any setoff, counterclaim, recoupment, defense or other right which such Lender may have against the applicable L/C Issuer, the Company or any other Person for any reason whatsoever; (B) the occurrence or continuance of a Default, or (C) any other occurrence, event or condition, whether or not similar to any of the foregoing; provided, however, that each Revolving Credit Lender's obligation to make Revolving Credit Loans pursuant to this Section 2.03(c) is subject to the conditions set forth in Section 5.02 (other than delivery by the Company of a Committed Loan Notice). No such making of an L/C Advance shall relieve or otherwise impair the obligation of the Company to reimburse any L/C Issuer for the amount of any payment made by such L/C Issuer under any Letter of Credit, together with interest as provided herein.

(vi) If any Revolving Credit Lender fails to make available to the Administrative Agent for the account of any L/C Issuer any amount required to be paid by such Lender pursuant to the foregoing provisions of this Section 2.03(c) by the time specified in Section 2.03(c)(ii), such L/C Issuer shall be entitled to recover from such Lender (acting through the Administrative Agent), on demand, such amount with interest thereon for the period from the date such payment is required to the date on which such payment is immediately available to such L/C Issuer at a rate per annum equal to the greater of the New York Fed Bank Rate and a rate determined by such L/C Issuer in accordance with banking industry rules on interbank compensation, plus any

administrative, processing or similar fees customarily charged by such L/C Issuer in connection with the foregoing. A certificate of the applicable L/C Issuer submitted to any Revolving Credit Lender (through the Administrative Agent) with respect to any amounts owing under this Section 2.03(c)(vi) shall be conclusive absent manifest error.

(d) Repayment of Participations. (iv) At any time after any L/C Issuer has made a payment under any Letter of Credit and has received from any Revolving Credit Lender such Lender's L/C Advance in respect of such payment in accordance with Section 2.03(c), if the Administrative Agent receives for the account of the applicable L/C Issuer any payment in respect of the related Unreimbursed Amount or interest thereon (whether directly from the Company or otherwise, including proceeds of Cash Collateral applied thereto by the Administrative Agent), the Administrative Agent will distribute to such Lender its Applicable Revolving Credit Percentage thereof (appropriately adjusted, in the case of interest payments, to reflect the period of time during which such Lender's L/C Advance was outstanding) in the same funds as those received by the Administrative Agent.

(ii) If any payment received by the Administrative Agent for the account of any L/C Issuer pursuant to Section 2.03(c)(i) is required to be returned under any of the circumstances described in Section 10.05 (including pursuant to any settlement entered into by the applicable L/C Issuer in its discretion), each Revolving Credit Lender shall pay to the Administrative Agent for the account of the applicable L/C Issuer its Applicable Revolving Credit Percentage thereof on demand of the Administrative Agent, plus interest thereon from the date of such demand to the date such amount is returned by such Lender, at a rate per annum equal to the New York Fed Bank Rate from time to time in effect. The obligations of the Lenders under this clause shall survive the payment in full of the Obligations and the termination of this Credit Agreement.

(e) Obligations Absolute. The obligation of the Company to reimburse each L/C Issuer for each drawing under each Letter of Credit and to repay each L/C Borrowing shall be absolute, unconditional and irrevocable, and shall be paid strictly in accordance with the terms of this Credit Agreement under all circumstances, including the following:

(i) any lack of validity or enforceability of such Letter of Credit, this Credit Agreement, or any other Loan Document;

(ii) the existence of any claim, counterclaim, setoff, defense or other right that the Company or any Subsidiary may have at any time against any beneficiary or any transferee of such Letter of Credit (or any Person for whom any such beneficiary or any such transferee may be acting), any L/C Issuer or any other Person, whether in connection with this Credit Agreement, the transactions contemplated hereby or by such Letter of Credit or any agreement or instrument relating thereto, or any unrelated transaction;

(iii) any draft, demand, certificate or other document presented under such Letter of Credit proving to be forged, fraudulent, invalid or insufficient in any respect or any statement therein being untrue or inaccurate in any respect; or any loss or

delay in the transmission or otherwise of any document required in order to make a drawing under such Letter of Credit;

(iv) any payment by the applicable L/C Issuer under such Letter of Credit against presentation of a draft or certificate that does not strictly comply with the terms of such Letter of Credit; or any payment made by the applicable L/C Issuer under such Letter of Credit to any Person purporting to be a trustee in bankruptcy, debtor-in-possession, assignee for the benefit of creditors, liquidator, receiver or other representative of or successor to any beneficiary or any transferee of such Letter of Credit, including any arising in connection with any proceeding under any Debtor Relief Law;

(v) waiver by the L/C Issuer of any requirement that exists for the L/C Issuer's protection and not the protection of the Company or any waiver by the L/C Issuer which does not materially prejudice the Company;

(vi) honor of a demand for payment presented electronically even if such Letter of Credit requires that demand be in the form of a draft; or

(vii) any other circumstance or happening whatsoever, whether or not similar to any of the foregoing, including any other circumstance that might otherwise constitute a defense available to, or a discharge of, the Company or any of its Subsidiaries.

The Company shall promptly examine a copy of each Letter of Credit and each amendment thereto that is delivered to it and, in the event of any claim of noncompliance with the Company's instructions or other irregularity, the Company will immediately notify the L/C Issuers. The Company shall be conclusively deemed to have waived any such claim against any L/C Issuer and its correspondents unless such notice is given as aforesaid.

(f) Role of L/C Issuer. Each Lender and the Company agree that, in paying any drawing under a Letter of Credit, no L/C Issuer shall have any responsibility to obtain any document (other than any sight draft, certificates and documents expressly required by the Letter of Credit) or to ascertain or inquire as to the validity or accuracy of any such document or the authority of the Person executing or delivering any such document. None of the L/C Issuers, the Administrative Agent, any of their respective Related Parties nor any correspondent, participant or assignee of any L/C Issuer shall be liable to any Lender for (i) any action taken or omitted in connection herewith at the request or with the approval of the Revolving Credit Lenders or the Required Lenders, as applicable; (ii) any action taken or omitted in the absence of gross negligence or willful misconduct; or (iii) the due execution, effectiveness, validity or enforceability of any document or instrument related to any Letter of Credit or Issuer Document. The Company hereby assumes all risks of the acts or omissions of any beneficiary or transferee with respect to its use of any Letter of Credit; provided, however, that this assumption is not intended to, and shall not, preclude the Company's pursuing such rights and remedies as it may have against the beneficiary or transferee at law or under any other agreement. None of the L/C Issuers, the Administrative Agent, any of their respective Related Parties nor any correspondent, participant or assignee of any L/C Issuer shall be liable or responsible for any of the matters

described in clauses (i) through (v) of Section 2.03(e); provided, however, that anything in such clauses to the contrary notwithstanding, the Company may have a claim against an L/C Issuer, and an L/C Issuer may be liable to the Company, to the extent, but only to the extent, of any direct, as opposed to consequential or exemplary, damages suffered by the Company which the Company proves were caused by such L/C Issuer's willful misconduct or gross negligence or such L/C Issuer's willful failure to pay under any Letter of Credit after the presentation to it by the beneficiary of a sight draft and certificate(s) strictly complying with the terms and conditions of a Letter of Credit. In furtherance and not in limitation of the foregoing, an L/C Issuer may accept documents that appear on their face to be in order, without responsibility for further investigation, regardless of any notice or information to the contrary, and no L/C Issuer shall be responsible for the validity or sufficiency of any instrument transferring or assigning or purporting to transfer or assign a Letter of Credit or the rights or benefits thereunder or proceeds thereof, in whole or in part, which may prove to be invalid or ineffective for any reason. The L/C Issuer may send a Letter of Credit or conduct any communication to or from the beneficiary via the Society for Worldwide Interbank Financial Telecommunication ("SWIFT") message or overnight courier, or any other commercially reasonable means of communicating with a beneficiary.

(g) Cash Collateral. Upon the request of the Administrative Agent, (i) if an L/C Issuer has honored any full or partial drawing request under any Letter of Credit and such drawing has resulted in an L/C Borrowing, or (ii) if, as of the Letter of Credit Expiration Date, any L/C Obligation for any reason remains outstanding, the Company shall, in each case, immediately Cash Collateralize the then Outstanding Amount of all L/C Obligations. In addition, if any Revolving Credit Lender shall become a Defaulting Lender, then upon a request of the Administrative Agent (made on behalf of itself or at the direction of any L/C Issuer), the Company shall immediately Cash Collateralize all of such Defaulting Lender's Pro Rata Share of the then Outstanding Amount of all L/C Obligations (in an amount equal to such Defaulting Lender's Pro Rata Share of such Outstanding Amount, determined as of the date of such request from the Administrative Agent. Section 2.05 and Section 8.02 set forth certain additional requirements to deliver Cash Collateral hereunder. For purposes of this Section 2.03, Section 2.05 and Section 8.02, "Cash Collateralize" means to pledge and deposit with or deliver to the Administrative Agent, for the benefit of the L/C Issuers and the Lenders, as collateral for the L/C Obligations, cash or deposit account balances pursuant to documentation in form and substance satisfactory to the Administrative Agent and the L/C Issuers (which documents are hereby consented to by the Lenders). Derivatives of such term have corresponding meanings. The Company hereby grants to the Administrative Agent, for the benefit of the L/C Issuers and the Lenders, a security interest in all such cash, deposit accounts and all balances therein and all proceeds of the foregoing. Cash Collateral shall be maintained in blocked, non-interest bearing deposit accounts at JPMorgan. If at any time the Administrative Agent determines that any funds held as Cash Collateral are subject to any right or claim of any Person other than the Administrative Agent or that the total amount of such funds is less than the aggregate Outstanding Amount of all L/C Obligations, the Company will, forthwith upon demand by the Administrative Agent, pay to the Administrative Agent, as additional funds to be deposited as Cash Collateral, an amount equal to the excess of (x) such aggregate Outstanding Amount over (y) the total amount of funds, if any, then held as Cash Collateral that the Administrative Agent determines to be free and clear of any such right and claim. Upon the drawing of any Letter of

Credit for which funds are on deposit as Cash Collateral, such funds shall be applied, to the extent permitted under applicable Laws, to reimburse the L/C Issuers.

(h) Applicability of ISP and UCP. Unless otherwise expressly agreed by the applicable L/C Issuer and the Company when a Letter of Credit is issued (including any such agreement applicable to an Existing Letter of Credit), (i) the rules of the ISP shall apply to each Standby Letter of Credit, and (ii) the rules of the UCP, as most recently published by the International Chamber of Commerce at the time of issuance shall apply to each Trade Letter of Credit.

(i) Letter of Credit Fees. The Company shall pay to the Administrative Agent for the account of each Revolving Credit Lender in accordance with its Applicable Revolving Credit Percentage a Letter of Credit Fee (the "Letter of Credit Fee") for each Letter of Credit equal to the Applicable Rate for Revolving Credit Loans maintained as ~~Eurodollar Rate~~Term Benchmark Loans times the daily amount available to be drawn under such Letter of Credit. For purposes of computing the daily amount available to be drawn under any Letter of Credit, the amount of such Letter of Credit shall be determined in accordance with Section 1.06. Letter of Credit Fees shall be (A) computed on a quarterly basis in arrears and (B) due and payable on the first Business Day after the end of each March, June, September and December, commencing with the first such date to occur after the issuance of such Letter of Credit, on the Letter of Credit Expiration Date and thereafter on demand. If there is any change in the Applicable Rate during any quarter, the daily amount available to be drawn under each Letter of Credit shall be computed and multiplied by the Applicable Rate separately for each period during such quarter that such Applicable Rate was in effect. Notwithstanding anything to the contrary contained herein, upon the request of the Required Lenders, while any Event of Default exists, all Letter of Credit Fees shall accrue at the Default Rate.

(j) Fronting Fee and Documentary and Processing Charges Payable to L/C Issuers. The Company shall pay directly to each L/C Issuer for its own account a fronting fee with respect to each Letter of Credit issued by it, at the rate of ¼ of 1.00% per annum (but in no event less than $500 per annum for each Letter of Credit) (i) with respect to each Trade Letter of Credit, computed on the amount of such Letter of Credit, and payable upon the issuance thereof, (ii) with respect to any amendment of a Trade Letter of Credit increasing the amount of such Trade Letter of Credit, computed on the amount of such increase, and payable upon the effectiveness of such amendment (provided, that the $500 per annum minimum set forth in the previous parenthetical shall not apply to an amendment of a Trade Letter of Credit), and (iii) with respect to each Standby Letter of Credit, computed on the daily amount available to be drawn under such Standby Letter of Credit on a quarterly basis in arrears. Such fronting fee shall be due and payable on the tenth Business Day after the end of each March, June, September and December in respect of the most recently-ended quarterly period (or portion thereof, in the case of the first payment), commencing with the first such date to occur after the issuance of such Letter of Credit, on the Letter of Credit Expiration Date and thereafter on demand. For purposes of computing the daily amount available to be drawn under any Letter of Credit, the amount of such Letter of Credit shall be determined in accordance with Section 1.06. In addition, the Company shall pay directly to each L/C Issuer for its own account the customary issuance, presentation, amendment and other processing fees, and other standard costs and charges, of such L/C Issuer relating to letters of credit as from time to time in effect. Such

customary fees and standard costs and charges are due and payable on demand and are nonrefundable.

(k) Conflict with Issuer Documents. In the event of any conflict between the terms hereof and the terms of any Issuer Document, the terms hereof shall control.

(l) Letters of Credit Issued for Subsidiaries. Notwithstanding that a Letter of Credit issued or outstanding hereunder is in support of any obligations of, or is for the account of, a Subsidiary, or states that a Subsidiary is the "account party," "applicant," "customer," "instructing party," or the like of or for such Letter of Credit, and without derogating from any rights of the applicable L/C Issuer (whether arising by contract, law, in equity or otherwise) against such Subsidiary in respect of such Letter of Credit, the Company (i) shall be obligated to reimburse, indemnify and compensate any L/C Issuer hereunder for any and all drawings under such Letter of Credit as if such Letter of Credit had been issued solely for the account of the Company and (ii) irrevocably waives any and all defenses that might otherwise be available to it as a guarantor or surety of any or all of the obligations of such Subsidiary in respect of such Letter of Credit. The Company hereby acknowledges that the issuance of Letters of Credit for the account of Subsidiaries inures to the benefit of the Company, and that the Company's business derives substantial benefits from the businesses of such Subsidiaries.

Section 2.04 Swing Line Loans. (d) The Swing Line. Subject to the terms and conditions set forth herein, the Swing Line Lender agrees, in reliance upon the agreements of the other Lenders set forth in this Section 2.04, to make loans (each such loan, a "Swing Line Loan") to the Company from time to time on any Business Day during the Availability Period in an aggregate amount not to exceed at any time outstanding the amount of the Swing Line Sublimit; provided, however, that after giving effect to any Swing Line Loan, (i) the Total Revolving Credit Outstandings shall not exceed the Revolving Credit Facility at such time, (ii) the aggregate Outstanding Amount of the Revolving Credit Loans of any Revolving Credit Lender (including the Swing Line Lender) at such time, plus such Revolving Credit Lender's Applicable Revolving Credit Percentage of the Outstanding Amount of all L/C Obligations at such time, plus such Revolving Credit Lender's Applicable Revolving Credit Percentage of the Outstanding Amount of all Swing Line Loans at such time shall not exceed such Lender's Revolving Credit Commitment and (iii) the aggregate Outstanding Amount under the ~~Swingline~~Swing Line Facility shall not exceed the aggregate amount of ~~Swingline~~Swing Line Lender's unused Revolving Credit Commitment, and provided further that the Company shall not use the proceeds of any Swing Line Loan to refinance any outstanding Swing Line Loan. Within the foregoing limits, and subject to the other terms and conditions hereof, the Company may borrow under this Section 2.04, prepay under Section 2.05, and reborrow under this Section 2.04. Each Swing Line Loan shall bear interest only at a rate based on the Alternate Base Rate. Immediately upon the making of a Swing Line Loan, each Revolving Credit Lender shall be deemed to, and hereby irrevocably and unconditionally agrees to, purchase from the Swing Line Lender a risk participation in such Swing Line Loan in an amount equal to the product of such Revolving Credit Lender's Applicable Revolving Credit Percentage times the amount of such Swing Line Loan. Notwithstanding anything to the contrary contained in this Section 2.04 or elsewhere in this Credit Agreement, the Swing Line Lender shall not be obligated to make any Swing Line Loan at a time when a Revolving Credit Lender is a Defaulting Lender unless the Swing Line

Lender has entered into arrangements satisfactory to it to eliminate the Swing Line Lender's risk with respect to the Defaulting Lender's or Defaulting Lenders' participation in such Swing Line Loans.

(b) Borrowing Procedures. Each Swing Line Borrowing shall be made upon the Company's irrevocable notice to the Swing Line Lender and the Administrative Agent, which may be given by telephone (a "Swing Line Loan Notice"). Each such notice must be received by the Swing Line Lender and the Administrative Agent not later than 11:00 a.m. on the requested borrowing date, and shall specify (i) the amount to be borrowed, which shall be a minimum of $500,000, and (ii) the requested borrowing date, which shall be a Business Day. Each such telephonic notice must be confirmed promptly by delivery to the Swing Line Lender and the Administrative Agent of a written Swing Line Loan Notice, appropriately completed and signed by a senior executive of the Company. Promptly after receipt by the Swing Line Lender of any telephonic Swing Line Loan Notice, the Swing Line Lender will confirm with the Administrative Agent (by telephone or in writing) that the Administrative Agent has also received such Swing Line Loan Notice and, if not, the Swing Line Lender will notify the Administrative Agent (by telephone or in writing) of the contents thereof. Unless the Swing Line Lender has received notice (by telephone or in writing) from the Administrative Agent (including at the request of any Revolving Credit Lender) prior to 12:00 p.m. on the date of the proposed Swing Line Borrowing (A) directing the Swing Line Lender not to make such Swing Line Loan as a result of the limitations set forth in the first proviso to the first sentence of Section 2.04(a), or (B) that one or more of the applicable conditions specified in Article V is not then satisfied, then, subject to the terms and conditions hereof, the Swing Line Lender will, not later than 3:00 p.m. on the borrowing date specified in such Swing Line Loan Notice, make the amount of its Swing Line Loan available to the Company.

(c) Refinancing of Swing Line Loans. (i) The Swing Line Lender at any time in its sole and absolute discretion may request and no less frequently than weekly shall request, in each case, on behalf of the Company (which hereby irrevocably authorizes the Swing Line Lender to so request on its behalf), that each Revolving Credit Lender make a Base Rate Loan in an amount equal to such Lender's Applicable Revolving Credit Percentage of the amount of Swing Line Loans then outstanding. Such request shall be made in writing (which written request shall be deemed to be a Committed Loan Notice for purposes hereof) and in accordance with the requirements of Section 2.02, without regard to the minimum and multiples specified therein for the principal amount of Base Rate Loans, but subject to the unutilized portion of the Revolving Credit Facility and the conditions set forth in Section 5.02. The Swing Line Lender shall furnish the Company with a copy of the applicable Committed Loan Notice promptly after delivering such notice to the Administrative Agent. Each Revolving Credit Lender shall make an amount equal to its Applicable Revolving Credit Percentage of the amount specified in such Committed Loan Notice available to the Administrative Agent in immediately available funds for the account of the Swing Line Lender at the Administrative Agent's Office not later than 1:00 p.m. on the day specified in such Committed Loan Notice, whereupon, subject to Section 2.04(c)(ii), each Revolving Credit Lender that so makes funds available shall be deemed to have made a Base Rate Loan to the Company in such amount. The Administrative Agent shall remit the funds so received to the Swing Line Lender.

(ii) If for any reason any Swing Line Loan cannot be refinanced by such a Revolving Credit Borrowing in accordance with Section 2.04(c)(i), the request for Base Rate Loans submitted by the Swing Line Lender as set forth herein shall be deemed to be a request by the Swing Line Lender that each of the Revolving Credit Lenders fund its risk participation in the relevant Swing Line Loan and each Revolving Credit Lender's payment to the Administrative Agent for the account of the Swing Line Lender pursuant to Section 2.04(c)(i) shall be deemed payment in respect of such participation.

(iii) If any Revolving Credit Lender fails to make available to the Administrative Agent for the account of the Swing Line Lender any amount required to be paid by such Lender pursuant to the foregoing provisions of this Section 2.04(c) by the time specified in Section 2.04(c)(i), the Swing Line Lender shall be entitled to recover from such Lender (acting through the Administrative Agent), on demand, such amount with interest thereon for the period from the date such payment is required to the date on which such payment is immediately available to the Swing Line Lender at a rate per annum equal to the greater of the New York Fed Bank Rate and a rate determined by the Swing Line Lender in accordance with banking industry rules on interbank compensation, plus any administrative, processing or similar fees customarily charged by the Swing Line Lender in connection with the foregoing. A certificate of the Swing Line Lender submitted to any Lender (through the Administrative Agent) with respect to any amounts owing under this clause (iii) shall be conclusive absent manifest error.

(iv) Each Revolving Credit Lender's obligation to make Revolving Credit Loans or to purchase and fund risk participations in Swing Line Loans pursuant to this Section 2.04(c) shall be absolute and unconditional and shall not be affected by any circumstance, including (A) any setoff, counterclaim, recoupment, defense or other right which such Lender may have against the Swing Line Lender, the Company or any other Person for any reason whatsoever, (B) the occurrence or continuance of a Default, or (C) any other occurrence, event or condition, whether or not similar to any of the foregoing; provided, however, that each Revolving Credit Lender's obligation to make Revolving Credit Loans pursuant to this Section 2.04(c) is subject to the conditions set forth in Section 5.02. No such funding of risk participations shall relieve or otherwise impair the obligation of the Company to repay Swing Line Loans, together with interest as provided herein.

(d) Repayment of Participations. (ii) At any time after any Revolving Credit Lender has purchased and funded a risk participation in a Swing Line Loan, if the Swing Line Lender receives any payment on account of such Swing Line Loan, the Swing Line Lender will distribute to such Revolving Credit Lender its Applicable Revolving Credit Percentage thereof in the same funds as those received by the Swing Line Lender.

(ii) If any payment received by the Swing Line Lender in respect of principal or interest on any Swing Line Loan is required to be returned by the Swing Line Lender under any of the circumstances described in Section 10.05 (including pursuant to any settlement entered into by the Swing Line Lender in its discretion), each Revolving Credit Lender shall pay to the Swing Line Lender its Applicable Revolving Credit Percentage thereof on demand of the Administrative Agent, plus interest thereon from the

date of such demand to the date such amount is returned, at a rate per annum equal to the New York Fed Bank Rate. The Administrative Agent will make such demand upon the request of the Swing Line Lender. The obligations of the Lenders under this clause shall survive the payment in full of the Obligations and the termination of this Credit Agreement.

(e) Interest for Account of Swing Line Lender. The Swing Line Lender shall be responsible for invoicing the Company for interest on the Swing Line Loans. Until each Revolving Credit Lender funds its Base Rate Loan or risk participation pursuant to this Section 2.04 to refinance such Revolving Credit Lender's Applicable Revolving Credit Percentage of any Swing Line Loan, interest in respect of such Applicable Revolving Credit Percentage shall be solely for the account of the Swing Line Lender.

(f) Payments Directly to Swing Line Lender. The Company shall make all payments of principal and interest in respect of the Swing Line Loans directly to the Swing Line Lender.

(g) Replacement of Swing Line Lender. Any Swing Line Lender may be replaced at any time by written agreement among the Company, the Administrative Agent, the replaced Swing Line Lender and the successor Swing Line Lender. The Administrative Agent shall notify the Lenders of any such replacement of a Swing Line Lender. At the time any such replacement shall become effective, the Company shall pay all unpaid interest accrued for the account of the replaced Swing Line Lender pursuant to Section 2.08(a). From and after the effective date of any such replacement, (x) the successor Swing Line Lender shall have all the rights and obligations of the replaced Swing Line Lender under this Credit Agreement with respect to Swing Line Loans made thereafter and (y) references herein to the term "Swing Line Lender" shall be deemed to refer to such successor or to any previous Swing Line Lender, or to such successor and all previous Swing Line Lenders, as the context shall require. After the replacement of a Swing Line Lender hereunder, the replaced Swing Line Lender shall remain a party hereto and shall continue to have all the rights and obligations of a Swing Line Lender under this Credit Agreement with respect to Swing Line Loans made by it prior to its replacement, but shall not be required to make additional Swing Line Loans.

(h) Resignation of Swing Line Lender. Subject to the appointment and acceptance of a successor Swing Line Lender, any Swing Line Lender may resign as a Swing Line Lender at any time upon thirty days' prior written notice to the Administrative Agent, the Company and the Lenders, in which case, such Swing Line Lender shall be replaced in accordance with Section 2.04(g) above.

Section 2.05 Prepayments. (e) Optional. (i) The Company may, upon notice to the Administrative Agent, at any time or from time to time voluntarily prepay Term Loans and Revolving Credit Loans in whole or in part without premium or penalty; provided that (x) such notice must be received by the Administrative Agent not later than 11:00 a.m. (A) three U.S. Government Securities Business Days prior to any date of prepayment of ~~Eurodollar Rate~~Term Benchmark Loans, and (B) one Business Day prior to any date of prepayment of Base Rate Loans; (y) any prepayment of ~~Eurodollar Rate~~Term Benchmark Loans shall be in a principal amount of $1,000,000 or a whole multiple of

$1,000,000 in excess thereof; and (z) any prepayment of Base Rate Loans shall be in a principal amount of $500,000 or a whole multiple of $100,000 in excess thereof or, in each case, if less, the entire principal amount thereof then outstanding. Each such notice shall specify the date and amount of such prepayment, the Type(s) of Loans to be prepaid and, if ~~Eurodollar Rate~~Term Benchmark Loans are to be prepaid, the Interest Period(s) of such Loans. The Administrative Agent will promptly notify each Lender of its receipt of each such notice, and of the amount of such Lender's ratable portion of such prepayment. If such notice is given by the Company, the Company shall make such prepayment and the payment amount specified in such notice shall be due and payable on the date specified therein. Any prepayment of a ~~Eurodollar Rate~~Term Benchmark Loan shall be accompanied by all accrued interest on the amount prepaid, together with any additional amounts required pursuant to Section 3.05. Each prepayment of the outstanding Loans pursuant to this Section 2.05(a) shall be applied to the principal repayment installments thereof as directed by the Company (and if not so directed, on a pro-rata basis), and, subject to Section 2.16, each such prepayment shall be paid to the Lenders in accordance with their respective Applicable Percentages in the relevant Facility.

(ii) The Company may, upon notice to the Swing Line Lender (with a copy to the Administrative Agent), at any time or from time to time, voluntarily prepay Swing Line Loans in whole or in part without premium or penalty; provided that (A) such notice must be received by the Swing Line Lender and the Administrative Agent not later than 1:00 p.m. on the date of the prepayment, and (B) any such prepayment shall be in a minimum principal amount of $100,000. Each such notice shall specify the date and amount of such prepayment. If such notice is given by the Company, the Company shall make such prepayment and the payment amount specified in such notice shall be due and payable on the date specified therein.

(b) Mandatory. (ii) If (A) the Company or any of its Subsidiaries Disposes of any Collateral other than (x) Dispositions under Section 7.24(i) or Section 7.24(ii); (y) any Disposition of Equity Interests in a Restricted Subsidiary that hold only Excluded Assets, or (z) as a result of the consummation of the Spin-Off (a "Mandatory Prepayment Disposition"), or (B) the Company or any of its Restricted Subsidiaries suffers an Event of Loss, which in each case, together with all other Mandatory Prepayment Dispositions made and Events of Loss suffered at any time since the Original Closing Date, result in the realization by the Loan Parties, collectively, of Net Cash Proceeds from Mandatory Prepayment Dispositions and Events of Loss in an aggregate amount in excess of $75,000,000 (for the avoidance of doubt, excluding any Net Cash Proceeds excluded under the preceding subclause (i)(A)(x)), the Company shall in each case prepay, within three Business Days after receipt thereof by such Person, an aggregate principal amount of Loans equal to 100% of such Net Cash Proceeds; provided that if the Company's Total Leverage Ratio, as determined by the Compliance Certificate most recently delivered pursuant to Section 7.01(e), is (x) greater than or equal to 2.00:1.00 but less than 2.50:1.00, such percentage shall be reduced to 75% of such Net Cash Proceeds, or (y) less than 2.00:1.00, such percentage shall be reduced to 50% of such Net Cash Proceeds; provided, further, that (x) with respect to all or a portion of any Net Cash Proceeds realized under a Disposition described in this Section 2.05(b)(i)(A), at the election of the Company (as notified by the Company to the Administrative Agent on or prior to such third Business Day following receipt of such Net Cash Proceeds of Dispositions of Collateral), and so long as no Default shall

have occurred and be continuing, the Company or such Subsidiary may reinvest Net Cash Proceeds arising from such Disposition in operating assets which constitute Collateral within 365 days after the receipt of such Net Cash Proceeds and (y) with respect to any Net Cash Proceeds of casualty insurance or condemnation awards realized due to an Event of Loss described in this Section 2.05(b)(i)(B), at the election of the Company (as notified by the Company to the Administrative Agent on or prior to such third Business Day following receipt of such Net Cash Proceeds of casualty insurance or condemnation awards), and so long as no Default shall have occurred and be continuing, the Company or such Subsidiary may apply within 365 days (or, if such replacement or repair could not reasonably completed within 365 days, such period shall be extended for a reasonable period of time to permit completion of such replacement and repair so long as the replacement or repair of the asset or assets that suffered the Event of Loss is being diligently pursued by the Company or such Subsidiary) after the receipt of such Net Cash Proceeds to replace or repair the equipment, fixed assets or real property in respect of which such Net Cash Proceeds were received; and provided further, that any Net Cash Proceeds not so reinvested shall be immediately applied to the prepayment of the Loans.

(ii) Upon the incurrence or issuance by the Company or any of its Restricted Subsidiaries of any Indebtedness (other than Indebtedness permitted under Section 7.14), the Company shall prepay an aggregate principal amount of Loans equal to 100% of all Net Cash Proceeds received therefrom immediately upon receipt thereof by the Company or such Restricted Subsidiary.

(iii) If for any reason the Total Revolving Credit Outstandings at any time exceed the Revolving Credit Facility at such time, the Company shall immediately prepay Revolving Credit Loans, Swing Line Loans and L/C Borrowings and/or Cash Collateralize the L/C Obligations (other than the L/C Borrowings) in an aggregate amount equal to such excess.

(iv) Prepayments made pursuant to this Section 2.05(b), first, except to the extent that the Incremental Term Lenders under an Incremental Term Facility have otherwise agreed, shall be applied ratably to the outstanding Loans under the Initial Term Facility and each Incremental Term Facility, if any, second, shall be applied ratably to the L/C Borrowings and the Swing Line Loans, third, except to the extent that the Incremental Revolving Credit Lenders under an Incremental Revolving Credit Facility have otherwise agreed, shall be applied ratably to the outstanding Loans under the Initial Revolving Credit Facility and each Incremental Revolving Credit Facility, if any, and, fourth, shall be used to Cash Collateralize the remaining L/C Obligations; and, in the case of prepayments required pursuant to clause (i) through (iii) of this Section 2.05(b), the amount remaining, if any, after the prepayment in full of all L/C Borrowings, Swing Line Loans and Loans outstanding at such time and the Cash Collateralization of the remaining L/C Obligations in full (the sum of such prepayment amounts, cash collateralization amounts and remaining amount being, collectively, the "Reduction Amount") may be retained by the Company for use in the ordinary course of its business, and the Revolving Credit Facility and any Incremental Revolving Credit Facility shall be automatically and permanently reduced on a pro rata basis by the Reduction Amount as set forth in Section 2.06(b)(i). Upon the drawing of any Letter of Credit that has been

Cash Collateralized, the funds held as Cash Collateral shall be applied (without any further action by or notice to or from the Company or any other Loan Party) to reimburse the L/C Issuers or the Revolving Credit Lenders, as applicable.

Section 2.06 Termination or Reduction of Commitments.

(f) Optional. The Company may, upon notice to the Administrative Agent, terminate any Revolving Credit Facility, the Letter of Credit Sublimit or the Swing Line Sublimit, or from time to time permanently reduce any Revolving Credit Facility, Letter of Credit Sublimit or the Swing Line Sublimit; provided that (i) any such notice shall be received by the Administrative Agent not later than 11:00 a.m. three Business Days prior to the date of termination or reduction, (ii) any such partial reduction shall be in an aggregate amount of $10,000,000 or any whole multiple of $1,000,000 in excess thereof, (iii) the Company shall not terminate or reduce (A) any Revolving Credit Facility if, after giving effect thereto and to any concurrent prepayments hereunder, the Total Revolving Credit Outstandings would exceed the Revolving Credit Facility, (B) the Letter of Credit Sublimit if, after giving effect thereto, the Outstanding Amount of L/C Obligations not fully Cash Collateralized hereunder would exceed the Letter of Credit Sublimit, or (C) the Swing Line Sublimit if, after giving effect thereto and to any concurrent prepayments hereunder, the Outstanding Amount of Swing Line Loans would exceed the Swing Line Sublimit, and (iv) to the extent practicable, each partial reduction in the Letter of Credit Sublimit shall be allocated ratably among the L/C Issuers in accordance with their respective Letter of Credit Commitments.

(b) Mandatory. (i) The aggregate Term Commitments under the Initial Term Facility and any Incremental Term Facility shall be automatically and permanently reduced to zero on the date of the applicable Term Borrowing.

(ii) The Revolving Credit Facility and any Incremental Revolving Credit Facility shall be automatically and permanently reduced on each date on which the prepayment of Loans outstanding thereunder would be required to be made pursuant to Section 2.05(b)(i) through (iii), whether or not any Loans or L/C Obligations are then outstanding, by an amount equal to the applicable Reduction Amount.

(iii) If after giving effect to any reduction or termination of Revolving Credit Commitments under this Section 2.06, the Letter of Credit Sublimit or the Swing Line Sublimit exceeds the Revolving Credit Facility at such time, the Letter of Credit Sublimit or the Swing Line Sublimit, as the case may be, shall be automatically reduced by the amount of such excess.

(c) Application of Commitment Reductions; Payment of Fees. The Administrative Agent will promptly notify the Lenders of any termination or reduction of the Letter of Credit Sublimit, Swing Line Sublimit or the Revolving Credit Commitments under this Section 2.06. Upon any reduction of the Revolving Credit Commitments, the Revolving Credit Commitment of each Revolving Credit Lender under the Revolving Credit Facility and any Incremental Revolving Credit Facility shall be reduced by such Revolving Credit Lender's Applicable Percentage of such reduction amount with respect to each such Revolving Credit

Facility. All fees in respect of any Revolving Credit Facility accrued until the effective date of any termination of such Facility shall be paid on the effective date of such termination.

Section 2.07 Repayment of Loans. (g) Initial Term Facility. The Company shall, on each date set forth below, pay a principal amount of the Initial Term Facility in an aggregate amount equal to the percentage set forth below for such date of the original principal amount of the Initial Term Facility:

Date	Principal Amortization Payment	Date	Principal Amortization Payment
March 31, 2020	0.625%	September 30, 2022	1.125%
June 30, 2020	0.625%	December 31, 2022	1.125%
September 30, 2020	0.625%	March 31, 2023	1.875%
December 31, 2020	0.625%	June 30, 2023	1.875%
March 31, 2021	1.125%	September 30, 2023	1.875%
June 30, 2021	1.125%	December 31, 2023	1.875%
September 30, 2021	1.125%	March 31, 2024	1.875%
December 31, 2021	1.125%	June 30, 2024	1.875%
March 31, 2022	1.125%	September 30, 2024	1.875%
June 30, 2022	1.125%	Maturity Date	Outstanding Principal Amount

(b) Revolving Credit Loans and Incremental Revolving Credit Loans. The Company shall repay to the Revolving Credit Lenders and Incremental Revolving Credit Lenders on the Maturity Date applicable to each such Facility, the aggregate principal amount of all Revolving Credit Loans and Incremental Revolving Credit Loans, as applicable, outstanding on such date.

(c) Swing Line Loans. The Company shall repay each Swing Line Loan on the earlier to occur of (i) the date that is five Business Days after such Loan is made, and (ii) the Maturity Date applicable to the Revolving Credit Facility with the latest Maturity Date.

