

REFINITIV

# DELTA REPORT

## 10-Q

HALL OF FAME RESORT & ENT

10-Q - MARCH 31, 2023 COMPARED TO 10-Q - SEPTEMBER 30, 2022

The following comparison report has been automatically generated

TOTAL DELTAS 2034

■ CHANGES	227
■ DELETIONS	984
■ ADDITIONS	823

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, D.C. 20549  
FORM 10-Q

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934  
For the quarterly period ended **September 30, 2022** **March 31, 2023**

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: 001-38363

**HALL OF FAME RESORT & ENTERTAINMENT COMPANY**  
(Exact name of registrant as specified in its charter)

**Delaware**

**84-3235695**

(State or other jurisdiction of  
incorporation or organization)

(I.R.S. Employer  
Identification No.)

**2626 Fulton Drive NW 2014 Champions Gateway**

**Canton, OH 44718 44708**

(Address of principal executive offices)

**(330) 458-9176 754-3427**

(Registrant's telephone number, including area code)

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

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock, \$0.0001 par value per share	HOFV	Nasdaq Capital Market
Warrants to purchase <b>1,421,333</b> <b>0.064578</b> shares of Common Stock	HOFVW	Nasdaq Capital Market

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 was 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 pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes  No

Indicate by check mark whether the 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 is a shell company (as defined in Rule 12b-2 of the Exchange Act).

Yes  No

As of **November 10, 2022** **May 11, 2023**, there were **121,305,086** **5,657,002** shares of the registrant's Common stock, \$0.0001 par value per share, issued and outstanding.

**HALL OF FAME RESORT & ENTERTAINMENT COMPANY AND SUBSIDIARIES**  
**FORM 10-Q**  
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PART I. FINANCIAL INFORMATION

Item 1. Financial Statements

HALL OF FAME RESORT & ENTERTAINMENT COMPANY AND SUBSIDIARIES  
CONDENSED CONSOLIDATED BALANCE SHEETS

	As of		As of	
	September 30, 2022 (unaudited)	December 31, 2021	March 31, 2023 (unaudited)	December 31, 2022
<b>Assets</b>				
Cash	\$ 15,913,191	\$ 10,282,983	\$ 7,395,025	\$ 26,016,547
Restricted cash	16,689,949	7,105,057	7,305,895	7,499,835
Investments held to maturity			32,307,038	17,033,515
Investments available for sale			4,067,754	4,067,754
Accounts receivable, net	3,569,215	2,367,225	2,699,883	1,811,143
Prepaid expenses and other assets	3,284,943	8,350,604	3,783,582	3,340,342
Property and equipment, net	234,288,152	180,460,562	252,820,233	248,826,853
Right-of-use lease assets	7,607,835	-	7,516,840	7,562,048
Project development costs	139,989,064	128,721,480	143,271,191	140,138,924
<b>Total assets</b>	<b>\$ 421,342,349</b>	<b>\$ 337,287,911</b>	<b>\$ 461,167,441</b>	<b>\$ 456,296,961</b>
<b>Liabilities and stockholders' equity</b>				
<b>Liabilities</b>				
Notes payable, net	\$ 163,669,289	\$ 101,360,196	\$ 191,949,469	\$ 171,315,860
Accounts payable and accrued expenses	23,777,574	12,120,891	16,816,623	17,575,683
Due to affiliate	3,709,773	1,818,955	744,582	855,485
Warrant liability	1,322,000	13,669,000	1,149,000	911,000
Financing liability	14,720,879	-	60,675,230	60,087,907
Derivative liability - interest rate swap	128,000	-	-	-
Derivative liability - interest rate swap			300,000	200,000
Operating lease liability	3,408,892	-	3,417,637	3,413,210
Other liabilities	5,400,574	3,740,625	13,864,128	10,679,704
<b>Total liabilities</b>	<b>216,136,981</b>	<b>132,709,667</b>	<b>288,916,669</b>	<b>265,038,849</b>
<b>Commitments and contingencies (Note 6, 7, 8 and 9)</b>				
<b>Commitments and contingencies (Note 6, 7, and 8)</b>				
<b>Stockholders' equity</b>				
Undesignated preferred stock, \$0.0001 par value; 4,917,000 shares authorized; no shares issued or outstanding at September 30, 2022 and December 31, 2021	-	-	-	-
Series B convertible preferred stock, \$0.0001 par value; 15,200 shares designated; 200 and 15,200 shares issued and outstanding at September 30, 2022 and December 31, 2021, respectively; liquidation preference of \$218,511 as of September 30, 2022	-	2	-	-
Series C convertible preferred stock, \$0.0001 par value; 15,000 shares designated; 15,000 and 0 shares issued and outstanding at September 30, 2022 and December 31, 2021, respectively; liquidation preference of \$15,595,000 as of September 30, 2022	2	-	-	-
Common stock, \$0.0001 par value; 300,000,000 shares authorized; 121,203,324 and 97,563,841 shares issued and outstanding at September 30, 2022 and December 31, 2021, respectively	12,120	9,756	-	-
Undesignated preferred stock, \$0.0001 par value; 4,917,000 shares authorized; no shares issued or outstanding at March 31, 2023 and December 31, 2022			-	-
Series B convertible preferred stock, \$0.0001 par value; 15,200 shares designated; 200 shares issued and outstanding at March 31, 2023 and December 31, 2022; liquidation preference of \$222,011 as of March 31, 2023			-	-
Series C convertible preferred stock, \$0.0001 par value; 15,000 shares designated; 15,000 shares issued and outstanding at March 31, 2023 and December 31, 2022; liquidation preference of \$15,707,500 as of March 31, 2023			2	2
Common stock, \$0.0001 par value; 300,000,000 shares authorized; 5,646,898 and 5,604,869 shares issued and outstanding at March 31, 2023 and December 31, 2022, respectively			565	560
Additional paid-in capital	334,517,827	305,117,091	339,689,495	339,038,466
Accumulated deficit	(128,390,649)	(99,951,839)	(166,508,140)	(146,898,343)
<b>Total equity attributable to HOFRE</b>	<b>206,139,300</b>	<b>205,175,010</b>	<b>173,181,922</b>	<b>192,140,685</b>

Non-controlling interest	(933,932)	(596,766)	(931,150)	(882,573)
<b>Total equity</b>	<b>205,205,368</b>	<b>204,578,244</b>	<b>172,250,772</b>	<b>191,258,112</b>
<b>Total liabilities and stockholders' equity</b>	<b>\$ 421,342,349</b>	<b>\$ 337,287,911</b>	<b>\$ 461,167,441</b>	<b>\$ 456,296,961</b>

**The accompanying notes are an integral part of these unaudited condensed consolidated financial statements.**

**HALL OF FAME RESORT & ENTERTAINMENT COMPANY AND SUBSIDIARIES**  
**CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS**  
(unaudited)

	For the Three Months Ended September 30,		For the Nine Months Ended September 30,		For the Three Months Ended March 31,	
	2022	2021	2022	2021	2023	2022
<b>Revenues</b>						
Sponsorships, net of activation costs	\$ 748,033	\$ 1,554,454	\$ 2,020,095	\$ 4,538,292	\$ 673,475	\$ 819,290
Event, rents and cost recoveries	5,857,467	503,789	6,863,723	607,469	908,312	337,393
Hotel revenues	2,058,687	1,423,713	4,572,428	2,615,273	1,538,646	949,841
Total revenues	8,664,187	3,481,956	13,456,246	7,761,034	3,120,433	2,106,524
<b>Operating expenses</b>						
Operating expenses	13,844,467	8,933,714	28,170,446	21,162,494	13,673,716	7,666,609
Hotel operating expenses	1,809,635	1,524,774	4,278,897	3,887,928	1,459,203	1,153,112
Commission expense	226,031	224,293	882,774	651,543		
Impairment expense	-	1,748,448	-	1,748,448		
Depreciation expense	2,650,719	2,993,583	9,420,585	8,886,650	2,553,360	3,242,285
Total operating expenses	18,530,852	15,424,812	42,752,702	36,337,063	17,686,279	12,062,006
<b>Loss from operations</b>	(9,866,665)	(11,942,856)	(29,296,456)	(28,576,029)	(14,565,846)	(9,955,482)
<b>Other income (expense)</b>						
Interest expense, net	(1,670,377)	(981,945)	(3,805,310)	(2,941,672)	(3,632,637)	(1,213,541)
Amortization of discount on note payable	(1,132,440)	(1,326,620)	(3,610,738)	(3,725,347)	(855,891)	(1,355,974)
Change in fair value of warrant liability	1,838,000	22,469,170	9,011,000	(67,565,942)	(238,000)	4,750,000
Change in fair value of interest rate swap	(128,000)	-	(128,000)	-	(100,000)	-
(Loss) gain on extinguishment of debt	-	-	(148,472)	390,400		
Total other income (expense)	(1,092,817)	20,160,605	1,318,480	(73,842,561)		
Loss on extinguishment of debt					-	(148,472)
Total other (expense) income					(4,826,528)	2,032,013
<b>Net (loss) income</b>	\$ (10,959,482)	\$ 8,217,749	\$ (27,977,976)	\$ (102,418,590)		
<b>Net loss</b>					\$ (19,392,374)	\$ (7,923,469)
Preferred stock dividends	(266,000)	(212,844)	(798,000)	(342,844)	(266,000)	(266,000)
Loss attributable to non-controlling interest	101,202	141,011	337,166	301,221		
Income attributable to non-controlling interest					48,577	77,372
<b>Net (loss) income attributable to HOFRE stockholders</b>	\$ (11,124,280)	\$ 8,145,916	\$ (28,438,810)	\$ (102,460,213)		
<b>Net loss attributable to HOFRE stockholders</b>					\$ (19,609,797)	\$ (8,112,097)
Net (loss) income per share, basic	\$ (0.09)	\$ 0.09	\$ (0.25)	\$ (1.16)		
Net loss per share, basic and diluted					\$ (3.48)	\$ (1.71)
Weighted average shares outstanding, basic	118,437,440	95,044,250	112,327,645	88,382,322		
Net (loss) income per share, diluted	\$ (0.09)	\$ (0.08)	\$ (0.25)	\$ (1.16)		
Weighted average shares outstanding, diluted	118,437,440	102,540,809	112,327,645	88,382,322		
Weighted average shares outstanding, basic and diluted					5,629,086	4,745,022

**The accompanying notes are an integral part of these unaudited condensed consolidated financial statements.**

**HALL OF FAME RESORT & ENTERTAINMENT COMPANY AND SUBSIDIARIES**  
**CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY**  
**FOR THE THREE AND NINE MONTHS ENDED SEPTEMBER 30, MARCH 31, 2023 AND 2022 AND 2021**  
**(unaudited)**

	Series B Convertible Preferred stock		Series C Convertible Preferred stock		Common Stock		Additional Paid-In Capital	Retained Earnings (Accumulated Deficit)	Total Equity Attributable to HOFRE Stockholders	Non- controlling Interest	Total Stockholder' Equity	Series B Convertible Preferred stock		Series C Convertible Preferred stock	
	Shares	Amount	Shares	Amount	Shares	Amount						Shares	Amount	Shares	Amount
<b>Balance as of January 1, 2021</b>	-	\$ -	-	\$ -	64,091,266	\$ 6,410	\$ 172,112,688	\$ (6,840,871)	\$ 165,278,227	\$ (196,506)	\$ 165,081,721				
Stock-based compensation on restricted stock units	-	-	-	-	-	-	1,386,543	-	1,386,543	-	\$ 1,386,543				
February 12, 2021 Capital Raise, net of offering costs	-	-	-	-	12,244,897	1,224	27,560,774	-	27,561,998	-	27,561,998				
February 18, 2021 Overallotment, net of offering costs	-	-	-	-	1,836,734	184	4,184,814	-	4,184,998	-	4,184,998				
Exercise of Warrants	-	-	-	-	16,005,411	1,601	73,570,976	-	73,572,577	-	73,572,577				
Net (loss) income	-	-	-	-	-	-	-	(126,147,182)	(126,147,182)	49,711	(126,097,471)				
<b>Balance as of March 31, 2021</b>	-	\$ -	-	\$ -	94,178,308	\$ 9,419	\$ 278,815,795	\$ (132,988,053)	\$ 145,837,161	\$ (146,795)	\$ 145,690,366				
<b>Balance as of January 1, 2023</b>												200	\$ -	15,000	\$ 2
Stock-based compensation on RSU and restricted stock awards	-	-	-	-	-	-	1,620,149	-	1,620,149	-	1,620,149	-	-	-	-
Issuance of vested RSUs	-	-	-	-	24,028	2	(2)	-	-	-	-				
Exercise of warrants	-	-	-	-	669,732	67	3,116,338	-	3,116,405	-	3,116,405				
Sale of Series B preferred stock and warrants	15,200	2	-	-	-	-	15,199,998	-	15,200,000	-	15,200,000				
Series B preferred stock dividends	-	-	-	-	-	-	-	(130,000)	(130,000)	-	(130,000)				
Net income (loss)	-	-	-	-	-	-	-	15,671,053	15,671,053	(209,921)	15,461,132				
<b>Balance as of June 30, 2021</b>	15,200	\$ 2	-	\$ -	94,872,068	\$ 9,488	\$ 298,752,278	\$ (117,447,000)	\$ 181,314,768	\$ (356,716)	\$ 180,958,052				
Stock-based compensation on RSU and restricted stock awards	-	-	-	-	-	-	1,494,332	-	1,494,332	-	1,494,332				
Stock-based compensation - common stock awards	-	-	-	-	25,000	3	72,497	-	72,500	-	72,500				