(d) Incremental Term Loans. The Company shall repay to the Incremental Term Lenders the principal amount of the Incremental Term Loans in such amounts and at such times as shall be set forth in the applicable Incremental Term Supplement.

Section 2.08 Interest. (h) Subject to the provisions of Section 2.08(b), (i) each ~~Eurodollar Rate~~Term Benchmark Loan shall bear interest on the outstanding principal amount thereof for each Interest Period at a rate per annum equal to the ~~Eurodollar~~Adjusted Term SOFR Rate for such Interest Period plus the Applicable Rate for such Facility; (ii) each Base Rate Loan under a Facility shall bear interest on the outstanding principal amount thereof from the applicable borrowing date at a rate per annum equal to the Alternate Base Rate plus the Applicable Rate for such Facility; and (iii) each Swing Line Loan shall bear interest on the outstanding principal amount thereof from the applicable borrowing date at a rate per annum equal to the Alternate Base Rate plus the Applicable Rate for the applicable Revolving Credit Facility.

(b) (i) If any amount of principal of any Loan is not paid when due (without regard to any applicable grace periods), whether at stated maturity, by acceleration or otherwise, such amount shall thereafter bear interest at a fluctuating interest rate per annum at all times equal to the Default Rate to the fullest extent permitted by applicable Laws.

(ii) If any amount (other than principal of any Loan) payable by the Company under any Loan Document is not paid when due (without regard to any applicable grace periods), whether at stated maturity, by acceleration or otherwise, then upon the request of the Required Lenders, such amount shall thereafter bear interest at a fluctuating interest rate per annum at all times equal to the Default Rate to the fullest extent permitted by applicable Laws.

(iii) Accrued and unpaid interest on past due amounts (including interest on past due interest) shall be due and payable upon demand.

(c) Interest on each (x) Base Rate Loan shall be due and payable quarterly in arrears on the last Business Day of each calendar quarter, (y) ~~Eurodollar Rate~~Term Benchmark Loan shall be due and payable in arrears on each Interest Payment Date applicable thereto.

(d) Interest hereunder shall be due and payable in accordance with the terms hereof before and after judgment, and before and after the commencement of any proceeding under any Debtor Relief Law.

Section 2.09 Fees. In addition to certain fees described in Section 2.03(i) and (j):

(a) Commitment Fee. The Company shall pay to the Administrative Agent for the account of each Revolving Credit Lender that is not a Defaulting Lender in accordance with its Applicable Revolving Credit Percentage, a commitment fee (the "Commitment Fee") on the actual daily amount by which the Initial Revolving Credit Facility exceeds the Total Outstandings under the Initial Revolving Credit Facility, at a rate equal to the then-applicable Applicable Commitment Fee Percentage; provided, however, that any Commitment Fee accrued with respect to any of the Commitments of a Defaulting Lender during the period prior to the time such Lender became a Defaulting Lender and unpaid at such time shall not be payable by the Company so long as such Lender shall be a Defaulting Lender except to the extent that such Commitment Fee shall otherwise have been due and payable by the Company prior to such time, and provided, further, that no Commitment Fee shall accrue on any of the Commitments of a Defaulting Lender so long as such Lender shall be a Defaulting Lender. The Commitment Fee shall accrue at all times during the Availability Period, including at any time during which one or more of the conditions in Article V is not met, and shall be due and payable quarterly in arrears on the last Business Day of each March, June, September and December, commencing with the first such date to occur after the Effective Date, and on the last day of the Availability Period for the Revolving Credit Facility. The Commitment Fee shall be calculated quarterly in arrears. For the purposes of calculating the Commitment Fee, outstanding Swing Line Loans shall be disregarded as a utilization of the Revolving Credit Facility.

(b) Other Fees. The Company shall pay to the Administrative Agent, the Joint Book Runners and the Lenders such fees as shall have been separately agreed upon in writing in the amounts and at the times so specified. Such fees shall be fully earned when paid and shall not be refundable for any reason whatsoever.

Section 2.10 Computation of Interest and Fees. ~~All computations of interest for Base Rate Loans, when the Base Rate is determined by JPMorgan's "prime rate" shall be made on the basis of a year of 365 or 366 days, as the case may be, and actual days elapsed. All other computations of fees and interest shall be made on the basis of a 360-day year and actual days elapsed. Interest shall accrue on each Loan for the day on which the Loan is made, and shall not accrue on a Loan, or any portion thereof, for the day on which the Loan or such portion is paid, provided that any Loan that is repaid on the same day on which it is made shall, subject to Section 2.12(a), bear interest for one day. Each determination by the Administrative Agent of an interest rate or fee hereunder shall be conclusive and binding for all purposes, absent manifest error.~~

. Interest computed by reference to the Term SOFR Rate or Daily Simple SOFR hereunder shall be computed on the basis of a year of 360 days. Interest computed by reference to the Alternate Base Rate at times when the Alternate Base Rate is based on the Prime Rate shall be computed on the basis of a year of 365 days (or 366 days in a leap year). All other computations of fees and interest shall be made on the basis of a 360 day year and actual days elapsed. In each case, interest shall be payable for the actual number of days elapsed (including the first day but excluding the last day). All interest hereunder on any Loan shall be computed on a daily basis based upon the outstanding principal amount of such Loan as of the applicable date of determination. Any determination of the applicable Alternate Base Rate, Adjusted Term SOFR Rate, Term SOFR Rate, Adjusted Daily Simple SOFR or Daily Simple SOFR shall be determined by the Administrative Agent, and such determination shall be conclusive absent manifest error.

Section 2.11 Evidence of Debt. (i) The Credit Extensions made by each Lender shall be evidenced by one or more accounts or records maintained by such Lender and by the Administrative Agent in the ordinary course of business. The accounts or records maintained by the Administrative Agent and each Lender shall be conclusive absent manifest error of the amount of the Credit Extensions made by the Lenders to the Company and the interest and payments thereon. Any failure to so record or any error in doing so shall not, however, limit or otherwise affect the obligation of the Company hereunder to pay any amount owing with respect to the Obligations. In the event of any conflict between the accounts and records maintained by any Lender and the accounts and records of the Administrative Agent in respect of such matters, the accounts and records of the Administrative Agent shall control in the absence of manifest error. Upon the request of any Lender made through the Administrative Agent, the Company shall execute and deliver to such Lender (through the Administrative Agent) a Note, which shall evidence such Lender's Loans in addition to such accounts or records. Each Lender may attach schedules to its Note and endorse thereon the date, Type (if applicable), amount and maturity of its Loans and payments with respect thereto.

(b) In addition to the accounts and records referred to in Section 2.11(a), each Lender and the Administrative Agent shall maintain in accordance with its usual practice accounts or records evidencing the purchases and sales by such Lender of participations in Letters of Credit and Swing Line Loans. In the event of any conflict between the accounts and records maintained by the Administrative Agent and the accounts and records of any Lender in respect of such matters, the accounts and records of the Administrative Agent shall control in the absence of manifest error.

Section 2.12 Payments Generally; Administrative Agent's Clawback. (j) General. All payments to be made by the Company shall be made without condition or deduction for any counterclaim, defense, recoupment or setoff. Except as otherwise expressly provided herein, all payments by the Company hereunder shall be made to the Administrative Agent, for the account of the respective Lenders to which such payment is owed, at the Administrative Agent's Office in Dollars and in immediately available funds not later than 2:00 p.m. on the date specified herein. The Administrative Agent will promptly distribute to each Lender its Applicable Percentage (or other applicable share as provided herein) of such payment in like funds as received by wire transfer to such Lender's Lending Office. All payments received by the Administrative Agent after 2:00 p.m. shall be deemed received on the next succeeding Business Day and any applicable interest or fee shall continue to accrue. If any payment to be made by the Company shall come due on a day other than a Business Day, payment shall be made on the next following Business Day, and such extension of time shall be reflected on computing interest or fees, as the case may be.

(b) (i) Funding by Lenders; Presumption by Administrative Agent. Unless the Administrative Agent shall have received notice from a Lender prior to the proposed date of any Borrowing of ~~Eurodollar Rate~~Term Benchmark Loans (or, in the case of any Borrowing of Base Rate Loans, prior to 12:00 noon on the date of such Borrowing) that such Lender will not make available to the Administrative Agent such Lender's share of such Borrowing, the Administrative Agent may assume that such Lender has made such share available on such date in accordance with Section 2.02 (or, in the case of a Borrowing of Base Rate Loans, that such Lender has made such share available in accordance with and at the time required by Section 2.02) and may, in reliance upon such assumption, make available to the Company a corresponding amount. In such event, if a Lender has not in fact made its share of the applicable Borrowing available to the Administrative Agent, then the applicable Lender and the Company severally agree to pay to the Administrative Agent forthwith on demand such corresponding amount in immediately available funds with interest thereon, for each day from and including the date such amount is made available to the Company to but excluding the date of payment to the Administrative Agent, at (A) in the case of a payment to be made by such Lender, the greater of the New York Fed Bank Rate and a rate determined by the Administrative Agent in accordance with banking industry rules on interbank compensation and (B) in the case of a payment to be made by the Company, the interest rate applicable to Base Rate Loans. If the Company and such Lender shall pay such interest to the Administrative Agent for the same or an overlapping period, the Administrative Agent shall promptly remit to the Company the amount of such interest paid by the Company for such period. If such Lender pays its share of the applicable Borrowing to the Administrative Agent, then the amount so paid shall constitute such Lender's Loan included in such Borrowing. Any payment by the Company shall be without prejudice to

any claim the Company may have against a Lender that shall have failed to make such payment to the Administrative Agent.

(ii) Payments by Company; Presumptions by Administrative Agent. Unless the Administrative Agent shall have received notice from the Company prior to the time at which any payment is due to the Administrative Agent for the account of the Lenders or the L/C Issuers hereunder that the Company will not make such payment, the Administrative Agent may assume that the Company has made such payment on such date in accordance herewith and may, in reliance upon such assumption, distribute to the Appropriate Lenders or the L/C Issuers, as the case may be, the amount due. In such event, if the Company has not in fact made such payment, then each of the Appropriate Lenders or the L/C Issuers, as the case may be, severally agrees to repay to the Administrative Agent forthwith on demand the amount so distributed to such Lender or such L/C Issuer, in immediately available funds with interest thereon, for each day from and including the date such amount is distributed to it to but excluding the date of payment to the Administrative Agent, at the greater of the New York Fed Bank Rate and a rate determined by the Administrative Agent in accordance with banking industry rules on interbank compensation.

A notice of the Administrative Agent to any Lender or the Company with respect to any amount owing under this subsection (b) shall be conclusive, absent manifest error.

(c) Failure to Satisfy Conditions Precedent. If any Lender makes available to the Administrative Agent funds for any Loan to be made by such Lender as provided in the foregoing provisions of this Article II, and such funds are not made available to the Company by the Administrative Agent because the conditions to the applicable Credit Extension set forth in Article V are not satisfied or waived in accordance with the terms hereof, the Administrative Agent shall return such funds (in like funds as received from such Lender) to such Lender, without interest.

(d) Obligations of Lenders Several. The obligations of the Lenders hereunder to make Term Loans and Revolving Credit Loans, to fund participations in Letters of Credit and Swing Line Loans and to make payments pursuant to Section 10.04(c) are several and not joint. The failure of any Lender to make any Loan, to fund any such participation or to make any payment under Section 10.04(c) on any date required hereunder shall not relieve any other Lender of its corresponding obligation to do so on such date, and no Lender shall be responsible for the failure of any other Lender to so make its Loan, to purchase its participation or to make its payment under Section 10.04(c).

(e) Funding Source. Nothing herein shall be deemed to obligate any Lender to obtain the funds for any Loan in any particular place or manner or to constitute a representation by any Lender that it has obtained or will obtain the funds for any Loan in any particular place or manner.

(f) Insufficient Funds. If at any time insufficient funds are received by and available to the Administrative Agent to pay fully all amounts of principal, L/C Borrowings, interest and fees then due hereunder, such funds shall be applied (i) first, toward payment of

interest and fees then due hereunder, ratably among the parties entitled thereto in accordance with the amounts of interest and fees then due to such parties, and (ii) second, toward payment of principal and L/C Borrowings then due hereunder, ratably among the parties entitled thereto in accordance with the amounts of principal and L/C Borrowings then due to such parties.

Section 2.13 Sharing of Payments by Lenders. If any Lender shall, by exercising any right of setoff or counterclaim or otherwise, obtain payment in respect of (a) Obligations in respect of any of the Facilities due and payable to such Lender hereunder and under the other Loan Documents at such time in excess of its ratable share (according to the proportion of (i) the amount of such Obligations due and payable to such Lender at such time to (ii) the aggregate amount of the Obligations in respect of such Facility due and payable to all Lenders hereunder and under the other Loan Documents at such time) of payments on account of the Obligations in respect of such Facility due and payable to all Lenders hereunder and under the other Loan Documents at such time obtained by all the Lenders at such time or (b) Obligations in respect of such Facility owing (but not due and payable) to such Lender hereunder and under the other Loan Documents at such time in excess of its ratable share (according to the proportion of (i) the amount of such Obligations owing (but not due and payable) to such Lender at such time to (ii) the aggregate amount of the Obligations in respect of such Facility owing (but not due and payable) to all Lenders hereunder and under the other Loan Parties at such time) of payments on account of the Obligations in respect of such Facility owing (but not due and payable) to all Lenders hereunder and under the other Loan Documents at such time obtained by all of the Lenders at such time then the Lender receiving such greater proportion shall (a) notify the Administrative Agent of such fact, and (b) purchase (for cash at face value) participations in the Loans or other Obligations and subparticipations in L/C Obligations and Swing Line Loans of the other Lenders, or make such other adjustments as shall be equitable, so that the benefit of all such payments shall be shared by the Lenders ratably in accordance with the aggregate amount of Obligations in respect of the Facilities then due and payable to the Lenders or owing (but not due and payable) to the Lenders, as the case may be, provided that:

(i) if any such participations or subparticipations are purchased and all or any portion of the payment giving rise thereto is recovered, such participations or subparticipations shall be rescinded and the purchase price restored to the extent of such recovery, without interest; and

(ii) the provisions of this Section shall not be construed to apply to (A) any payment made by the Company pursuant to and in accordance with the express terms of this Credit Agreement or (B) any payment obtained by a Lender as consideration for the assignment of or sale of a participation in any of its Loans or subparticipations in L/C Obligations or Swing Line Loans to any assignee or participant, other than to the Company or any Subsidiary thereof (as to which the provisions of this Section shall apply).

Each Loan Party consents to the foregoing and agrees, to the extent it may effectively do so under applicable law, that any Lender acquiring a participation or subparticipation pursuant to the foregoing arrangements may exercise against such Loan Party

rights of setoff and counterclaim with respect to such participation as fully as if such Lender were a direct creditor of such Loan Party in the amount of such participation or subparticipation.

Section 2.14 Incremental Revolving Credit Facilities.

(a) Request for an Incremental Revolving Credit Facility. At the request of the Company to the Administrative Agent and without the consent of any Lender, an increase in the Revolving Credit Commitments or a separate tranche of revolving credit commitments and revolving loans under this Credit Agreement (an "Incremental Revolving Credit Facility") shall be established; provided that at the time of such request, upon the effectiveness of any increase or any Incremental Revolving Credit Supplement referred to below, and at the time any Incremental Revolving Credit Loan is made (and after giving full pro forma effect thereto), the aggregate principal amount of all Incremental Facilities shall not exceed the sum of (x) the greater of (A) $300,000,000 and (B) 100% of Adjusted Operating Income for the most recently completed four fiscal quarter period for which financial statements were required to have been delivered pursuant to Section 7.01, plus (y) an aggregate additional amount of Indebtedness such that, after giving pro forma effect to such incurrence or issuance, the Company shall have a Total Leverage Ratio of no greater than 5.00:1.00; provided, further, that at the time of such request, upon the effectiveness of any increase or any Incremental Revolving Credit Supplement referred to below, and at the time any Incremental Revolving Credit Loan is made (and after giving full pro forma effect thereto), (i) no Default or Event of Default shall exist, and (ii) the Company shall be in pro forma compliance with the Financial Covenants (and compliance with the preceding clauses (y) and (ii) shall be determined (A) assuming that the full amounts of all Revolving Credit Facilities (including the proposed Incremental Revolving Credit Facility and all other then-existing Incremental Revolving Credit Facilities) have been drawn, (B) utilizing the financial statements most recently delivered or deemed delivered pursuant to Section 7.01, (C) giving full pro forma effect to (1) all Specified Transactions (as provided in such definition) that have occurred since the last day of the most recently completed Measurement Period for which financial statements have been delivered or deemed delivered pursuant to Section 7.01 (including, for the avoidance of doubt, but without duplication, any acquisitions constituting Specified Transactions that are to be consummated contemporaneously with the closing of, and using the proceeds of, such proposed Incremental Revolving Credit Facility), and (2) the application of the proceeds of the proposed Incremental Revolving Credit Facility, and (D) otherwise in accordance with the applicable definitions therein); provided, that with respect to a Limited Condition Acquisition, the requirements of the preceding clauses (y), (i) and (ii) shall be modified as provided in Section 1.10 of this Credit Agreement.

(b) Conditions to Effectiveness of an Incremental Revolving Credit Facility. As a condition precedent to the establishment of any Incremental Revolving Credit Facility, the Company, the Administrative Agent and the Incremental Revolving Credit Lenders thereunder shall enter into a supplement to this Credit Agreement in substantially the form of Exhibit H-1 (an "Incremental Revolving Credit Supplement"), duly completed such that such Incremental Revolving Credit Supplement shall set forth the terms and conditions relating to the Incremental Revolving Credit Facility; provided that, in any event, each Incremental Revolving Credit Facility shall (i) be Guaranteed only by the Guarantors under this Credit Agreement and (ii) rank pari passu in right of both payment and of security with the Initial Facilities and each other Incremental Facility. Upon the effective date of such Incremental Revolving Credit Supplement,

each lender thereunder shall become an Incremental Revolving Credit Lender hereunder and such Incremental Revolving Credit Supplement shall be deemed part of this Credit Agreement for all purposes thereafter. Each Incremental Revolving Credit Supplement may, without the consent of any Lender (other than the applicable Incremental Revolving Credit Lenders thereunder and the Administrative Agent), effect such amendments to this Credit Agreement and the other Loan Documents as may be necessary or appropriate, in the reasonable opinion of the Administrative Agent and the Company, to effect the provisions of this Section 2.14.

(c) Incremental Revolving Credit Lenders. The Revolving Credit Lenders shall initially have the right, but not the obligation, to commit up to their pro rata portion of any Incremental Revolving Credit Facility; provided that, if after giving full pro forma effect to such proposed Incremental Revolving Credit Facility (assuming that the full amount of the Initial Revolving Credit Facility, the full amount of each then-existing Incremental Revolving Credit Facility, and the full amount of the proposed Incremental Revolving Credit Facility, have all been drawn), the Company would be in pro forma compliance with the Financial Covenants, then such Incremental Revolving Credit Commitments may, at the election of the Company, be offered to new lenders, subject to the consent of the Administrative Agent (which consent shall not be unreasonably withheld), if such Administrative Agent consent would be required under Section 10.06(b)(iii) for an assignment of Loans or Commitments to such Incremental Revolving Credit Lender.

Section 2.15 Incremental Term Facilities.

(a) Request for an Incremental Term Facility. At the request of the Company to the Administrative Agent, and without the consent of any Lender, on one or more occasions, an increase in the aggregate principal amount of any existing Term Facility or a separate tranche of term loan commitments and term loans may be established under this Credit Agreement; provided that at the time of such request, upon the effectiveness of any Incremental Term Supplement referred to below, and at the time any Incremental Term Loan is made (and after giving full pro forma effect to the incurrence thereof and the application of proceeds thereof), the aggregate principal amount of all Incremental Facilities shall not exceed the sum of (x) the greater of (A) $300,000,000 and (B) 100% of Adjusted Operating Income for the most recently completed four fiscal quarter period for which financial statements were required to have been delivered pursuant to Section 7.01, plus (y) an aggregate additional amount of Indebtedness such that, after giving pro forma effect to such incurrence or issuance, the Company shall have a Total Leverage Ratio of no greater than 5.00:1.00; provided, further, that at the time of such request, upon the effectiveness of any Incremental Term Supplement referred to below, and at the time any Incremental Term Loan is made (and after giving full pro forma effect to the incurrence thereof and the application of proceeds thereof), (i) no Default or Event of Default shall then exist, and (ii) the Company shall be in pro forma compliance with the Financial Covenants (and compliance with the preceding clauses (y) and (ii) shall be determined (A) assuming that the full amounts of all Revolving Credit Facilities (including all then-existing Incremental Revolving Credit Facilities) have all been drawn, (B) utilizing the financial statements most recently most recently delivered or deemed delivered pursuant to Section 7.01, (C) giving full pro forma effect to (1) all Specified Transactions (as provided in such definition) that have occurred since the last day of the most recently completed Measurement Period for which financial statements have been delivered or deemed delivered pursuant to Section 7.01 (including, for the avoidance of

doubt, but without duplication, any acquisitions constituting Specified Transactions that are to be consummated contemporaneously with the closing of, and using the proceeds of, such proposed Incremental Term Facility), and (2) the application of the proceeds of the proposed Incremental Term Facility, and (D) otherwise in accordance with the applicable definitions therein); provided, that with respect to a Limited Condition Acquisition, the requirements of the preceding clauses (y), (i) and (ii) shall be modified as provided in Section 1.10 of this Credit Agreement.

(b) Conditions to Effectiveness of an Incremental Term Facility. As a condition precedent to the establishment of any Incremental Term Facility, the Company, the Administrative Agent and the Incremental Term Lenders thereunder shall enter into a supplement to this Credit Agreement in substantially the form of either Exhibit H-2 or Exhibit H-3 (an "Incremental Term Supplement"), duly completed, and with such provisions (including changes to the provisions set forth therein) as may be agreed to by the Company and the Incremental Term Lenders (provided, that notwithstanding anything to the contrary set forth in this sentence, (A) the prior written consent of the Administrative Agent shall be required for any changes to Section 12 (Conditions Precedent) of any form of Incremental Term Supplement, other than completing the required information in clause (e) (Opinions of Counsel to the Company) thereof, (B) in no event shall any form of Incremental Term Supplement be changed to provide any additional, preferential or non-pro rata repayment or prepayment rights to any of Incremental Term Lenders thereunder (unless such Incremental Facility is to receive less than its ratable share of any repayment or prepayment) and (C) if the Administrative Agent reasonably determines that any proposed change to any form of Incremental Term Supplement would be contrary to, or conflict with, the provisions of this Credit Agreement or any other Loan Document, and the Administrative Agent provides written notice of such determination to the Company, then such proposed change shall be revised or removed in a manner reasonably satisfactory to the Administrative Agent), such that such Incremental Term Supplement shall set forth the terms and conditions relating to the Incremental Term Facility, which shall be reasonably acceptable to the Administrative Agent (except to the extent that they are consistent with the following provisos to this clause (b)); provided that, in any event, each Incremental Term Facility shall (i) not have (A) a final maturity date earlier than the later of (x) the "Maturity Date" then applicable to the Initial Facilities and (y) the latest "Maturity Date" then applicable to any then-outstanding Incremental Term Facility, or (B) a weighted average life to maturity shorter than the "Maturity Date" then applicable to the Initial Facilities; (ii) be Guaranteed only by the Guarantors under this Credit Agreement; (iii) rank pari passu in right of both payment and of security with the Initial Facilities and each other Incremental Facility; (iv) except as to pricing and amortization, have terms and documentation that are, when taken as a whole, no more restrictive than the terms applicable to the existing Facilities, unless such terms are reasonably acceptable to the Administrative Agent; (v) be in a minimum principal amount of $50,000,000, and any whole multiple of $5,000,000 in excess thereof; and (vi)(A) in the case of any Incremental Term Facility in substantially the form of Exhibit H-2, or (B) in the case of any Incremental Term Facility in substantially the form of Exhibit H-3 entered into within 18 months after the Effective Date, not have total yield greater than 0.50% higher than the total yield for the Term Loans then in place unless (x) the Applicable Rate applicable to the Initial Term Facility (and, if applicable, each other then-existing Incremental Term Facility) shall be increased (to the extent such higher yield is in the form of interest rates) and (y) the Company shall pay to the Administrative Agent for the account of each of the Initial Term Lenders (and each other Incremental Term Lender (as applicable)) a fee (to the extent such higher yield is in the form of

fees or original issue discount) so as to cause the total yield of the Initial Term Facility and each other then-existing Incremental Term Facility (if applicable) to be no more than 0.50% per annum lower than the total yield in respect of the new Incremental Term Facility. Upon the effective date of the Incremental Term Supplement, each lender thereunder shall become an Incremental Term Lender hereunder and such Incremental Term Supplement shall be deemed part of this Credit Agreement for all purposes thereafter. Each Incremental Term Supplement may, without the consent of any Lender (other than the applicable Incremental Term Lenders thereunder and the Administrative Agent), effect such amendments to this Credit Agreement and the other Loan Documents as may be necessary or appropriate, in the reasonable opinion of the Administrative Agent and the Company, to effect the provisions of this Section 2.15.

(c) Incremental Term Lenders. The Company shall be entitled to elect, in its own discretion, Incremental Term Lenders from among the existing Lenders, and any additional banks, financial institutions and other institutional lenders or investors, subject to the consent of the Administrative Agent (which consent shall not be unreasonably withheld), if such Administrative Agent consent would be required under Section 10.06(b)(iii) for an assignment of Loans to such Incremental Term Lender. Notwithstanding the foregoing, no Lender shall be required to provide any Incremental Term Loans.

Section 2.16 Defaulting Lenders.

(a) Defaulting Lender Adjustments. Notwithstanding anything to the contrary contained in this Credit Agreement, if any Lender becomes a Defaulting Lender, then, until such time as such Lender is no longer a Defaulting Lender, to the extent permitted by applicable law:

(i) Waivers and Amendments. Such Defaulting Lender's right to approve or disapprove any amendment, waiver or consent with respect to this Credit Agreement shall be restricted as set forth in the definition of Required Lenders.

(ii) Defaulting Lender Waterfall. Any payment of principal, interest, fees or other amounts received by the Administrative Agent for the account of such Defaulting Lender (whether voluntary or mandatory, at maturity, pursuant to Article VIII or otherwise) or received by the Administrative Agent from a Defaulting Lender pursuant to Section 10.07 shall be applied at such time or times as may be determined by the Administrative Agent as follows: *first*, to the payment of any amounts owing by such Defaulting Lender to the Administrative Agent hereunder; *second*, to the payment on a pro rata basis of any amounts owing by such Defaulting Lender to any L/C Issuer or Swing Line Lender hereunder; *third*, to Cash Collateralize the L/C Issuers' Fronting Exposure with respect to such Defaulting Lender in accordance with Section 2.03(g); *fourth*, as the Company may request (so long as no Default or Event of Default exists), to the funding of any Loan in respect of which such Defaulting Lender has failed to fund its portion thereof as required by this Credit Agreement, as determined by the Administrative Agent; *fifth*, if so determined by the Administrative Agent and the Company, to be held in a deposit account and released pro rata in order to (x)

satisfy such Defaulting Lender's potential future funding obligations with respect to Loans under this Credit Agreement and (y) Cash Collateralize the L/C Issuers' future Fronting Exposure with respect to such Defaulting Lender with respect to future Letters of Credit issued under this Credit Agreement, in accordance with Section 2.03(g); *sixth*, to the payment of any amounts owing to the Lenders, the L/C Issuers or Swing Line Lenders as a result of any judgment of a court of competent jurisdiction obtained by any Lender, the L/C Issuers or Swing Line Lenders against such Defaulting Lender as a result of such Defaulting Lender's breach of its obligations under this Credit Agreement; *seventh*, so long as no Default or Event of Default exists, to the payment of any amounts owing to the Company as a result of any judgment of a court of competent jurisdiction obtained by the Company against such Defaulting Lender as a result of such Defaulting Lender's breach of its obligations under this Credit Agreement; and *eighth*, to such Defaulting Lender or as otherwise directed by a court of competent jurisdiction; provided that if (x) such payment is a payment of the principal amount of any Loans or L/C Advances in respect of which such Defaulting Lender has not fully funded its appropriate share, and (y) such Loans were made or the related Letters of Credit were issued at a time when the conditions set forth in Section 5.02 were satisfied or waived, such payment shall be applied solely to pay the Loans of, and L/C Advances owed to, all Non-Defaulting Lenders on a pro rata basis prior to being applied to the payment of any Loans of, or L/C Advances owed to, such Defaulting Lender until such time as all Loans and funded and unfunded participations in L/C Obligations and Swing Line Loans are held by the Lenders pro rata in accordance with the Commitments under the applicable Facility without giving effect to Section 2.16(a)(iv). Any payments, prepayments or other amounts paid or payable to a Defaulting Lender that are applied (or held) to pay amounts owed by a Defaulting Lender or to post Cash Collateral pursuant to this Section 2.16(a)(ii) shall be deemed paid to and redirected by such Defaulting Lender, and each Lender irrevocably consents hereto.

(iii) Certain Fees. (A) Each Defaulting Lender shall be entitled to receive Letter of Credit Fees for any period during which that Lender is a Defaulting Lender only to the extent allocable to its Applicable Percentage of the stated amount of Letters of Credit for which it has provided Cash Collateral pursuant to Section 2.03(g).

(B) With respect to any Letter of Credit Fee not required to be paid to any Defaulting Lender pursuant to clause (A) above, the Company shall (x) pay to each Non-Defaulting Lender that portion of any such fee otherwise payable to such Defaulting Lender with respect to such Defaulting Lender's participation in L/C Obligations or Swing Line Loans that has been reallocated to such Non-Defaulting Lender pursuant to clause (iv) below, (y) pay to each L/C Issuer and Swing Line Lender, as applicable, the amount of any such fee otherwise payable to such Defaulting Lender to the extent allocable to such L/C Issuer's or

Swing Line Lender's Fronting Exposure to such Defaulting Lender, and (z) not be required to pay the remaining amount of any such fee.

(iv) Reallocation of Participations to Reduce Fronting Exposure. All or any part of such Defaulting Lender's participation in L/C Obligations and Swing Line Loans shall be reallocated among the Non-Defaulting Lenders in accordance with their respective Applicable Percentages (calculated without regard to such Defaulting Lender's Commitment) but only to the extent that (x) the conditions set forth in Section 5.02 are satisfied at the time of such reallocation (and, unless the Company shall have otherwise notified the Administrative Agent at such time, the Company shall be deemed to have represented and warranted that such conditions are satisfied at such time), and (y) such reallocation does not cause the aggregate Revolving Credit Exposure of any Non-Defaulting Lender to exceed such Non-Defaulting Lender's Revolving Credit Commitment. No reallocation hereunder shall constitute a waiver or release of any claim of any party hereunder against a Defaulting Lender arising from that Lender having become a Defaulting Lender, including any claim of a Non-Defaulting Lender as a result of such Non-Defaulting Lender's increased exposure following such reallocation.

(v) Cash Collateral, Repayment of Swing Line Loans. If the reallocation described in clause (iv) above cannot, or can only partially, be effected, the Company shall, without prejudice to any right or remedy available to it hereunder or under law, (x) *first*, prepay Swing Line Loans in an amount equal to the Swing Line Lenders' Fronting Exposure and (y) second, Cash Collateralize the L/C Issuers' Fronting Exposure in accordance with the procedures set forth in Section 2.03(g).

(b) Defaulting Lender Cure. If the Company, the Administrative Agent, each Swing Line Lender and each L/C Issuer agree in writing that a Lender is no longer a Defaulting Lender, the Administrative Agent will so notify the parties hereto, whereupon as of the effective date specified in such notice and subject to any conditions set forth therein (which may include arrangements with respect to any Cash Collateral), that Lender will, to the extent applicable, purchase at par that portion of outstanding Loans of the other Lenders or take such other actions as the Administrative Agent may determine to be necessary to cause the Loans and funded and unfunded participations in Letters of Credit and Swing Line Loans to be held pro rata by the Lenders in accordance with the Commitments under the applicable Facility (without giving effect to Section 2.16(a)(iv)), whereupon such Lender will cease to be a Defaulting Lender; provided that no adjustments will be made retroactively with respect to fees accrued or payments made by or on behalf of the Company while that Lender was a Defaulting Lender; and provided, further, that except to the extent otherwise expressly agreed by the affected parties, no change hereunder from Defaulting Lender to Lender will constitute a waiver or release of any claim of any party hereunder arising from that Lender's having been a Defaulting Lender.

(c) New Swing Line Loans/Letters of Credit. So long as any Lender is a Defaulting Lender, (i) no Swing Line Lender shall be required to fund any Swing Line Loans unless it is satisfied that it will have no Fronting Exposure after giving effect to such Swing Line Loan and (ii) no L/C Issuer shall be required to issue, extend, renew or increase any Letter of Credit unless it is satisfied that it will have no Fronting Exposure after giving effect thereto.

Section 2.17 Extension of Maturity Date.

(a) The Company may, by delivering an Extension Request to the Administrative Agent (who shall promptly deliver a copy to each of the Lenders), not less than 60 days in advance of the applicable Maturity Date with respect to any Facility, as in effect at such time (an "Existing Maturity Date") for such Facility, request that the Lenders extend such Existing Maturity Date (each, an "Extension") to any date that it shall select so long as such date is no more than the fifth anniversary of such Existing Maturity Date (such date, the "Extended Maturity Date"; any Term Facility so extended, an "Extended Term Facility," any Revolving Credit Facility so extended, an "Extended Revolving Credit Facility" and, together with any Extended Term Facility, an "Extended Facility"; and any Revolving Credit Commitments so extended, "Extended Revolving Credit Commitments"). Each Lender, acting in its sole discretion, shall, by written notice to the Administrative Agent given not later than the date that is the 20th day after the date of the Extension Request, or if such date is not a Business Day, the immediately following Business Day (the "Response Date"), advise the Administrative Agent in writing whether or not such Lender agrees to the requested extension. Each Lender that advises the Administrative Agent that it will not extend an Existing Maturity Date is referred to herein as a "Non-Extending Lender"; provided, that any Lender that does not advise the Administrative Agent of its consent to such requested extension by the Response Date and any Lender that is a Defaulting Lender on the Response Date shall be deemed to be a Non-Extending Lender. The Administrative Agent shall notify the Company, in writing, of the Lenders' elections promptly following the Response Date. The election of any Lender to agree to such an Extension shall not obligate any other Lender to so agree. Each applicable Maturity Date may be extended no more than two times pursuant to this Section 2.17.

(b) If, by the Response Date, any Lenders shall have agreed to extend an Existing Maturity Date (each such consenting Lender, an "Extending Lender"), then effective as of such Existing Maturity Date, the Maturity Date for such Extending Lenders only shall be extended to the Extended Maturity Date (subject to satisfaction of the conditions set forth in Section 2.17(d)). In the event of any Extension, (i) the outstanding principal balance of all Loans and other amounts payable hereunder to any Non-Extending Lender shall become due and payable on such Existing Maturity Date and (ii) with respect to any Revolving Credit Facility, the Revolving Credit Commitment of each Non-Extending Lender shall terminate on the Existing Maturity Date in effect for such Non-Extending Lender prior to such Extension and, subject to Section 2.17(c) below, the total Revolving Credit Commitments for the applicable Revolving Credit Facility shall be reduced by the Revolving Credit Commitments of the Non-Extending Lenders so terminated for such Revolving Credit Facility on such Existing Maturity Date.

(c) If (and only if), by the Response Date, Lenders holding Loans and/or Commitments that aggregate more than 50% of the total outstanding Loans and Commitments shall constitute Extending Lenders, then the Company shall have the right on or before the applicable Existing Maturity Date, at its own expense, to require any Non-Extending Lender to transfer and assign without recourse (in accordance with and subject to the restrictions contained in Section 10.06) all its interests, rights (other than its rights to payments pursuant to Section 3.01, Section 3.04, Section 3.05 or Section 10.04 arising prior to the effectiveness of such assignment) and obligations under this Credit Agreement with respect to the applicable Facility to one or more banks or other financial institutions identified to the Non-Extending Lender by the Company, which may include any existing Lender (each a "Replacement Lender"); provided that (i) such Replacement Lender, if not already a Lender hereunder, shall be subject to the approval of the Administrative Agent (and, if a Revolving Credit Facility, each L/C Issuer) (such approvals to not be unreasonably withheld or conditioned) to the extent the consent of the Administrative Agent (or the L/C Issuers, if applicable) would be required to effect an assignment under Section 10.06(b), (ii) such assignment shall become effective as of a date specified by the Company (which shall not be later than the applicable Existing Maturity Date in effect for such Non-Extending Lender prior to the effective date of the requested extension) and (iii) each Replacement Lender shall pay to such Non-Extending Lender in immediately available funds on the effective date of such assignment the principal of and interest accrued to the date of payment on the outstanding principal amount Loans made by it hereunder and all other amounts accrued and unpaid for its account or otherwise owed to it hereunder on such date.