Issuance of vested RSUs	-	-	-	-	50,393	5	(5)	-	-	-	-	-	-	-	
Issuance of restricted stock awards	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Vesting of restricted stock units	-	-	-	-	178,801	18	(18)	-	-	-	-	-	-	-	
Exercise of warrants	-	-	-	-	100,000	10	315,150	-	315,160	-	315,160	-	315,160	-	
Series B preferred stock dividends	-	-	-	-	-	-	-	(212,844)	(212,844)	-	(212,844)	-	(212,844)	-	
Net income (loss)	-	-	-	-	-	-	-	8,358,760	8,358,760	(141,011)	8,217,749	-	8,217,749	-	
<b>Balance as of September 30, 2021</b>	<b>15,200</b>	<b>\$ 2</b>	<b>-</b>	<b>\$ -</b>	<b>95,226,262</b>	<b>\$ 9,524</b>	<b>\$ 300,634,234</b>	<b>\$ (109,301,084)</b>	<b>\$ 191,342,676</b>	<b>\$ (497,727)</b>	<b>\$ 190,844,949</b>	-	-	-	
Cancellation of fractional shares	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Preferred stock dividend	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Net loss	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
<b>Balance as of March 31, 2023</b>	<b>200</b>	<b>\$ -</b>	<b>15,000</b>	<b>\$ 2</b>	-	-	-	-	-	-	-	-	-	-	
<b>Balance as of January 1, 2022</b>	<b>15,200</b>	<b>\$ 2</b>	<b>-</b>	<b>\$ -</b>	<b>97,563,841</b>	<b>\$ 9,756</b>	<b>\$ 305,117,091</b>	<b>\$ (99,951,839)</b>	<b>\$ 205,175,010</b>	<b>\$ (596,766)</b>	<b>\$ 204,578,244</b>	<b>15,200</b>	<b>\$ 2</b>	<b>-</b>	<b>\$ -</b>
Stock-based compensation on RSU and restricted stock awards	-	-	-	-	-	-	1,287,695	-	1,287,695	-	1,287,695	-	1,287,695	-	
Stock-based compensation - common stock awards	-	-	-	-	25,000	3	28,497	-	28,500	-	28,500	-	28,500	-	
Issuance of restricted stock awards	-	-	-	-	152,971	15	(15)	-	-	-	-	-	-	-	
Vesting of restricted stock units	-	-	-	-	539,058	54	(54)	-	-	-	-	-	-	-	
Sale of shares under ATM	-	-	-	-	12,581,986	1,258	14,233,674	-	14,234,932	-	14,234,932	-	14,234,932	-	
Shares issued in connection with amendment of notes payable	-	-	-	-	860,000	86	802,975	-	803,061	-	803,061	-	803,061	-	
Warrants issued in connection with amendment of notes payable	-	-	-	-	-	-	1,088,515	-	1,088,515	-	1,088,515	-	1,088,515	-	
Modification of Series C and Series D warrants	-	-	-	-	-	-	3,736,000	-	3,736,000	-	3,736,000	-	3,736,000	-	
Preferred stock dividends	-	-	-	-	-	-	-	(266,000)	(266,000)	-	(266,000)	-	(266,000)	-	



**HALL OF FAME RESORT & ENTERTAINMENT COMPANY AND SUBSIDIARIES**  
**CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS**  
(unaudited)

	For the Nine Months Ended September 30,		For the Three Months Ended March 31,	
	2022	2021	2023	2022
<b>Cash Flows From Operating Activities</b>				
Net loss	\$ (27,977,976)	\$ (102,418,590)	\$ (19,392,374)	\$ (7,923,469)
<b>Adjustments to reconcile net loss to cash flows provided by (used in) operating activities</b>				
<b>Adjustments to reconcile net loss to cash flows used in operating activities</b>				
Depreciation expense	9,420,585	8,886,648	2,553,360	3,242,285
Amortization of note discounts	3,610,738	3,725,349	855,891	1,355,974
Amortization of financing liability			1,681,073	-
Impairment of film costs			1,145,000	-
Interest income on investments held to maturity			(273,523)	-
Interest paid in kind	2,659,044	1,500,382	1,127,491	718,294
Impairment expense	-	1,748,448		
Loss (gain) on extinguishment of debt	148,472	(390,400)	-	148,472
Change in fair value of interest rate swap			100,000	-
Change in fair value of warrant liability	(9,011,000)	67,565,942	238,000	(4,750,000)
Change in fair value of interest rate swap	128,000	-		
Stock-based compensation expense	3,277,879	4,573,524	651,034	1,316,195
Amortization of right of use asset	134,111	-		
Non-cash operating lease expense			128,143	128,976
<b>Changes in operating assets and liabilities:</b>				
Accounts receivable	(1,201,990)	(125,208)	(888,740)	48,782
Prepaid expenses and other assets	719,172	(1,648,247)	(1,588,240)	451,139
Accounts payable and accrued expenses	16,092,721	(2,537,410)	(875,060)	4,588,788
Operating Leases	13,436	-		
Operating leases			(78,508)	(157,549)
Due to affiliates	2,740,818	105,112	(110,903)	1,776,606
Other liabilities	1,659,949	(1,231,141)	3,184,424	1,623,200
<b>Net cash provided by (used in) operating activities</b>	<b>2,413,959</b>	<b>(20,245,591)</b>		
<b>Net cash (used in) provided by operating activities</b>			<b>(11,542,932)</b>	<b>2,567,693</b>
<b>Cash Flows From Investing Activities</b>				
Investments in securities held to maturity			(30,021,129)	-
Proceeds from securities held to maturity			15,021,129	-
Additions to project development costs and property and equipment	(77,862,339)	(42,328,949)	(9,679,007)	(19,739,267)
<b>Net cash used in investing activities</b>	<b>(77,862,339)</b>	<b>(42,328,949)</b>	<b>(24,679,007)</b>	<b>(19,739,267)</b>
<b>Cash Flows From Financing Activities</b>				
Proceeds from notes payable	68,807,100	6,900,000	20,500,000	1,817,603
Repayments of notes payable	(8,238,479)	(25,762,598)	(312,431)	(1,508,437)
Payment of financing costs	(5,447,177)	(515,000)	(1,537,342)	(153,901)
Proceeds from sale of Series B preferred stock and warrants	-	15,200,000		
Proceeds from equity raises	-	31,746,996		
Payment on financing lease			(1,093,750)	-
Proceeds from exercise of warrants	-	23,485,200	-	-
Payment of Series B dividends	(450,000)	(43,333)	(150,000)	(150,000)
Proceeds from failed sale leaseback	15,588,519	-		
Proceeds from sale of common stock under ATM	20,403,517	-	-	12,531,505
<b>Net cash provided by financing activities</b>	<b>90,663,480</b>	<b>51,011,265</b>	<b>17,406,477</b>	<b>12,536,770</b>
<b>Net increase (decrease) in cash and restricted cash</b>	<b>15,215,100</b>	<b>(11,563,275)</b>		
<b>Net decrease in cash and restricted cash</b>			<b>(18,815,462)</b>	<b>(4,634,804)</b>
<b>Cash and restricted cash, beginning of year</b>	<b>17,388,040</b>	<b>40,053,461</b>	<b>33,516,382</b>	<b>17,388,040</b>

<b>Cash and restricted cash, end of period</b>	<u>\$ 32,603,140</u>	<u>\$ 28,490,186</u>	<u>\$ 14,700,920</u>	<u>\$ 12,753,236</u>
Cash	\$ 15,913,191	\$ 13,208,269	\$ 7,395,025	\$ 26,016,547
Restricted Cash	16,689,949	15,281,917	7,305,895	7,499,835
<b>Total cash and restricted cash</b>	<u>\$ 32,603,140</u>	<u>\$ 28,490,186</u>	<u>\$ 14,700,920</u>	<u>\$ 33,516,382</u>

**The accompanying notes are an integral part of these unaudited condensed consolidated financial statements.**

**HALL OF FAME RESORT & ENTERTAINMENT COMPANY AND SUBSIDIARIES**  
**CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS**  
(unaudited)

	For the Nine Months Ended September 30,		For the Three Months Ended March 31,	
	2022	2021	2023	2022
<b>Supplemental disclosure of cash flow information</b>				
Cash paid during the year for interest	\$ 4,466,500	\$ 2,358,770	\$ 2,644,324	\$ 1,961,644
Cash paid for income taxes	\$ -	\$ -	\$ -	\$ -
<b>Non-cash investing and financing activities</b>				
Project development cost acquired through accounts payable and accrued expenses, net	\$ 3,346,580	\$ 239,429	\$ -	\$ 592,232
Settlement of warrant liability	\$ -	\$ 53,518,942		
Amendment of Series C warrant liability for equity classification	\$ 3,336,000	\$ -	\$ -	\$ 3,336,000
Amendment of Series C and D warrants	\$ 400,000	\$ -	\$ -	\$ 400,000
Initial value of right of use asset upon adoption of ASC 842	\$ 7,741,955	\$ -	\$ -	\$ 7,741,955
Accrued Series B preferred stock dividends	\$ 348,000	\$ 299,511	\$ 116,000	\$ 116,000
Amounts due to affiliate exchanged for note payable	\$ 850,000	\$ -		
ATM proceeds receivable			\$ -	\$ 1,703,427
Shares issued in connection with amendment of notes payable	\$ 803,061	\$ -	\$ -	\$ 803,061
Warrants issued in connection with amendment of notes payable	\$ 1,088,515	\$ -	\$ -	\$ 1,088,515
Shares issued in connection with issuance of notes payable	\$ 75,419	\$ -		
Warrants issued in connection with issuance of notes payable	\$ 18,709	\$ -		
Amounts due to affiliate exchanged for notes payable			\$ -	\$ 850,000

**The accompanying notes are an integral part of these unaudited condensed consolidated financial statements.**

Hall of Fame Resort & Entertainment Company and Subsidiaries  
Notes to Condensed Consolidated Financial Statements  
(Unaudited)  
(Unaudited)

Note 1: Organization, and Nature of Business, and Liquidity

Organization and Nature of Business

Hall of Fame Resort & Entertainment Company, a Delaware corporation (together with its subsidiaries, unless the context indicates otherwise, the "Company" or "HOFRE"), was incorporated in Delaware as GPAQ Acquisition Holdings, Inc., a wholly owned subsidiary of our legal predecessor, Gordon Pointe Acquisition Corp. ("GPAQ"), a special purpose acquisition company.

On July 1, 2020, the Company consummated a business combination with HOF Village, LLC, a Delaware limited liability company ("HOF Village"), pursuant to an Agreement and Plan of Merger dated September 16, 2019 (as amended on November 6, 2019, March 10, 2020 and May 22, 2020, the "Merger Agreement"), by and among the Company, GPAQ, GPAQ Acquiror Merger Sub, Inc., a Delaware corporation ("Acquiror Merger Sub"), GPAQ Company Merger Sub, LLC, a Delaware limited liability company ("Company Merger Sub"), HOF Village and HOF Village Newco, LLC, a Delaware limited liability company ("Newco"). The transactions contemplated by the Merger Agreement are referred to as the "Business Combination".

The Company is a resort and entertainment company leveraging the power and popularity of professional football and its legendary players in partnership with the National Football Museum, Inc., doing business as the Pro Football Hall of Fame ("PFHOF"). Headquartered in Canton, Ohio, the Company owns the Hall of Fame Village, powered by Johnson Controls, a multi-use sports, entertainment, and media destination centered around the PFHOF's campus. The Company is pursuing a differentiation strategy across three pillars, including destination-based assets, HOF Village Media Group, LLC ("Hall of Fame Village Media"), and gaming .gaming. The Company is located in the only tourism development district in the state of Ohio.

The Company has entered into several multiple agreements with PFHOF, an affiliate of the Company, and certain government entities, which outline the rights and obligations of each of the parties with regard to the property on which the Hall of Fame Village powered by Johnson Controls sits, portions of which are owned by the Company and portions of which are net leased to the Company by government and quasi-governmental entities (see Note 9 for additional information). Under these agreements, the PFHOF and the lessor entities are entitled to use portions of the Hall of Fame Village powered by Johnson Controls on a direct-cost basis.

COVID-19 Reverse Stock Split

Since 2020, On December 27, 2022, the world has been impacted by the novel coronavirus ("COVID-19") pandemic. The COVID-19 pandemic and measures to prevent Company effectuated a reverse stock split of its spread have impacted the Company's business in shares of common stock at a number ratio of ways, most significantly with regard to 1-for-22. See Note 5, Stockholders' Equity, for additional information. As a reduction in result, the number of events shares and attendance at events at Tom Benson Hall of Fame Stadium and ForeverLawn Sports Complex, which has also negatively impacted income (loss) per share disclosed throughout this Quarterly Report on Form 10-Q have been retrospectively adjusted to reflect the Company's ability to sell sponsorships. Further, the COVID-19 pandemic has caused a number of supply chain disruptions, which have negatively impacted the Company's ability to obtain the materials needed to complete construction as well as increases in the costs of materials and labor. The continued impact of these disruptions and the ultimate extent of their adverse impact on the Company's financial and operating results will continue to be dictated by the length of time that such disruptions continue, which will, in turn, depend on the currently unpredictable duration and severity of the impacts of the COVID-19 pandemic, and among other things, the impact of governmental actions imposed in response to the COVID-19 pandemic as well as individuals' and companies' risk tolerance regarding health matters going forward and developing strain mutations.reverse stock split.

Hall of Fame Resort & Entertainment Company and Subsidiaries  
Notes to Condensed Consolidated Financial Statements  
(Unaudited)  
(Unaudited)

Note 1: Organization, and Nature of Business, and Liquidity (continued)

Liquidity and Going Concern

The Company has sustained recurring losses through September 30, 2022 March 31, 2023. Since inception, the Company's operations have been funded principally through the issuance of debt and equity. As of September 30, 2022 March 31, 2023, the Company had approximately \$16 million \$7.4 million of unrestricted cash, and cash equivalents and \$16.7 million \$7.3 million of restricted cash, cash, and \$32.3 million of liquid investments held to maturity, consisting primarily of U.S. treasury securities. The Company has approximately \$18.7 million \$58.6 million of debt principal coming due through December 31, 2023 May 15, 2024. For a fee of one percent of the principal, the Company may extend the maturity of up to \$41.6 million principal of debt until March 31, 2025. These factors raise substantial doubt about the Company's ability to continue operations as a going concern.

On March 1, 2022, The Company has entered into the Company and ErieBank agreed to extend following two financing transactions during the MKG DoubleTree Loan (as defined in Note 4) in principal amount of \$15,300,000 to September 13, 2023 three months ended March 31, 2023. See Note 4 Notes Payable, for more information on this transaction. these transactions.

On March 1, 2022, In January 2023, the Company executed a series of transactions with affiliates of Industrial Realty Group, LLC, a Nevada limited liability company that is controlled by the Company's director Stuart Lichter ("IRG"), and JKP Financial LLC ("JKP"), whereby the IRG affiliates and JKP extended certain sold 2,400 shares of the Company's debt in 7.00% Series A Cumulative Redeemable Preferred Stock, par value \$0.0001 per share for an aggregate principal amount purchase price of \$22,853,831 to March 31, 2024. See Note 4, Notes Payable, for more information on this transaction.

On June 16, 2022, the Company entered into a loan agreement with CH Capital Lending LLC, which is an affiliate of the Company's director Stuart Lichter ("CH Capital Lending"), whereby CH Capital Lending agreed to lend the Company \$10,500,000.

On June 16, 2022, the Company entered into a loan agreement with Stark Community Foundation, whereby Stark Community Foundation agreed to lend to the Company \$5,000,000. Through September 30, 2022, the total of \$5,000,000 has been provided to the Company. See Stark Community Foundation Loan under Note 4, Notes Payable, for more information on this transaction.