(d) As a condition precedent to each such Extension of an Existing Maturity Date pursuant to Section 2.17(b), the Company shall (i) deliver to the Administrative Agent a certificate of the Company dated as of the applicable Existing Maturity Date, signed by a senior executive of the Company certifying that, as of such date, both before and immediately after giving effect to such Extension, (A) the representations and warranties of the Company set forth in this Credit Agreement shall be true and correct in all material respects and as of such date to the same extent as though made on and as of such date, except to the extent such representations and warranties expressly relate to an earlier date, in which case they were true and correct, in all material respects, as of such earlier date; provided that any representation and warranty that is qualified as to "materiality", "Material Adverse Effect" or similar language shall be true and correct in all respects on such date or on such earlier date, as the case may be (after giving effect to such qualification); and (B) no Default or Event of Default shall have occurred and be continuing and (ii) first make such prepayments of the outstanding Loans and second provide such cash collateral (or make such other arrangements satisfactory to the applicable L/C Issuer) with respect to the outstanding Letters of Credit as shall be required such that, after giving effect to the termination of the Commitments of the Non-Extending Lenders pursuant to Section 2.17(b) and any assignment pursuant to Section 2.17(c), the aggregate Revolving Credit Exposure less the face amount of any Letter of Credit supported by any such cash collateral (or other satisfactory arrangements) so provided does not exceed the aggregate amount of Commitments being extended.

(e) The terms of each Extended Facility shall be determined by the Administrative Agent, the Company and the applicable Extending Lenders and set forth in an amendment to this Credit Agreement (an "Extension Amendment"); provided, that (i) the final maturity date of any Extended Facility shall be no earlier than the Existing Maturity Date for

such Facility, (ii) the weighted average life to maturity of the Extended Facility shall be no shorter than the weighted average life to maturity of the Facility being extended, (iii) (A) there shall be no scheduled amortization of the loans or reductions of commitments under any Extended Revolving Credit Facility and (B) any scheduled amortization with respect to an Extended Term Facility shall, until the Existing Maturity Date for such Term Facility, be in amounts equal to or less (but not greater) than the scheduled amortization under the Term Facility being extended, (iv) any Extended Facility shall rank pari passu in right of payment and with respect to security with the Facilities not being extended, and the borrower and guarantors of the Extended Facility shall be the same as the borrower and Guarantors with respect to the Facilities not being extended, (v) the interest rate margin, rate floors, fees, original issue discount and premium applicable to any Extended Facility shall be determined by the Company and the applicable Extending Lenders, (vi) (A) any Extended Term Facility may participate on a pro rata or less than pro rata (but not greater than pro rata) basis in voluntary or mandatory prepayments with the Term Facility being extended and (B) borrowing and prepayment under any Extended Revolving Credit Facility, or reductions of Extended Revolving Credit Commitments, and participations in Letters of Credit and Swing Line Loans, shall be on a pro rata basis with the Revolving Credit Loans or Revolving Credit Commitments not being extended (other than upon the maturity of the non-extended Revolving Credit Loans and Revolving Credit Commitments), and (vii) the terms of any Extended Facility shall be substantially identical to the terms set forth herein (except as set forth in clauses (i) through (v) above). For the avoidance of doubt, (i) no consent of any Lender (other than the existing Lenders participating in the Extension) shall be required for any Extension pursuant to this Section 2.17 and (ii) neither the operation of this Section 2.17 in accordance with its terms nor any Extension Amendment shall constitute an amendment subject to Section 10.01.

ARTICLE III

TAXES, YIELD PROTECTION AND ILLEGALITY

Section 3.01 Taxes. (k) Payments Free of Taxes. Any and all payments by or on account of any obligation of the Company hereunder or under any other Loan Document shall be made free and clear of and without reduction or withholding for any Taxes, provided that if the Company shall be required by applicable law to withhold or deduct any Taxes from such payments, then (i) if such Taxes are Indemnified Taxes, the sum payable shall be increased as necessary so that after making all required withholdings or deductions (including withholdings or deductions applicable to additional sums payable under this Section) the Administrative Agent, any Lender or any L/C Issuer, as the case may be, receives an amount equal to the sum it would have received had no such withholdings or deductions been made, (ii) the Company shall make such withholdings or deductions and (iii) the Company shall timely pay the full amount withheld or deducted to the relevant Governmental Authority in accordance with applicable law.

(b) Payment of Other Taxes by the Company. Without limiting the provisions of subsection (a) above, the Company shall timely pay any Other Taxes to the relevant Governmental Authority in accordance with applicable law.

(c) Indemnification by the Company. The Company shall indemnify the Administrative Agent, each Lender and each L/C Issuer, within 10 days after demand therefor, for the full amount of any Indemnified Taxes (including Indemnified Taxes imposed or asserted on or attributable to amounts payable under this Section) paid by the Administrative Agent, such Lender or such L/C Issuer, as the case may be, and any penalties, interest and reasonable expenses arising therefrom or with respect thereto, whether or not such Indemnified Taxes were correctly or legally imposed or asserted by the relevant Governmental Authority; provided that the Company shall not indemnify the Administrative Agent, any Lender or any L/C Issuer for any penalties or interest that are imposed solely as a result of gross negligence or willful misconduct of the Administrative Agent, any Lender or any L/C Issuer. A certificate as to the amount of such payment or liability delivered to the Company by a Lender or an L/C Issuer (with a copy to the Administrative Agent), or by the Administrative Agent on its own behalf or on behalf of a Lender or an L/C Issuer, shall be conclusive absent manifest error. If, in the reasonable discretion of the Company, any Indemnified Taxes are incorrectly or not legally imposed or asserted by the relevant Governmental Authority, the Administrative Agent, each Lender or each L/C Issuer, as the case may be, shall, at the expense of the Company, use commercially reasonable efforts to cooperate with the Company to recover and promptly remit such Indemnified Taxes to the Company in accordance with subsection (f) of this Section. Nothing contained herein shall derogate from the right of any Lender, the Administrative Agent or any L/C Issuer to arrange its tax affairs in whatever manner it sees fit nor shall require any Lender, the Administrative Agent or any L/C Issuer to disclose any information relating to its tax affairs that it deems confidential other than as required under Section 3.01(f). For the avoidance of doubt, the Administrative Agent, a Lender and an L/C Issuer may not recover more than once with respect to the same amount of Taxes to which the Administrative Agent, Lender or L/C Issuer is entitled to indemnification under this Section.

(d) Indemnification by the Lenders. Each Lender and each L/C Issuer shall severally indemnify the Administrative Agent, within 10 days after demand therefor, for (i) any Indemnified Taxes attributable to such Lender and L/C Issuer (but only to the extent that the Company has not already indemnified the Administrative Agent for such Indemnified Taxes and without limiting the obligation of the Company to do so), (ii) any Taxes attributable to such Lender's or L/C Issuer's failure to comply with the provisions of Section 10.06(d) relating to the maintenance of a Participant Register and (iii) any Excluded Taxes attributable to such Lender or L/C Issuer, in each case, that are payable or paid by the Administrative Agent in connection with any Loan Document, and any reasonable expenses arising therefrom or with respect thereto, whether or not such Taxes were correctly or legally imposed or asserted by the relevant Governmental Authority. A certificate as to the amount of such payment or liability delivered to any Lender or L/C Issuer by the Administrative Agent shall be conclusive absent manifest error. Each Lender and each L/C Issuer hereby authorizes the Administrative Agent to set off and apply any and all amounts at any time owing to such Lender or L/C Issuer under any Loan Document or otherwise payable by the Administrative Agent to the Lender or L/C Issuer from any other source against any amount due to the Administrative Agent under this paragraph (d).

(e) Evidence of Payments. As soon as practicable after any payment of Taxes by the Company to a Governmental Authority pursuant to this Section 3.01, the Company shall deliver to the Administrative Agent the original or a certified copy of a receipt issued by such

Governmental Authority evidencing such payment, a copy of the return reporting such payment or other evidence of such payment reasonably satisfactory to the Administrative Agent.

(f) Status of Lenders. Any Foreign Lender that is entitled to an exemption from or reduction of withholding tax with respect to payments hereunder or under any other Loan Document shall deliver to the Company (with a copy to the Administrative Agent), at the time or times prescribed by applicable law or reasonably requested by the Company or the Administrative Agent, such properly completed and executed documentation prescribed by applicable law as will permit such payments to be made without withholding or at a reduced rate of withholding. In addition, any Lender, if requested by the Company or the Administrative Agent, shall deliver such other documentation prescribed by applicable law or reasonably requested by the Company or the Administrative Agent as will enable the Company or the Administrative Agent to determine whether or not such Lender is subject to backup withholding or information reporting requirements. Notwithstanding anything to the contrary in the preceding two sentences, the completion, execution and submission of such documentation (other than such documentation set forth in paragraphs (f)(i)-(iv) of this Section) shall not be required if in the Foreign Lender's reasonable judgment such completion, execution or submission would subject such Foreign Lender to any material unreimbursed cost or expense or would materially prejudice the legal or commercial position of such Foreign Lender.

Without limiting the generality of the foregoing, if the Company is resident for tax purposes in the United States, any Foreign Lender shall deliver to the Company and the Administrative Agent (in such number of copies as shall be requested by the recipient) on or prior to the date on which such Foreign Lender becomes a Lender under this Credit Agreement (and from time to time thereafter upon the request of the Company or the Administrative Agent, but only if such Foreign Lender is legally entitled to do so), whichever of the following is applicable:

(i) duly executed copies of Internal Revenue Service Form W-8BEN or Form W-8BEN-E claiming eligibility for benefits of an income tax treaty to which the United States is a party,

(ii) duly executed copies of Internal Revenue Service Form W-8ECI,

(iii) in the case of a Foreign Lender claiming the benefits of the exemption for portfolio interest under section 881(c) of the Code, (A) a certificate to the effect that such Foreign Lender is not (1) a "bank" within the meaning of section 881(c)(3)(A) of the Code, (2) a "10 percent shareholder" of the Company within the meaning of section 871(h)(3)(B) of the Code, or (3) a "controlled foreign corporation" described in section 881(c)(3)(C) of the Code and (B) duly executed copies of Internal Revenue Service Form W-8BEN or Form W-8BEN-E, or

(iv) any other form prescribed by applicable law as a basis for claiming exemption from or a reduction in United States Federal withholding tax duly completed together with such supplementary documentation as may be prescribed by applicable law to permit the Company to determine the withholding or deduction required to be made (including, for the avoidance of doubt, documentation necessary for the Company or the

Administrative Agent to comply with its obligations under FATCA, to determine whether any recipient of amounts arising under this Credit Agreement has or has not complied with such recipient's obligations under FATCA, or to determine the amount to deduct and/or withhold from such amounts under FATCA). Solely for the purposes of this clause (iv), "FATCA" shall include any amendments made to FATCA after the date of this Credit Agreement.

Each Foreign Lender agrees that if any form or certification it previously delivered expires or becomes obsolete or inaccurate in any respect, it shall update such form or certification or promptly notify the Company and the Administrative Agent in writing of its legal inability to do so.

(g) Treatment of Certain Refunds. If any party determines, in its good faith discretion, that it has received a refund of any Taxes as to which it has been indemnified pursuant to this Section, it shall pay to the indemnifying party an amount equal to such refund (but only to the extent of indemnity payments made, or additional amounts paid under this Section with respect to the Taxes giving rise to such refund), net of all out-of-pocket expenses (including Taxes) of such indemnified party and without interest (other than any interest paid by the relevant Governmental Authority with respect to such refund), provided that such indemnifying party, upon the request of such indemnified party, agrees to repay the amount (plus any penalties, interest or other charges imposed by the relevant Governmental Authority) to such indemnified party in the event that such indemnified party is required to repay such refund to such Governmental Authority. Notwithstanding anything to the contrary in this paragraph (g), in no event will the indemnified party be required to pay any amount to an indemnifying party pursuant to this paragraph (g), the payment of which would place the indemnified party in a less favorable net after-tax position than the indemnified party would have been in if the indemnification payments or additional amounts giving rise to such refund had never been paid. This subsection shall not be construed to require any indemnified party to make available its tax returns (or any other information relating to its taxes that it deems confidential) to the indemnifying party or any other Person.

(h) Survival. Each party's obligations under this Section shall survive the resignation or replacement of the Administrative Agent or any assignment of rights by, or the replacement of, a Lender, the termination of the Commitments and the repayment, satisfaction or discharge of all obligations under any Loan Document.

Section 3.02 Illegality Section 3.03 . If any Lender determines that any Law has made it unlawful, or that any Governmental Authority has asserted that it is unlawful, for any Lender or its applicable Lending Office to make, maintain or fund ~~Eurodollar Rate~~Term Benchmark Loans, or to determine or charge interest rates based upon the ~~Eurodollar~~Adjusted Term SOFR Rate, or any Governmental Authority has imposed material restrictions on the authority of such Lender to purchase or sell, or to take deposits of, Dollars in the ~~London~~applicable interbank market, then, on notice thereof by such Lender to the Company through the Administrative Agent, any obligation of such Lender to make or continue ~~Eurodollar Rate~~Term Benchmark Loans or to convert Base Rate Loans to ~~Eurodollar Rate~~Term Benchmark Loans shall be suspended until such Lender notifies the Administrative Agent and the Company that the circumstances giving rise to such determination no longer

exist. Upon receipt of such notice, the Company shall, upon demand from such Lender (with a copy to the Administrative Agent), prepay or, if applicable, convert all ~~Eurodollar Rate~~Term Benchmark Loans of such Lender to Base Rate Loans, and pay any amounts payable to such Lender under Section 3.04(e), either on the last day of the Interest Period therefor, if such Lender may lawfully continue to maintain such ~~Eurodollar Rate~~Term Benchmark Loans to such day, or immediately, if such Lender may not lawfully continue to maintain such ~~Eurodollar Rate~~Term Benchmark Loans. Upon any such prepayment or conversion, the Company shall also pay accrued interest on the amount so prepaid or converted.

Section 3.03 ~~Inability to Determine Rates~~Alternate Rate of Interest~~(a)~~ ~~. (a) If, for any reason in connection with any request for a Eurodollar Rate Loan or a conversion to or continuation thereof, (i) the Administrative Agent is advised by the Required Lenders that Dollar deposits are not being offered to banks in the London interbank eurodollar market for the applicable amount and Interest Period of such Eurodollar Rate Loan, (ii) the Administrative Agent determines (which determination shall be conclusive absent manifest error) that adequate and reasonable means do not exist for determining the Eurodollar Rate for any requested Interest Period with respect to a proposed Eurodollar Rate Loan (including because the Eurodollar Base Rate is not available or published on a current basis), or (iii) the Administrative Agent is advised by the Required Lenders that the Eurodollar Rate for any requested Interest Period with respect to a proposed Eurodollar Rate Loan does not adequately and fairly reflect the cost to such Lenders of funding such Loan, the Administrative Agent will promptly so notify the Company and each Lender. Thereafter, the obligation of the Lenders to make or maintain Eurodollar Rate Loans shall be suspended until the Administrative Agent (upon the instruction of the Required Lenders) revokes such notice. Upon receipt of such notice, the Company may revoke any pending request for a Borrowing of, conversion to or continuation of Eurodollar Rate Loans or, failing that, will be deemed to have converted such request into a request for a Borrowing of Base Rate Loans in the amount specified therein.~~

. (a) Subject to clauses (b), (c), (d), (e) and (f) of this Section 3.03, if:

(i) the Administrative Agent determines (which determination shall be conclusive and binding absent manifest error) prior to the commencement of any Interest Period for a Term Benchmark Borrowing that adequate and reasonable means do not exist for ascertaining the Adjusted Term SOFR Rate (including, without limitation, because the Term SOFR Reference Rate is not available or published on a current basis), for such Interest Period; or

(ii) the Administrative Agent is advised by the Required Lenders that prior to the commencement of any Interest Period for a Term Benchmark Borrowing, the Adjusted Term SOFR Rate for the applicable Interest Period will not adequately and fairly reflect the cost to such Lenders (or Lender) of making or maintaining their Loans (or Loan) included in such Borrowing for such Interest Period;

then the Administrative Agent shall give notice thereof to the Company and the Lenders as provided in Section 10.02 as promptly as practicable thereafter and, until (x) the Administrative Agent notifies the Company and the Lenders that the circumstances

giving rise to such notice no longer exist with respect to the relevant Benchmark and (y) the Company delivers a new Committed Loan Notice in accordance with the terms of Section 2.02, any Committed Loan Notice that requests the conversion of any Borrowing to, or continuation of any Borrowing as, a Term Benchmark Borrowing and any Committed Loan Notice that requests a Term Benchmark Borrowing shall instead be deemed to be a Committed Loan Notice for a Base Rate Borrowing. Furthermore, if any Term Benchmark Loan is outstanding on the date of the Company's receipt of the notice from the Administrative Agent referred to in this Section 3.03(a) with respect to the Adjusted Term SOFR Rate applicable to such Term Benchmark Loan, then until (x) the Administrative Agent notifies the Company and the Lenders that the circumstances giving rise to such notice no longer exist with respect to the relevant Benchmark and (y) the Company delivers a new Committed Loan Notice in accordance with the terms of Section 2.02, any Term Benchmark Loan shall on the last day of the Interest Period applicable to such Loan, be converted by the Administrative Agent to, and shall constitute, a Base Rate Loan, on such day.

(b) ~~If at any time the Administrative Agent determines (which determination shall be conclusive absent manifest error) that (i) the circumstances set forth in clause (a)(ii) have arisen and such circumstances are unlikely to be temporary or (ii) the circumstances set forth in clause (a)(ii) have not arisen but either (w) the supervisor for the administrator of the Eurodollar Base Rate has made a public statement that the administrator of the Eurodollar Base Rate is insolvent (and there is no successor administrator that will continue publication of the Eurodollar Base Rate), (x) the administrator of the Eurodollar Base Rate has made a public statement identifying a specific date after which the Eurodollar Base Rate will permanently or indefinitely cease to be published by it (and there is no successor administrator that will continue publication of the Eurodollar Base Rate), (y) the supervisor for the administrator of the Eurodollar Base Rate has made a public statement identifying a specific date after which the Eurodollar Base Rate will permanently or indefinitely cease to be published or (z) the supervisor for the administrator of the Eurodollar Base Rate or a Governmental Authority having jurisdiction over the Administrative Agent has made a public statement identifying a specific date after which the Eurodollar Base Rate may no longer be used for determining interest rates for loans, then the Administrative Agent and the Company shall promptly endeavor to establish an alternate rate of interest to the Eurodollar Rate that gives due consideration to the then prevailing market convention for determining a rate of interest for syndicated loans in the United States at such time, and shall enter into an amendment to this Credit Agreement to reflect such alternate rate of interest and such other related changes to this Credit Agreement as may be applicable (but for the avoidance of doubt, such related changes shall not include a reduction of the Applicable Rate); provided that, if such alternate rate of interest as so determined would be less than zero, such rate shall be deemed to be zero for the purposes of this Credit Agreement. Notwithstanding anything to the contrary in Section 10.01, such amendment shall become effective~~Notwithstanding anything to the contrary herein or in any other Loan Document (and any Swap Contract shall be deemed not to be a "Loan Document" for purposes of this Section 3.03), if a Benchmark Transition Event and its related Benchmark Replacement Date have occurred prior to the Reference Time in respect of any setting of the then-current Benchmark, then (x) if a Benchmark Replacement is determined in accordance with clause (1) of the definition of "Benchmark Replacement" for such Benchmark Replacement Date, such Benchmark Replacement will replace such Benchmark for all purposes hereunder and under any

Loan Document in respect of such Benchmark setting and subsequent Benchmark settings without any amendment to, or further action or consent of any other party to, this Credit Agreement or any other Loan Document and (y) if a Benchmark Replacement is determined in accordance with clause (2) of the definition of "Benchmark Replacement" for such Benchmark Replacement Date, such Benchmark Replacement will replace such Benchmark for all purposes hereunder and under any Loan Document in respect of any Benchmark setting at or after 5:00 p.m. on the fifth (5th) Business Day after the date notice of such Benchmark Replacement is provided to the Lenders without any amendment to, or further action or consent of any other party to, this Credit Agreement or any other Loan Document so long as the Administrative Agent ~~shall~~has not ~~have~~ received, ~~within five Business Days of the date a copy of such amendment is provided to the Lenders, a~~by such time, written notice ~~from~~of objection to such Benchmark Replacement from Lenders comprising the Required Lenders ~~stating that such Required Lenders object to such amendment. Until an alternate rate of interest shall be determined in accordance with this clause (b) (but, (A) in the case of the circumstances described in clause (ii)(w), clause (ii)(x) or clause (ii)(y) of the first sentence of this Section 3.03(b), only to the extent the Eurodollar Base Rate for such Interest Period is not available or published at such time on a current basis and (B) in the case of the circumstances described in clause (ii)(z) of the first sentence of this Section 3.03(b), only to the extent the specific date referred to in such clause has occurred), (x) any Committed Loan Notice that requests the conversion of any Revolving Credit Borrowing to, or continuation of any Revolving Credit Borrowing as, Eurodollar Rate Loans shall be ineffective and (y) if any Committed Loan Notice requests a Borrowing of Eurodollar Rate Loans, such Borrowing shall be made as a Base Rate Loan.~~.

(c) Notwithstanding anything to the contrary herein or in any other Loan Document, the Administrative Agent will have the right to make Benchmark Replacement Conforming Changes from time to time and, notwithstanding anything to the contrary herein or in any other Loan Document, any amendments implementing such Benchmark Replacement Conforming Changes will become effective without any further action or consent of any other party to this Credit Agreement or any other Loan Document.

(d) The Administrative Agent will promptly notify the Company and the Lenders of (i) any occurrence of a Benchmark Transition Event, (ii) the implementation of any Benchmark Replacement, (iii) the effectiveness of any Benchmark Replacement Conforming Changes, (iv) the removal or reinstatement of any tenor of a Benchmark pursuant to Section 3.03(e) and (v) the commencement or conclusion of any Benchmark Unavailability Period. Any determination, decision or election that may be made by the Administrative Agent or, if applicable, any Lender (or group of Lenders) pursuant to this Section 3.03, including any determination with respect to a tenor, rate or adjustment or of the occurrence or non-occurrence of an event, circumstance or date and any decision to take or refrain from taking any action or any selection, will be conclusive and binding absent manifest error and may be made in its or their sole discretion and without consent from any other party to this Credit Agreement or any other Loan Document, except, in each case, as expressly required pursuant to this Section 3.03.

(e) Notwithstanding anything to the contrary herein or in any other Loan Document, at any time (including in connection with the implementation of a Benchmark Replacement), (i) if the then-current Benchmark is a term rate (including the Term SOFR

Reference Rate) and either (A) any tenor for such Benchmark is not displayed on a screen or other information service that publishes such rate from time to time as selected by the Administrative Agent in its reasonable discretion or (B) the regulatory supervisor for the administrator of such Benchmark has provided a public statement or publication of information announcing that any tenor for such Benchmark is or will be no longer representative, then the Administrative Agent may modify the definition of "Interest Period" for any Benchmark settings at or after such time to remove such unavailable or non-representative tenor and (ii) if a tenor that was removed pursuant to clause (i) above either (A) is subsequently displayed on a screen or information service for a Benchmark (including a Benchmark Replacement) or (B) is not, or is no longer, subject to an announcement that it is or will no longer be representative for a Benchmark (including a Benchmark Replacement), then the Administrative Agent may modify the definition of "Interest Period" for all Benchmark settings at or after such time to reinstate such previously removed tenor.

(f) Upon the Company's receipt of notice of the commencement of a Benchmark Unavailability Period with respect to the Adjusted Term SOFR Rate, the Company may revoke any request for a Term Benchmark Borrowing of, conversion to or continuation of Term Benchmark Loans to be made, converted or continued during any Benchmark Unavailability Period and, failing that, the Company will be deemed to have converted any such request into a request for a Borrowing of or conversion to a Base Rate Borrowing. During any Benchmark Unavailability Period or at any time that a tenor for the then-current Benchmark is not an Available Tenor, the component of Alternate Base Rate based upon the then-current Benchmark or such tenor for such Benchmark, as applicable, will not be used in any determination of the Alternate Base Rate. Furthermore, if any Term Benchmark Loan is outstanding on the date of the Company's receipt of notice of the commencement of a Benchmark Unavailability Period with respect to the Adjusted Term SOFR Rate applicable to such Term Benchmark Loan, then until such time as a Benchmark Replacement is implemented pursuant to this Section 3.03, any Term Benchmark Loan shall on the last day of the Interest Period applicable to such Loan, be converted by the Administrative Agent to, and shall constitute, a Base Rate Loan, on such day.

Section 3.04 Increased Costs~~; Reserves on Eurodollar Rate Loans~~.

(a) Increased Costs Generally. If any Change in Law shall:

(i) impose, modify or deem applicable any reserve, special deposit, compulsory loan, insurance charge or similar requirement against assets of, deposits with or for the account of, or credit extended or participated in by, any Lender ~~(except any reserve requirement reflected in the Eurodollar Rate contemplated by Section 3.04(c))~~ or any L/C Issuer;

(ii) subject any Lender or any L/C Issuer to any tax of any kind whatsoever with respect to this Credit Agreement, any Letter of Credit, any participation in a Letter of Credit or any ~~Eurodollar Rate~~Term Benchmark Loan made by it, or change

the basis of taxation of payments to such Lender or such L/C Issuer in respect thereof (except for Indemnified Taxes and any Excluded Tax); or

(iii) impose on any Lender or any L/C Issuer or ~~the London~~any applicable offshore interbank market any other condition, cost or expense affecting this Credit Agreement or ~~Eurodollar Rate~~Term Benchmark Loans made by such Lender or any Letter of Credit or participation therein;

and the result of any of the foregoing shall be to increase the cost to such Lender of making, continuing, converting to or maintaining any ~~Eurodollar Rate~~Term Benchmark Loan (or of maintaining its obligation to make any such Loan), or to increase the cost to such Lender or such L/C Issuer of participating in, issuing or maintaining any Letter of Credit (or of maintaining its obligation to participate in or to issue any Letter of Credit), or to reduce the amount of any sum received or receivable by such Lender or such L/C Issuer hereunder (whether of principal, interest or any other amount) then, upon request of such Lender or such L/C Issuer, the Company will pay to such Lender or such L/C Issuer, as the case may be, such additional amount or amounts as will compensate such Lender or such L/C Issuer, as the case may be, for such additional costs incurred or reduction suffered. Notwithstanding the foregoing, a Lender or an L/C Issuer shall be entitled to request compensation for increased costs or expenses described in this Section 3.04(a) only to the extent it is the general practice or policy of such Lender or such L/C Issuer to request such compensation from other borrowers under comparable facilities under similar circumstances; provided, that in no event shall such Lender or L/C Issuer be required to disclose any confidential or proprietary information regarding any such other borrower or comparable facility. For the avoidance of doubt, if a Lender or an L/C Issuer recovers an amount under this Section, such Lender or such L/C Issuer may not recover the same amount under Section 3.01; similarly, if a Lender or an L/C Issuer recovers an amount under Section 3.01, such Lender or such L/C Issuer may not recover the same amount under this Section.

(b) Capital Requirements. If any Lender or any L/C Issuer determines that any Change in Law affecting such Lender or such L/C Issuer or any Lending Office of such Lender or such Lender's or such L/C Issuer's holding company, if any, regarding capital or liquidity requirements has or would have the effect of reducing the rate of return on such Lender's or such L/C Issuer's capital or on the capital of such Lender's or such L/C Issuer's holding company, if any, as a consequence of this Credit Agreement, the Commitments of such Lender or the Loans made by, or participations in Letters of Credit or ~~Swingline~~Swing Line Loans held by, such Lender, or the Letters of Credit issued by such L/C Issuer, to a level below that which such Lender or such L/C Issuer or such Lender's or such L/C Issuer's holding company could have achieved but for such Change in Law (taking into consideration such Lender's or such L/C Issuer's policies and the policies of such Lender's or such L/C Issuer's holding company with respect to capital adequacy and liquidity), then from time to time the Company will pay to such Lender or such L/C Issuer, as the case may be, such additional amount or amounts as will compensate such Lender or such L/C Issuer or such Lender's or such L/C Issuer's holding company for any such reduction suffered.

(c) Certificates for Reimbursement. A certificate of a Lender or an L/C Issuer setting forth the amount or amounts necessary to compensate such Lender or such L/C Issuer or

its holding company, as the case may be, as specified in subsection (a) or (b) of this Section and delivered to the Company shall be conclusive absent manifest error. The Company shall pay such Lender or such L/C Issuer, as the case may be, the amount shown as due on any such certificate within 10 days after receipt thereof.

(d) Delay in Requests. Failure or delay on the part of any Lender or any L/C Issuer to demand compensation pursuant to the foregoing provisions of this Section shall not constitute a waiver of such Lender's or such L/C Issuer's right to demand such compensation, provided that the Company shall not be required to compensate a Lender or an L/C Issuer pursuant to the foregoing provisions of this Section for any increased costs incurred or reductions suffered more than nine months prior to the date that such Lender or such L/C Issuer, as the case may be, notifies the Company of the Change in Law giving rise to such increased costs or reductions and of such Lender's or such L/C Issuer's intention to claim compensation therefor (except that, if the Change in Law giving rise to such increased costs or reductions is retroactive, then the nine-month period referred to above shall be extended to include the period of retroactive effect thereof).

~~(e) Reserves on Eurodollar Rate Loans. The Company shall pay to each Lender, as long as such Lender shall be required to maintain reserves with respect to liabilities or assets consisting of or including Eurocurrency funds or deposits (currently known as "Eurocurrency liabilities"), additional interest on the unpaid principal amount of each Eurodollar Rate Loan equal to the actual costs of such reserves allocated to such Loan by such Lender (as determined by such Lender in good faith, which determination shall be conclusive), which shall be due and payable on each date on which interest is payable on such Loan, provided the Company shall have received at least 10 days' prior notice (with a copy to the Administrative Agent) of such additional interest from such Lender. If a Lender fails to give notice 10 days prior to the relevant Interest Payment Date, such additional interest shall be due and payable 10 days from receipt of such notice.~~

Section 3.05 Compensation for Losses~~. Upon demand of any Lender (with a copy to the Administrative Agent) from time to time, the Company shall promptly compensate such Lender for and hold such Lender harmless from any loss, cost or expense incurred by it as a result of:~~

~~(a) any continuation, conversion,~~. With respect to Term Benchmark Loans, in the event of (i) the payment ~~or prepayment~~ of any principal of any Term Benchmark Loan other than ~~a Base Rate Loan~~ on ~~a~~the last day of an Interest Period applicable thereto (including as a result of an Event of Default or as a result of any prepayment pursuant to Section 2.05), (ii) the conversion of any Term Benchmark Loan other than on the last day of the Interest Period ~~for such Loan (whether voluntary, mandatory, automatic, by reason of acceleration, or otherwise);~~

applicable thereto, (iii) the failure to borrow, convert, continue or prepay any Term Benchmark Loan on the date specified in any notice delivered pursuant hereto (regardless of whether such notice may be revoked under Section 2.06(a) and is revoked in accordance therewith), or (iv) the ~~(b) any failure by the Company (for a reason other than the failure of such Lender to make a Loan) to prepay, borrow, continue or~~

~~convert any Loan other than a Base Rate Loan on the date or in the amount notified by the Company; or~~

~~(c)~~ ~~any~~ assignment of ~~a Eurodollar Rate~~any Term Benchmark Loan ~~on a day~~ other than on the last day of the Interest Period ~~therefor~~applicable thereto as a result of a request by the Company pursuant to Section ~~10.12;~~3.06(b) or 10.12, then, in any such event, the Company shall compensate each Lender for the loss, cost and expense attributable to such event. A certificate of any Lender setting forth any amount or amounts that such Lender is entitled to receive pursuant to this Section shall be delivered to the Company and shall be conclusive absent manifest error. The Company shall pay such Lender the amount shown as due on any such certificate within ten (10) days after receipt thereof.

~~including any loss of anticipated profits and any loss or expense arising from the liquidation or reemployment of funds obtained by it to maintain such Loan or from fees payable to terminate the deposits from which such funds were obtained. The Company shall also pay any customary administrative fees charged by such Lender in connection with the foregoing.~~

~~For purposes of calculating amounts payable by the Company to the Lenders under this Section 3.05, each Lender shall be deemed to have funded each Eurodollar Rate Loan made by it at the Eurodollar Base Rate used in determining the Eurodollar Rate. Eurodollar Rate for such Loan by a matching deposit or other borrowing in the London interbank eurodollar market for a comparable amount and for a comparable period, whether or not such Eurodollar Rate Loan was in fact so funded.~~

Section 3.06 Mitigation Obligations; Replacement of Lenders.

(l) Designation of a Different Lending Office. If any Lender requests compensation under Section 3.04, or the Company is required to pay any additional amount to any Lender, any L/C Issuer, or any Governmental Authority for the account of any Lender or any L/C Issuer pursuant to Section 3.01, or if any Lender gives a notice pursuant to Section 3.02, then such Lender or such L/C Issuer shall, as applicable, use reasonable efforts to designate a different Lending Office for funding or booking its Loans hereunder or to assign its rights and obligations hereunder to another of its offices, branches or Affiliates, if, in the judgment of such Lender or such L/C Issuer, such designation or assignment (i) would eliminate or reduce amounts payable pursuant to Section 3.01 or Section 3.04, as the case may be, in the future, or eliminate the need for the notice pursuant to Section 3.02, as applicable, and (ii) in each case, would not subject such Lender or such L/C Issuer, as the case may be, to any unreimbursed cost or expense and would not otherwise be disadvantageous to such Lender or such L/C Issuer, as the case may be. The Company hereby agrees to pay all reasonable costs and expenses incurred by any Lender or any L/C Issuer in connection with any such designation or assignment.

(b) Replacement of Lenders. If any Lender requests compensation under Section 3.04, or if the Company is required to pay any additional amount to any Lender or any Governmental Authority for the account of any Lender pursuant to Section 3.01, or if any Lender gives a notice pursuant to Section 3.02, the Company may replace such Lender in accordance with Section 10.12.

Section 3.07 Survival. All of the Company's obligations under this Article III shall survive termination of the Aggregate Commitments, the assignment by a Lender of all or any portion of its Loans or Commitments hereunder, repayment of all other Obligations hereunder and resignation of the Administrative Agent.

ARTICLE IV

GUARANTY

Section 4.01 Guaranty. Each of the Guarantors hereby, jointly and severally, absolutely and unconditionally guarantees, as a guaranty of payment and performance and not merely as a guaranty of collection, prompt payment when due, whether at stated maturity, by required prepayment, upon acceleration, demand or otherwise, and at all times thereafter, of any and all of the Obligations, whether for principal, interest, premiums, fees, indemnities, damages, costs, expenses or otherwise, of the Company to the Secured Parties, arising hereunder and under the other Loan Documents (including all renewals, extensions, amendments, refinancings and other modifications thereof and all costs, attorneys' fees and expenses incurred by the Secured Parties in connection with the collection or enforcement thereof). The Administrative Agent's books and records showing the amount of the Obligations shall be admissible in evidence in any action or proceeding, and shall be binding upon each Guarantor, and conclusive for the purpose of establishing the amount of the Obligations, absent manifest error. This Guaranty shall not be affected by the genuineness, validity, regularity or enforceability of the Obligations or any instrument or agreement evidencing any Obligations, or by the existence, validity, enforceability, perfection, non-perfection or extent of any collateral therefor, or by any fact or circumstance relating to the Obligations which might otherwise constitute a defense to the obligations of any Guarantor under this Guaranty, and each Guarantor hereby irrevocably waives any defenses it may now have or hereafter acquire in any way relating to any or all of the foregoing.