On July 1, 2022, the Company entered into an Energy Project Cooperative Agreement (the "EPC Agreement") with Canton Regional Energy Special Improvement District, Inc., SPH Canton St, LLC, an affiliate of Stonehill Strategic Capital, LLC and City of Canton, Ohio. Under the EPC Agreement, the Company was provided \$33,387,844 in Property Assessed Clean Energy ("PACE") financing.

On August 31, 2022, the Company entered into a Business Loan Agreement (the "Business Loan Agreement") with Stark County Port Authority ("Stark Port Authority"), pursuant to which the Company borrowed \$5,000,000 (the "SCPA Loan").

On September 15, 2022, the Company entered into a Business Loan Agreement with the City of Canton, Ohio ("City of Canton"), pursuant to which the Company borrowed \$5,000,000 (the "Canton Loan").

**Hall of Fame Resort & Entertainment Company and Subsidiaries**  
**Notes to Condensed Consolidated Financial Statements**  
**(Unaudited)**

**Note 1: Organization and Nature of Business (continued)**

Liquidity

On September 27, 2022, the Company entered into a loan agreement with The Huntington National Bank, pursuant to which the lender agreed to loan up to \$10,000,000 to the Subsidiary Borrowers, which may be drawn upon the Project achieving certain debt service coverage ratios. To date the Company has not received any funding from this loan agreement.

On September 27, 2022, the Company received approximately \$14.7 million in proceeds from a failed sale-leaseback, net of financing costs and amounts held by the Landlord for future debt service. The Company recorded this transaction as a financing liability on the accompanying consolidated balance sheet. See Note 12.

On October 19, 2022, HOF Village Center for Performance, LLC and HOF Village Newco, LLC, subsidiaries of the Company, entered an Ohio Enterprise Bond Fund transaction ("OEBF") with the State of Ohio and Stark County Port Authority. The OEBF issued \$7,500,000 of Series 2022-3 bonds, the proceeds of which were loaned to the Stark County Port Authority and used to purchase Series 2022A bonds. \$2,400,000.

On **November 7, 2022** February 2, 2023, the Company received approximately \$49 million in net proceeds from the issuance by Stark County Port Authority of \$18,100,000 principal amount Tax Increment Financing Revenue Bonds, Series 2023.

Following the end of the quarter covered by this Quarterly Report on Form 10-Q, on May 2, 2023, the Company issued 800 shares of the Company's 7.00% Series A Cumulated Redeemable Preferred Stock at a failed sale-leaseback, net price of financing costs. See \$1,000 per share for an aggregate purchase price of \$800,000. (See Note 13 Subsequent Events, for more information on this transaction. Events)

The Company believes that, as a result of the Company's demonstrated historical ability to finance and refinance debt, the transactions described above and its current ongoing negotiations, it will have sufficient cash and future financing to meet its funding requirements over the next 12 months from the issuance of these unaudited condensed consolidated financial statements. Notwithstanding, the Company expects that it will need to raise additional financing to accomplish its development plan over the next several years. The Company is seeking to obtain additional funding through debt, construction lending, and equity financing. There are no assurances that the Company will be able to raise capital on terms acceptable to the Company or at all, or that cash flows generated from its operations will be sufficient to meet its current operating costs. If the Company is unable to obtain sufficient amounts of additional capital, it may be required to reduce the scope of its planned development, which could harm its financial condition and operating results, or it may not be able to continue to fund its ongoing operations. If management is unable to execute its planned debt and equity financing initiatives, these conditions raise substantial doubt about the Company's ability to continue as a going concern to sustain operations for at least one year from the issuance of these condensed consolidated financial statements. The accompanying condensed consolidated financial statements do not include any adjustments that might result from the outcome of these uncertainties.

Hall of Fame Resort & Entertainment Company and Subsidiaries  
Notes to Condensed Consolidated Financial Statements  
(Unaudited)  
(Unaudited)

Note 2: Summary of Significant Accounting Policies

Basis of Presentation

The accompanying unaudited condensed consolidated financial statements of the Company have been prepared in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP") for interim financial information and Rule 10 of Regulation S-X under the Securities Act of 1933, as amended (the "Securities Act"). Accordingly, they do not include all of the information and notes required by U.S. GAAP. However, in the opinion of the management of the Company, all adjustments necessary for a fair presentation of the financial position and operating results have been included in these statements. These unaudited condensed consolidated financial statements should be read in conjunction with the consolidated financial statements and notes thereto included in the Company's Form 10-K for the year ended December 31, 2021 December 31, 2022, filed on March 14, 2022 March 27, 2023. Operating results for the three and nine months ended September 30, 2022 March 31, 2023 are not necessarily indicative of the results that may be expected for any subsequent quarters or for the year ending December 31, 2022 December 31, 2023.

Consolidation

The unaudited condensed consolidated financial statements include the accounts and activity of the Company and its wholly owned subsidiaries. Investments in a variable interest entity in which the Company is not the primary beneficiary, or where the Company does not own a majority interest but has the ability to exercise significant influence over operating and financial policies, are accounted for using the equity method. All intercompany profits, transactions, and balances have been eliminated in consolidation.

The Company owns a 60% interest in Mountaineer GM, LLC ("Mountaineer"), whose results are consolidated into the Company's results of operations. The portion of Mountaineer's net income (loss) that is not attributable to the Company is included in non-controlling interest.

Reclassification

Certain financial statement line items of the Company's historical presentation have been reclassified to conform to the corresponding financial statement line items in 2023. These reclassifications have no material impact on the historical operating loss, net loss, total assets, total liabilities, or Stockholders' equity previously reported.

Hall of Fame Resort & Entertainment Company and Subsidiaries  
Notes to Condensed Consolidated Financial Statements  
(Unaudited)  
(Unaudited)

Note 2: Summary of Significant Accounting Policies (continued)

Emerging Growth Company

The Company is an "emerging growth company," as defined in Section 2(a) of the Securities Act, as modified by the Jumpstart Our Business Startups Act of 2012 (the "JOBS Act"). It may take advantage of certain exemptions from various reporting requirements that are applicable to other public companies that are not emerging growth companies including, but not limited to, not being required to comply with the auditor attestation requirements of Section 404 of the Sarbanes-Oxley Act, reduced disclosure obligations regarding executive compensation in its periodic reports and proxy statements, and exemptions from the requirements of holding a nonbinding advisory vote on executive compensation and stockholder approval of any golden parachute payments not previously approved. The Company will cease to be an emerging growth company on **January 30, 2023** **December 31, 2023**.

Further, Section 102(b)(1) of the JOBS Act exempts emerging growth companies from being required to comply with new or revised financial accounting standards until private companies (that is, those that have not had a Securities Act registration statement declared effective or do not have a class of securities registered under the Securities Exchange Act of 1934, as amended) are required to comply with the new or revised financial accounting standards. The JOBS Act provides that a company can elect to opt out of the extended transition period and comply with the requirements that apply to non-emerging growth companies, but any such election to opt out is irrevocable. The Company has elected not to opt out of such an extended transition period which means that when a standard is issued or revised and it has different application dates for public or private companies, the Company, as an emerging growth company, can adopt the new or revised standard at the time private companies adopt the new or revised standard. This may make comparison of the Company's financial statements with another public company which is neither an emerging growth company nor an emerging growth company which has opted out of using the extended transition period difficult or impossible because of the potential differences in accounting standards used.

Use of Estimates

The preparation of the unaudited condensed consolidated financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the condensed consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. The most significant estimates and assumptions for the Company relate to bad debt, depreciation, costs capitalized to project development costs, useful lives of **long-lived assets**, **potential impairment**, **accounting for debt modifications and extinguishments**, **evaluating the Company's sale-leaseback transactions**, stock-based compensation, and fair value of financial instruments (including the fair value of the Company's warrant liability). Management adjusts such estimates when facts and circumstances dictate. Actual results could differ from those estimates.

Hall of Fame Resort & Entertainment Company and Subsidiaries  
Notes to Condensed Consolidated Financial Statements  
(Unaudited)  
(Unaudited)

Note 2: Summary of Significant Accounting Policies (continued)

Warrant Liability

The Company accounts for warrants for shares of the Company's common stock, par value \$0.0001 per share ("Common Stock") that are not indexed to its own stock as liabilities at fair value on the balance sheet under U.S. GAAP. Such warrants are subject to remeasurement at each balance sheet date and any change in fair value is recognized as a component of other expense on the statement statements of operations. The Company will continue to adjust the liability for changes in fair value until the earlier of the exercise or expiration of such Common Stock warrants. At that time, the portion of the warrant liability related to such Common Stock warrants will be reclassified to additional paid-in capital.

Cash and Restricted Cash

The Company considers all highly liquid investments with an original maturity of three months or less when purchased, to be cash equivalents. There were no cash equivalents as of September 30, 2022 March 31, 2023 and December 31, 2021 December 31, 2022, respectively. The Company maintains its cash and escrow accounts at national financial institutions. The balances, at times, may exceed federally insured limits.

Restricted cash includes escrow reserve accounts for capital improvements and debt service as required under certain of the Company's debt agreements. The balances as of September 30, 2022 March 31, 2023 and December 31, 2021 December 31, 2022 were \$16,689,949 \$7,305,895 and \$7,105,057, \$7,499,835, respectively.

Accounts ReceivableInvestments

The Company from time to time invests in debt and equity securities, including companies engaged in complementary businesses. All marketable equity and debt securities held by the Company are accounted for under ASC Topic 320, "Investments - Debt and Equity Securities." As of March 31, 2023 and December 31, 2022, the Company held \$32,307,038 and \$17,033,515, respectively in securities to be held to maturity consisting of U.S government securities carried at amortized cost. The Company recognizes interest income on these securities ratably over their term utilizing the interest method.

As of March 31, 2023 and December 31, 2022, the Company also had \$4,067,754 and \$4,067,754, respectively in securities available for sale, which are marked to market value at each reporting period.

**Hall of Fame Resort & Entertainment Company and Subsidiaries**  
**Notes to Condensed Consolidated Financial Statements**  
**(Unaudited)**

**Note 2: Summary of Significant Accounting Policies (continued)**

Accounts Receivable

Accounts receivable are generally amounts due under sponsorship and other agreements. Accounts receivable are reviewed for delinquencies on a case-by-case basis and are considered delinquent when the sponsor or debtor has missed a scheduled payment. Interest is not charged on delinquencies. The carrying amount of accounts receivable is reduced by an allowance that reflects management's best estimate of the amounts that will not be collected. Management individually reviews all delinquent accounts receivable balances and based on an assessment of current creditworthiness, estimates the portion, if any, of the balance that will not be collected. As of **September 30, 2022**, **March 31, 2023** and **December 31, 2021**, **December 31, 2022**, the Company has recorded an allowance for doubtful accounts of **\$3,312,500**, **\$6,761,975** and **\$0**, **\$5,575,700**, respectively.

Deferred Financing Costs

Costs incurred in obtaining financing are capitalized and amortized to additions in project development costs during the construction period over the term of the related loans, without regard for any extension options until the project or portion thereof is considered substantially complete. Upon substantial completion of the project or portion thereof, such costs are amortized as interest expense over the term of the related loan. Any unamortized costs are shown as an offset to "Notes Payable, net" on the accompanying condensed consolidated balance sheets. Upon an extinguishment of debt (or a modification that is treated as an extinguishment), the remaining deferred financing costs are expensed against "Loss on Extinguishment of Debt".

Hall of Fame Resort & Entertainment Company and Subsidiaries  
Notes to Condensed Consolidated Financial Statements  
(Unaudited)  
(Unaudited)

Note 2: Summary of Significant Accounting Policies (continued)

Revenue Recognition

The Company follows the Financial Accounting Standards Board's ("FASB") Accounting Standards Codification ("ASC") 606, *Revenue with Contracts with Customers*, to properly recognize revenue. Under ASC 606, revenue is recognized when a customer obtains control of promised goods or services, in an amount that reflects the consideration which the entity expects to receive in exchange for those goods or services. To determine revenue recognition for arrangements that an entity determines are within the scope of ASC 606, the Company performs the following five steps: (i) identify the contract(s) with a customer; (ii) identify the performance obligations in the contract; (iii) determine the transaction price; (iv) allocate the transaction price to the performance obligations in the contract; and (v) recognize revenue when (or as) the entity satisfies a performance obligation.

The Company generates revenues from various streams such as sponsorship agreements, rents, cost recoveries, events, and hotel operation, Hall of Fantasy League, and through the sale of non-fungible tokens. operation. The sponsorship arrangements, in which the customer sponsors a play area or event and receives specified brand recognition and other benefits over a set period of time, recognize revenue on a straight-line basis over the time period specified in the contract. The excess of amounts contractually due over the amounts of sponsorship revenue recognized are included in other liabilities on the accompanying condensed consolidated balance sheets. Contractually due but unpaid sponsorship revenue are included in accounts receivable on the accompanying condensed consolidated balance sheet. sheets. Refer to Note 6 for more details. Revenue for rents, cost recoveries, and events are recognized at the time the respective event or service has been performed. Rental revenue for long term leases is recorded on a straight-line basis over the term of the lease beginning on the commencement date.

A performance obligation is a promise in a contract to transfer a distinct good or service to a customer. If the contract does not specify the revenue by performance obligation, the Company allocates the transaction price to each performance obligation based on its relative standalone selling price. Such prices are generally determined using prices charged to customers or using the Company's expected cost plus margin. Revenue is recognized as the Company's performance obligations are satisfied. If consideration is received in advance of the Company's performance, including amounts which are refundable, recognition of revenue is deferred until the performance obligation is satisfied or amounts are no longer refundable.

The Company's owned hotel revenues primarily consist of hotel room sales, revenue from accommodations sold in conjunction with other services (e.g., package reservations), food and beverage sales, and other ancillary goods and services (e.g., parking) related to owned hotel properties. Revenue is recognized when rooms are occupied or goods and services have been delivered or rendered, respectively. Payment terms typically align with when the goods and services are provided. Although the transaction prices of hotel room sales, goods, and other services are generally fixed and based on the respective room reservation or other agreement, an estimate to reduce the transaction price is required if a discount is expected to be provided to the customer. For package reservations, the transaction price is allocated to the performance obligations within the package based on the estimated standalone selling price of each component.

Hall of Fame Resort & Entertainment Company and Subsidiaries  
Notes to Condensed Consolidated Financial Statements  
(Unaudited)  
(Unaudited)

Note 2: Summary of Significant Accounting Policies (continued)

Income Taxes

The Company utilizes an asset and liability approach for financial accounting and reporting for income taxes. The provision for income taxes is based upon income or loss after adjustment for those permanent items that are not considered in the determination of taxable income. Deferred income taxes represent the tax effects of differences between the financial reporting and tax basis of the Company's assets and liabilities at the enacted tax rates in effect for the years in which the differences are expected to reverse.