Section 4.02 Rights of Lenders. Each Guarantor consents and agrees that the Secured Parties may, at any time and from time to time, without notice or demand, and without affecting the enforceability or continuing effectiveness hereof: (a) amend, extend, renew, compromise, discharge, accelerate or otherwise change the time for payment or the terms of the Obligations or any part thereof; (b) take, hold, exchange, enforce, waive, release, fail to perfect, sell, or otherwise dispose of any security for the payment of this Guaranty or any Obligations; (c) apply such security and direct the order or manner of sale thereof as the Administrative Agent, the L/C Issuers and the Lenders in their sole discretion may determine; and (d) release or substitute one or more of any endorsers or other guarantors of any of the Obligations. Without limiting the generality of the foregoing, each Guarantor consents to the taking of, or failure to take, any action which might in any manner or to any extent vary the risks of such Guarantor under this Guaranty or which, but for this provision, might operate as a discharge of such Guarantor.

Section 4.03 Certain Waivers. Each Guarantor waives (a) any defense arising by reason of any disability, change in corporate existence or structure or other defense of the Company or any other Guarantor, or the cessation from any cause whatsoever

(including any act or omission of any Secured Party) of the liability of the Company or any other Guarantor; (b) any defense based on any claim that such Guarantor's obligations exceed or are more burdensome than those of the Company or any other Guarantor; (c) the benefit of any statute of limitations affecting such Guarantor's liability hereunder; (d) any right to proceed against the Company, proceed against or exhaust any security for the Obligations, or pursue any other remedy in the power of any Secured Party whatsoever; (e) any benefit of and any right to participate in any security now or hereafter held by any Secured Party; (f) any defense based on any claim that any Obligations are invalid or unenforceable; (g) the amendment or waiver of any Obligations; (g) any defense based on any allegation of non-perfection or release of Collateral in the context of a secured transaction; and (h) to the fullest extent permitted by law, any and all other defenses or benefits that may be derived from or afforded by applicable law limiting the liability of or exonerating the Company, the Guarantors or any other guarantors or sureties. Each Guarantor expressly waives all setoffs and counterclaims and all presentments, demands for payment or performance, notices of nonpayment or nonperformance, protests, notices of protest, notices of dishonor and all other notices or demands of any kind or nature whatsoever with respect to the Obligations, and all notices of acceptance of this Guaranty or of the existence, creation or incurrence of new or additional Obligations.

Section 4.04 Obligations Independent. The obligations of each Guarantor hereunder are those of primary obligor, and not merely as surety, and are independent of the Obligations and the obligations of any other Guarantor, and a separate action may be brought against such Guarantor to enforce this Guaranty whether or not the Company or any other person or entity is joined as a party.

Section 4.05 Subrogation. Each Guarantor shall not exercise any right of subrogation, contribution, indemnity, reimbursement or similar rights with respect to any payments it makes under this Guaranty until all of the Obligations and any amounts payable under this Guaranty have been indefeasibly paid and performed in full and the Commitments and the Facilities are terminated. If any amounts are paid to any Guarantor in violation of the foregoing limitation, then such amounts shall be held in trust for the benefit of the Secured Parties and shall forthwith be paid to the Secured Parties to reduce the amount of the Obligations, whether matured or unmatured.

Section 4.06 Termination; Reinstatement. This Guaranty is a continuing and irrevocable guaranty of all Obligations now or hereafter existing and shall remain in full force and effect until all Obligations and any other amounts payable under this Guaranty are indefeasibly paid in full in cash and the Commitments and the Facilities with respect to the Obligations are terminated. Notwithstanding the foregoing, this Guaranty shall continue in full force and effect or be revived, as the case may be, if any payment by or on behalf of the Company or any Guarantor is made, or any of the Secured Parties exercises its right of setoff, in respect of the Obligations and such payment or the proceeds of such setoff or any part thereof is subsequently invalidated, declared to be fraudulent or preferential, set aside or required (including pursuant to any settlement entered into by any of the Secured Parties in their discretion) to be repaid to a trustee, receiver or any other party, in connection with any proceeding under any Debtor Relief Laws or otherwise, all as if such payment had not been made or such setoff had not occurred and whether or not the Secured Parties are in

possession of or have released this Guaranty and regardless of any prior revocation, rescission, termination or reduction. The obligations of each Guarantor under this paragraph shall survive termination of this Guaranty.

Section 4.07 Subordination. Each Guarantor hereby subordinates the payment of all obligations and indebtedness of the Company owing to such Guarantor, whether now existing or hereafter arising, including but not limited to any obligation of the Company to such Guarantor as subrogee of the Secured Parties or resulting from such Guarantor's performance under this Guaranty, to the indefeasible payment in full in cash of all Obligations. If the Secured Parties so request, any such obligation or indebtedness of the Company to any Guarantor shall be enforced and performance received by such Guarantor as trustee for the Secured Parties and the proceeds thereof shall be paid over to the Secured Parties on account of the Obligations, but without reducing or affecting in any manner the liability of such Guarantor under this Guaranty.

Section 4.08 Stay of Acceleration. If acceleration of the time for payment of any of the Obligations is stayed, in connection with any case commenced by or against any Guarantor or the Company under any Debtor Relief Laws, or otherwise, all such amounts shall nonetheless be payable by such Guarantor immediately upon demand by the Secured Parties.

Section 4.09 Condition of Company. Each Guarantor acknowledges and agrees that it has the sole responsibility for, and has adequate means of, obtaining from the Company and any other Guarantor such information concerning the financial condition, business and operations of the Company and any such other Guarantor as such Guarantor requires, and that none of the Secured Parties has any duty, and such Guarantor is not relying on the Secured Parties at any time, to disclose to such Guarantor any information relating to the business, operations or financial condition of the Company or any other Guarantor (such Guarantor waiving any duty on the part of the Secured Parties to disclose such information and any defense relating to the failure to provide the same).

Section 4.10 Limitation on Guaranty. It is the intention of the Guarantors, the Lenders and the Company that the obligations of each Guarantor hereunder shall be in, but not in excess of, the maximum amount permitted by applicable law. To that end, but only to the extent such obligations would otherwise be avoidable, the obligations of each Guarantor hereunder shall be limited to the maximum amount that, after giving effect to the incurrence thereof, would not render such Guarantor insolvent or unable to make payments in respect of any of its indebtedness as such indebtedness matures or leave such Guarantor with an unreasonably small capital. The need for any such limitation shall be determined, and any such needed limitation shall be effective, at the time or times that such Guarantor is deemed, under applicable law, to incur the Obligations hereunder. Any such limitation shall be apportioned amongst the Obligations pro rata in accordance with the respective amounts thereof. This paragraph is intended solely to preserve the rights of the Lenders under this Credit Agreement to the maximum extent permitted by applicable law, and neither the Guarantors, the Company nor any other Person shall have any right under this paragraph that it would not otherwise have under applicable law. The Company and each Guarantor agree not to commence any proceeding or action seeking to limit the amount of the

obligation of such Guarantor under this Article IV by reason of this paragraph. For the purposes of this paragraph, "insolvency", "unreasonably small capital" and "unable to make payments in respect of any of its indebtedness as such indebtedness matures" shall be determined in accordance with applicable law.

Section 4.11 Keepwell. Each Qualified ECP Guarantor hereby jointly and severally absolutely, unconditionally and irrevocably undertakes to provide such funds or other support as may be needed from time to time by each other Loan Party to honor all of its obligations under this Guaranty in respect of Obligations that are Swap Obligations (provided, however, that each Qualified ECP Guarantor shall only be liable under this Section 4.11 for the maximum amount of such liability that can be hereby incurred without rendering its obligations under this Section 4.11, or otherwise under this Guaranty, as it relates to such other Loan Party, voidable under applicable law relating to fraudulent conveyance or fraudulent transfer, and not for any greater amount). The obligations of each Qualified ECP Guarantor under this Section shall remain in full force and effect in accordance with Section 4.06. Each Qualified ECP Guarantor intends that this Section 4.11 constitute, and this Section 4.11 shall be deemed to constitute, a "keepwell, support, or other agreement" for the benefit of each other Loan Party for all purposes of Section 1a(18)(A)(v)(II) of the Commodity Exchange Act.

ARTICLE V

CONDITIONS PRECEDENT

Section 5.01 Conditions of Credit Extensions on the Effective Date. The obligation of each L/C Issuer and each Lender to make the Credit Extensions hereunder on the Effective Date is subject to the satisfaction of the following conditions precedent on or prior to the Effective Date:

(a) Execution of Loan Documents and Notes. The Administrative Agent's receipt of the following, each of which shall be originals or facsimiles or delivered by means of other electronic communication (including e-mail and Internet or intranet websites) (followed promptly by originals) unless otherwise specified, each properly executed by a senior executive of the signing Loan Party, each dated the Effective Date (or, in the case of certificates of governmental officials, a recent date before the Effective Date) and each in form and substance reasonably satisfactory to the Administrative Agent and each of the Lenders:

(i) this Credit Agreement, duly executed and delivered by each of the Company, the Guarantors, the Lenders, the L/C Issuers and the Administrative Agent; and

(ii) a Note executed by the Company in favor of each Lender requesting a Note.

(b) Good Standing and Organizational Documents. The Administrative Agent shall have received a copy of a certificate of the Secretary of State of the

jurisdiction of organization of each Loan Party (except with respect to an entity of the type for which good standing certificates are not provided by the Secretary of State in the jurisdiction in which it is formed), dated on or about the Effective Date certifying (A) as to a true and correct copy of the charter, certificate of limited partnership, limited liability company agreement or other organizational document of such Loan Party and each amendment thereto on file in such Secretary's office and (B) that (1) such amendments are the only amendments to such Loan Party's charter, certificate of limited partnership, limited liability company agreement or other organizational document on file in such Secretary's office, (2) such Loan Party has paid all franchise taxes due and payable to the date of such certificate, and (3) such Loan Party is duly organized or formed and in good standing or presently subsisting (or the equivalent thereof) under the laws of the State of the jurisdiction of its organization.

(c) Proof of Action. The Administrative Agent shall have received certified copies of all necessary action taken by each of the Company and the Loan Parties to authorize the execution, delivery and performance of each Loan Document to which it is a party.

(d) Secretary's Certificate. The Administrative Agent shall have received a certificate of each Loan Party signed by its Secretary or Assistant Secretary, dated as of the Effective Date, certifying as to (A) the absence of any amendments to the charter, certificate of limited partnership, limited liability company agreement or other organizational document of such Loan Party since the date of the Secretary of State's (or local equivalent's) certificate referred to in Section 5.01(b), (B) a true and correct copy of the organizational documents of such Loan Party as in effect on the date on which the resolutions or other proof of actions referred to in Section 5.01(c) were adopted and on the Effective Date, (C) the due organization and good standing or valid existence of such Loan Party organized under the laws of the jurisdiction of its organization and the absence of any proceeding for the dissolution or liquidation of such Loan Party, and (D) certifying the names and true signatures of the officers of such Loan Party authorized to sign each Loan Document to which it is or is to be a party and the other documents to be delivered hereunder or thereunder.

(e) Opinions of Counsel to the Company and the Restricted Subsidiaries. The Lenders shall have received favorable opinions of:

(i) Lawrence J. Burian, Executive Vice President and General Counsel, as counsel for the Company and the Restricted Subsidiaries, substantially in the form of Exhibit E; and

(ii) Sullivan & Cromwell LLP, counsel to the Loan Parties, substantially in the form of Exhibit F;

and covering such other matters as any Lender or Lenders or special New York counsel to the Administrative Agent, may reasonably request (and for purposes of such opinions such counsel may rely upon opinions of counsel in other jurisdictions, provided that such other counsel are

reasonably satisfactory to special counsel to the Administrative Agent and such other opinions state that the Lenders are entitled to rely thereon).

(f) Solvency Certificate. The Lenders shall have received a certificate attesting to the Solvency of the Loan Parties (taken as a whole) on the Effective Date and after giving effect to the Transactions, from the senior financial executive of the Company.

(g) Material Agreements. The Lenders shall have: (i) received a certificate from an officer of the Company stating that true and correct copies of all (A) Related Documents (excluding Affiliation Agreements which are not individually or in the aggregate material to the interests of the Lenders), and (B) other material agreements that the Administrative Agent may reasonably request (including, without limitation, a Media Rights Agreement with each of the New York Rangers and the New York Knicks), have been made available to counsel to the Administrative Agent (including all amendments and other modifications thereto as of the date of the certificate) and that no such agreements have been terminated and (ii) been given a reasonable opportunity to review, at the offices of counsel to the Administrative Agent, copies of each of the agreements and documents referred to in (A) and (B) above, redacted as to economic terms and related other proprietary terms and subject to non-disclosure arrangements reasonably acceptable to the Company.

(h) Know Your Customer and Other Documents. (i) The Administrative Agent and the Lenders shall have received all documentation and other information required by bank regulatory authorities under applicable "know your customer" and anti-money laundering rules and regulations, including, without limitation, the USA PATRIOT Act, and such other documents, filings, instruments and papers relating to the documents referred to herein and the transactions contemplated hereby as any Lender or the Administrative Agent shall reasonably require and (ii) to the extent any Loan Party qualifies as a "legal entity customer" under the Beneficial Ownership Regulation, any Lender that has requested a Beneficial Ownership Certification in relation to such Loan Party shall have received such Beneficial Ownership Certification (provided that, upon the execution and delivery by such Lender of its signature page to this Credit Agreement, the condition set forth in this clause (ii) shall be deemed to be satisfied), in each case at least three Business Days prior to the Effective Date to the extent the request for such documentation, Beneficial Ownership Certification or other information was made at least five Business Days prior to the Effective Date.

(i) Certain Fees. All fees required to be paid to the Administrative Agent, the Joint Book Runners, the Initial Lenders and the other Lenders on or before the Effective Date shall have been paid. Unless waived by the Administrative Agent, the Company shall have paid all fees, charges and disbursements of counsel to the Administrative Agent (including, without limitation, Shearman & Sterling LLP) to the extent properly invoiced prior to the Effective Date, plus such additional amounts of such fees, charges and disbursements as shall constitute its reasonable estimate of such fees, charges and disbursements incurred or to be incurred by it through the closing proceedings (provided

that such estimate shall not thereafter preclude a final settling of accounts between the Company and the Administrative Agent.

Without limiting the generality of the provisions of Section 9.04, for purposes of determining compliance with the conditions specified in this Section 5.01, each Lender that has signed this Credit Agreement shall be deemed to have consented to, approved or accepted or to be satisfied with, each document or other matter required thereunder to be consented to or approved by or acceptable or reasonably satisfactory to a Lender unless the Administrative Agent shall have received notice from such Lender prior to the proposed Effective Date specifying its objection thereto.

Section 5.02 Conditions to all Credit Extensions. The obligation of each L/C Issuer and each Lender to make each Credit Extension hereunder (which shall not include any conversion or continuation of any outstanding Loan) is subject to the additional conditions precedent that:

(a) no Default or Event of Default shall have occurred and be continuing or would result from such proposed Credit Extension or from the application of proceeds thereof;

(b) the representations and warranties of the Company and each other Loan Party in Article VI hereof or any other Loan Document, or which are contained in any document furnished at any time under or in connection herewith or therewith, shall be true and correct, in all material respects, on and as of the date of the making of, and after giving effect to, such Credit Extension with the same force and effect as if made on and as of such date, except to the extent that such representations and warranties expressly relate to an earlier date, in which case they shall be true and correct, in all material respects, as of such earlier date; provided that any representation and warranty that is qualified as to "materiality", "Material Adverse Effect" or similar language shall be true and correct in all respects on the date of such Credit Extension or on such earlier date, as the case may be (after giving effect to such qualification); and except that for purposes of this Section 5.02, the representations and warranties contained in Section 6.04(a)(i) and (ii) shall be deemed to refer to the most recent statements furnished pursuant to Section 7.01(a) and (b), respectively;

(c) to the extent requested by the Administrative Agent or any Lender, a senior executive of the Company shall have certified compliance with clauses (a) and (b) above to the Administrative Agent; and

(d) the Administrative Agent and, if applicable, the L/C Issuers or the Swing Line Lender shall have received a Request for Credit Extension in accordance with the requirements hereof.

The Company shall be deemed to have made a representation and warranty hereunder as of the time of each Credit Extension hereunder that the conditions specified in such clauses have been fulfilled as of such time.

Section 5.03 Effectiveness of Amendment and Restatement. Until this Credit Agreement becomes effective in accordance with the requirements of Section 5.01, the Existing Credit Agreement shall remain in full force and effect and shall not be affected hereby. On the Effective Date, the Existing Credit Agreement will be automatically amended and restated to read as set forth in this Credit Agreement. The rights and obligations of the parties hereto shall be governed (i) prior to the Effective Date, by the Existing Credit Agreement and (ii) on and after the Effective Date, by this Credit Agreement. Once the Effective Date has occurred, all references to the "Credit Agreement" in any Loan Document or any other document, instrument, agreement or writing shall be deemed to refer to the Credit Agreement as amended and restated hereby. Each Loan Party acknowledges and agrees that the execution and delivery of this Credit Agreement shall not serve to effect a novation of the Obligations.

Section 5.04 Acknowledgement and Reaffirmation of Security Interests.

(a) Each Loan Party hereby acknowledges that it has reviewed the terms and provisions of this Credit Agreement and consents to the amendment of the Existing Credit Agreement effected pursuant to this Credit Agreement. Each Loan Party hereby confirms that each Loan Document to which it is a party or otherwise bound (including, for the avoidance of doubt, the Guaranty hereunder and the Security Agreement) and all Collateral encumbered thereby will continue to guarantee or secure, as the case may be, to the fullest extent possible in accordance with the Loan Documents, the payment and performance of all "Obligations" under each of the Loan Documents to which it is a party (in each case as such terms are defined in the applicable Loan Document).

(b) Each Loan Party acknowledges and agrees that (i) any of the Loan Documents to which it is a party or is otherwise bound (including, for the avoidance of doubt, the Guaranty hereunder and the Security Agreement) shall continue in full force and effect and that all of its obligations thereunder shall be valid, enforceable, ratified and confirmed in all respects and shall not be impaired or limited by the execution or effectiveness of this Credit Agreement, and (ii) all security interests created under any of the Collateral Documents shall continue in full force and effect pursuant to the terms of such Collateral Document. Each Loan Party represents and warranties that all representations and warranties contained in this Credit Agreement and the other Loan Documents to which it is a party or is otherwise bound are true and correct in all material respects and as of the Effective Date to the same extent as though made on and as of that date, except to the extent such representations and warranties expressly relate to an earlier date, in which case they were true and correct, in all material respects, as of such earlier date; provided that any representation and warranty that is qualified as to "materiality", "Material Adverse Effect" or similar language shall be true and correct in all respects on the Effective Date or on such earlier date, as the case may be (after giving effect to such qualification).

(c) Each Loan Party acknowledges and agrees that (i) notwithstanding the conditions to effectiveness set forth in this Credit Agreement, such Loan Party (other than the Company) is not required by the terms of the Existing Credit Agreement or any other Loan Document to consent to the amendments to the Existing Credit Agreement effected pursuant to

this Credit Agreement and (ii) nothing in the Existing Credit Agreement, this Credit Agreement or any other Loan Document shall be deemed to require the consent of such Loan Party (other than the Company) to any future amendments to the Existing Credit Agreement or this Credit Agreement.

ARTICLE VI

REPRESENTATIONS AND WARRANTIES

Each Loan Party represents and warrants to the Administrative Agent and the Lenders as follows:

Section 6.01 Existence, Qualification and Power. Each Holdings Entity and the Company and each of its Restricted Subsidiaries is a limited or general partnership, limited liability company or corporation duly organized, validly existing and in good standing under the Laws of its jurisdiction of organization and is duly qualified to transact business and is in good standing in all jurisdictions in which such qualification is necessary in view of the properties and assets owned and presently intended to be owned and the business transacted and presently intended to be transacted by it except for qualifications the lack of which, singly or in the aggregate, have not had and are not likely to have a Material Adverse Effect, and each of the Holdings Entities, the Company and the Restricted Subsidiaries has full power, authority and legal right to perform its obligations under this Credit Agreement, the Notes and the other Loan Documents to which it is a party.

Section 6.02 Subsidiaries; Loan Parties. Schedules 6.02(i), 6.02(ii) and 6.02(iii) contain a complete and correct list, as at the Effective Date, of all Restricted Subsidiaries, Unrestricted Subsidiaries and Excluded Subsidiaries of the Company, respectively, and a description of the legal nature of such Subsidiaries (including, (x) with respect to each Subsidiary, the jurisdiction of its organization, the address of its principal place of business and its U.S. taxpayer identification number, the nature of the ownership interests (shares of stock or general or limited partnership or other interests) in such Subsidiaries and the holders of such interests and, except as disclosed to the Lenders in writing prior to the Effective Date, the Company and each of its Subsidiaries owns all of the ownership interests of its Subsidiaries indicated in such Schedules as being owned by the Company or such Subsidiary, as the case may be, free and clear of all Liens except those created under the Collateral Documents, and all such ownership interests are validly issued and, in the case of shares of stock, fully paid and non-assessable, and (y) with respect to each Excluded Subsidiary and Unrestricted Subsidiary, a list of its material assets and a description of its business activities).

Section 6.03 Authority; No Conflict. The execution, delivery and performance by each Loan Party of each Loan Document to which it is a party or by which it is bound, and each Credit Extension hereunder, have been duly authorized by all necessary corporate or other organizational action and do not and will not: (a) subject to the consummation of the action described in Section 6.12, violate any Law or League Rule currently in effect (other than violations that, singly or in the aggregate, have not had and are not likely to have a Material Adverse Effect), or any provision of any of the Loan Parties'

respective partnership agreements, charters or by-laws certificate of limited partnership, limited liability company agreement, by-laws or other organizational documents presently in effect; (b) conflict with or result in the breach of, or constitute a default or require any consent (except for the consents described on Schedule 6.03, each of which has been duly obtained) under, or require any payment to be made under (i) any Contractual Obligation or League Rule to which any Loan Party is a party or by which their respective properties may be bound or affected, or (ii) any order, injunction, writ or decree of any Governmental Authority or any arbitral award to which the Loan Parties or their respective properties are subject (in each case under subclause (i) and/or (ii) above, other than any conflict, breach, default or required consent that, singly or in the aggregate, have not had and are not likely to have a Material Adverse Effect); or (c) except as provided under any Loan Document, result in, or require, the creation or imposition of any Lien upon or with respect to any of the properties or assets now owned or hereafter acquired by the Loan Parties.

Section 6.04 Financial Condition; Absence of Material Adverse Effect. (a) The Company has furnished to each Lender the consolidated balance sheet of the Parent and its consolidated Subsidiaries as at June 30, 2019, and the related consolidated statements of operations and stockholders' equity for the fiscal year ended on said date, said financial statements having been certified by an independent Registered Public Accounting Firm of nationally recognized standing reasonably acceptable to the Required Lenders. Such financial statements are complete and correct in all material respects (subject, in the case of the unaudited financial statements referred to above, to year-end and audit adjustments), were prepared in accordance with GAAP consistently applied throughout the period covered thereby, except as otherwise expressly noted therein and fairly present the financial condition of the respective entity or groups of entities which is or are the subject of such financial statements (as stated above), on a consolidated basis, as at the respective dates of the balance sheets included in such financial statements and the results of operations of such entity or groups of entities for the respective periods ended on said dates.

(a) None of the Holdings Entities or the Company or its Restricted Subsidiaries had any material contingent liabilities, liabilities for Taxes, unusual forward or long-term commitments or unrealized or anticipated losses from any unfavorable commitments or operations which are substantial in amount, except as referred to or reflected or provided for in said financial statements of the Company and its consolidated Subsidiaries as at said respective dates or as disclosed to the Lenders in writing prior to the Effective Date.

(b) Since June 30, 2019, there has been no event, change, condition, occurrence or circumstance which either individually or in the aggregate, has or would reasonably be expected to have a Material Adverse Effect.

Section 6.05 Litigation, Compliance with Laws. Except as disclosed to the Lenders on Schedule 6.05, there are no actions, suits, proceedings, claims or disputes pending, or to the knowledge of the Company or any Restricted Subsidiary threatened, against the Company or any Restricted Subsidiary or any of their respective properties or assets, before any court or arbitrator or by or before any Governmental Authority that, singly or in the aggregate, would reasonably be expected to have a Material Adverse Effect. Neither the Company nor any Restricted Subsidiary is in default under or in violation

of or with respect to any Laws or any writ, injunction or decree of any court, arbitrator or Governmental Authority except for such violations or defaults which, singly or in the aggregate, are not likely to have a Material Adverse Effect.

Section 6.06 Titles and Liens. Each of the Loan Parties has good title to the Collateral, free and clear of all Liens except in the case of the Holdings Entities, Permitted Liens, and in the case of the Company and its Restricted Subsidiaries, those permitted by Section 7.16.

Section 6.07 Regulation U; Investment Company Act. (m) None of the proceeds of any of the Credit Extensions shall be used to purchase or carry, or to reduce or retire or refinance any credit incurred to purchase or carry, any Margin Stock or to extend credit to others for the purpose of purchasing or carrying any Margin Stock; except that up to $10,000,000 in the aggregate of such proceeds may be used for such purposes; provided that both at the time of such use and thereafter compliance with Regulation U is maintained. The Company will notify the Administrative Agent promptly if any Loan Party purchases Margin Stock and, if requested by any Lender, the Company will furnish to the Lenders statements in conformity with the requirements of Regulation U.

(b) None of the Company, any Person Controlling the Company, or any Subsidiary is or is required to be registered as an "investment company" under the Investment Company Act of 1940.

Section 6.08 Taxes. Each of the Company and the Restricted Subsidiaries has filed all Federal, state and other material tax returns which are required to be filed under any law applicable thereto except such returns as to which the failure to file, singly or in the aggregate, has not had and would not reasonably be expected to have a Material Adverse Effect, and has paid, or made provision for the payment of, all Taxes shown to be due pursuant to said returns or pursuant to any assessment received by the Company or any of the Restricted Subsidiaries, except such Taxes, if any, as are being contested in good faith and as to which adequate reserves have been provided or as to which the failure to pay, singly or in the aggregate, has not had and would not reasonably be expected to have a Material Adverse Effect.

Section 6.09 Other Credit Agreements. Schedule 7.14 (Existing Indebtedness), Schedule 7.15 (Existing Guarantees) and Schedule 7.16 (Existing Liens) contain complete and correct lists, as at June 30, 2019, of all credit agreements, indentures, purchase agreements, obligations in respect of letters of credit, guarantees and other instruments presently in effect (including Capitalized Lease Obligations) providing for, evidencing, securing or otherwise relating to any Indebtedness of the Company and the Restricted Subsidiaries in a principal or face amount equal to $1,000,000 or more and such lists correctly set forth the names of the debtor or lessee and creditor or lessor with respect to the Indebtedness outstanding or to be outstanding thereunder, the rate of interest or rentals, a description of any security given or to be given therefor, and the maturity or maturities or expiration date or dates thereof.

Section 6.10 Full Disclosure(a) . (a) None of the financial statements referred to in Section 6.04 or delivered or deemed delivered from time to time pursuant to this Credit Agreement, certificates or any other written statements delivered or deemed delivered by or on behalf of the Company or any Restricted Subsidiary to the Administrative Agent or any Lender contains, as of the date of this Credit Agreement, any untrue statement of a material fact nor do such financial statements, certificates and such other written statements, taken as a whole, omit to state a material fact necessary to make the statements contained therein not misleading.

(b) As of the Effective Date, to the best knowledge of the Company, the information included in each Beneficial Ownership Certification provided on or prior to the Effective Date to any Lender in connection with this Credit Agreement is true and correct in all respects.

Section 6.11 No Default. None of the Company and the Restricted Subsidiaries is in default in the payment or performance or observance of any Contractual Obligation which default, either alone or in conjunction with all other such defaults, has had or is likely to have a Material Adverse Effect.

Section 6.12 Approval of Government, Regulatory Authorities and Third Parties. Except as set forth on Schedule 6.03 and other than any Non-Required Consents, no approval or consent of, or filing or registration with, (x) any Governmental Authority, (y) any League or (z) any other third party, in the case of this clause (z) pursuant to any Contractual Obligation governing Indebtedness for borrowed money or any other Contractual Obligation that is material to the Business of the Company or any of its Restricted Subsidiaries, is required in connection with (a) the execution, delivery and performance by, or enforcement against, any Loan Party of any Loan Document to which it is a party, (b) the grant by any Loan Party of the Liens granted by it pursuant to the Collateral Documents, (c) the perfection or maintenance of the Liens created under the Collateral Documents (including the first priority nature thereof) or (d) other than applicable bankruptcy, insolvency, reorganization, moratorium or similar laws affecting the exercise of creditors' rights generally or principles of equity (which shall exclude any law, rule or regulation that is applicable to the Company and its Subsidiaries or the Loan Documents solely because such law, rule or regulation is part of a regulatory regime applicable to the Company or any of its Restricted Subsidiaries due to their specific assets or business), the exercise by the Administrative Agent or any Lender of its rights under the Loan Documents or the remedies in respect of the Collateral pursuant to the Collateral Documents. All approvals, consents, filings, registrations or other actions described in Schedule 6.03 have been duly obtained, taken, given or made and are in full force and effect (other than as set forth in Schedule 6.03).

Section 6.13 Binding Agreements. This Credit Agreement constitutes, and each other Loan Document when executed and delivered will constitute, the legal, valid and binding obligations of each of the Loan Parties which is a party thereto, enforceable in accordance with their respective terms (except for limitations on enforceability under bankruptcy, reorganization, insolvency and other similar laws affecting creditors' rights

generally and limitations on the availability of the remedy of specific performance imposed by the application of general equitable principles).

Section 6.14 Collective Bargaining Agreements Except as set forth in Schedule 6.14, as of the Effective Date, there are no collective bargaining agreements between the Company or the Restricted Subsidiaries and any trade or labor union or other employee collective bargaining agent.

Section 6.15 Investments. Schedule 6.15 contains a complete and correct list, as of the Effective Date, of all Investments of the Company and the Restricted Subsidiaries (other than any Investments in other Restricted Subsidiaries) in excess of $5,000,000, showing the respective amounts of each such Investment and the respective entity (or group thereof) in which each such Investment has been made.

Section 6.16 Solvency. The Company and its Restricted Subsidiaries, taken as a whole, are Solvent.

Section 6.17 Collateral Documents. The provisions of the Collateral Documents are effective to create in favor of the Administrative Agent (or the Collateral Agent as applicable) for the benefit of the Secured Parties a legal, valid and enforceable first priority Lien (subject to Liens permitted by Section 7.16) on all right, title and interest of the respective Loan Parties in the Collateral described therein. Except for filings completed as contemplated hereby and by the Collateral Documents, no filing or other action is necessary to perfect or to continue the perfection of such Liens.

Section 6.18 Maintenance of Insurance. The Company and its Restricted Subsidiaries shall maintain with financially sound and reputable insurance companies that are not Affiliates of the Company, insurance with respect to its properties and business against loss or damage of the kinds customarily insured against by Persons engaged in the same or similar business, of such types and in such amounts as are customarily carried under similar circumstances by such other Persons.

Section 6.19 Subordinated Debt. The Loan Documents and all Obligations evidenced thereby constitute the "Senior Debt" and the "Designated Senior Debt" with respect to all subordinated Indebtedness of the Company and its Restricted Subsidiaries.

Section 6.20 ERISA Compliance. (n) Each Plan is in compliance with the applicable provisions of ERISA, the Code and other Federal or state Laws, except where such non-compliance would not result or reasonably be expected to result in a Material Adverse Effect. Each Plan that is intended to qualify under Section 401(a) of the Code has received a favorable determination letter from the IRS or an application for such a letter is currently being processed by the IRS with respect thereto and, to the actual knowledge of a senior executive of the Company, nothing has occurred which would prevent, or cause the loss of, such qualification, except, in each case, where the absence or loss of such qualification would not result or reasonably be expected to result in a Material Adverse Effect. The Company and each ERISA Affiliate have made all required contributions to each Plan subject to Section 412 of the Code, and no application for a funding waiver or an

extension of any amortization period pursuant to Section 412 of the Code has been made with respect to any Plan, except where any failure to make the required contributions would not result or reasonably be expected to result in a Material Adverse Effect.

(b) There are no pending or, to the actual knowledge of a senior executive of the Company, threatened in writing claims, actions or lawsuits, or action by any Governmental Authority, with respect to any Plan that would reasonably be expected to have a Material Adverse Effect. There has been no Prohibited Transaction or violation of the fiduciary responsibility rules of ERISA or the Code with respect to any Plan that has resulted or would reasonably be expected to result in a Material Adverse Effect.

(c) (i) No Termination Event has occurred or is reasonably expected to occur; (ii) neither the Company nor any ERISA Affiliate has incurred, or reasonably expects to incur, any liability under Title IV of ERISA with respect to any Plan (other than premiums due and not delinquent under Section 4007 of ERISA); (iii) to the knowledge of the Company or its ERISA Affiliates, neither the Company nor any ERISA Affiliate has incurred, or reasonably expects to incur, any liability (and no event has occurred which, with the giving of notice under Section 4219 of ERISA, would result in such liability) under Section 4201 or 4243 of ERISA with respect to a Multiemployer Plan; and (iv) neither the Company nor any ERISA Affiliate has engaged in a transaction that could be subject to Section 4069 or 4212(c) of ERISA, which, in each case under this Section 6.20(c), such event or condition, together with all other such events or conditions, if any, has resulted or would reasonably be expected to result in a Material Adverse Effect.

Section 6.21 Environmental Compliance. The Company and its Restricted Subsidiaries are in compliance with all applicable Environmental Laws and the Company has no knowledge of any environmental claims, except to the extent that any potential non-compliance with Environmental Laws or any such claims would not individually or in the aggregate, reasonably be expected to have a Material Adverse Effect.

Section 6.22 Intellectual Property, Licenses, Etc. As of the Effective Date, the Company and its Restricted Subsidiaries own or have the right to use, all of the trademarks, service marks, trade names, copyrights, patents, patent rights and other intellectual property rights that are reasonably necessary for the operation of their business, in each case other than those the absence of which would not reasonably be expected to have a Material Adverse Effect.

Section 6.23 Compliance Matters. As of the Effective Date, (a) after giving effect to the Transactions, the Company is in compliance with the provisions of this Credit Agreement (including, without limitation the Financial Covenants) on a pro forma basis, and (b) no Default or Event of Default has occurred and is continuing.

Section 6.24 Anti-Corruption Laws and Sanctions. The Company has implemented and maintains in effect policies and procedures designed to ensure compliance by the Company, its Subsidiaries and their respective directors, officers, employees and agents with Anti-Corruption Laws and applicable Sanctions, and the Company, its Subsidiaries, and, to the knowledge of the Company, their respective officers,

employees, directors and agents, are in compliance with Anti-Corruption Laws and applicable Sanctions in all material respects. The Company and its Subsidiaries have conducted their businesses in compliance in all material respects with all applicable Anti-Corruption Laws and Sanctions. The Company has not requested any Borrowing or Letter of Credit, and will not use, and has used its reasonable best efforts to provide that its Subsidiaries and its or their respective directors, officers, employees and agents will not use, the proceeds of any Borrowing or Letter of Credit (A) in furtherance of an offer, payment, promise to pay, or authorization of the payment or giving of money, or anything else of value, to any Person in violation of any Anti-Corruption Laws, (B) for the purpose of funding, financing or facilitating any activities, business or transaction of or with any Sanctioned Person, or in any Sanctioned Country, or (C) in any other manner that would result in the violation of any Sanctions applicable to any party hereto. None of (a) the Company or any Subsidiary or (b) to the knowledge of the Company, any of their respective directors, officers or agents that will act in any capacity in connection with or benefit from the credit facility established hereby, is a Sanctioned Person. No Borrowing or Letter of Credit, use of proceeds or other transaction contemplated by the Credit Agreement will result in a violation by the Loan Parties of Anti-Corruption Laws or applicable Sanctions.

Section 6.25 EEA Financial Institutions. No Loan Party is an EEA Financial Institution.

ARTICLE VII

COVENANTS OF THE COMPANY AND THE RESTRICTED SUBSIDIARIES

From the Effective Date and so long as the Commitments of the Lenders shall be in effect and until the payment in full of all Obligations hereunder, the expiration or termination of all Letters of Credit and the performance of all other Obligations of the Company under the Loan Documents, each of the Loan Parties (other than the Holdings Entities) and, with respect to Sections 7.10 and 7.30, each of the Holdings Entities, agrees that:

A. Informational Covenants:

Section 7.01 Financial Statements and Other Information. The Company will deliver to the Administrative Agent and each Lender:

(a) Commencing on the Effective Date, as soon as available and in any event within 60 days after the end of each of the first three Quarters of each fiscal year of the Company: (A) consolidated statements of operations of (x) the Parent and its consolidated Subsidiaries, taken together, and (y) if there exists any Financial Statement Variance for such Quarter or if the Parent and the Company do not have the same fiscal year at such time, the Company and the Restricted Subsidiaries, taken together, in each case for such Quarter and for the period from the beginning of such fiscal year to the end of such Quarter (all prepared in accordance with GAAP), (B) the related consolidated balance sheets and consolidated cash flow statements of (x) the Parent and its consolidated Subsidiaries, taken together, and (y) if there exists any Financial Statement

Variance for such Quarter or if the Parent and the Company do not have the same fiscal year at such time, the Company and the Restricted Subsidiaries, taken together, in each case as at the end of such Quarter (which financial statements (other than statements of cash flows) shall set forth in comparative form the corresponding figures as at the end of and for the corresponding preceding fiscal year) (all prepared in accordance with GAAP), (C) if the Parent is no longer filing periodic reports with the SEC, an accompanying management's discussion and analysis, (D) commencing with the Quarter ending December 31, 2019, hold quarterly informational conference calls with the Lenders; provided that such conference calls shall not be required as long as (x) the Parent has registered or publicly traded equity securities outstanding or (y) (i) the Parent is a direct wholly owned Subsidiary of MSGE, (ii) MSGE has registered or publicly traded equity securities outstanding, and (iii) MSGE holds a public quarterly earnings call that includes a discussion of the results of the financial reporting segment that includes the business of the Parent and its consolidated Subsidiaries, and (E) a certificate in the form of Exhibit D-1 of a senior financial executive of the Company certifying such financial statements as fairly presenting the financial condition and results of operations of the respective entities covered thereby in accordance with GAAP, excluding accompanying footnotes to the consolidated financial statements and subject, however, to year-end and audit adjustments, which certificate shall include (i) a statement that the senior financial executive signing the same has no knowledge, except as specifically stated, that any Default has occurred and is continuing and (ii) if the Company's financial statements are not being delivered pursuant to clauses (A)(y) and (B)(y) above, a statement of the senior financial executive that no Financial Statement Variance exists for such Quarter.

(b) As soon as available and in any event within 120 days after the end of each fiscal year of the Company commencing with the fiscal year ending June 30, 2020: (A) consolidated statements of operations of (x) the Parent and its consolidated Subsidiaries, taken together, and (y) if there exists any Financial Statement Variance for such fiscal year or if the Parent and the Company do not have the same fiscal year at such time, the Company and the Restricted Subsidiaries, taken together, in each case for such fiscal year (all prepared in accordance with GAAP), (B) the related consolidated balance sheets and cash flow statements of (x) the Parent and its consolidated Subsidiaries, taken together, and (y) if there exists any Financial Statement Variance for such fiscal year or if the Parent and the Company do not have the same fiscal year at such time, the Company and the Restricted Subsidiaries, taken together, in each case as at the end of such fiscal year (which financial statements (other than cash flow statements) shall set forth in comparative form the corresponding figures as at the end of and for the preceding fiscal year) (all prepared in accordance with GAAP), (C) if the Parent is no longer filing periodic reports with the SEC, an accompanying management's discussion and analysis, (D) commencing with the year ending June 30, 2020, hold annual informational conference calls with the Lenders; provided that such conference calls shall not be required as long as (x) the Parent has registered or publicly traded equity securities outstanding or (y) (i) the Parent is a direct wholly owned Subsidiary of MSGE, (ii) MSGE has registered or publicly traded equity securities outstanding, and (iii) MSGE holds a public quarterly earnings call that includes a discussion of the results of the financial reporting segment that includes the business of the Parent and its consolidated Subsidiaries, (E) an opinion of a Registered Public Accounting Firm of nationally

recognized standing selected by the Parent or the Company, as applicable, and reasonably acceptable to the Required Lenders as to said consolidated financial statements of the Parent and its consolidated Subsidiaries or the Company and the Restricted Subsidiaries, as applicable, and a certificate of such accountants stating that, in making the examination necessary for said opinion, they obtained no knowledge, except as specifically stated, of any failure by the Company or any Restricted Subsidiaries to comply with the covenants set forth in the Financial Covenants, (F) a certificate in the form of Exhibit D-2 of a senior financial executive of the Company certifying that such financial statements fairly present the financial condition and results of operations of the respective entities covered thereby as of the end of and for such fiscal year, respectively, in accordance with GAAP, which certificate shall include (i) a statement that the senior financial executive signing the same has no knowledge, except as specifically stated, that any Default has occurred and is continuing and (ii) if the Company's financial statements are not being delivered pursuant to clauses (A)(y) and (B)(y) above, a statement of the senior financial executive of the Company that no Financial Statement Variance exists for such fiscal year.

(c) As soon as available, and in any event no later than 90 days after the commencement of each fiscal year of the Company (beginning with fiscal year 2020), the budget of the Parent and its Subsidiaries by fiscal quarter for the following fiscal year in the form approved by the Board of Directors together with the reconciliation identifying material variances, if any, between the Parent and its consolidated Subsidiaries and the Company and its consolidated Subsidiaries.

(d) Promptly after their becoming available, copies of all financial statements and reports which the Parent, any Holdings Entity, the Company or any Restricted Subsidiary shall have sent to public shareholders generally (other than tax returns unless specifically requested under Section 7.01(h)), copies of financial statements and reports which the Company shall have sent to the holders of any Indebtedness specified in Schedule 7.14, to the extent such statements and reports contain information relating to the designation of the Company's Subsidiaries as "restricted subsidiaries" under the Debt Instruments governing any such Indebtedness, and to the calculation of financial ratios thereunder and copies of all regular and periodic reports, if any, which the Parent, any Holdings Entity, the Company or any Restricted Subsidiary shall have filed with the SEC, or any governmental agency substituted therefor, or with any national securities exchange.

(e) Within seven days of the delivery of the financial statements referred to in Section 7.01(a) and (b), a Compliance Certificate, duly completed signed by a senior financial executive of the Company and setting out the Adjusted Operating Income calculation for each quarter in any Measurement Period.

(f) As soon as practicable and in any event within ten days after any senior executive of the Company or any Restricted Subsidiary or of any general partner of any Restricted Subsidiary shall have obtained knowledge of the occurrence of a Default, a

statement describing such Default and the action which is proposed to be taken with respect thereto.

(g) As soon as practicable and in any event within ten days after any senior executive of the Company or any Restricted Subsidiary or of any general partner of any Restricted Subsidiary shall have obtained knowledge of (x) the occurrence of, or any material development in respect of, any action, suit, proceeding, claim or dispute before any courts, arbitrators or Governmental Authority (collectively, "Proceedings") against it or, to its knowledge, otherwise affecting it or any of its respective properties or assets, except Proceedings which are not, individually or in the aggregate, reasonably likely to have a Material Adverse Effect and (y) any material Labor Dispute affecting the Company or a Restricted Subsidiary, a statement describing such Proceeding or Labor Dispute, as the case may be.

(h) From time to time, with reasonable promptness, such further information regarding the business, affairs and financial condition of the Company or any of the Restricted Subsidiaries as the Administrative Agent or any Lender, through the Administrative Agent, may reasonably request.

(i) Within seven days of the delivery of the financial statements referred to in Section 7.01(a) and (b), a list of any new, or redesignation with respect to, Restricted Subsidiaries and Unrestricted Subsidiaries.

(j) Promptly, notice of any change in the information provided in any Beneficial Ownership Certification delivered to any Lender that would result in a change to the list of beneficial owners identified in such certification.

(k) At any time that the Company is not Controlled by a Person that files reports with the SEC, promptly following any reasonable request therefor, copies of any detailed audit reports of the Company or any Restricted Subsidiary by independent accountants in connection with an audit of the accounts or books of the Company or such Restricted Subsidiary, in each case to the extent previously delivered to the Company or such Restricted Subsidiary and in each case to the extent that the Company or such Restricted Subsidiary is not prohibited from providing such report by applicable Laws or previously existing obligations to a third party.

Documents or information required to be delivered pursuant to this Section 7.01 (to the extent any such documents or information are included in materials otherwise filed with the SEC) shall be deemed to have been delivered on the date on which (x) the Parent files quarterly reports on Form 10-Q and annual reports on Form 10-K, as applicable, with the SEC, or on the date on which the Company or Parent provides a link thereto on the Company's or the Parent's website on the Internet at the website address listed on Schedule 10.02, and (y) if there exists any Financial Statement Variance for such financial reporting period or if the Parent and the Company do not have the same fiscal year, the Company delivers unaudited consolidating balance sheets and statements of operations reflecting the results of the Company and its consolidated Restricted Subsidiaries on a stand-alone basis certified by a senior financial executive of the Company; provided that: (A) the Company shall deliver electronic copies of

such documents to the Administrative Agent and any Lender that requests such and the Company will deliver paper copies upon a written request given by the Administrative Agent or such Lender and (B) the Company shall notify the Administrative Agent, each Lender (by facsimile or electronic mail) of the filing of any such documents and provide to the Administrative Agent by electronic mail electronic versions (i.e., soft copies) of such documents, and the requirement that the Company hold quarterly informational conference calls with Lenders pursuant to Section 7.01(a) and (b) shall be satisfied by a public quarterly earnings call by the Parent. Notwithstanding anything contained herein, in every instance the Company shall be required to provide electronic copies of the Compliance Certificates required by Section 7.01(e) to the Administrative Agent. Except for such Compliance Certificates, the Administrative Agent shall have no obligation to request the delivery or to maintain copies of the documents referred to above, and in any event shall have no responsibility to monitor compliance by the Company with any such request for delivery, and each Lender shall be solely responsible for requesting delivery to it or maintaining its copies of such documents.

The Company represents and warrants that it, its controlling Person and any Subsidiary, in each case, if any, either (i) has no registered or publicly traded securities outstanding or (ii) files its financial statements with the SEC and/or makes its financial statements available to potential holders of its Rule 144A securities, and, accordingly, the Company hereby (i) authorizes the Administrative Agent to make the financial statements to be provided under Section 7.01 above, along with the Loan Documents, available to Public Lenders and (ii) agrees that at the time such financial statements are provided hereunder, they shall already have been made available to holders of its securities. The Company will not request that any other material be posted to Public Lenders without expressly representing and warranting to the Administrative Agent in writing that such materials do not constitute material non-public information within the meaning of the federal securities laws or that the Company has no outstanding publicly traded securities, including Rule 144A securities. Notwithstanding anything herein to the contrary, in no event shall the Company request that the Administrative Agent make available to Public Lenders budgets or any certificates, reports or calculations with respect to the Company's compliance with the covenants contained herein.

B. Affirmative Covenants:

Section 7.02 Taxes and Claims. Each of the Company and the Restricted Subsidiaries will pay and discharge all Taxes imposed upon it or upon its income or profits, or upon any properties or assets belonging to it, and all other lawful claims which, if unpaid, could be reasonably expected to become a Lien (other than Permitted Liens) upon the property of the Company or any of the Restricted Subsidiaries except where a failure to do so, singly or in the aggregate, would not reasonably be expected to have a Material Adverse Effect, provided that none of the Company and the Restricted Subsidiaries shall be required to pay any such Tax, fee or other claim as to which the Company and the Restricted Subsidiaries have a good faith basis to believe is not due and owing and, to the extent then appropriate, the payment thereof is being contested in good faith and by proper proceedings, provided that it maintains adequate reserves in accordance with GAAP with respect thereto.

Section 7.03 Insurance. Each of the Company and the Restricted Subsidiaries will maintain insurance issued by financially sound and reputable insurance

companies with respect to its properties and business in such amounts and against such risks as is usually carried by owners of similar businesses and properties in the same general areas in which the Company or such Restricted Subsidiary operates. The Company will furnish to any Lender, upon the request of such Lender from time to time, full information as to the insurance maintained in accordance with this Section 7.03.

Section 7.04 Maintenance of Existence; Conduct of Business. Each of the Company and the Restricted Subsidiaries will preserve, renew and maintain in full force and effect its legal existence and good standing under the Laws of the jurisdiction of its organization, and all of its rights, privileges, permits, licenses approvals and franchises, except (i) where a failure to do so, singly or in the aggregate, is not likely to have a Material Adverse Effect or (ii) pursuant to a Permitted Restricted Subsidiary Transaction.

Section 7.05 Maintenance of and Access to Collateral. Each of the Company and the Restricted Subsidiaries will maintain, preserve and protect the Collateral in good working order and condition, ordinary wear and tear excepted, except where a failure to do so, singly or in the aggregate, is not likely to be materially adverse to the interests of the Lenders, and will permit representatives of the Lenders to visit and inspect such properties, and to examine and make extracts from its books and records, during normal business hours.

Section 7.06 Compliance with Applicable Laws. (o) Each of the Company and the Restricted Subsidiaries will comply with the requirements of all applicable Laws (including but not limited to Environmental Laws and ERISA) and all orders, writs, injunctions and decrees of any Governmental Authority a breach of which is likely to have, singly or in the aggregate, a Material Adverse Effect, except where contested in good faith and by proper proceedings if it maintains adequate reserves in accordance with GAAP with respect thereto.

(b) Each Loan Party will, and will cause each of their respective Subsidiaries to, conduct their businesses in compliance in all material respects with all applicable Anti-Corruption Laws and Sanctions. The Company will maintain in effect and enforce policies and procedures reasonably designed to ensure compliance by the Company, its Subsidiaries and their respective directors, officers, employees and agents with Anti-Corruption Laws and applicable Sanctions.

Section 7.07 [Intentionally Omitted.]

Section 7.08 Subsidiaries. As of the Effective Date, all Subsidiaries of the Company (other than those set forth on Schedule 6.02(ii)) shall be deemed to be Restricted Subsidiaries. Any New Subsidiary acquired or formed by the Company shall be deemed an Unrestricted Subsidiary unless the provisions of Section 7.17 would not permit the Investment in such Unrestricted Subsidiary at the time of its acquisition or formation.

(a) The Company may, at any time, designate any Restricted Subsidiary as an Unrestricted Subsidiary by prior written notice to the Administrative Agent; provided that the Company shall only be permitted to so designate a Subsidiary as an Unrestricted Subsidiary after

the Effective Date so long as (i) no Default or Event of Default exists or would result therefrom, (ii) the Company is in pro forma compliance with the Financial Covenants, (iii) such Subsidiary does not own any Collateral or Network Assets, and (iv) such Unrestricted Subsidiary shall be capitalized (to the extent capitalized by the Company or any of its Restricted Subsidiaries) through Investments permitted by, and in compliance with, Section 7.17 with any assets owned by such Unrestricted Subsidiary at the time of the initial designation thereof to be treated as Investments pursuant to Section 7.17.

(b) The Company may designate any Unrestricted Subsidiary to be a Restricted Subsidiary for purposes of this Credit Agreement (each, a "Subsidiary Redesignation"); provided that (i) no Default or Event of Default then exists or would occur as a consequence of any such Subsidiary Redesignation, (ii) the Company is and will be in compliance with the Financial Covenants for the most recently completed Measurement Period giving pro forma effect to such redesignation, and (iii) the Company shall have delivered to the Administrative Agent an officer's certificate executed by a senior executive, certifying to the best of such officer's knowledge, compliance with the requirements of preceding clauses (i) through (iii).

Section 7.09 Use of Proceeds. The Company shall (a)(i) use the proceeds of the Term Facility to (A) repay any and all outstanding indebtedness under the Existing Credit Agreement (the "Refinancing"), and (B) pay fees, costs and expenses incurred in connection with the Refinancing and the transactions contemplated herein, and (ii) retain any proceeds of the Term Facility not applied pursuant to the preceding clause (a)(i) to be used for working capital and other general corporate purposes of the Company; and (b) use the proceeds of the Revolving Credit Facility (i) to the extent not repaid from the proceeds of the Term Facility or available cash, to repay any Revolving Credit Loans outstanding under the Existing Credit Agreement as of the Effective Date, (ii) to pay fees, costs and expenses incurred in connection with the Transactions and (iii) for working capital and other general corporate purposes of the Company.

Section 7.10 Covenant to Guarantee Obligations and Give Security. Upon (x) the formation or acquisition of any new Holdings Entity or any direct or indirect wholly-owned Subsidiary (other than an Unrestricted Subsidiary, any Foreign Subsidiary or a Subsidiary that is held directly or indirectly by a Foreign Subsidiary) by any Loan Party, (y) the acquisition of any property not constituting an Excluded Asset by any Loan Party (including Equity Interests in a first-tier Foreign Subsidiary) if such property, in the reasonable judgment of the Administrative Agent, shall not already be subject to a perfected first priority security interest in favor of the Administrative Agent for the benefit of the Secured Parties or the acquisition of any Network Assets by any Excluded Subsidiary or (z) the designation of any Unrestricted Subsidiary as a Restricted Subsidiary, then the Company shall, at the Company's expense:

(a) at the time of delivery of the compliance certificate set forth in Section 7.01(e), cause such Holdings Entity or Subsidiary (if it has not already done so), to duly execute and deliver to the Administrative Agent a guaranty or guaranty

supplement, in form and substance reasonably satisfactory to the Administrative Agent, guaranteeing the Company's obligations under the Loan Documents,

(b) at the time of delivery of the compliance certificate set forth in Section 7.01(e), furnish to the Administrative Agent a description of the personal properties of such Holdings Entity or Subsidiary or such newly-acquired property, in detail reasonably satisfactory to the Administrative Agent,

(c) at the time of delivery of the compliance certificate set forth in Section 7.01(e), cause such Holdings Entity or Subsidiary (if it has not already done so) to duly execute and deliver to the Administrative Agent Supplemental Collateral Documents, as specified by and in form and substance reasonably satisfactory to the Administrative Agent (or in substantially the form attached to the Security Agreement, if applicable) (including delivery of all Pledged Equity Interests in and of the Company or such Subsidiary (limited to 65% of voting equity interests of any Foreign Subsidiary), and other instruments of the type specified in Section 5.01(a)(iii)), and

(d) at the time of delivery of the compliance certificate set forth in Section 7.01(e), cause such Holdings Entity or Subsidiary (if it has not already done so) to take any actions required under the Security Agreement (including the filing of UCC financing statements) as may be reasonably requested by the Administrative Agent to vest in the Administrative Agent (or in any representative of the Administrative Agent designated by it) valid and subsisting Liens on the properties subject to the Supplemental Collateral Documents delivered pursuant to this Section 7.10;

provided, that with respect to after-acquired property of any Loan Party as to which an effective Uniform Commercial Code financing statement is on file in the appropriate jurisdiction and which does not constitute deposit or securities accounts (as to which the provisions above shall be applicable), such Loan Party may satisfy the requirements of this Section 7.10 at the time of delivery of the next certificate required pursuant to Section 7.01(b).

Section 7.11 Books and Records. The Company and the Restricted Subsidiaries shall maintain proper books of record and account, in which entries that are full, true and correct in all material respects and are in conformity with GAAP consistently applied.

Section 7.12 [Intentionally Omitted.]

Section 7.13 Further Assurances and Post-Closing Matters.

(a) The Company shall, promptly upon request by the Administrative Agent, or any Lender through the Administrative Agent, (i) correct any material defect or error that may be discovered in any Loan Document or in the execution, acknowledgment, filing or recordation thereof, and (ii) do, execute, acknowledge, deliver, record, re-record, file, re-file, register and re-register any and all such further acts, deeds, certificates, assurances and other instruments as the Administrative Agent, or any Lender through the Administrative Agent, may reasonably require from time to time in order to (w) carry out more effectively the purposes of the Loan Documents, (x) to the fullest extent permitted by applicable Law, subject any Loan Party's

properties, assets, rights or interests to the Liens now or hereafter intended to be covered by any of the Collateral Documents, (y) perfect and maintain the validity, effectiveness and priority of any of the Collateral Documents and any of the Liens intended to be created thereunder and (z) assure, convey, grant, assign, transfer, preserve, protect and confirm more effectively unto the Secured Parties the rights granted or now or hereafter intended to be granted to the Secured Parties under any Loan Document or under any other instrument executed in connection with any Loan Document to which any Loan Party or any of its Subsidiaries is or is to be a party, and cause each of its Subsidiaries, to the extent applicable, to do so.

(b) To the extent any such items have not been delivered as of the Effective Date, within 30 days after the Effective Date (as such time period may be extended from time to time by the Administrative Agent without any requirement for Lender consent), the applicable Loan Party shall deliver to the Collateral Agent, the Securities Account Control Agreements and the Deposit Account Control Agreements, as referred to in the Security Agreement, duly executed by the applicable parties thereto.

C. Negative Covenants:

Section 7.14 Indebtedness. Neither the Company nor any of its Restricted Subsidiaries will create, incur or suffer to exist any Indebtedness except:

(i) Indebtedness hereunder;

(ii) [intentionally omitted];

(iii) obligations under or in respect of (A) interest rate Swap Contracts up to an aggregate notional principal amount not to exceed at any time an amount equal to the Commitments of all the Lenders in the aggregate at such time, and (B) Swap Contracts entered into to hedge existing or anticipated foreign exchange or commodity price exposure not for speculative purposes;

(iv) Guarantees and letters of credit permitted by Section 7.15;

(v) (A) Indebtedness of the Company owed to any Guarantor and Indebtedness of any Guarantor owed to the Company or any other Guarantor, and (B) Indebtedness of the Company or any Restricted Subsidiary owed to any Restricted Subsidiary which is not a Guarantor; provided that such Indebtedness under this clause (B) shall be subordinated to the Obligations pursuant to the Master Subordinated Intercompany Note;

(vi) Indebtedness issued and outstanding on the Effective Date to the extent set forth on Schedule 7.14 and any renewals, extensions or refundings thereof in a principal amount not to exceed the amount so renewed, extended or refunded;

(vii) other Indebtedness of the Company or any Restricted Subsidiary in an aggregate amount at any time outstanding of up to the greater of (A) $250,000,000 and (B) 70% of Adjusted Operating Income for the most recently completed four fiscal

quarter period for which financial statements were required to have been delivered pursuant to Section 7.01;

(viii) Indebtedness constituting an Investment permitted under Section 7.17 provided that any Indebtedness of a Loan Party owed to any Subsidiary that is not a Loan Party shall be subordinated to the Obligations pursuant to the Master Subordinated Intercompany Note;

(ix) [intentionally omitted];

(x) Indebtedness of the Company and its Restricted Subsidiaries incurred to finance the acquisition, construction or improvement of any fixed or capital assets, including Capitalized Lease Obligations and purchase money security interests, and any Indebtedness assumed in connection with the acquisition of any such assets or secured by a Lien on any such assets prior to the acquisition thereof, and any extension or renewal thereof; provided that (A) such Indebtedness is incurred prior to, or within 180 days after, such acquisition or the completion of such construction or improvement (provided, that the Administrative Agent shall, without any requirement for Lender consent, extend such original 180 day period by an additional 180 days upon its receipt of a written extension request from the Company), and (B) the aggregate principal amount of outstanding Indebtedness permitted by this paragraph (x) shall not at any time exceed $50,000,000;

(xi) Indebtedness arising from netting services, overdraft protection, cash management services, endorsements or instruments and other items for deposit in the ordinary course of business;

(xii) Indebtedness of the Company or its Restricted Subsidiaries (including, for the avoidance of doubt, Guarantees of Indebtedness of the Parent); provided, that:

(1) no Default or Event of Default shall have occurred and be continuing both immediately before and immediately after giving pro forma effect to such incurrence of Indebtedness and the application of the proceeds thereof;

(2) the Company and its Restricted Subsidiaries are in pro forma compliance with the Financial Covenants, both immediately before and immediately after giving pro forma effect to such incurrence of Indebtedness and the application of the proceeds thereof;

(3) if such Indebtedness is subordinated in right of payment to the Indebtedness under this Credit Agreement, then such Indebtedness shall be subject to subordination provisions that are reasonably acceptable to the Administrative Agent;

(4) if such Indebtedness is secured Indebtedness that is junior in right of security to the Indebtedness under this Credit Agreement, then such Indebtedness shall be subject to an intercreditor agreement that is reasonably acceptable to the Administrative Agent; and

(5) if such Indebtedness is secured Indebtedness that is pari passu in right of security and payment with the Indebtedness under this Credit Agreement, then such Indebtedness shall only be incurred pursuant to Section 2.14 or Section 2.15.

(xiii) Indebtedness secured by mortgages on Real Property; provided that the aggregate principal amount of outstanding Indebtedness permitted by this paragraph (xiii) shall not at any time exceed $50,000,000;

(xiv) Indebtedness consisting of the financing of insurance premiums or (ii) take-or-pay obligations of the Company or any of the Restricted Subsidiaries contained in supply arrangements, in each case, in the ordinary course of business;

(xv) Indebtedness of a Person existing at the time such Person became a Restricted Subsidiary or property was acquired from such Person to the extent such Indebtedness was not incurred in connection with or in contemplation of, such Person becoming a Restricted Subsidiary or the acquisition of such property, not to exceed in an aggregate principal amount at any time outstanding $100,000,000 and any renewals, extensions or refundings thereof in a principal amount not to exceed the amount so renewed, extended or refunded (it being understood that any accrued but unpaid interest and the amount of all expenses and premiums incurred in connection therewith added to any principal amount shall not constitute an increment in principal for purposes of this paragraph); provided that the Company and its Restricted Subsidiaries are in pro forma compliance with the Financial Covenants, both immediately before and immediately after giving pro forma effect to such incurrence of such Indebtedness and after giving pro forma effect to the related acquisition; and

(xvi) any earnout obligation that comprises a portion of the consideration for an acquisition permitted hereunder.

Section 7.15 Contingent Liabilities. Neither the Company nor any Restricted Subsidiary will, directly or indirectly (including by means of causing a bank to open a letter of credit), guarantee, endorse, contingently agree to purchase or to furnish funds for the payment or maintenance of, or otherwise be or become contingently liable upon or with respect to, the Indebtedness, other obligations, net worth, working capital or earnings of any Person, or guarantee the payment of dividends or other distributions upon the stock or other ownership interests of any Person, or agree to purchase, sell or lease (as lessee or lessor) property, products, materials, supplies or services primarily for the purpose of enabling a debtor to make payment of its obligations or to assure a creditor against loss (all such transactions being herein called "Guarantees", and each individually a "Guarantee"), except:

(i) the Guarantees in Article IV;

(ii) endorsements of negotiable instruments for deposit or collection in the ordinary course of business;

(iii) the Guarantees described in Schedule 7.15;

(iv) Guarantees by the Company or one or more of the Guarantors of Indebtedness or other obligations (such other obligations incurred in the ordinary course of business) of the Company or another Guarantor, but only if such Indebtedness or other obligations are not prohibited by this Credit Agreement;

(v) other Guarantees, including, without duplication, surety bonds, by the Company or one or more Guarantors, provided that the outstanding aggregate amount of the obligations guaranteed does not exceed $100,000,000 at any time;

(vi) Capitalized Lease Obligations to the extent they constitute Guarantees by reason of having been assigned by the lessor to a lender to such lessor (provided that the obligors in respect of such Capitalized Lease Obligations do not increase their liability by reason of such assignment);

(vii) the Letters of Credit;

(viii) Guarantees which would constitute Investments which are not prohibited by Section 7.17 or which if incurred directly by the Company or any Restricted Subsidiary would constitute Indebtedness permitted by Section 7.14;

(ix) obligations under contracts providing for the acquisition of or provision of goods or services (including leases or licenses of property) incurred in the ordinary course of business for which the Company or any of its Restricted Subsidiaries may be jointly and severally liable with other Subsidiaries of the Company as to which costs are allocated (as among the Company and its Subsidiaries) based on cost, usage or other reasonable method of allocation; provided that the undertaking of such liabilities are not intended as a guaranty or other credit support of such obligations;

(x) any Guarantee by the Company of any obligation to the extent such obligation can be satisfied (at the option of the Company) by the delivery of common stock of the Parent;

(xi) obligations under agreements to indemnify Persons who have issued bid or performance bonds or letters of credit issued in lieu of such bonds in the ordinary course of business of the Company or any Restricted Subsidiary securing performance by such Person of activities otherwise permissible hereunder;

(xii) any Guarantee by the Company or a Restricted Subsidiary of the obligations or Indebtedness of any Unrestricted Subsidiary, any Excluded Subsidiary or joint venture; provided that the aggregate amount of all such Guarantees, when combined with the aggregate amount of Investments in Unrestricted Subsidiaries, Excluded

Subsidiaries and joint ventures made pursuant to clause (k) of the definition of Permitted Investments does not exceed $75,000,000; and

(xiii) Guarantees by the Company of Indebtedness of the Parent, to the extent permitted as Indebtedness of the Company under Section 7.14(xii); provided that in no event shall such Guarantees be secured by any mortgage on, pledge of or grant of a security interest in any assets of the Company or any of its Subsidiaries.

Section 7.16 Liens. Neither the Company nor any Restricted Subsidiary will create or suffer to exist, any mortgage, pledge, security interest, conditional sale or other title retention agreement, lien, charge or encumbrance upon any of its assets constituting Collateral or Network Assets, in each case now owned or hereafter acquired, securing any Indebtedness or other obligation (all such security being herein called "Liens"), except:

(i) Liens on property securing Indebtedness owed to the Company or any Guarantor;

(ii) purchase money mortgages or Liens, Liens securing Capitalized Lease Obligations or other Indebtedness for the deferred acquisition price of property or services to the extent such Liens attach solely to the property acquired with or subject to such Indebtedness and Liens consisting of precautionary filings by lessors under operating leases to the extent such Liens attach solely to (and such filings solely cover) leased property;

(iii) Liens securing all of the Obligations of the Company and the Restricted Subsidiaries hereunder (including, for the avoidance of doubt, Liens in favor of a Hedge Bank in connection with a Secured Hedge Agreement and Liens in favor of a Cash Management Bank in connection with a Secured Cash Management Agreement) and Liens on cash to Cash Collateralize Letters of Credit pursuant to Section 2.03(g);

(iv) Permitted Liens;

(v) other Liens on property in effect on the Effective Date to the extent set forth on Schedule 7.16;

(vi) Liens on shares of the capital stock of, or partnership interest in, any Unrestricted Subsidiary or Excluded Subsidiary;

(vii) Liens on cash consisting of pledges to, deposits with or advances to announcers, broadcasters, on-air talent, promoters, producers or other third parties in connection with the development, booking, production, broadcast, promotion, execution, staging or presentations of shows, events or other entertainment activities or related merchandising, concessions or licensing;

(viii) [intentionally omitted];

(ix) [intentionally omitted];

(x) Liens on cash, Cash Equivalents, and other funds or securities on deposit or maintained with a depository institution, broker-dealer, securities or commodities broker or other financial intermediary, in each case arising in the ordinary course of business;

(xi) Liens to secure Indebtedness permitted by Section 7.14(vii) or Section 7.14(xii), subject to the provisions thereof with respect to secured Indebtedness (and for the avoidance of doubt, other than in the case of any Guarantees of Indebtedness of the Parent); provided that, after giving pro forma effect to the incurrence of such secured Indebtedness and granting of such Liens and the application of proceeds thereof, the Company shall have a Total Leverage Ratio of no greater than 5.00:1.00; and

(xii) other Liens not otherwise permitted by this Section 7.16 securing obligations permitted under this Credit Agreement, so long as the aggregate outstanding principal amount of the obligations secured by such Liens do not exceed (as to the Company and all Restricted Subsidiaries) at any one time outstanding the greater of (A) $90,000,000 and (B) 25% of Adjusted Operating Income for the most recently completed four fiscal quarter period for which financial statements were required to have been delivered pursuant to Section 7.01.

Notwithstanding anything to the contrary in this Credit Agreement, neither the Company nor any Restricted Subsidiary will create, permit or suffer to exist any mortgage, pledge, security interest, conditional sale or other title retention agreement, lien, charge or encumbrance, in each case, securing Indebtedness upon or with respect to any telecast agreement, license or other contractual right to the local telecast rights to exhibit any games of any Team, in each case to the extent not constituting Collateral, other than (1) Permitted Liens and (2) purchase money obligations in an aggregate principal amount of up to $50,000,000.

Section 7.17 Investments. Neither the Company nor any Restricted Subsidiary will, directly or indirectly, (i) make any advances, loans, accounts receivable (other than (x) accounts receivable arising in the ordinary course of business of the Company or such Restricted Subsidiary and (y) accounts receivable owing to the Company or any Restricted Subsidiary from any Unrestricted Subsidiary for management or other services or other overhead or shared expenses allocated in the ordinary course of business provided by the Company or any Restricted Subsidiary to such Unrestricted Subsidiary) or other extensions of credit (excluding, however, accrued and unpaid interest in respect of any advance, loan or other extension of credit) or capital contributions to (by means of transfers of property to others, or payments for property or services for the account or use of others, or otherwise) any Person (other than the Company or any Guarantor)), (ii) purchase or own any stocks, bonds, notes, debentures or other securities (including any interests in any partnership, joint venture or any similar enterprise) of, or any bank accounts with any Person (other than the Company or any Guarantor), or (iii) purchase or acquire (in one transaction or a series of transactions) assets of another Person that constitute a business unit or all or a substantial part of the business of, such Person (other than the Company or any Guarantor) (all such transactions referred to in clauses (i), (ii) and (iii) being herein called "Investments"), except

for (a) Investments in Excluded Subsidiaries in the ordinary course of business solely for the purposes of repairing, replacing or otherwise maintaining operating assets, (b) Permitted Investments, and (c) other Investments (which shall include the formation of any New Subsidiary unless such New Subsidiary is designated as a Restricted Subsidiary, with the capital contributions by the Company or any Restricted Subsidiary to such Unrestricted Subsidiary at such time being counted as an Investment hereunder) so long as (i) the Company and its Restricted Subsidiaries are in pro forma compliance with the Financial Covenants, both immediately before and immediately after giving effect to such Investment, (ii) no Default shall have occurred and be continuing both immediately before and immediately after giving effect to such Investment, and (iii) during any time that the Total Leverage Ratio is greater than or equal to 4.50:1.00 on a pro forma basis after giving effect to such Investment (such compliance to be determined on the basis of the financial information most recently delivered to the Administrative Agent and the Lenders pursuant to Section 7.01(a) or (b)), and at the time of such Investment after giving effect to the making thereof, the aggregate amount of Investments made pursuant to this clause (iii), together with the aggregate amount of Restricted Payments made pursuant to Section 7.18(iii) and not repaid or otherwise returned, shall not exceed the sum of (a) $50,000,000 plus (b) the net proceeds from any sale or issuance of Equity Interests by the Company to any Person (other than the Company or any of its Restricted Subsidiaries) after September 30, 2015 (with non-cash proceeds to be valued by the Company in good faith) plus (c) an amount equal to (1) Cumulative AOI minus (2) 1.4 multiplied by Cumulative Interest Expense; provided, that any Investment constituting a transfer of property or assets other than cash and Cash Equivalents shall only be permitted to the extent that such transfer could be effected pursuant to Section 7.24.

Section 7.18 Restricted Payments. Neither the Company nor any Restricted Subsidiary will, directly or indirectly, make or declare any Restricted Payment (other than any Permitted Parent Payment) at any time, except that, such restriction shall not apply so long as: (i) no Default shall have occurred and be continuing at the time such Restricted Payment is made or would result from the making or declaration of such Restricted Payment, (ii) the Company and its Restricted Subsidiaries are in pro forma compliance with the Financial Covenants both before and immediately after giving effect to such Restricted Payment, and (iii) during any time that the Total Leverage Ratio is greater than or equal to 4.50:1.00 on a pro forma basis after giving effect to such Restricted Payment (such compliance to be determined on the basis of the financial information most recently delivered to the Administrative Agent and the Lenders pursuant to Section 7.01(a) or (b)), and at the time of such Restricted Payment after giving effect to the making thereof, the aggregate amount of Restricted Payments made pursuant to this clause (iii), together with the aggregate amount of Investments made pursuant to Section 7.17(iii) and not repaid or otherwise returned, shall not exceed the sum of (a) $50,000,000 plus (b) the net proceeds from any sale or issuance of Equity Interests by the Company to any Person (other than the Company or any of its Restricted Subsidiaries) after September 30, 2015 (with non-cash proceeds to be valued by the Company in good faith) plus (c) an amount equal to (1) Cumulative AOI minus (2) 1.4 multiplied by Cumulative Interest Expense.