The Company evaluates the recoverability of deferred tax assets and establishes a valuation allowance when it is more likely than not that some portion or all the deferred tax assets will not be realized. Management makes judgments as to the interpretation of the tax laws that might be challenged upon an audit and cause changes to previous estimates of tax liability. In management's opinion, adequate provisions for income taxes have been made. If actual taxable income by tax jurisdiction varies from estimates, additional allowances or reversals of reserves may be necessary.

Tax benefits are recognized only for tax positions that are more likely than not to be sustained upon examination by tax authorities. The amount recognized is measured as the largest amount of benefit that is greater than 50 percent likely to be realized upon settlement. A liability for "unrecognized tax benefits" is recorded for any tax benefits claimed in the Company's tax returns that do not meet these recognition and measurement standards. As of September 30, 2022, March 31, 2023 and December 31, 2021, December 31, 2022, no liability for unrecognized tax benefits was required to be reported.

The Company's policy for recording interest and penalties associated with tax audits is to record such items as a component of general and administrative expense, operating expenses on the Company's condensed consolidated statements of operations. There were no amounts incurred for penalties and interest during for the three or nine months ended September 30, 2022, March 31, 2023 and 2021, 2022. The Company does not expect its uncertain tax position to change during the next twelve months. Management is currently unaware of any issues under review that could result in significant payments, accruals or material deviations from its position. The Company's effective tax rates of zero differ from the statutory rate for the years presented primarily due to the Company's net operating loss, which was fully reserved for all years presented.

The Company has identified its United States tax return and its state tax return in Ohio as its "major" tax jurisdictions, and such returns for the years 2018, 2019 through 2021, 2022 remain subject to examination.

Advertising

The Company expenses all advertising and marketing costs as they are incurred and records them as "Operating expenses" on the Company's condensed consolidated statements of operations. Total advertising and marketing costs for the three months ended September 30, 2022 and 2021 were \$152,233 and \$125,042, respectively and for the nine months ended September 30, 2022 and 2021 were \$551,579 and 472,916, respectively.

Hall of Fame Resort & Entertainment Company and Subsidiaries  
Notes to Condensed Consolidated Financial Statements  
(Unaudited)  
(Unaudited)

Note 2: Summary of Significant Accounting Policies (continued)

**Software Development Costs**

The Company recognizes all costs incurred to establish technological feasibility of a computer software product to be sold, leased, or otherwise marketed as research and development costs. Prior to the point of reaching technological feasibility, all costs shall be expensed when incurred. Once the development of the product establishes technological feasibility, the Company will begin capitalizing these costs. Management exercises its judgement in determining when technological feasibility is established based on when a product design and working model have been completed and the completeness of the working model and its consistency with the product design have been confirmed through testing.

**Film and Media Costs**

The Company capitalizes all costs to develop films and related media as an asset, included in "project development costs" on the Company's condensed consolidated balance sheet. The costs for each film or media will be expensed over the expected release period. During the three months ended March 31, 2023 the Company recorded \$1,305,000 in film and media costs, including impairment of \$1,145,000, as the Company does not anticipate recovering these costs. The impairment in Film and Media Costs is included in operating expenses on the Company's condensed consolidated statements of operations.

**Interest Rate Swap Accounting for Real Estate Investments**

To estimate fair value Upon the acquisition of real estate properties, a determination is made as to whether the acquisition meets the criteria to be accounted for as an asset or business combination. The determination is primarily based on whether the Company's interest rate swap agreements, assets acquired and liabilities assumed meet the Company utilizes definition of a present value business. The determination of future cash flows, leveraging whether the assets acquired and liabilities assumed meet the definition of a model-derived valuation that uses Level 2 observable inputs such as interest rate yield curves. The changes in business include a single or similar asset threshold. In applying the single or similar asset threshold, if substantially all the fair value of the Company's interest rate swap gross assets acquired is recorded within other income concentrated in a single identifiable asset or group of similar identifiable assets, the assets acquired and expense on liabilities assumed are not considered a business. Most of the Company's statement acquisitions meet the single or similar asset threshold due to the fact that substantially all the fair value of operations, the gross assets acquired is attributable to the real estate acquired.

Acquired real estate properties accounted for as asset acquisitions are recorded at cost, including acquisition and closing costs. The Company allocates the cost of real estate properties to the tangible and intangible assets and liabilities acquired based on their estimated relative fair values. The Company determines the fair value of tangible assets, such as land, building, furniture, fixtures, and equipment, using a combination of internal valuation techniques that consider comparable market transactions, replacement costs, and other available information and fair value estimates provided by third-party valuation specialists, depending upon the circumstances of the acquisition. The Company determines the fair value of identified intangible assets or liabilities, which typically relate to in-place leases, using a combination of internal valuation techniques that consider the terms of the in-place leases, current market data for comparable leases, and fair value estimates provided by third-party valuation specialists, depending upon the circumstances of the acquisition.

If a transaction is determined to be a business combination, the assets acquired, liabilities assumed, and any identified intangibles are recorded at their estimated fair values on the transaction date, and transaction costs are expensed in the period incurred.

**Hall of Fame Resort & Entertainment Company and Subsidiaries**  
**Notes to Condensed Consolidated Financial Statements**  
**(Unaudited)**

**Note 2: Summary of Significant Accounting Policies (continued)**

Fair Value Measurement

The Company follows FASB's ASC 820-10, *Fair Value Measurement*, to measure the fair value of its financial instruments and non-financial instruments and to incorporate disclosures about fair value of its financial instruments. ASC 820-10 establishes a framework for measuring fair value and expands disclosures about fair value measurements. To increase consistency and comparability in fair value measurements and related disclosures, ASC 820-10 establishes a fair value hierarchy which prioritizes the inputs to valuation techniques used to measure fair value into three broad levels.

**Hall of Fame Resort & Entertainment Company and Subsidiaries**  
**Notes to Condensed Consolidated Financial Statements**  
**(Unaudited)**

**Note 2: Summary of Significant Accounting Policies (continued)**

**Fair Value Measurement (continued)**

**The three levels of fair value hierarchy defined by ASC 820-10-20 are described below:**

*Level 1* Quoted market prices available in active markets for identical assets or liabilities as of the reporting date.

*Level 2* Pricing inputs other than quoted prices in active markets included in Level 1, which are either directly or indirectly observable as of the reporting date.

*Level 3* Pricing inputs that are generally unobservable inputs and not corroborated by market data.

**Financial assets or liabilities are considered Level 3 when their fair values are determined using pricing models, discounted cash flow methodologies, or similar techniques and at least one significant model assumption or input is unobservable.**

**The fair value hierarchy gives the highest priority to quoted prices (unadjusted) in active markets for identical assets or liabilities and the lowest priority to unobservable inputs. If the inputs used to measure the financial assets and liabilities fall within more than one level described above, the categorization is based on the lowest level input that is significant to the fair value measurement of the instrument.**

**The carrying amounts of the Company's financial assets and liabilities, such as cash, prepaid expenses and other current assets, accounts payable, and accrued expenses approximate their fair values due to the short-term nature of these instruments. The carrying amount of the Company's notes payable is considered to approximate their fair value based on the borrowing rates currently available to the Company for loans with similar terms and maturities.**

**Hall of Fame Resort & Entertainment Company and Subsidiaries**  
**Notes to Condensed Consolidated Financial Statements**  
(Unaudited)

**Note 2: Summary of Significant Accounting Policies (continued)**

**Fair Value Measurement (continued)**

The Company uses Levels 1 and 3 of the fair value hierarchy to measure the fair value of its warrant liabilities, liabilities, investments available for sale and interest rate swaps. The Company revalues such liabilities its financial instruments at every reporting period and period. The Company recognizes gains or losses on the change in fair value of the warrant liabilities as "change in fair value of warrant liabilities" liability" in the condensed consolidated statements of operations. The Company recognizes gains or losses on the change in fair value of the interest rate swap as "change in fair value of interest rate swap" in the condensed consolidated statements of operations.