Section 7.19 Business. Neither the Company nor any Restricted Subsidiary (but excluding any other Affiliate of the Company) shall directly engage in any material line of business substantially different from those lines of business conducted by the Company and its Restricted Subsidiaries on the Effective Date, other than any business reasonably related or incidental, complementary or ancillary thereto or a reasonable extension thereof (including any sports, media, advertising, internet or entertainment business) (collectively, the "Business").

Section 7.20 Transactions with Affiliates. Neither the Company nor any Restricted Subsidiary will effect any transaction with any of its Affiliates that is not a Restricted Subsidiary on a basis less favorable to the Company or such Restricted Subsidiary than would at the time be obtainable for a comparable transaction in arms-length dealing with an unrelated third party other than (a) overhead and other ordinary course allocations of costs and services, in each case under this clause (a), on a reasonable basis, (b) allocations of tax liabilities and other tax-related items among the Company and its Affiliates based in all material respects upon the financial income, taxable income, credits and other amounts directly related to the respective parties, to the extent that the share of such liabilities and other items allocable to the Company and its Restricted Subsidiaries shall not exceed the amount that such Persons would have been responsible for as a direct taxpayer, (c) Cablevision Spin Agreements, MSG Spin Agreements and agreements and arrangements set forth on Schedule 7.20 and amendments, renewals and extensions thereof on terms not materially less favorable in the aggregate to the interests of the Lenders than those in existence as of the date of this Credit Agreement, (d) Permitted Parent Payments, (e) Permitted Restricted Subsidiary Transactions, (f) Restricted Payments not prohibited under Section 7.18, (g) Guarantees of Indebtedness of the Parent by the Company that are not prohibited under Sections 7.14 and 7.15, and (h) transactions involving property or assets having an aggregate fair market value of no greater than $2,500,000 during the entire term of the Facilities.

Section 7.21 Amendments of Certain Instruments. Neither the Company nor any Restricted Subsidiary will (a) modify or supplement, or consent to any waiver of any of the provisions of, any Debt Instrument governing any Indebtedness permitted under Section 7.14(vi), except to the extent, after giving effect thereto, that such Indebtedness could be incurred on such modified or supplemented terms by the Company or a Restricted Subsidiary on the effective date of the modification, supplement or consent, (b) amend, modify or supplement any of the provisions of its certificate of incorporation or by-laws or other constitutive documents other than amendments that would not be materially adverse to the interests of the Lenders, or (c)(i) terminate any Media Rights Agreement (if any) or enter into or consent to any amendment, modification or arrangement, in each case, having the effect of terminating or shortening the tenor of any such agreement to less than 180 days after the latest Maturity Date then in effect, or (ii) amend, or otherwise agree in any manner to any other amendment, modification or change, in each case, of the terms or conditions of any Media Rights Agreement having the effect of making such terms or conditions not arms-length, in each case under this clause (c) if doing so, taken as a whole, would be materially adverse to the interests of the Lenders.

Section 7.22 Issuance of Stock. The Company will not permit any Restricted Subsidiary to issue any shares of stock or other ownership interests in such Restricted Subsidiary if, after giving effect thereto, the percentage of the ownership interests in such Restricted Subsidiary held by the Company and the Restricted Subsidiaries immediately prior to such issuance would be decreased unless such issuance is in connection with the designation of such Restricted Subsidiary as an Unrestricted Subsidiary in accordance with Section 7.08(a) or such issuance would be permitted to have been effected as a Disposition pursuant to Section 7.24.

Section 7.23 Fundamental Changes. Neither the Company nor any Restricted Subsidiary shall merge, dissolve, liquidate, consolidate with or into another Person (collectively "Merge"), or Dispose of (whether in one transaction or in a series of transactions) all or substantially all of the assets (whether now owned or hereafter acquired) of the Company and its Restricted Subsidiaries, taken as a whole, to or in favor of any Person, except that, (a) the Company may Merge into the Parent or Dispose of all or substantially all of its assets to the Parent so long as (i) both the Company and the Parent would be in pro forma compliance with the Financial Covenants both before and after giving effect to the merger, and (ii) the Parent assumes all obligations of the Company under the Loan Documents and (b) any Restricted Subsidiary may enter into a Permitted Restricted Subsidiary Transaction.

Section 7.24 Dispositions. Neither the Company nor any Restricted Subsidiary shall make any Disposition or enter into any agreement to make any Disposition except:

(i) Dispositions to Excluded Subsidiaries by the Company or any Guarantor in the ordinary course of business for the purposes of maintenance, repair or replacement of operating assets;

(ii) Dispositions between and among the Loan Parties;

(iii) any Disposition that results in the concurrent or substantially concurrent repayment in full and termination of this Credit Agreement; and

(iv) other Dispositions; provided that (A) the Company and its Restricted Subsidiaries are in pro forma compliance with the Financial Covenants, both immediately before and immediately after giving effect to such Disposition, (B) no Default shall have occurred and be continuing both immediately before and immediately after giving effect to such Disposition, and (C) such Disposition is not and does not include a transfer or assignment of the Related Documents; provided, however, that any Disposition pursuant to this Section 7.24(iv) shall be for fair market value.

Section 7.25 Accounting Changes. Make any change in (a) accounting policies or reporting practices, except as required or permitted by GAAP, or (b) the fiscal quarter or fiscal year, except that upon not less than 10 Business Days' prior notice, the Company may change its fiscal year end from June 30 to December 31.

Section 7.26 Negative Pledge. The Company shall not enter into or suffer to exist, or permit any of its Restricted Subsidiaries to enter into or suffer to exist, any agreement prohibiting or conditioning the creation or assumption of any Lien upon any of the Collateral except (i) agreements in favor of the Secured Parties, (ii) agreements governing Indebtedness secured by Liens permitted under Section 7.16(ii) so long as such restrictions extend only to the property acquired with or subject to such Indebtedness, (iii) agreements in existence on the Effective Date and set forth on Schedule 7.26 including any renewals, extensions or replacements of such agreements on terms not materially less favorable to the interests of the Lenders than those in effect on the date of this Credit Agreement, and (iv) Contractual Obligations solely to the extent that the lessor, licensor or counterparty imposes a negative pledge with respect to the Contractual Obligation.

Section 7.27 Anti-Corruption Laws and Sanctions. The Company will not request any Borrowing or Letter of Credit, and the Company shall not use, and shall use its reasonable best efforts to provide that its Subsidiaries and its or their respective directors, officers, employees and agents shall not use, the proceeds of any Borrowing or Letter of Credit (A) in furtherance of an offer, payment, promise to pay, or authorization of the payment or giving of money, or anything else of value, to any Person in violation of any Anti-Corruption Laws, (B) for the purpose of funding, financing or facilitating any activities, business or transaction of or with any Sanctioned Person, or in any Sanctioned Country, or (C) in any other manner that would result in the violation of any Sanctions applicable to any party hereto.

D. Financial Covenants:

Section 7.28 Total Leverage Ratio. The Holdings Entities, the Company and the Restricted Subsidiaries (on a consolidated basis) shall not permit the Total Leverage Ratio at any time to exceed 5.50:1.00. Notwithstanding the foregoing, in the event of any League-wide Labor Controversy that continues for a minimum of five consecutive weeks, the then-applicable maximum Total Leverage Ratio shall, at the option of the Company, step up by 0.50:1.00 (the "Labor Controversy Step Up"). The Labor Controversy Step Up shall (a) commence at a time determined by the Company upon written notice to the Administrative Agent so long as the Measurement Period for which such step-up applies includes at least one quarter during which, or during any part of which, there was a League-wide Labor Controversy, and (b) continue for a number of consecutive fiscal quarters determined by the Company, not to exceed five consecutive fiscal quarters, and in any case only for so long as the Measurement Period being tested includes at least one quarter during which, or during any part of which, there was a League-wide Labor Controversy.

Section 7.29 Interest Coverage Ratio. The Holdings Entities, the Company and the Restricted Subsidiaries (on a consolidated basis) shall maintain as at the end of each Measurement Period an Interest Coverage Ratio of not less than 2.00:1.00.

E. Holdings Entities Covenants:

Section 7.30 Holdings Entities Covenants. The Holdings Entities shall not engage in any business or activity other than (a) the ownership of

outstanding Equity Interests in the Company, (b) maintaining their corporate existence, (c) participating in tax, accounting and other administrative activities as the parent of the consolidated group of companies including the Loan Parties, (d) the execution and delivery of documents (including the Loan Documents, the Cablevision Spin Agreements, the MSG Spin Agreements and other agreements) permitted under this Credit Agreement to which they are party and the performance of their obligations thereunder (including the Guarantees and pledge of Equity Interests under the Loan Documents), (e) issuing or incurring unsecured Indebtedness permitted to be issued or incurred by the Company or its Restricted Subsidiaries pursuant to Section 7.14(xii) of this Credit Agreement, and (f) incidental to the businesses or activities described in clauses (a) through (e) of this Section.

ARTICLE VIII

EVENTS OF DEFAULT AND REMEDIES

Section 8.01 Events of Default. Each of the following shall constitute an "Event of Default":

(a) Any representation or warranty in this Credit Agreement or any other Loan Document or in any certificate, statement or other document furnished to the Lenders or the Administrative Agent pursuant hereto (including, without limitation, any amendment thereto), or any certification made or deemed to have been made by the Company or any Restricted Subsidiary to any Lender or the Administrative Agent hereunder, shall prove to have been incorrect, or shall be breached, in any material respect when made or deemed made; provided that any representation made pursuant to Section 5.02 in respect of the absence of any Default shall not constitute an Event of Default if (i) at the time of such representation, such Default was not known to a senior executive and (ii) prior to such Default, the absence of which is the subject of such representation, becoming an Event of Default, such Default has been cured or waived in accordance with this Credit Agreement; or

(b) (i) Default in (x) the payment when due of any principal of any Loan or L/C Obligation or default in the deposit when due of funds as Cash Collateral in respect of L/C Obligations, or (y) default in the payment when due of interest on any Loan or on any L/C Obligation, or any fee due hereunder or any other amount payable to any Lender hereunder, and the failure to pay such interest, fee or such other amount within two Business Days after the same becomes due or (ii) Default in (x) the payment when due of any principal of any Incremental Loan, or (y) default in the payment when due of interest on any Incremental Loan, or any fee due hereunder or any other amount payable to any Incremental Lender or the Administrative Agent hereunder, and the failure to pay such interest or such other amount within two Business Days after the same becomes due; or

(c) (i) Default by the Company or any of the Restricted Subsidiaries in the performance or observance of any of its agreements in Article VII hereof (other than Section 7.01 (excluding Section 7.01(f)), Section 7.02, Section 7.03, Sections 7.05 through 7.13 (inclusive), Section 7.17, Section 7.19, Section 7.20, and Section 7.24 or

(ii) default by any of the Holdings Entities in the performance or observance of the requirements set forth in Section 7.30; or

(d) Default by the Company or any of the Restricted Subsidiaries in the performance or observance of any of its other agreements herein (other than those specified in Section 8.01(c)) or in any other Loan Document, which in each case shall remain unremedied for 30 days after notice thereof shall have been given to the Company by any Lender or the Administrative Agent (provided that such period shall be five days in the case of a default under Section 7.17); or

(e) Any Indebtedness of any of the Holdings Entities or the Company (including any Indebtedness hereunder) or any of the Restricted Subsidiaries in an aggregate principal amount of $25,000,000 or more, excluding (i) any Indebtedness owing solely to the Company or a Restricted Subsidiary and (ii) any Indebtedness for the deferred purchase price of property or services owed to the Person providing such property or services as to which the Company or such Restricted Subsidiary has a good faith basis to believe is not due and owing and, to the extent then appropriate, is contesting its obligation to pay the same in good faith and by proper proceedings and for which the Company or such Restricted Subsidiary has established appropriate reserves (such Indebtedness under clauses (i) and (ii) above herein called "Excluded Indebtedness"), shall (i) become due before stated maturity by the acceleration of the maturity thereof by reason of default or (ii) become due by its terms and shall not be promptly paid or extended; or

(f) Any default under any indenture, credit agreement or loan agreement or other agreement or instrument under which Indebtedness of any of the Holdings Entities or the Company or any of the Restricted Subsidiaries constituting indebtedness for borrowed money in an aggregate principal amount of $25,000,000 or more is outstanding (other than Excluded Indebtedness), or by which any such Indebtedness is evidenced, shall have occurred and shall continue for a period of time sufficient to permit the holder or holders of any such Indebtedness (or a trustee or agent on its or their behalf) to accelerate the maturity thereof or to enforce any Lien provided for by any such indenture, agreement or instrument, as the case may be, unless such default shall have been permanently waived by the respective holder of such Indebtedness; or

(g) Any of the Holdings Entities or the Company or any of the Restricted Subsidiaries shall (i) apply for or consent to the appointment of, or the taking of possession by, a receiver, custodian, trustee or liquidator of itself or of all or a substantial part of its property, (ii) admit in writing its inability, or be generally unable, to pay its debts as they become due, (iii) make a general assignment for the benefit of creditors, (iv) be adjudicated as bankrupt or insolvent, (v) commence a voluntary case under any Debtor Relief Law (as now or hereafter in effect), (vi) file a petition seeking to take advantage of any Debtor Relief Law, (vii) acquiesce in writing to, or fail to controvert in a timely and appropriate manner, any petition filed against the Company or any Restricted Subsidiary in any involuntary case under any such Debtor Relief Law, or (viii) take any action for the purpose of effecting any of the foregoing; or

(h) A case or other proceeding shall be commenced, without the application, approval or consent of any of the Holdings Entities or the Company or any of the Restricted Subsidiaries, in any court of competent jurisdiction, seeking the liquidation, reorganization, dissolution, winding up, or composition or readjustment or debts of any of the Holdings Entities or the Company or any Restricted Subsidiary, the appointment of a trustee, receiver, custodian, liquidator or the like of the Company or such Restricted Subsidiary or of all or any substantial part of its assets, or any other similar action with respect to such Holdings Entity or the Company or such Restricted Subsidiary under any Debtor Relief Law, and such case or proceeding shall continue undismissed, or unstayed and in effect, for any period of 30 consecutive days, or an order for relief against the Company or any Restricted Subsidiary shall be entered in an involuntary case under any Debtor Relief Law (as now or hereafter in effect); or

(i) (i) A judgment for the payment of money in excess of $25,000,000 shall be rendered against the Company or any Restricted Subsidiary and such judgment shall remain unsatisfied and in effect for any period of 30 consecutive days without a stay of execution or (if a stay is not provided for by applicable law) without having been fully bonded, (ii) a final judgment or final judgments for the payment of money are entered by a court or courts of competent jurisdiction against the Company or any Restricted Subsidiary and either (x) an enforcement proceeding shall have been commenced by any creditor upon such judgment or (y) such judgment remains undischarged and unbonded for a period (during which execution shall not be effectively stayed) of 60 days, provided that, the aggregate of all judgments exceeds $50,000,000 or (iii) any one or more non-monetary final judgments shall be rendered against the Company or any Restricted Subsidiary that, individually or in the aggregate, have or would reasonably be expected to have a Material Adverse Effect; or

(j) Except as would not have a Material Adverse Effect, (i) Any Termination Event shall occur; (ii) any Person shall engage in any Prohibited Transaction involving any Plan; (iii) the Company or any ERISA Affiliate is in "default" (as defined in Section 4219(c)(5) of ERISA) with respect to payments to a Multiemployer Plan resulting from the Company's or any ERISA Affiliate's complete or partial withdrawal (as described in Section 4203 or 4205 of ERISA) from such Plan; (iv) the conditions for imposition of a lien under Section 303(k) of ERISA shall have been met with respect to a Plan; (v) a determination that any Plan is in "at risk" status (within the meaning of Section 430 of the Code or Section 303 of ERISA) or that any Multiemployer Plan to which the Company or any ERISA Affiliate contributes is in "endangered" or "critical status" within the meaning of Section 432 of the Code or Section 305 of ERISA; (vi) the Company or any ERISA Affiliate shall fail to pay when due an amount which is payable by it to the PBGC or to a Plan under Title IV of ERISA; (vii) a proceeding shall be instituted by a fiduciary of any Plan against the Company or any ERISA Affiliate to enforce Section 515 of ERISA and such proceeding shall not have been dismissed within 30 days thereafter; or (viii) the assumption of, or any material increase in, the contingent liability of the Company or any Restricted Subsidiary with respect to any post-retirement welfare liability; or

(k) There occurs any Change of Control; or

(l) Any Collateral Document after delivery thereof pursuant to Sections 5.01 or 7.10 shall for any reason (other than pursuant to the terms thereof) cease to create a valid and perfected first priority Lien (subject to Liens permitted by Section 7.16) on a material portion of the Collateral covered thereby other than as a result of any action or inaction by the Administrative Agent, and such condition shall remain unremedied for a period of 30 days after the earlier of (i) knowledge of such Default by a senior executive of the Company and (ii) notice in writing thereof being given to the Company by any Lender or the Administrative Agent; or

(m) Any Holdings Entity or the Company or any Restricted Subsidiary asserts or any Person obtains a judgment establishing that (i) any provision of the Loan Documents is invalid, not binding or unenforceable or (ii) the Lien created, or purported to be created, by the Loan Documents is not a valid and perfected first priority security interest in the property in which such Lien is created, or purported to be created, pursuant to the Loan Documents.

Section 8.02 Remedies upon Event of Default. If any Event of Default occurs and is continuing, the Administrative Agent shall, at the request of, or may, with the consent of, the Required Lenders, take any or all of the following actions:

(i) declare the commitment of each Lender to make Loans and any obligation of each L/C Issuer to make L/C Credit Extensions to be terminated, whereupon such commitments and obligation shall be terminated;

(ii) declare the unpaid principal amount of all outstanding Loans, all interest accrued and unpaid thereon, and all other amounts owing or payable to any Lender hereunder or under any other Loan Document to be immediately due and payable, without presentment, demand, protest or other notice of any kind, all of which are hereby expressly waived by the Company;

(iii) require that the Company Cash Collateralize the L/C Obligations (in an amount equal to the then Outstanding Amount thereof); and

(iv) exercise on behalf of itself, the Lenders, and the L/C Issuers all rights and remedies available to it and such Lenders under the Loan Documents;

provided, however, that upon the occurrence of an actual or deemed entry of an order for relief with respect to the Company under the Bankruptcy Code, the obligation of each Lender to make Loans and any obligation of each L/C Issuer to make L/C Credit Extensions shall automatically terminate, the unpaid principal amount of all outstanding Loans and all interest and other amounts as aforesaid shall automatically become due and payable, and the obligation of the Company to Cash Collateralize the L/C Obligations as aforesaid shall automatically become effective, in each case without further act of the Administrative Agent or any Lender.

Section 8.03 Application of Funds. After the exercise of remedies provided for in Section 8.02 (or after the Loans have automatically become

immediately due and payable and the L/C Obligations have automatically been required to be Cash Collateralized as set forth in the proviso to Section 8.02), any amounts received on account of the Obligations shall be applied by the Administrative Agent in the following order:

First, to payment of that portion of the Obligations constituting fees, indemnities, expenses and other amounts (including fees, charges and disbursements of counsel to the Administrative Agent and amounts payable under Article III) payable to the Administrative Agent in its capacity as such;

Second, to payment of that portion of the Obligations constituting fees, indemnities and other amounts (other than principal, interest and Letter of Credit Fees) payable to the Lenders and the L/C Issuers (including fees, charges and disbursements of counsel to the respective Lenders and the L/C Issuers and amounts payable under Article III), ratably among them in proportion to the respective amounts described in this clause Second payable to them;

Third, to payment of that portion of the Obligations constituting accrued and unpaid Letter of Credit Fees and interest on the Loans, L/C Borrowings and other Obligations, to the extent due and payable, ratably among the Lenders and the L/C Issuers in proportion to the respective amounts described in this clause Third payable to them;

Fourth, to payment of that portion of the Obligations constituting unpaid principal of the Loans, L/C Borrowings and amounts owing under Secured Hedge Agreements and Secured Cash Management Agreements, and which have become due and owing, ratably among the Lenders, the L/C Issuers, the Hedge Banks and the Cash Management Banks in proportion to the respective amounts described in this clause Fourth held by them;

Fifth, to the Administrative Agent for the account of the L/C Issuers, to Cash Collateralize that portion of L/C Obligations comprised of the aggregate undrawn amount of Letters of Credit; and

Last, the balance, if any, after all of the Obligations have been paid in full, to the Company or as otherwise required by Law.

Subject to Section 2.03(c), amounts used to Cash Collateralize the aggregate undrawn amount of Letters of Credit pursuant to clause Fifth above shall be applied to satisfy drawings under such Letters of Credit as they occur. If any amount remains on deposit as Cash Collateral after all Letters of Credit have either been fully drawn or expired, such remaining amount shall be applied to the other Obligations, if any, in the order set forth above.

Notwithstanding the foregoing, no amounts received from any Guarantor shall be applied to any Excluded Swap Obligation of such Guarantor.

ARTICLE IX

THE ADMINISTRATIVE AGENT

Section 9.01 Appointment and Authority. (p) Each of the Lenders and the L/C Issuers hereby irrevocably appoints JPMorgan to act on its behalf as the Administrative Agent hereunder and under the other Loan Documents and authorizes the Administrative Agent to take such actions on its behalf and to exercise such powers as are delegated to the Administrative Agent by the terms hereof or thereof, together with such actions and powers as are reasonably incidental thereto. The provisions of this Article are solely for the benefit of the Administrative Agent, the Lenders and the L/C Issuers, and neither the Company nor any other Loan Party shall have rights as a third party beneficiary of any of such provisions.

(b) The Administrative Agent shall also act as the "collateral agent" under the Loan Documents, and each of the Lenders (in its capacities as a Lender, potential Hedge Bank and potential Cash Management Bank) and the L/C Issuers hereby irrevocably appoints and authorizes the Administrative Agent to act as the agent of such Lender and such L/C Issuer for purposes of acquiring, holding and enforcing any and all Liens on Collateral granted by any of the Loan Parties to secure any of the Obligations, together with such powers and discretion as are reasonably incidental thereto. In this connection, the Administrative Agent, as "collateral agent" and any co-agents, sub-agents and attorneys-in-fact appointed by the Administrative Agent pursuant to Section 9.05 for purposes of holding or enforcing any Lien on the Collateral (or any portion thereof) granted under the Collateral Documents, or for exercising any rights and remedies thereunder at the direction of the Administrative Agent), shall be entitled to the benefits of all provisions of this Article IX and Article X (including Section 10.04(c), as though such co-agents, sub-agents and attorneys-in-fact were the "collateral agent" under the Loan Documents) as if set forth in full herein with respect thereto.

Section 9.02 Rights as a Lender. The Person serving as the Administrative Agent hereunder shall have the same rights and powers in its capacity as a Lender as any other Lender and may exercise the same as though it were not the Administrative Agent and the term "Lender" or "Lenders" shall, unless otherwise expressly indicated or unless the context otherwise requires, include the Person serving as the Administrative Agent hereunder in its individual capacity. Such Person and its Affiliates may accept deposits from, lend money to, act as the financial advisor or in any other advisory capacity for and generally engage in any kind of business with the Company or any Subsidiary or other Affiliate thereof as if such Person were not the Administrative Agent hereunder and without any duty to account therefor to the Lenders.

Section 9.03 Exculpatory Provisions. The Administrative Agent shall not have any duties or obligations except those expressly set forth herein and in the other Loan Documents. Without limiting the generality of the foregoing, the Administrative Agent:

(a) shall not be subject to any fiduciary or other implied duties, regardless of whether a Default has occurred and is continuing;

(b) shall not have any duty to take any discretionary action or exercise any discretionary powers, except discretionary rights and powers expressly contemplated hereby or by the other Loan Documents that the Administrative Agent is required to exercise as directed in writing by the Required Lenders (or such other number or percentage of the Lenders as shall be expressly provided for herein or in the other Loan Documents), provided that the Administrative Agent shall not be required to take any action that, in its opinion or the opinion of its counsel, may expose the Administrative Agent to liability or that is contrary to any Loan Document or applicable law; and

(c) shall not, except as expressly set forth herein and in the other Loan Documents, have any duty to disclose, and shall not be liable for the failure to disclose, any information relating to the Company or any of its Affiliates that is communicated to or obtained by the Person serving as the Administrative Agent or any of its Affiliates in any capacity.

The Administrative Agent shall not be liable for any action taken or not taken by it (i) with the consent or at the request of the Required Lenders (or such other number or percentage of the Lenders as shall be necessary, or as the Administrative Agent shall believe in good faith shall be necessary, under the circumstances as provided in Section 10.01 and Section 8.02) or (ii) in the absence of its own gross negligence or willful misconduct. The Administrative Agent shall be deemed not to have knowledge of any Default unless and until notice describing such Default is given to the Administrative Agent by the Company, a Lender or an L/C Issuer.

The Administrative Agent shall not be responsible for or have any duty to ascertain or inquire into (i) any statement, warranty or representation made in or in connection with this Credit Agreement or any other Loan Document, (ii) the contents of any certificate, report or other document delivered hereunder or thereunder or in connection herewith or therewith, (iii) the performance or observance of any of the covenants, agreements or other terms or conditions set forth herein or therein or the occurrence of any Default, (iv) the validity, enforceability, effectiveness or genuineness of this Credit Agreement, any other Loan Document or any other agreement, instrument or document, or the creation, perfection or priority of any Lien purported to be created by the Collateral Documents, (v) the value or the sufficiency of any Collateral, or (v) the satisfaction of any condition set forth in Article V or elsewhere herein, other than to confirm receipt of items expressly required to be delivered to the Administrative Agent.

Section 9.04 Reliance by Administrative Agent. The Administrative Agent shall be entitled to rely upon, and shall not incur any liability for relying upon, any notice, request, certificate, consent, statement, instrument, document or other writing (including any electronic message, Internet or intranet website posting or other distribution) believed by it to be genuine and to have been signed, sent or otherwise authenticated by the proper Person. The Administrative Agent also may rely upon any statement made to it orally or by telephone and believed by it to have been made by the proper Person, and shall not incur any liability for relying thereon. In determining compliance with any condition hereunder to the making of a Loan, or the issuance of a Letter of Credit, that by its terms must be fulfilled to the satisfaction of a Lender or an L/C Issuer,

the Administrative Agent may presume that such condition is satisfactory to such Lender or such L/C Issuer unless the Administrative Agent shall have received notice to the contrary from such Lender or such L/C Issuer prior to the making of such Loan or the issuance of such Letter of Credit. The Administrative Agent may consult with legal counsel (who may be counsel for the Company), independent accountants and other experts selected by it, and shall not be liable for any action taken or not taken by it in accordance with the advice of any such counsel, accountants or experts.

Section 9.05 Delegation of Duties. The Administrative Agent may perform any and all of its duties and exercise its rights and powers hereunder or under any other Loan Document by or through any one or more sub-agents appointed by the Administrative Agent. The Administrative Agent and any such sub-agent may perform any and all of its duties and exercise its rights and powers by or through their respective Related Parties. The exculpatory provisions of this Article shall apply to any such sub-agent and to the Related Parties of the Administrative Agent and any such sub-agent, and shall apply to their respective activities in connection with the syndication of the credit facilities provided for herein as well as activities as Administrative Agent.

Section 9.06 Resignation of Administrative Agent. (a) The Administrative Agent may at any time give notice of its resignation to the Lenders, the L/C Issuers and the Company. Upon receipt of any such notice of resignation, the Required Lenders shall have the right, in consultation with the Company, to appoint a successor, which shall be a bank with an office in the United States, or an Affiliate of any such bank with an office in the United States. If no such successor shall have been so appointed by the Required Lenders and shall have accepted such appointment within 30 days after the retiring Administrative Agent gives notice of its resignation, then the retiring Administrative Agent may on behalf of the Lenders and the L/C Issuers, appoint a successor Administrative Agent meeting the qualifications set forth above; provided that if the Administrative Agent shall notify the Company and the Lenders that no qualifying Person has accepted such appointment, then such resignation shall nonetheless become effective in accordance with such notice and (a) the retiring Administrative Agent shall be discharged from its duties and obligations hereunder and under the other Loan Documents (except that in the case of any collateral security held by the Administrative Agent on behalf of the Lenders or the L/C Issuers under any of the Loan Documents, the retiring Administrative Agent shall continue to hold such collateral security until such time as a successor Administrative Agent is appointed) and (b) all payments, communications and determinations provided to be made by, to or through the Administrative Agent shall instead be made by or to each Lender and each L/C Issuer directly, until such time as the Required Lenders appoint a successor Administrative Agent as provided for above in this Section. Upon the acceptance of a successor's appointment as Administrative Agent hereunder, such successor shall succeed to and become vested with all of the rights, powers, privileges and duties of the retiring (or retired) Administrative Agent, and the retiring Administrative Agent shall be discharged from all of its duties and obligations hereunder or under the other Loan Documents (if not already discharged therefrom as provided above in this Section). The fees payable by the Company to a successor Administrative Agent shall be the same as those payable to its predecessor unless otherwise agreed between the Company and such successor. After the retiring Administrative Agent's resignation or removal hereunder and under the other Loan Documents, the

provisions of this Article and Section 10.03 shall continue in effect for the benefit of such retiring Administrative Agent, its sub-agents and their respective Related Parties in respect of any actions taken or omitted to be taken by any of them while the retiring Administrative Agent was acting as Administrative Agent.

(b) If the Person serving as Administrative Agent is a Defaulting Lender pursuant to clause (c) of the definition thereof, the Required Lenders may, to the extent permitted by applicable law, by notice in writing to the Company and such Person remove such Person as Administrative Agent and, in consultation with the Company, appoint a successor. If no such successor shall have been so appointed by the Required Lenders and shall have accepted such appointment within 30 days (or such earlier day as shall be agreed by the Required Lenders) (the "Removal Effective Date"), then such removal shall nonetheless become effective in accordance with such notice on the Removal Effective Date.

(c) Any resignation by, or removal of, JPMorgan as Administrative Agent pursuant to this Section shall also constitute its resignation or removal as an L/C Issuer and Swing Line Lender. Upon the acceptance of a successor's appointment as Administrative Agent hereunder, (i) such successor shall succeed to and become vested with all of the rights, powers, privileges and duties of such retiring L/C Issuer and Swing Line Lender, (ii) such retiring L/C Issuer and Swing Line Lender shall be discharged from all of their respective duties and obligations hereunder or under the other Loan Documents, and (iii) such successor L/C Issuer shall issue letters of credit in substitution for the Letters of Credit, if any, outstanding at the time of such succession or make other arrangements satisfactory to such retiring L/C Issuer to effectively assume the obligations of such retiring L/C Issuer with respect to such Letters of Credit.

Section 9.07 Non-Reliance on Administrative Agent and Other Lenders. Each Lender and each L/C Issuer acknowledges that it has, independently and without reliance upon the Administrative Agent or any other Lender or any of their Related Parties and based on such documents and information as it has deemed appropriate, made its own credit analysis and decision to enter into this Credit Agreement. Each Lender and each L/C Issuer also acknowledges that it will, independently and without reliance upon the Administrative Agent or any other Lender or any of their Related Parties and based on such documents and information as it shall from time to time deem appropriate, continue to make its own decisions in taking or not taking action under or based upon this Credit Agreement, any other Loan Document or any related agreement or any document furnished hereunder or thereunder.

Section 9.08 No Other Duties, Etc. Anything herein to the contrary notwithstanding, none of the Joint Book Runners, Co-Syndication Agents or Co-Documentation Agents listed on the cover page hereof shall have any powers, duties or responsibilities under this Credit Agreement or any of the other Loan Documents, except in its capacity, as applicable, as the Administrative Agent, a Lender or an L/C Issuer hereunder.

Section 9.09 Administrative Agent May File Proofs of Claim. In case of the pendency of any receivership, insolvency, liquidation, bankruptcy, reorganization, arrangement, adjustment, composition or other judicial proceeding relative to any Loan Party,

the Administrative Agent (irrespective of whether the principal of any Loan or L/C Obligation shall then be due and payable as herein expressed or by declaration or otherwise and irrespective of whether the Administrative Agent shall have made any demand on the Company) shall be entitled and empowered, by intervention in such proceeding or otherwise

(a) to file and prove a claim for the whole amount of the principal and interest owing and unpaid in respect of the Loans, L/C Obligations and all other Obligations that are owing and unpaid and to file such other documents as may be necessary or advisable in order to have the claims of the Lenders, the L/C Issuers and the Administrative Agent (including any claim for the reasonable compensation, expenses, disbursements and advances of the Lenders, the L/C Issuers and the Administrative Agent and their respective agents and counsel) and all other amounts due the Lenders, the L/C Issuers and the Administrative Agent under Section 2.03(i) and (j), Section 2.09 allowed in such judicial proceeding; and

(b) to collect and receive any monies 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 Lender and each L/C Issuer to make such payments to the Administrative Agent and, if the Administrative Agent shall consent to the making of such payments directly to the Lenders and the L/C Issuers, to pay to the Administrative Agent any amount due for the reasonable compensation, expenses, disbursements and advances of the Administrative Agent and its agents and counsel, and any other amounts due the Administrative Agent under Section 2.09.

Nothing contained herein shall be deemed to authorize the Administrative Agent to authorize or consent to or accept or adopt on behalf of any Lender or any L/C Issuer any plan of reorganization, arrangement, adjustment or composition affecting the Obligations or the rights of any Lender or any L/C Issuer or to authorize the Administrative Agent to vote in respect of the claim of any Lender or any L/C Issuer or in any such proceeding.

Section 9.10 Collateral and Guaranty Matters. Each Lender, each L/C Issuer and each of the other Secured Parties irrevocably authorizes the Administrative Agent and the Collateral Agent to, and the Administrative Agent and the Collateral Agent each hereby agrees with the Company:

(a) to release any Lien on any Collateral and any other property granted to or held by the Administrative Agent or the Collateral Agent under any Loan Document (i) upon termination of the Aggregate Commitments and payment in full of all Obligations (other than contingent indemnification obligations) and the expiration or termination or Cash Collateralization in accordance with Section 2.03(g) of all Letters of Credit, (ii) that is the subject of a Disposition or other transfer permitted under and accomplished in accordance with the terms of this Credit Agreement, or (iii) if approved, authorized or ratified in writing in accordance with Section 10.01; and

(b) to release any Guarantor from its obligations under the Guaranty if such Person ceases to be a Subsidiary as a result of a transaction permitted hereunder.

Upon request by the Company or the Administrative Agent at any time, the Required Lenders will confirm in writing the Administrative Agent's authority to release or subordinate its interest in particular types or items of property, or to release any Guarantor from its obligations under the Guaranty pursuant to this Section 9.10. In each case as specified in this Section 9.10, the Administrative Agent will, at the Company's expense, execute and deliver to the applicable Loan Party such documents as such Loan Party may reasonably request to evidence the release of such item of Collateral from the assignment and security interest granted under the Collateral Documents or to subordinate its interest in such item, or to release such Guarantor from its obligations under the Guaranty, in each case in accordance with the terms of the Loan Documents and this Section 9.10.

Section 9.11 Credit Bidding(a) . The Secured Parties hereby irrevocably authorize the Administrative Agent, at the direction of the Required Lenders, to credit bid all or any portion of the Obligations (including by accepting some or all of the Collateral in satisfaction of some or all of the Obligations pursuant to a deed in lieu of foreclosure or otherwise) and in such manner purchase (either directly or through one or more acquisition vehicles) all or any portion of the Collateral (a) at any sale thereof conducted under the provisions of the Bankruptcy Code, including under Sections 363, 1123 or 1129 of the Bankruptcy Code, or any similar laws in any other jurisdictions to which a Loan Party is subject, or (b) at any other sale, foreclosure or acceptance of collateral in lieu of debt conducted by (or with the consent or at the direction of) the Administrative Agent (whether by judicial action or otherwise) in accordance with any applicable law. In connection with any such credit bid and purchase, the Obligations owed to the Secured Parties shall be entitled to be, and shall be, credit bid by the Administrative Agent at the direction of the Required Lenders on a ratable basis (with Obligations with respect to contingent or unliquidated claims receiving contingent interests in the acquired assets on a ratable basis that shall vest upon the liquidation of such claims in an amount proportional to the liquidated portion of the contingent claim amount used in allocating the contingent interests) for the asset or assets so purchased (or for the equity interests or debt instruments of the acquisition vehicle or vehicles that are issued in connection with such purchase). In connection with any such bid, (i) the Administrative Agent shall be authorized to form one or more acquisition vehicles and to assign any successful credit bid to such acquisition vehicle or vehicles, (ii) each of the Secured Parties' ratable interests in the Obligations which were credit bid shall be deemed without any further action under this Credit Agreement to be assigned to such vehicle or vehicles for the purpose of closing such sale, (iii) the Administrative Agent shall be authorized to adopt documents providing for the governance of the acquisition vehicle or vehicles (provided that any actions by the Administrative Agent with respect to such acquisition vehicle or vehicles, including any disposition of the assets or equity interests thereof, shall be governed, directly or indirectly, by, and the governing documents shall provide for, control by the vote of the Required Lenders or their permitted assignees under the terms of this Credit Agreement or the governing documents of the applicable acquisition vehicle or vehicles, as the case may be, irrespective of the termination of this Credit Agreement and without giving effect to the limitations on actions by the Required Lenders contained in Section 10.01 of this Credit Agreement), (iv) the Administrative Agent on behalf

of such acquisition vehicle or vehicles shall be authorized to issue to each of the Secured Parties, ratably on account of the relevant Obligations which were credit bid, interests, whether as equity, partnership interests, limited partnership interests or membership interests, in any such acquisition vehicle and/or debt instruments issued by such acquisition vehicle, all without the need for any Secured Party or acquisition vehicle to take any further action, and (v) to the extent that Obligations that are assigned to an acquisition vehicle are not used to acquire Collateral for any reason (as a result of another bid being higher or better, because the amount of Obligations assigned to the acquisition vehicle exceeds the amount of Obligations credit bid by the acquisition vehicle or otherwise), such Obligations shall automatically be reassigned to the Secured Parties pro rata with their original interest in such Obligations and the equity interests and/or debt instruments issued by any acquisition vehicle on account of such Obligations shall automatically be cancelled, without the need for any Secured Party or any acquisition vehicle to take any further action. Notwithstanding that the ratable portion of the Obligations of each Secured Party are deemed assigned to the acquisition vehicle or vehicles as set forth in clause (ii) above, each Secured Party shall execute such documents and provide such information regarding the Secured Party (and/or any designee of the Secured Party which will receive interests in or debt instruments issued by such acquisition vehicle) as the Administrative Agent may reasonably request in connection with the formation of any acquisition vehicle, the formulation or submission of any credit bid or the consummation of the transactions contemplated by such credit bid.

Section 9.12 Certain ERISA Matters. (a) Each Lender (x) represents and warrants, as of the date such Person became a Lender party hereto, to, and (y) covenants, from the date such Person became a Lender party hereto to the date such Person ceases being a Lender party hereto, for the benefit of, the Administrative Agent and its respective Affiliates, and not, for the avoidance of doubt, to or for the benefit of the Company or any other Loan Party, that at least one of the following is and will be true:

(i) such Lender is not using "plan assets" (within the meaning of the Plan Asset Regulations) of one or more Benefit Plans in connection with the Loans, the Letters of Credit or the Commitments,

(ii) the transaction exemption set forth in one or more PTEs, such as PTE 84-14 (a class exemption for certain transactions determined by independent qualified professional asset managers), PTE 95-60 (a class exemption for certain transactions involving insurance company general accounts), PTE 90-1 (a class exemption for certain transactions involving insurance company pooled separate accounts), PTE 91-38 (a class exemption for certain transactions involving bank collective investment funds) or PTE 96-23 (a class exemption for certain transactions determined by in-house asset managers), is applicable with respect to such Lender's entrance into, participation in, administration of and performance of the Loans, the Letters of Credit, the Commitments and this Credit Agreement,

(iii) (A) such Lender is an investment fund managed by a "Qualified Professional Asset Manager" (within the meaning of Part VI of PTE 84-14), (B) such Qualified Professional Asset Manager made the investment decision on behalf of such Lender to enter into, participate in, administer and perform the

Loans, the Letters of Credit, the Commitments and this Credit Agreement, (C) the entrance into, participation in, administration of and performance of the Loans, the Letters of Credit, the Commitments and this Credit Agreement satisfies the requirements of sub-sections (b) through (g) of Part I of PTE 84-14 and (D) to the best knowledge of such Lender, the requirements of subsection (a) of Part I of PTE 84-14 are satisfied with respect to such Lender's entrance into, participation in, administration of and performance of the Loans, the Letters of Credit, the Commitments and this Credit Agreement, or

(iv) such other representation, warranty and covenant as may be agreed in writing between the Administrative Agent, in its sole discretion, and such Lender.

(c) In addition, unless sub-clause (i) in the immediately preceding clause (a) is true with respect to a Lender or such Lender has provided another representation, warranty and covenant as provided in sub-clause (iv) in the immediately preceding clause (a), such Lender further (x) represents and warrants, as of the date such Person became a Lender party hereto, to, and (y) covenants, from the date such Person became a Lender party hereto to the date such Person ceases being a Lender party hereto, for the benefit of, the Administrative Agent and its Affiliates, and not, for the avoidance of doubt, to or for the benefit of the Company or any other Loan Party, that none of the Administrative Agent, any Co-Syndication Agent, any Co-Documentation Agent or any of their respective Affiliates is a fiduciary with respect to the Collateral or the assets of such Lender (including in connection with the reservation or exercise of any rights by the Administrative Agent under this Credit Agreement, any Loan Document or any documents related to hereto or thereto).

(d) The Administrative Agent, and each Co-Syndication Agent and Co-Documentation Agent hereby informs the Lenders that each such Person is not undertaking to provide investment advice or to give advice in a fiduciary capacity, in connection with the transactions contemplated hereby, and that such Person has a financial interest in the transactions contemplated hereby in that such Person or an Affiliate thereof (i) may receive interest or other payments with respect to the Loans, the Letters of Credit, the Commitments, this Credit Agreement and any other Loan Documents (ii) may recognize a gain if it extended the Loans, the Letters of Credit or the Commitments for an amount less than the amount being paid for an interest in the Loans, the Letters of Credit or the Commitments by such Lender or (iii) may receive fees or other payments in connection with the transactions contemplated hereby, the Loan Documents or otherwise, including structuring fees, commitment fees, arrangement fees, facility fees, upfront fees, underwriting fees, ticking fees, agency fees, administrative agent or collateral agent fees, utilization fees, minimum usage fees, letter of credit fees, fronting fees, deal-away or alternate transaction fees, amendment fees, processing fees, term out premiums, banker's acceptance fees, breakage or other early termination fees or fees similar to the foregoing.

Section 9.13 Erroneous Payments. (a) Each Lender hereby agrees that (x) if the Administrative Agent notifies such Lender that the Administrative Agent has determined in its sole discretion that any funds received by such Lender from the Administrative Agent or any of its Affiliates (whether as a payment,

prepayment or repayment of principal, interest, fees or otherwise; individually and collectively, a "Payment") were erroneously transmitted to such Lender (whether or not known to such Lender), and demands the return of such Payment (or a portion thereof), such Lender shall promptly, but in no event later than one Business Day thereafter, return to the Administrative Agent the amount of any such Payment (or portion thereof) as to which such a demand was made in same day funds, together with interest thereon in respect of each day from and including the date such Payment (or portion thereof) was received by such Lender to the date such amount is repaid to the Administrative Agent at the greater of the New York Fed Bank Rate and a rate determined by the Administrative Agent in accordance with banking industry rules on interbank compensation from time to time in effect, and (y) to the extent permitted by applicable law, such Lender shall not assert, and hereby waives, as to the Administrative Agent, any claim, counterclaim, defense or right of set-off or recoupment with respect to any demand, claim or counterclaim by the Administrative Agent for the return of any Payments received, including without limitation any defense based on "discharge for value" or any similar doctrine. A notice of the Administrative Agent to any Lender under this Section 9.13 shall be conclusive, absent manifest error.

(b) Each Lender hereby further agrees that if it receives a Payment from the Administrative Agent or any of its Affiliates (x) that is in a different amount than, or on a different date from, that specified in a notice of payment sent by the Administrative Agent (or any of its Affiliates) with respect to such Payment (a "Payment Notice") or (y) that was not preceded or accompanied by a Payment Notice, it shall be on notice, in each such case, that an error has been made with respect to such Payment. Each Lender agrees that, in each such case, or if it otherwise becomes aware a Payment (or portion thereof) may have been sent in error, such Lender shall promptly notify the Administrative Agent of such occurrence and, upon demand from the Administrative Agent, it shall promptly, but in no event later than one Business Day thereafter, return to the Administrative Agent the amount of any such Payment (or portion thereof) as to which such a demand was made in same day funds, together with interest thereon in respect of each day from and including the date such Payment (or portion thereof) was received by such Lender to the date such amount is repaid to the Administrative Agent at the greater of the New York Fed Bank Rate and a rate determined by the Administrative Agent in accordance with banking industry rules on interbank compensation from time to time in effect.

(c) The Company and each other Loan Party hereby agrees that (x) in the event an erroneous Payment (or portion thereof) are not recovered from any Lender that has received such Payment (or portion thereof) for any reason, the Administrative Agent shall be subrogated to all the rights of such Lender with respect to such amount and (y) an erroneous Payment shall not pay, prepay, repay, discharge or otherwise satisfy any Obligations owed by the Company or any other Loan Party.

(d) Each party's obligations under this Section 9.13 shall survive the resignation or replacement of the Administrative Agent or any transfer of rights or obligations by, or the replacement of, a Lender, the termination of the Commitments or the repayment, satisfaction or discharge of all Obligations under any Loan Document.

ARTICLE X

MISCELLANEOUS

Section 10.01 Amendments, Etc. Except as provided in Section 3.03(b), no amendment or waiver of any provision of this Credit Agreement or any other Loan Document, and no consent to any departure by the Company or any other Loan Party therefrom, shall be effective unless in writing signed by the Company or the applicable Loan Party, as the case may be, and the Required Lenders, and acknowledged by the Administrative Agent, and each such waiver or consent shall be effective only in the specific instance and for the specific purpose for which given; provided, however, that no such amendment, waiver or consent shall:

(a) waive any condition set forth in Section 5.01, or, in the case of the initial Credit Extension on the Effective Date, Section 5.02, without the written consent of each Lender;

(b) without limiting the generality of clause (a) above, waive any condition set forth in Section 5.02 as to any Credit Extension after the Effective Date under a Facility without the written consent of the Lenders holding more than 50% of the sum of the (i) Total Outstandings under such Facility (with the aggregate amount of each Lender's risk participation, funded participation in L/C Obligations and Swing Line Loans under a Revolving Credit Facility being deemed "held" by such Lender under such Facility for purposes of this clause (b)) and (ii) aggregate unused Commitments under such Facility;

(c) extend or increase the Commitment of any Lender (or reinstate any Commitment terminated pursuant to Section 8.02) without the written consent of such Lender;

(d) postpone any date fixed by this Credit Agreement or any other Loan Document for any payment (excluding mandatory prepayments) of principal, interest, fees or other amounts due to the Lenders (or any of them) hereunder or under such other Loan Document without the written consent of each Lender entitled to such payment;

(e) reduce the principal of, or the rate of interest specified herein on, any Loan or L/C Borrowing, or (subject to clause (iv) of the second proviso to this Section 10.01) any fees or other amounts payable hereunder or under any other Loan Document; provided, however, that only the consent of the Required Lenders shall be necessary to amend the definition of "Default Rate" or to waive any obligation of the Company to pay interest or Letter of Credit Fees at the Default Rate;

(f) change (i) Section 2.13 in a manner that would alter the pro rata sharing of payments required thereby without the written consent of each affected Lender or (ii) the order of application of any reduction in the Commitments or any prepayment of Loans among the Facilities from the application thereof set forth in the applicable provisions of Section 2.05(b) or Section 2.06(b), respectively, in any manner that materially and adversely affects the Lenders under a Facility without the written consent of each affected Lender, or (iii) Section 8.03, without the written consent of each Lender;

(g) change (i) any provision of this Section 10.01 or the definition of "Required Lenders" or any other provision hereof specifying the number or percentage of Lenders required to amend, waive or otherwise modify any rights hereunder or make any determination or grant any consent hereunder (other than the definitions specified in clauses (ii) and (iii) of this Section 10.01(g)), without the written consent of each Lender, or (ii) the definition of "Required Revolver Lenders" without the written consent of each Revolving Credit Lender;

(h) release all or substantially all of the Collateral in any transaction or series of related transactions, without the written consent of each Lender;

(i) release or remove all or substantially all of the value of the Guaranty, without the written consent of each Lender;

(j) impose any greater restriction on the ability of any Lender under a Facility to assign any of its rights or obligations hereunder without the written consent of the Lenders holding more than 50% of the sum of the (i) Total Outstandings under such Facility (with the aggregate amount of each Lender's risk participation, funded participation in L/C Obligations and Swing Line Loans under a Revolving Credit Facility being deemed "held" by such Lender under such Facility for purposes of this clause (j)) and (ii) aggregate unused Commitments under such Facility;

(k) waive a Change of Control, without the written consent of Lenders holding Commitments or Outstanding Amounts representing $66^{2/3}\%$ of the Aggregate Commitments and Total Outstandings under the Facilities; or

(l) change the definition of "Applicable Percentage" without the written consent of each Lender;

provided, further, that (i) no amendment, waiver or consent shall, unless in writing and signed by each applicable L/C Issuer in addition to the Lenders required above, affect the rights or duties of such L/C Issuer under this Credit Agreement or any Issuer Document relating to any Letter of Credit issued or to be issued by it; (ii) no amendment, waiver or consent shall, unless in writing and signed by the Swing Line Lender in addition to the Lenders required above, affect the rights or duties of the Swing Line Lender under this Credit Agreement; (iii) no amendment, waiver or consent shall, unless in writing and signed by the Administrative Agent in addition to the Lenders required above, affect the rights or duties of the Administrative Agent under this Credit Agreement or any other Loan Document; and (iv) the Fee Letters may be amended, or rights or privileges thereunder waived, in a writing executed only by the parties thereto. Notwithstanding anything to the contrary herein, no Defaulting Lender shall have any right to approve or disapprove any amendment, waiver or consent hereunder, except that (w) the Commitment of such Lender may not be increased or extended without the consent of such Lender, (x) the principal amount owed to such Lender may not be decreased or forgiven without the consent of such Lender unless such decrease or forgiveness also applies on a pro rata basis to all of the other Loans under the relevant Facility, (y) the rate of interest applicable to the Loans of such Lender may not be decreased without the consent of such Lender unless such interest rate decrease also applies to all of the other Loans under the relevant Facility, and (z) the Maturity Date applicable to any Loans of such Lender under any Facility may not be extended unless such extension also applies to all of the other Loans under the relevant Facility.

If any Lender does not consent to a proposed amendment, waiver, consent or release with respect to any Loan Document that requires the consent of each Lender or each affected Lender and that has been approved by the Required Lenders, the Company may (i) replace such non-consenting Lender in accordance with Section 10.12; provided that such amendment, waiver, consent or release can be effected as a result of the assignment contemplated by such Section (together with all other such assignments required by the Company to be made pursuant to this paragraph) or (ii) with the prior written consent of the Required Lenders, terminate the Commitments of such Lender and repay all Obligations of the Company owing to such Lender relating to the Loans

and participations (and Cash Collateralize all of the unfunded participations) held by such Lender as of the termination date.

If the Administrative Agent and the Company, acting together, identify any ambiguity, omission, mistake, typographical error or other defect in any provision of this Credit Agreement or any other Loan Document, then the Administrative Agent and the Company shall be permitted to amend, modify or supplement such provision to cure such ambiguity, omission, mistake, typographical error or other defect, and such amendment shall become effective without any further action or consent of any other party to this Credit Agreement; provided that the Administrative Agent shall post such amendment to the Lenders (which may be posted to the Approved Electronic Platform) reasonably promptly after the effectiveness thereof.

Section 10.02 Notices; Effectiveness; Electronic Communications.

(q) Notices Generally. Except in the case of notices and other communications expressly permitted to be given by telephone (and except as provided in subsection (b) below), all notices and other communications provided for herein shall be in writing and shall be delivered by hand or overnight courier service, mailed by certified or registered mail or sent by facsimile or electronic transmission as follows, and all notices and other communications expressly permitted hereunder to be given by telephone shall be made to the applicable telephone number, as follows:

(i) if to the Company, the Guarantors, the Administrative Agent or the L/C Issuers or the Swing Line Lender, to the address, facsimile number, electronic mail address or telephone number specified for such Person on Schedule 10.02; and

(ii) if to any other Lender, to the address, facsimile number, electronic mail address or telephone number specified in its Administrative Questionnaire.

Notices and other communications sent by hand or overnight courier service, or mailed by certified or registered mail, shall be deemed to have been given when received; notices and other communications sent by facsimile shall be deemed to have been given when sent (except that, if not given during normal business hours for the recipient, shall be deemed to have been given at the opening of business on the next business day for the recipient). Notices and other communications delivered through electronic communications to the extent provided in subsection (b) below shall be effective as provided in such subsection (b).

(b) Electronic Communications. Notices and other communications to the Lenders and the L/C Issuers hereunder may be delivered or furnished by electronic communication (including e-mail and Internet or intranet websites) pursuant to procedures approved by the Administrative Agent, provided that the foregoing shall not apply to notices to any Lender or any L/C Issuer pursuant to Article II if such Lender or such L/C Issuer, as applicable, has notified the Administrative Agent that it is incapable of receiving notices under such Article by electronic communication. The Administrative Agent or the Company may, in its discretion, agree to accept notices and other communications to it hereunder by electronic communications pursuant to procedures approved by it, provided that approval of such procedures may be limited to particular notices or communications. The Company agrees that

the Administrative Agent may, but shall not be obligated to, make any notices or other communications available to the Lenders and the L/C Issuers by posting such notices or other communications on IntraLinks™, DebtDomain, SyndTrak, ClearPar or any other electronic platform chosen by the Administrative Agent to be its electronic transmission system (the "Approved Electronic Platform").

Although the Approved Electronic Platform and its primary web portal are secured with generally-applicable security procedures and policies implemented or modified by the Administrative Agent from time to time (including, as of the Effective Date, a user ID/password authorization system) and the Approved Electronic Platform is secured through a per-deal authorization method whereby each user may access the Approved Electronic Platform only on a deal-by-deal basis, each of the Lenders, each of the L/C Issuers and the Company acknowledges and agrees that the distribution of material through an electronic medium is not necessarily secure, that the Administrative Agent is not responsible for approving or vetting the representatives or contacts of any Lender that are added to the Approved Electronic Platform, and that there may be confidentiality and other risks associated with such distribution. Each of the Lenders, each of the L/C Issuers and the Company hereby approves distribution of notices and other communications through the Approved Electronic Platform and understands and assumes the risks of such distribution.

Unless the Administrative Agent otherwise prescribes, (i) notices and other communications sent to an e-mail address shall be deemed received upon the sender's receipt of an acknowledgement from the intended recipient (such as by the "return receipt requested" function, as available, return e-mail or other written acknowledgement), provided that if such notice or other communication is not sent during the normal business hours of the recipient, such notice or communication shall be deemed to have been sent at the opening of business on the next business day for the recipient, and (ii) notices or communications posted to an Internet or intranet website shall be deemed received upon the deemed receipt by the intended recipient at its e-mail address as described in the foregoing clause (i) of notification that such notice or communication is available and identifying the website address therefor.

(c) Approved Electronic Platform. THE APPROVED ELECTRONIC PLATFORM IS PROVIDED "AS IS" AND "AS AVAILABLE." THE AGENT PARTIES (AS DEFINED BELOW) DO NOT WARRANT THE ACCURACY OR COMPLETENESS OF THE COMPANY MATERIALS OR THE ADEQUACY OF THE APPROVED ELECTRONIC PLATFORM, AND EXPRESSLY DISCLAIM LIABILITY FOR ERRORS IN OR OMISSIONS FROM THE COMPANY MATERIALS. NO WARRANTY OF ANY KIND, EXPRESS, IMPLIED OR STATUTORY, INCLUDING ANY WARRANTY OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, NON-INFRINGEMENT OF THIRD PARTY RIGHTS OR FREEDOM FROM VIRUSES OR OTHER CODE DEFECTS, IS MADE BY ANY AGENT PARTY IN CONNECTION WITH THE COMPANY MATERIALS OR THE APPROVED ELECTRONIC PLATFORM. In no event shall the Administrative Agent or any of its Related Parties (collectively, the "Agent Parties") have any liability to the Company, any Lender, any L/C Issuer or any other Person for losses, claims, damages, liabilities or expenses of any kind (whether in tort, contract or otherwise) arising out of the Company's or the Administrative Agent's transmission of Company Materials through the Internet, except to the extent that such losses, claims, damages, liabilities or expenses are

determined by a court of competent jurisdiction by a final and nonappealable judgment to have resulted from the gross negligence or willful misconduct of such Agent Party; provided, however, that in no event shall any Agent Party have any liability to the Company, any Lender, any L/C Issuer or any other Person for indirect, special, incidental, consequential or punitive damages (as opposed to direct or actual damages).

Each Lender and each L/C Issuer agrees that notice to it (as provided in the next sentence) specifying that notices or other communications have been posted to the Approved Electronic Platform shall constitute effective delivery of notices or other communications to such Lender for purposes of the Loan Documents. Each Lender and L/C Issuer agreed (i) to notify the Administrative Agent in writing (which could be in the form of electronic communication) from time to time of such Lender's or L/C Issuer's (as applicable) email address to which the foregoing notice may be sent by electronic transmission and (ii) that the foregoing notice may be sent to such email address.

Each of the Lenders, each of the L/C Issuers and the Company agrees that the Administrative Agent may, but (except as may be required by applicable law) shall not be obligated to, store notices and other communications on the Approved Electronic Platform in accordance with the Administrative Agent's generally applicable document retention procedures and policies.

Nothing herein shall prejudice the right of the Administrative Agent, any Lender or any L/C Issuer to give any notice or other communication pursuant to any Loan Document in any other manner specified in such Loan Document.

(d) Change of Address, Etc. Each of the Company, the Administrative Agent, the L/C Issuers and the Swing Line Lender may change its address, electronic mail address, facsimile or telephone number for notices and other communications hereunder by notice to the other parties hereto. Each other Lender may change its address, electronic mail address, facsimile or telephone number for notices and other communications hereunder by notice to the Company, the Administrative Agent, the L/C Issuers and the Swing Line Lender. In addition, each Lender agrees to notify the Administrative Agent from time to time to ensure that the Administrative Agent has on record (i) an effective address, contact name, telephone number, facsimile number and electronic mail address to which notices and other communications may be sent and (ii) accurate wire instructions for such Lender.

(e) Reliance by Administrative Agent, L/C Issuers and Lenders. The Administrative Agent, the L/C Issuers and the Lenders shall be entitled to rely and act upon any notices (including telephonic Committed Loan Notices and Swing Line Loan Notices) purportedly given by or on behalf of the Company even if (i) such notices were not made in a manner specified herein, were incomplete or were not preceded or followed by any other form of notice specified herein, or (ii) the terms thereof, as understood by the recipient, varied from any confirmation thereof. The Company shall indemnify the Administrative Agent, each L/C Issuer, each Lender and the Related Parties of each of them from all losses, costs, expenses and liabilities resulting from the reliance by such Person on each notice purportedly given by or on behalf of the Company. All telephonic notices to and other telephonic communications with the

Administrative Agent may be recorded by the Administrative Agent, and each of the parties hereto hereby consents to such recording.

Section 10.03 No Waiver; Cumulative Remedies. No failure on the part of the Administrative Agent, any L/C Issuer or any Lender to exercise, and no delay by any such Person in exercising, and no course of dealing with respect to, any right, remedy, power or privilege under this Credit Agreement or any other Loan Document shall operate as a waiver thereof, nor shall any single or partial exercise of any right, remedy, power or privilege under this Credit Agreement or any other Loan Document preclude any other or further exercise thereof or the exercise of any other right, remedy, power or privilege. The right, remedy, power or privilege provided herein, and provided under any other Loan Document, are cumulative and not exclusive of any right, remedy, power or privilege provided by law.

Section 10.04 Expenses; Indemnity; Damage Waiver. (r) Costs and Expenses. The Company shall pay (i) all reasonable out-of-pocket expenses incurred by the Administrative Agent and its Affiliates (including the reasonable fees, charges and disbursements of counsel for the Administrative Agent), in connection with the syndication of the credit facility provided for herein, the preparation, negotiation, execution, delivery and administration of this Credit Agreement and the other Loan Documents or any amendments, modifications or waivers of the provisions hereof or thereof (whether or not the transactions contemplated hereby or thereby shall be consummated), (ii) all reasonable out-of-pocket expenses incurred by any L/C Issuer in connection with the issuance, amendment, renewal or extension of any Letter of Credit or any demand for payment thereunder and (iii) all expenses incurred by the Administrative Agent, any Lender or any L/C Issuer (including the fees, charges and disbursements of any counsel for the Administrative Agent, any Lender or any L/C Issuer) in connection with the enforcement or protection of its rights (A) in connection with this Credit Agreement and the other Loan Documents, including its rights under this Section, or (B) in connection with Loans made or Letters of Credit issued hereunder, including all such out-of-pocket expenses incurred during any workout, restructuring or negotiations in respect of such Loans or Letters of Credit.

(b) Indemnification by the Company. The Company shall indemnify the Administrative Agent (and any sub-agent thereof), the Collateral Agent, each Co-Documentation Agent, each Co-Syndication Agent, each Senior Managing Agent, each Lender, each L/C Issuer and each Related Party of any of the foregoing Persons (each such Person being called an "Indemnitee") against, and hold each Indemnitee harmless from, any and all losses, claims, damages, liabilities and related expenses (including the fees, charges and disbursements of any counsel for any Indemnitee), and shall indemnify and hold harmless each Indemnitee from all fees and time charges and disbursements for attorneys who may be employees of any Indemnitee, incurred by any Indemnitee or asserted against any Indemnitee by any third party or by the Company or any other Loan Party arising out of, in connection with, or as a result of (i) the execution or delivery of this Credit Agreement, any other Loan Document or any agreement or instrument contemplated hereby or thereby, the performance by the parties hereto of their respective obligations hereunder or thereunder or the consummation of the transactions contemplated hereby or thereby, or, in the case of the Administrative Agent (and any sub-agent thereof) and its Related Parties only, the administration of this Credit Agreement and the other

Loan Documents, (ii) any Loan or Letter of Credit or the use or proposed use of the proceeds therefrom (including any refusal by any L/C Issuer to honor a demand for payment under a Letter of Credit if the documents presented in connection with such demand do not strictly comply with the terms of such Letter of Credit), (iii) any actual or alleged presence or release of Hazardous Materials on or from any property owned or operated by the Company or any of its Subsidiaries, or any Environmental Liability related in any way to the Company or any of its Subsidiaries, or (iv) any actual or prospective claim, litigation, investigation or proceeding relating to any of the foregoing, whether based on contract, tort or any other theory, whether brought by a third party or by the Company or any other Loan Party or any of the Company's or such Loan Party's directors, shareholders or creditors, and regardless of whether any Indemnitee is a party thereto**, in all cases, whether or not caused by or arising, in whole or in part, out of the comparative, contributory or sole negligence of the Indemnitee**; provided that such indemnity shall not, as to any Indemnitee, be available to the extent that such losses, claims, damages, liabilities or related expenses (x) are determined by a court of competent jurisdiction by final and nonappealable judgment to have resulted from the gross negligence, bad faith or willful misconduct of such Indemnitee or (y) result from a claim brought by the Company or any other Loan Party against an Indemnitee for breach in bad faith of such Indemnitee's obligations hereunder or under any other Loan Document, if the Company or such Loan Party has obtained a final and nonappealable judgment in its favor on such claim as determined by a court of competent jurisdiction.

(c) Reimbursement by Lenders. To the extent that the Company for any reason fails to indefeasibly pay any amount required under subsection (a) or (b) of this Section to be paid by it to the Administrative Agent (or any sub-agent thereof), any L/C Issuer or any Related Party of any of the foregoing, each Lender severally agrees to pay to the Administrative Agent (or any such sub-agent), such L/C Issuer or such Related Party, as the case may be, such Lender's Applicable Percentage (determined as of the time that the applicable unreimbursed expense or indemnity payment is sought) of such unpaid amount, provided that the unreimbursed expense or indemnified loss, claim, damage, liability or related expense, as the case may be, was incurred by or asserted against the Administrative Agent (or any such sub-agent) or any L/C Issuer in its capacity as such, or against any Related Party of any of the foregoing acting for the Administrative Agent (or any such sub-agent) or any L/C Issuer in connection with such capacity, other than, as to any Indemnitee, to the extent that such losses, claims, damages, liabilities or related expenses are determined by a court of competent jurisdiction by final and nonappealable judgment to have resulted from the gross negligence, bad faith or willful misconduct of such Indemnitee. The obligations of the Lenders under this subsection (c) are subject to the provisions of Section 2.12(d).

(d) Waiver of Consequential Damages, Etc. To the fullest extent permitted by applicable law, no Loan Party shall assert, and each hereby waives, any claim against any Indemnitee, on any theory of liability, for special, indirect, consequential or punitive damages (as opposed to direct or actual damages) arising out of, in connection with, or as a result of, this Credit Agreement, any other Loan Document or any agreement or instrument contemplated hereby, the transactions contemplated hereby or thereby, any Loan or Letter of Credit or the use of the proceeds thereof. No Indemnitee referred to in subsection (b) above shall be liable for any damages arising from the use by unintended recipients of any information or other materials distributed by it through telecommunications, electronic or other information transmission

systems in connection with this Credit Agreement or the other Loan Documents or the transactions contemplated hereby or thereby.

(e) Payments. All amounts due under this Section shall be payable not later than ten Business Days after demand therefor.

(f) Survival. The agreements in this Section 10.04 shall survive the resignation of the Administrative Agent, any L/C Issuer and the Swing Line Lender, the replacement of any Lender, the termination of the Aggregate Commitments and the repayment, satisfaction or discharge of all the other Obligations.

Section 10.05 Payments Set Aside. To the extent that any payment by or on behalf of the Company is made to the Administrative Agent, any L/C Issuer or any Lender, or the Administrative Agent, any L/C Issuer or any Lender exercises its right of setoff, and such payment or the proceeds of such setoff or any part thereof is subsequently invalidated, declared to be fraudulent or preferential, set aside or required (including pursuant to any settlement entered into by the Administrative Agent, such L/C Issuer or such Lender in its discretion) to be repaid to a trustee, receiver or any other party, in connection with any proceeding under any Debtor Relief Law or otherwise, then (a) to the extent of such recovery, the obligation or part thereof originally intended to be satisfied shall be revived and continued in full force and effect as if such payment had not been made or such setoff had not occurred, and (b) each Lender and each L/C Issuer severally agrees to pay to the Administrative Agent upon demand its applicable share (without duplication) of any amount so recovered from or repaid by the Administrative Agent, plus interest thereon from the date of such demand to the date such payment is made at a rate per annum equal to the New York Fed Bank Rate from time to time in effect. The obligations of the Lenders and the L/C Issuers under clause (b) of the preceding sentence shall survive the payment in full of the Obligations and the termination of this Credit Agreement.

Section 10.06 Successors and Assigns. (s) Successors and Assigns Generally. The provisions of this Credit Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns permitted hereby, except that neither the Company nor any other Loan Party may assign or otherwise transfer any of its rights or obligations hereunder without the prior written consent of the Administrative Agent and each Lender and no Lender may assign or otherwise transfer any of its rights or obligations hereunder except (i) to an Eligible Assignee in accordance with the provisions of Section 10.06(b), (ii) by way of participation in accordance with the provisions of Section 10.06(d), (iii) by way of pledge or assignment of a security interest subject to the restrictions of Section 10.06(f), or (iv) to an SPC in accordance with the provisions of Section 10.06(h) (and any other attempted assignment or transfer by any party hereto shall be null and void). Nothing in this Credit Agreement, expressed or implied, shall be construed to confer upon any Person (other than the parties hereto, their respective successors and assigns permitted hereby, Participants to the extent provided in subsection (d) of this Section and, to the extent expressly contemplated hereby, the Related Parties of each of the Administrative Agent, the L/C Issuers and the Lenders) any legal or equitable right, remedy or claim under or by reason of this Credit Agreement.

(b) Assignments by Lenders. Any Lender may at any time assign to one or more Eligible Assignees all or a portion of its rights and obligations under this Credit Agreement (including all or a portion of its Commitment and Letter of Credit Commitments, and the Loans (including for purposes of this Section 10.06(b), participations in L/C Obligations and in Swing Line Loans) at the time owing to it); provided that any such assignment shall be subject to the following conditions:

(i) Minimum Amounts.

(A) in the case of an assignment of the entire remaining amount of the assigning Lender's Commitment and the Loans at the time owing to it under such Facility or in the case of an assignment to a Lender, an Affiliate of a Lender or an Approved Fund, no minimum amount need be assigned; and

(B) in any case not described in subsection (b)(i)(A) of this Section, the aggregate amount of the Commitment (which for this purpose includes Loans outstanding thereunder) or, if the Commitment is not then in effect, the principal outstanding balance of the Loans of the assigning Lender subject to each such assignment, determined as of the date the Assignment and Assumption with respect to such assignment is delivered to the Administrative Agent or, if "Trade Date" is specified in the Assignment and Assumption, as of the Trade Date, shall not be less than $5,000,000, unless each of the Administrative Agent and, so long as no Event of Default has occurred and is continuing, the Company otherwise consents (each such consent not to be unreasonably withheld or delayed); provided, however, that concurrent assignments to members of an Assignee Group and concurrent assignments from members of an Assignee Group to a single Eligible Assignee (or to an Eligible Assignee and members of its Assignee Group) will be treated as a single assignment for purposes of determining whether such minimum amount has been met;

(ii) Proportionate Amounts. Each partial assignment shall be made as an assignment of a proportionate part of all the assigning Lender's rights and obligations under this Credit Agreement with respect to the Loans or the Commitment assigned, except that this clause (ii) shall not (A) apply to the Swing Line Lender's rights and obligations in respect of Swing Line Loans or (B) prohibit any Lender from assigning all or a portion of its rights and obligations among separate Facilities on a non-pro rata basis;

(iii) Required Consents. No consent shall be required for any assignment except to the extent required by subsection (b)(i)(B) of this Section and, in addition:

(A) the consent of the Company (such consent not to be unreasonably withheld or delayed) shall be required for an assignment to any Person unless (1) an Event of Default has occurred and is continuing at the time of such assignment or (2) such assignment is to a Lender, an Affiliate of a Lender,

an Approved Fund, or solely with respect to the assignment of a Term Loan, the Company, an Affiliated Lender or a Subsidiary of the Company (each Person with respect to whom such Company consent has been received, or is not required under clause (1) or clause (2) of this sentence, an "Eligible Assignee"); provided that if a prospective assignee (x) is not a commercial bank, finance company, insurance company, financial institution or fund (a "Non-Financial Entity"), the Company shall be deemed to be acting reasonably in withholding its consent if such person is a direct or indirect competitor of the Company as notified by the Company to the Administrative Agent within five Business Days after being informed of the identity of such Non-Financial Entity or (y) is a Lender that is a non-consenting Lender that the Company is at such time permitted to replace pursuant to Section 10.01 or otherwise is a Lender that the Company is at such time permitted to replace pursuant to Section 10.12, the Company shall be deemed to be acting reasonably in withholding its consent; provided, further, that solely with respect to an assignment of any Term Loans, the Company shall be deemed to have consented to any such assignment unless it shall object thereto by written notice to the Administrative Agent within ten Business Days after having received notice thereof;

(B) the consent of the Administrative Agent (such consent not to be unreasonably withheld or delayed) shall be required for assignments in respect of (i) any Commitment if such assignment is to a Person that is not a Lender with a Commitment in respect of the applicable Facility, an Affiliate of such Lender or an Approved Fund with respect to such Lender; provided that the Administrative Agent shall be deemed to be acting reasonably in withholding its consent to a prospective assignee that is a Defaulting Lender;

(C) the consent of each L/C Issuer (such consent not to be unreasonably withheld or delayed) shall be required for any assignment that increases the obligation of the assignee to participate in exposure under one or more Letters of Credit (whether or not then outstanding); and

(D) the consent of the Swing Line Lender (such consent not to be unreasonably withheld or delayed) shall be required for any assignment that increases the obligation of the assignee to participate in exposure under one or more Swing Line Loans (whether or not then outstanding).

(iv) Assignment and Assumption. The parties to each assignment shall execute and deliver to the Administrative Agent (x) an Assignment and Assumption or (y) to the extent applicable, an agreement incorporating an Assignment and Assumption by reference to an Approved Electronic Platform as to which the Administrative Agent and the parties to the Assignment and Assumption are participants, together with a processing and recordation fee in the amount of $3,500; provided, however, that concurrent assignments to members of an Assignee Group and concurrent assignments from members of an Assignee Group to a single Eligible Assignee (or to an Eligible Assignee and members of its Assignee Group) will be treated as a single assignment for purposes of determining the processing and recordation fee; provided, further, that the

Administrative Agent may, in its sole discretion, elect to waive such processing and recordation fee in the case of any assignment. The assignee, if it shall not be a Lender, shall deliver to the Administrative Agent an Administrative Questionnaire.

(v) No Assignment to Certain Persons. No such assignment shall be made to (A) the Company or any of the Company's Affiliates or Subsidiaries, except in accordance with the definition of "Eligible Assignee" set forth in Section 1.01 or (B) any Defaulting Lender or any of its Subsidiaries, or any Person who, upon becoming a Lender hereunder, would constitute a Defaulting Lender or a Subsidiary thereof.

(vi) No Assignment to Natural Persons. No such assignment shall be made to a natural person (or holding company, investment vehicle or trust for, or owned and operated for the primary benefit of a natural person).

Subject to acceptance and recording thereof by the Administrative Agent pursuant to subsection (c) of this Section, from and after the effective date specified in each Assignment and Assumption, the Eligible Assignee thereunder shall be a party to this Credit Agreement and, to the extent of the interest assigned by such Assignment and Assumption, have the rights and obligations of a Lender under this Credit Agreement, and the assigning Lender thereunder shall, to the extent of the interest assigned by such Assignment and Assumption, be released from its obligations under this Credit Agreement (and, in the case of an Assignment and Assumption covering all of the assigning Lender's rights and obligations under this Credit Agreement, such Lender shall cease to be a party hereto but shall continue to be entitled to the benefits of Section 3.01, Section 3.04, Section 3.05 and Section 10.04 with respect to facts and circumstances occurring prior to the effective date of such assignment). Upon request, the Company (at its expense) shall execute and deliver a Note to the assignee Lender. Any assignment or transfer by a Lender of rights or obligations under this Credit Agreement that does not comply with this subsection shall be treated for purposes of this Credit Agreement as a sale by such Lender of a participation in such rights and obligations in accordance with Section 10.06(d).

(c) Register. The Administrative Agent, acting solely for this purpose as an agent of the Company, shall maintain at the Administrative Agent's Office a copy of each Assignment and Assumption delivered to it and a register for the recordation of the names and addresses of the Lenders, and the Commitments of, and principal amounts of the Loans and L/C Obligations owing to, each Lender pursuant to the terms hereof from time to time (the "Register"). The entries in the Register shall be conclusive absent manifest error, and the Company, the Administrative Agent and the Lenders may treat each Person whose name is recorded in the Register pursuant to the terms hereof as a Lender hereunder for all purposes of this Credit Agreement, notwithstanding notice to the contrary. The Register shall be available for inspection by the Company and any Lender at any reasonable time and from time to time upon reasonable prior notice.

(d) Participations. Any Lender may at any time, without the consent of, or notice to, the Company, the Administrative Agent or any L/C Issuer, sell participations to any Person (other than a natural person or the Company or any of the Company's Affiliates or Subsidiaries) (each, a "Participant") in all or a portion of such Lender's rights and/or obligations

under this Credit Agreement (including all or a portion of its Commitment and/or the Loans (including such Lender's participations in L/C Obligations and/or Swing Line Loans) owing to it); provided that (i) such Lender's obligations under this Credit Agreement shall remain unchanged, (ii) such Lender shall remain solely responsible to the other parties hereto for the performance of such obligations, and (iii) the Company, the Administrative Agent, the Lenders and the L/C Issuers shall continue to deal solely and directly with such Lender in connection with such Lender's rights and obligations under this Credit Agreement. Any agreement or instrument pursuant to which a Lender sells such a participation shall provide that such Lender shall retain the sole right to enforce this Credit Agreement and to approve any amendment, modification or waiver of any provision of this Credit Agreement; provided that such agreement or instrument may provide that such Lender will not, without the consent of the Participant, agree to any amendment, waiver or other modification described in the first proviso to Section 10.01 that affects such Participant. Subject to subsection (e) of this Section, the Company agrees that each Participant shall be entitled to the benefits of Section 3.01, Section 3.04 and Section 3.05 to the same extent as if it were a Lender and had acquired its interest by assignment pursuant to Section 10.06(b). To the extent permitted by law, each Participant also shall be entitled to the benefits of Section 10.07 as though it were a Lender, provided such Participant agrees to be subject to Section 2.13 as though it were a Lender. Each Participant agrees to be subject to an agreement containing provisions substantially the same as those of Section 10.20 herein. Each Lender that sells a participation, acting solely for this purpose as a non-fiduciary agent of the Company, shall maintain a register analogous to the Register (a "Participant Register"); provided that no Lender shall have any obligation to disclose all or any portion of a Participant Register to any Person (including the identity of any Participant or any information relating to a Participant's interest in the rights and/or obligations under this Credit Agreement) except to the extent that such disclosure is necessary to establish that such interest is in registered form under Treasury Regulations Section 5f.103-1(c). The entries in the Participant Register shall be conclusive absent manifest error, and such Lender shall treat each Person whose name is recorded in the Participant Register as the owner of such participation for all purposes of this Credit Agreement notwithstanding any notice to the contrary.

(e) Limitations upon Participant Rights. A Participant shall not be entitled to receive any greater payment under Section 3.01 or Section 3.04 than the applicable Lender would have been entitled to receive with respect to the participation sold to such Participant, unless the sale of the participation to such Participant is made with the Company's prior written consent. A Participant that would be a Foreign Lender if it were a Lender shall not be entitled to the benefits of Section 3.01 unless the Company is notified of the participation sold to such Participant and such Participant agrees, for the benefit of the Company, to comply with Section 3.01(f) as though it were a Lender.

(f) Certain Pledges. Any Lender may at any time pledge or assign a security interest in all or any portion of its rights under this Credit Agreement (including under its Note, if any) to secure obligations of such Lender, including any pledge or assignment to secure obligations to a Federal Reserve Bank; provided that no such pledge or assignment shall release such Lender from any of its obligations hereunder or substitute any such pledgee or assignee for such Lender as a party hereto.

(g) Electronic Execution of Assignments. The words "execution," "signed," "signature," and words of like import in any Assignment and Assumption shall be deemed to include electronic signatures or the keeping of records in electronic form, each of which shall be of the same legal effect, validity or enforceability as a manually executed signature or the use of a paper-based recordkeeping system, as the case may be, to the extent and as provided for in any applicable law, including the Federal Electronic Signatures in Global and National Commerce Act, the New York State Electronic Signatures and Records Act, or any other similar state laws based on the Uniform Electronic Transactions Act.

(h) Special Purpose Funding Vehicles. Notwithstanding anything to the contrary contained herein, any Lender (a "Granting Lender") may grant to a special purpose funding vehicle identified as such in writing from time to time by the Granting Lender to the Administrative Agent and the Company (an "SPC") the option to provide all or any part of any Loan that such Granting Lender would otherwise be obligated to make pursuant to this Credit Agreement; provided that (i) nothing herein shall constitute a commitment by any SPC to fund any Loan, and (ii) if an SPC elects not to exercise such option or otherwise fails to make all or any part of such Loan, the Granting Lender shall be obligated to make such Loan pursuant to the terms hereof or, if it fails to do so, to make such payment to the Administrative Agent as is required under Section 2.12(b)(ii). Each party hereto hereby agrees that (i) neither the grant to any SPC nor the exercise by any SPC of such option shall increase the costs or expenses or otherwise increase or change the obligations of the Company under this Credit Agreement (including its obligations under Section 3.04), (ii) no SPC shall be liable for any indemnity or similar payment obligation under this Credit Agreement for which a Lender would be liable, and (iii) the Granting Lender shall for all purposes, including the approval of any amendment, waiver or other modification of any provision of any Loan Document, remain the lender of record hereunder. The making of a Loan by an SPC hereunder shall utilize the Commitment of the Granting Lender to the same extent, and as if, such Loan were made by such Granting Lender. In furtherance of the foregoing, each party hereto hereby agrees (which agreement shall survive the termination of this Credit Agreement) that, prior to the date that is one year and one day after the payment in full of all outstanding commercial paper or other senior debt of any SPC, it will not institute against, or join any other Person in instituting against, such SPC any bankruptcy, reorganization, arrangement, insolvency, or liquidation proceeding under the laws of the United States or any State thereof. Notwithstanding anything to the contrary contained herein, any SPC may (i) with notice to, but without prior consent of the Company and the Administrative Agent and with the payment of a processing fee in the amount of $3,500 (which processing fee may be waived by the Administrative Agent in its sole discretion), assign all or any portion of its right to receive payment with respect to any Loan to the Granting Lender and (ii) disclose on a confidential basis any non-public information relating to its funding of Loans to any rating agency, commercial paper dealer or provider of any surety or Guarantee or credit or liquidity enhancement to such SPC.

(i) Resignation as L/C Issuer or Swing Line Lender after Assignment. Notwithstanding anything to the contrary contained herein, if at any time JPMorgan or any other L/C Issuer assigns all of its Revolving Credit Commitments and Revolving Credit Loans pursuant to Section 10.06(b), (i) such L/C Issuer may upon 30 days' notice to the Company and the Lenders, resign as an L/C Issuer and/or (ii) JPMorgan may upon 30 days' notice to the Company resign as Swing Line Lender. In the event of any such resignation as an L/C Issuer or

Swing Line Lender, the Company shall be entitled to appoint from among the Lenders a successor L/C Issuer (so long as such appointee agrees to act as an L/C Issuer hereunder) or Swing Line Lender hereunder; provided, however, that no failure by the Company to appoint any such successor shall affect the resignation of JPMorgan or any other L/C Issuer as an L/C Issuer or Swing Line Lender, as the case may be. If any L/C Issuer resigns as L/C Issuer, it shall retain all the rights, powers, privileges and duties of the L/C Issuers hereunder with respect to all Letters of Credit outstanding as of the effective date of its resignation as an L/C Issuer and all L/C Obligations with respect thereto (including the right to require the Lenders to make Base Rate Loans or fund risk participations in Unreimbursed Amounts pursuant to Section 2.03(c)). If JPMorgan resigns as Swing Line Lender, it shall retain all the rights of the Swing Line Lender provided for hereunder with respect to Swing Line Loans made by it and outstanding as of the effective date of such resignation, including the right to require the Lenders to make Base Rate Loans or fund risk participations in outstanding Swing Line Loans pursuant to Section 2.04(c). Upon the appointment and acceptance of a successor L/C Issuer or Swing Line Lender, (a) such successor shall succeed to and become vested with all of the rights, powers, privileges and duties of the retiring L/C Issuer or Swing Line Lender, as the case may be, and (b) in the case of the appointment and acceptance of a successor L/C Issuer, the successor L/C Issuer shall issue letters of credit in substitution for the Letters of Credit, if any, outstanding at the time of such succession or make other arrangements satisfactory to the retiring L/C Issuer to effectively assume the obligations of such retiring L/C Issuer with respect to such Letters of Credit.

Section 10.07 Right of Setoff. If an Event of Default shall have occurred and be continuing, each Lender, each L/C Issuer and each of their respective Affiliates is hereby authorized at any time and from time to time, to the fullest extent permitted by applicable law, to set off and apply any and all deposits (general or special, time or demand, provisional or final, in whatever currency) at any time held and other obligations (in whatever currency) at any time owing by such Lender, such L/C Issuer or any such Affiliate to or for the credit or the account of the Company or any other Loan Party against any and all of the obligations of the Company or such Loan Party now or hereafter existing under this Credit Agreement or any other Loan Document to such Lender or such L/C Issuer, irrespective of whether or not such Lender or such L/C Issuer shall have made any demand under this Credit Agreement or any other Loan Document and although such obligations of the Company or such Loan Party may be contingent or unmatured or are owed to a branch or office of such Lender or such L/C Issuer different from the branch or office holding such deposit or obligated on such indebtedness. The rights of each Lender, each L/C Issuer and their respective Affiliates under this Section are in addition to other rights and remedies (including other rights of setoff) that such Lender, such L/C Issuer or their respective Affiliates may have. Each Lender and each L/C Issuer agrees to notify the Company and the Administrative Agent promptly after any such setoff and application, provided that the failure to give such notice shall not affect the validity of such setoff and application.

Section 10.08 Interest Rate Limitation. Notwithstanding anything to the contrary contained in any Loan Document, the interest paid or agreed to be paid under the Loan Documents shall not exceed the maximum rate of non-usurious interest permitted by applicable Law (the "Maximum Rate"). If the Administrative Agent or any Lender shall receive interest in an amount that exceeds the Maximum Rate, the excess interest shall be applied to the principal of the Loans or, if it exceeds such unpaid principal, refunded to the

Company. In determining whether the interest contracted for, charged, or received by the Administrative Agent or a Lender exceeds the Maximum Rate, such Person may, to the extent permitted by applicable Law, (a) characterize any payment that is not principal as an expense, fee, or premium rather than interest, (b) exclude voluntary prepayments and the effects thereof, and (c) amortize, prorate, allocate, and spread in equal or unequal parts the total amount of interest throughout the contemplated term of the Obligations hereunder.

Section 10.09 Counterparts; Integration; Effectiveness. This Credit Agreement may be executed in counterparts (and by different parties hereto in different counterparts), each of which shall constitute an original, but all of which when taken together shall constitute a single contract. This Credit Agreement and the other Loan Documents constitute the entire contract among the parties relating to the subject matter hereof and supersede any and all previous agreements and understandings, oral or written, relating to the subject matter hereof. Except as provided in Section 5.01, this Credit Agreement shall become effective when it shall have been executed by the Administrative Agent and when the Administrative Agent shall have received counterparts hereof that, when taken together, bear the signatures of each of the other parties hereto. Delivery of an executed counterpart of a signature page of this Credit Agreement by facsimile or other electronic imaging means shall be effective as delivery of a manually executed counterpart of this Credit Agreement.

Section 10.10 Survival of Representations and Warranties. All representations and warranties made hereunder and in any other Loan Document or other document delivered pursuant hereto or thereto or in connection herewith or therewith shall survive the execution and delivery hereof and thereof. Such representations and warranties have been or will be relied upon by the Administrative Agent and each Lender, regardless of any investigation made by the Administrative Agent or any Lender or on their behalf and notwithstanding that the Administrative Agent or any Lender may have had notice or knowledge of any Default at the time of any Credit Extension, and shall continue in full force and effect as long as any Loan or any other Obligation hereunder shall remain unpaid or unsatisfied or any Letter of Credit shall remain outstanding.

Section 10.11 Severability. If any provision of this Credit Agreement or the other Loan Documents is held to be illegal, invalid or unenforceable, (a) the legality, validity and enforceability of the remaining provisions of this Credit Agreement and the other Loan Documents shall not be affected or impaired thereby and (b) the parties shall endeavor in good faith negotiations to replace the illegal, invalid or unenforceable provisions with valid provisions the economic effect of which comes as close as possible to that of the illegal, invalid or unenforceable provisions. The invalidity of a provision in a particular jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction.

Section 10.12 Replacement of Lenders. If any Lender requests compensation under Section 3.04, or if the Company is required to pay any additional amount to any Lender or any Governmental Authority for the account of any Lender pursuant to Section 3.01, or if any Lender gives a notice pursuant to Section 3.02, or if any Lender is a Defaulting Lender, or if otherwise permitted under Section 10.01, then the Company may, at its sole expense and effort, upon notice to such Lender and the Administrative Agent, require

such Lender to assign and delegate, without recourse (in accordance with and subject to the restrictions contained in, and consents required by, Section 10.05), all of its interests, rights and obligations under this Credit Agreement and the related Loan Documents to an assignee that shall assume such obligations (which assignee may be another Lender, if a Lender accepts such assignment), provided that:

(a) the Company shall have paid to the Administrative Agent the assignment fee specified in Section 10.06(b);

(b) such Lender shall have received payment of an amount equal to the outstanding principal of its Loans and L/C Advances, accrued interest thereon, accrued fees and all other amounts payable to it hereunder and under the other Loan Documents (including any amounts under Section 3.05) from the assignee (to the extent of such outstanding principal and accrued interest and fees) or the Company (in the case of all other amounts);

(c) in the case of any such assignment resulting from a claim for compensation under Section 3.04 or payments required to be made pursuant to Section 3.01, such assignment will result in a reduction in such compensation or payments thereafter; and

(d) such assignment does not conflict with applicable Laws.

A Lender shall not be required to make any such assignment or delegation if, prior thereto, as a result of a waiver by such Lender or otherwise, the circumstances entitling the Company to require such assignment and delegation cease to apply. Neither the Administrative Agent nor any Lender shall have any obligation to the Company to find a replacement Lender or other such Person.

Each party hereto agrees that (i) an assignment required pursuant to this Section may be effected pursuant to an Assignment and Assumption executed by the Company, the Administrative Agent and the assignee (or, to the extent applicable, an agreement incorporating an Assignment and Assumption by reference pursuant to an Approved Electronic Platform as to which the Administrative Agent and such parties are participants), and (ii) the Lender required to make such assignment need not be a party thereto in order for such assignment to be effective and shall be deemed to have consented to an be bound by the terms thereof; provided that, following the effectiveness of any such assignment, the other parties to such assignment agree to execute and deliver such documents necessary to evidence such assignment as reasonably requested by the applicable Lender; provided, further, that any such documents shall be without recourse to or warranty by the parties thereto.

Section 10.13 Governing Law; Jurisdiction; Etc.

(t) GOVERNING LAW. THIS CREDIT AGREEMENT SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAW OF THE STATE OF NEW YORK.

(b) SUBMISSION TO JURISDICTION. EACH OF THE PARTIES TO THIS CREDIT AGREEMENT IRREVOCABLY AND UNCONDITIONALLY SUBMITS,

FOR ITSELF AND ITS PROPERTY, TO THE EXCLUSIVE JURISDICTION OF THE COURTS OF THE STATE OF NEW YORK AND OF THE FEDERAL COURTS OF THE UNITED STATES OF AMERICA SITTING IN THE BOROUGH OF MANHATTAN, AND ANY APPELLATE COURT FROM ANY THEREOF, IN ANY ACTION OR PROCEEDING ARISING OUT OF OR RELATING TO THIS CREDIT AGREEMENT OR ANY OTHER LOAN DOCUMENT, OR FOR RECOGNITION OR ENFORCEMENT OF ANY JUDGMENT, AND EACH OF THE PARTIES HERETO IRREVOCABLY AND UNCONDITIONALLY AGREES THAT ALL CLAIMS IN RESPECT OF ANY SUCH ACTION OR PROCEEDING SHALL BE HEARD AND DETERMINED IN SUCH NEW YORK STATE COURT OR, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, IN SUCH FEDERAL COURT. EACH OF THE PARTIES HERETO AGREES THAT A FINAL JUDGMENT IN ANY SUCH ACTION OR PROCEEDING SHALL BE CONCLUSIVE AND MAY BE ENFORCED IN OTHER JURISDICTIONS BY SUIT ON THE JUDGMENT OR IN ANY OTHER MANNER PROVIDED BY LAW. NOTHING IN THIS CREDIT AGREEMENT OR IN ANY OTHER LOAN DOCUMENT SHALL AFFECT ANY RIGHT THAT THE ADMINISTRATIVE AGENT, ANY LENDER OR ANY L/C ISSUER MAY OTHERWISE HAVE TO BRING ANY ACTION OR PROCEEDING RELATING TO THIS CREDIT AGREEMENT OR ANY OTHER LOAN DOCUMENT AGAINST THE COMPANY OR ANY OTHER LOAN PARTY OR ITS PROPERTIES IN THE COURTS OF ANY JURISDICTION.

(c) WAIVER OF VENUE. EACH OF THE PARTIES TO THIS CREDIT AGREEMENT IRREVOCABLY AND UNCONDITIONALLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY OBJECTION THAT IT MAY NOW OR HEREAFTER HAVE TO THE LAYING OF VENUE OF ANY ACTION OR PROCEEDING ARISING OUT OF OR RELATING TO THIS CREDIT AGREEMENT OR ANY OTHER LOAN DOCUMENT IN ANY COURT REFERRED TO IN PARAGRAPH (B) OF THIS SECTION. EACH OF THE PARTIES HERETO HEREBY IRREVOCABLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, THE DEFENSE OF AN INCONVENIENT FORUM TO THE MAINTENANCE OF SUCH ACTION OR PROCEEDING IN ANY SUCH COURT.

(d) SERVICE OF PROCESS. EACH PARTY HERETO IRREVOCABLY CONSENTS TO SERVICE OF PROCESS IN THE MANNER PROVIDED FOR NOTICES IN SECTION 10.02. NOTHING IN THIS CREDIT AGREEMENT WILL AFFECT THE RIGHT OF ANY PARTY HERETO TO SERVE PROCESS IN ANY OTHER MANNER PERMITTED BY APPLICABLE LAW.

Section 10.14 Waiver of Jury Trial. EACH PARTY HERETO HEREBY IRREVOCABLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN ANY LEGAL PROCEEDING DIRECTLY OR INDIRECTLY ARISING OUT OF OR RELATING TO THIS CREDIT AGREEMENT OR ANY OTHER LOAN DOCUMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY OR THEREBY (WHETHER BASED ON CONTRACT, TORT OR ANY OTHER THEORY). EACH PARTY HERETO (A) CERTIFIES THAT NO REPRESENTATIVE, AGENT OR ATTORNEY OF ANY OTHER PERSON HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PERSON WOULD NOT, IN THE EVENT OF LITIGATION, SEEK TO ENFORCE

THE FOREGOING WAIVER AND (B) ACKNOWLEDGES THAT IT AND THE OTHER PARTIES HERETO HAVE BEEN INDUCED TO ENTER INTO THIS CREDIT AGREEMENT AND THE OTHER LOAN DOCUMENTS BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS SECTION.

Section 10.15 No Advisory or Fiduciary Responsibility. In connection with all aspects of each transaction contemplated hereby, the Company acknowledges and agrees that: (i) the credit facilities provided for hereunder and any related arranging or other services in connection therewith (including in connection with any amendment, waiver or other modification hereof or of any other Loan Document) are an arm's-length commercial transaction between the Company and its Affiliates, on the one hand, and the Administrative Agent, Joint Book Runners and Lenders on the other hand, and the Company is capable of evaluating and understanding and understands and accepts the terms, risks and conditions of the transactions contemplated hereby and by the other Loan Documents (including any amendment, waiver or other modification hereof or thereof); (ii) in connection with the process leading to such transaction, the Administrative Agent, Joint Book Runners and Lenders each are and have been acting solely as a principal and are not the financial advisor, agent or fiduciary, for the Company or any of its Affiliates, stockholders, creditors or employees or any other Person; (iii) neither the Administrative Agent, Joint Book Runners nor any Lender has assumed or will assume an advisory, agency or fiduciary responsibility in favor of the Company with respect to any of the transactions contemplated hereby or the process leading thereto, including with respect to any amendment, waiver or other modification hereof or of any other Loan Document (irrespective of whether the Administrative Agent, Joint Book Runners or any Lender has advised or is currently advising the Company or any of its Affiliates on other matters) and neither the Administrative Agent, Joint Book Runners nor any Lender has any obligation to the Company or any of its Affiliates with respect to the transactions contemplated hereby except those obligations expressly set forth herein and in the other Loan Documents; (iv) the Administrative Agent, Joint Book Runners and Lenders and their respective Affiliates may be engaged in a broad range of transactions that involve interests that differ from those of the Company and its Affiliates, and neither the Administrative Agent, Joint Book Runners nor any Lender has any obligation to disclose any of such interests by virtue of any advisory, agency or fiduciary relationship; and (v) the Administrative Agent, Joint Book Runners and Lenders have not provided and will not provide any legal, accounting, regulatory or tax advice with respect to any of the transactions contemplated hereby (including any amendment, waiver or other modification hereof or of any other Loan Document) and the Company has consulted its own legal, accounting, regulatory and tax advisors to the extent it has deemed appropriate. The Company hereby waives and releases, to the fullest extent permitted by law, any claims that it may have against the Administrative Agent, Joint Book Runners and the Lenders with respect to any breach or alleged breach of agency, advisory or fiduciary duty.

Section 10.16 USA PATRIOT Act Notice. Each Lender that is subject to the Act (as hereinafter defined) and the Administrative Agent (for itself and not on behalf of any Lender) hereby notifies the Company and the Guarantors that pursuant to the requirements of the USA PATRIOT Act (Title III of Pub. L. 107-56 (signed into law October 26, 2001)) (the "Act"), it is required to obtain, verify and record information that identifies each Loan Party, which information includes the name and address of each Loan

Party and other information that will allow such Lender or the Administrative Agent, as applicable, to identify each Loan Party in accordance with the Act. The Company shall, promptly following a request by the Administrative Agent or any Lender, provide all documentation and other information that the Administrative Agent or such Lender requests in order to comply with its ongoing obligations under applicable "know your customer" and anti-money laundering rules and regulations, including the Act.

Section 10.17 Senior Indebtedness. The Obligations shall constitute "Senior Indebtedness" as such term is defined in all debt instruments to which the Company or any Restricted Subsidiary is a party and which contains such a definition.

Section 10.18 Liability of General Partners and Other Persons. No general partner of any Restricted Subsidiary that is a partnership, joint venture or joint adventure shall have any personal liability in respect of such Restricted Subsidiary's obligation under this Credit Agreement or the Notes by reason of his, her or its status as such general partner. In addition, no limited partner, officer, employee, director, stockholder or other holder of an ownership interest of or in the Company or any Restricted Subsidiary or any partnership, corporation or other entity which is a stockholder or other holder of an ownership interest of or in the Company or any Restricted Subsidiary shall have any personal liability in respect of such obligations by reason of his, her or its status as such limited partner, officer, employee, director, stockholder or holder.

Section 10.19 Authorization of Third Parties to Deliver Information and Discuss Affairs. The Company hereby confirms that it has authorized and directed each Person whose preparation or delivery to the Administrative Agent or the Lenders of any opinion, report or other information is a condition or covenant under this Credit Agreement (including under Article V and Article VII) to so prepare or deliver such opinions, reports or other information for the benefit of the Administrative Agent and the Lenders. The Company agrees to confirm such authorizations and directions provided for in this Section 10.19 from time to time as may be requested by the Administrative Agent.

Section 10.20 Treatment of Certain Information; Confidentiality. Each of the Administrative Agent and the Lenders agrees to maintain the confidentiality of the Information (as defined below), except that Information may be disclosed (a) to its Affiliates and to its and its Affiliates' respective partners, directors, officers, employees, agents, advisors and representatives on a need to know basis (it being understood that the Persons to whom such disclosure is made will be informed of the confidential nature of such Information and instructed to keep such Information confidential), (b) to the extent requested by any regulatory authority purporting to have jurisdiction over it (including any self-regulatory authority, such as the National Association of Insurance Commissioners), (c) to the extent required by applicable laws or regulations or by any subpoena or similar legal process, (d) to any other party hereto, (e) in connection with the exercise of any remedies hereunder or under any other Loan Document or any action or proceeding relating to this Credit Agreement or any other Loan Document or the enforcement of rights hereunder or thereunder, (f) subject to an agreement containing provisions substantially the same as those of this Section (other than in the case of a pledge to any Federal Reserve Bank), to (i) any assignee of or Participant in, or any prospective assignee of or Participant in, any of its rights

or obligations under this Credit Agreement, (ii) any pledgee referred to in Section 10.06(f), or (iii) any actual or prospective counterparty (or its advisors) to any swap or derivative transaction relating to the Company and its obligations, (g) with the written consent of the Company or (h) to the extent such Information (i) becomes publicly available other than as a result of a breach of this Section or (ii) becomes available to the Administrative Agent, any Lender or any of their respective Affiliates on a non-confidential basis from a source other than the Company or any other Loan Party.

For purposes of this Section, "Information" means all information received from any Loan Party or any Subsidiary thereof relating to any Loan Party or any Subsidiary thereof or their respective businesses, other than any such information that is available to the Administrative Agent or any Lender on a non-confidential basis prior to disclosure by any Loan Party or any Subsidiary thereof, provided that, in the case of information received from a Loan Party or any such Subsidiary after the Effective Date, such information is not marked "PUBLIC" or otherwise identified at the time of delivery as confidential.

Each of the Administrative Agent and the Lenders acknowledges that (a) the Information may include material non-public information concerning the Company or a Subsidiary, as the case may be, (b) it has developed compliance procedures regarding the use of material non-public information and (c) it will handle such material non-public information in accordance with applicable Law, including Securities Laws.

Section 10.21 No Fiduciary Duty. The Company hereby acknowledges that neither the Administrative Agent nor any Lender has any fiduciary relationship with or fiduciary duty to the Company arising out of or in connection with this Credit Agreement or any of the other Loan Documents, and the relationship between the Administrative Agent and the Lenders, on the one hand, and the Company, on the other hand, in connection herewith or therewith is solely that of debtor and creditor.

Section 10.22 Acknowledgement and Consent to Bail-In of Certain Financial Institutions. Notwithstanding anything to the contrary in any Loan Document or in any other agreement, arrangement or understanding among any such parties, each party hereto acknowledges and accepts that any liability of any Lender under or in connection with this Credit Agreement may be subject to Bail-In Action by the relevant Resolution Authority and acknowledges and accepts to be bound by the effect of:

(a) the application of any Write-Down and Conversion Powers by a Resolution Authority to any such liabilities arising hereunder which may be payable to it by any Lender party hereto that is subject to the Write-Down and Conversion Powers of any Resolution Authority; and

(b) the effects of any Bail-In Action on any such liability, including, if applicable:

(i) a reduction in full or in part or cancellation of any such liability;

(ii) a conversion of all, or a portion of, such liability into shares or other instruments of ownership that may be issued to it or otherwise conferred on it, and that such shares or other instruments of ownership will be accepted by it in lieu of any rights with respect to any such liability under this Credit Agreement or any other Loan Document; or

(iii) the variation of the terms of such liability in connection with the exercise of the Write-Down and Conversion Powers of any Resolution Authority.

Section 10.23 Acknowledgement Regarding any Supported QFCs. To the extent that the Loan Documents provide support, through a guarantee or otherwise, for Secured Hedging Agreements or any other agreement or instrument that is a QFC (such support, "QFC Credit Support" and each such QFC, a "Supported QFC"), the parties acknowledge and agree as follows with respect to the resolution power of the Federal Deposit Insurance Corporation under the Federal Deposit Insurance Act and Title II of the Dodd-Frank Wall Street Reform and Consumer Protection Act (together with the regulations promulgated thereunder, the "U.S. Special Resolution Regimes") in respect of such Supported QFC and QFC Credit Support (with the provisions below applicable notwithstanding that the Loan Documents and any Supported QFC may in fact be stated to be governed by the laws of the State of New York and/or of the United States or any other state of the United States):

In the event a Covered Entity that is party to a Supported QFC (each, a "Covered Party") becomes subject to a proceeding under a U.S. Special Resolution Regime, the transfer of such Supported QFC and the benefit of such QFC Credit Support (and any interest and obligation in or under such Supported QFC and such QFC Credit Support, and any rights in property securing such Supported QFC or such QFC Credit Support) from such Covered Party will be effective to the same extent as the transfer would be effective under the U.S. Special Resolution Regime if the Supported QFC and such QFC Credit Support (and any such interest, obligation and rights in property) were governed by the laws of the United States or a state of the United States. In the event a Covered Party or a BHC Act Affiliate of a Covered Party becomes subject to a proceeding under a U.S. Special Resolution Regime, Default Rights under the Loan Documents that might otherwise apply to such Supported QFC or any QFC Credit Support that may be exercised against such Covered Party are permitted to be exercised to no greater extent than such Default Rights could be exercised under the U.S. Special Resolution Regime if the Supported QFC and the Loan Documents were governed by the laws of the United States or a state of the United States. Without limitation of the foregoing, it is understood and agreed that rights and remedies of the parties with respect to a Defaulting Lender shall in no event affect the rights of any Covered Party with respect to a Supported QFC or any QFC Credit Support.

[SIGNATURE PAGES ~~FOLLOW~~OMITTED]

Exhibit 21.1

Sphere Entertainment Co.
Subsidiaries

ENTITY NAME	STATE/COUNTRY FORMED
Madison Square Garden Investments, LLC	DE
MSG Immersive Ventures, LLC	DE
MSG Las Vegas, LLC	DE
MSG LV Construction, LLC	DE
MSG Networks Inc.	DE
MSG Sphere Studios, LLC	DE
MSG TG, LLC	DE
MSG Ventures Holdings, LLC	DE
MSG Ventures, LLC	DE
MSGN Eden, LLC	DE
MSGN Enterprises, LLC	DE
MSGN Holdings, L.P.	DE
MSGN Interactive, LLC	DE
MSGN Publishing, LLC	DE
MSGN Songs, LLC	DE
Next Unknown, LLC	DE
Overtime Sports, Inc.	DE
Rainbow Garden Corp.	DE
Regional MSGN Holdings LLC	DE
Sphere Entertainment Co.	DE
Sphere Entertainment Group, LLC	DE
SportsChannel Associates	NY
Stratford Garden Development Limited	UK
Stratford Garden Property (UK) Limited	UK
Stratford Garden Property Holdings (UK) Limited	UK
TAO Group Holdings LLC	DE
The 31st Street Company, L.L.C.	DE
Walter Prod Co, LLC	DE

Exhibit 23.1

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We consent to the incorporation by reference in Registration Statement Nos. 333-268682, 333-257817 and 333-237718 on Form S-8 of Sphere Entertainment Co. of our reports dated August 22, 2023, relating to the financial statements of Sphere Entertainment Co. and the effectiveness of Sphere Entertainment Co.'s internal control over financial reporting appearing in this Annual Report on Form 10-K for the year ended June 30, 2023.

/s/ Deloitte & Touche LLP

New York, New York
August 22, 2023

Exhibit 23.2

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We consent to the incorporation by reference in Registration Statement Nos. 333-268682, 333-257817 and 333-237718 on Form S-8 of Sphere Entertainment Co. of our report dated August 18, 2023, relating to the financial statements of Madison Square Garden Entertainment Corp. appearing in the Annual Report on Form 10-K of Sphere Entertainment Co. for the year ended June 30, 2023.

/s/ Deloitte & Touche LLP

New York, New York
August 18, 2023

Exhibit 31.1

Certification

I, James L. Dolan, certify that:

1. I have reviewed this Annual Report on Form 10-K of Sphere Entertainment Co.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: August 22, 2023

/s/ JAMES L. DOLAN

James L. Dolan

Executive Chairman and Chief Executive Officer

Exhibit 31.2

Certification

I, Gautam Ranji, certify that:

1. I have reviewed this Annual Report on Form 10-K of Sphere Entertainment Co.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: August 22, 2023

/s/ GAUTAM RANJI

Gautam Ranji

Executive Vice President, Chief Financial Officer and Treasurer

Exhibit 32.1

Certification

Pursuant to 18 U.S.C. §1350, the undersigned officer of Sphere Entertainment Co. (the "Company"), hereby certifies, to such officer's knowledge, that the Company's Annual Report on Form 10-K for the year ended June 30, 2023 (the "Report") fully complies with the requirements of §13(a) or §15(d), as applicable, of the Securities Exchange Act of 1934 and that the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: August 22, 2023

/s/ JAMES L. DOLAN

James L. Dolan

Executive Chairman and Chief Executive Officer

The foregoing certification is being furnished solely pursuant to 18 U.S.C. §1350 and is not being filed as part of the Report or as a separate disclosure document.

Exhibit 32.2

Certification

Pursuant to 18 U.S.C. §1350, the undersigned officer of Sphere Entertainment Co. (the "Company"), hereby certifies, to such officer's knowledge, that the Company's Annual Report on Form 10-K for the year ended June 30, 2023 (the "Report") fully complies with the requirements of §13(a) or §15(d), as applicable, of the Securities Exchange Act of 1934 and that the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: August 22, 2023

/s/ GAUTAM RANJI

Gautam Ranji

Executive Vice President, Chief Financial Officer and Treasurer

The foregoing certification is being furnished solely pursuant to 18 U.S.C. §1350 and is not being filed as part of the Report or as a separate disclosure document.