The following table provides the financial liabilities measured on a recurring basis and reported at fair value on the balance sheet sheets as of September 30, 2022 March 31, 2023 and December 31, 2021 December 31, 2022 and indicates the fair value hierarchy of the valuation inputs the Company utilized to determine such fair value:

	Level	September 30, 2022	December 31, 2021
Warrant liabilities – Public Series A Warrants	1	\$ 955,000	\$ 4,617,000
Warrant liabilities – Private Series A Warrants	3	10,000	110,000
Warrant liabilities – Series B Warrants	3	357,000	2,416,000
Warrant liabilities – Series C Warrants	3	-	6,526,000
Fair value of aggregate warrant liabilities		<u>\$ 1,322,000</u>	<u>\$ 13,669,000</u>
Fair value of interest rate swap liability	2	<u>\$ 128,000</u>	<u>\$ -</u>

	Level	March 31, 2023	December 31, 2022
Warrant liabilities – Public Series A Warrants	1	\$ 1,059,000	\$ 748,000
Warrant liabilities – Private Series A Warrants	3	-	-
Warrant liabilities – Series B Warrants	3	90,000	163,000
Fair value of aggregate warrant liabilities		<u>\$ 1,149,000</u>	<u>\$ 911,000</u>
Fair value of interest rate swap liability	2	<u>\$ 300,000</u>	<u>\$ 200,000</u>
Investments available for sale	3	<u>\$ 4,067,754</u>	<u>\$ 4,067,754</u>

**Hall of Fame Resort & Entertainment Company and Subsidiaries**  
**Notes to Condensed Consolidated Financial Statements**  
**(Unaudited)**

**Note 2: Summary of Significant Accounting Policies (continued)**

Fair Value Measurement (continued)

The Series A Warrants issued to the previous shareholders of GPAQ (the “Public Series A Warrants”) are classified as Level 1 due to the use of an observable market quote in the active market. Level 3 financial liabilities consist of the Series A Warrants issued to the sponsors of GPAQ (the “Private Series A Warrants”), and the Series B Warrants issued in the Company’s November 2020 follow-on public offering, and the Series C Warrants issued in the Company’s December 2020 private placement (“Series C Warrants”), for which there is no current market for these securities, and the determination of fair value requires significant judgment or estimation. Changes in fair value measurement categorized within Level 3 of the fair value hierarchy are analyzed each period based on changes in estimates or assumptions and recorded appropriately.

Hall of Fame Resort & Entertainment Company and Subsidiaries  
Notes to Condensed Consolidated Financial Statements  
(Unaudited)

Note 2: Summary of Significant Accounting Policies (continued)

Fair Value Measurement (continued)

**Subsequent measurement**

The following table presents the changes in fair value of the warrant liabilities:

	Public Series A Warrants	Private Series A Warrants	Series B Warrants	Series C Warrants	Total Warrant Liability
Fair value as of December 31, 2021	\$ 4,617,000	\$ 110,000	\$ 2,416,000	\$ 6,526,000	\$ 13,669,000
Amendment of warrants to equity classification	-	-	-	(3,336,000)	(3,336,000)
Change in fair value	(3,662,000)	(100,000)	(2,059,000)	(3,190,000)	(9,011,000)
Fair value as of September 30, 2022	<u>\$ 955,000</u>	<u>\$ 10,000</u>	<u>\$ 357,000</u>	<u>\$ -</u>	<u>\$ 1,322,000</u>

	Public Series A Warrants	Private Series A Warrants	Series B Warrants	Total Warrant Liability
Fair value as of December 31, 2022	\$ 748,000	\$ -	\$ 163,000	\$ 911,000
Change in fair value	311,000	-	(73,000)	238,000
Fair value as of March 31, 2023	<u>\$ 1,059,000</u>	<u>\$ -</u>	<u>\$ 90,000</u>	<u>\$ 1,149,000</u>

On March 1, 2022, the Company and CH Capital Lending amended the Series C Warrants. The Amended and Restated Series C Warrants extend the term of the Series C Warrants to March 1, 2027. The exercise price of \$1.40 per share was not modified, but the amendments subject the exercise price to a weighted-average antidilution adjustment. The amendments also remove certain provisions that previously caused the Series C Warrants to be accounted for as a liability.

**Hall of Fame Resort & Entertainment Company and Subsidiaries**  
**Notes to Condensed Consolidated Financial Statements**  
**(Unaudited)**

**Note 2: Summary of Significant Accounting Policies (continued)**

Fair Value Measurement (continued)

**Subsequent measurement (continued)**

The key inputs into the Black Scholes valuation model for the Level 3 valuations as of **September 30, 2022**, March 31, 2023 and **December 31, 2021**, December 31, 2022 are as follows:

	September 30, 2022		March 1, 2022	December 31, 2021			March 31, 2023		December 31, 2022	
	Private Series A Warrants	Series B Warrants	Series C Warrants	Private Series A Warrants	Series B Warrants	Series C Warrants	Private Series A Warrants	Series B Warrants	Private Series A Warrants	Series B Warrants
Term (years)	2.8	3.1	3.8	3.5	3.9	4.0	2.3	2.6	2.5	2.9
Stock price	\$ 0.55	\$ 0.55	\$ 1.01	\$ 1.52	\$ 1.52	\$ 1.52	\$ 9.15	\$ 9.15	\$ 8.06	\$ 8.06
Exercise price	\$ 11.50	\$ 1.40	\$ 1.40	\$ 11.50	\$ 1.40	\$ 1.40	\$ 253.11	\$ 30.81	\$ 253.11	\$ 30.81
Dividend yield	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Expected volatility	59.01%	57.33%	54.7%	50.6%	50.6%	50.6%	49.60%	51.36%	52.27%	63.86%
Risk free interest rate	4.25%	4.25%	1.5%	1.3%	1.3%	1.3%	3.81%	3.81%	4.22%	4.22%
Number of shares	2,103,573	3,760,570	10,036,925	2,103,573	3,760,570	10,036,925	95,576	170,862	95,576	170,862
Value (per share)	\$ 0.002	\$ 0.09	\$ 0.33	\$ 0.05	\$ 0.64	\$ 0.65				

The valuation of the investments available for sale were based on sales of similar equity instruments in the time periods near to the measurement dates.

**Hall of Fame Resort & Entertainment Company and Subsidiaries**  
**Notes to Condensed Consolidated Financial Statements**  
**(Unaudited)**  
(Unaudited)

**Note 2: Summary of Significant Accounting Policies (continued)**

Net Income (Loss) Loss Per Common Share

Basic net income (loss) loss per common share is computed by dividing net income (loss) loss by the weighted average number of common shares outstanding during the periods. Diluted net income (loss) loss per share is computed by dividing the net loss by the weighted average number of common shares outstanding during the period. The Company's potentially dilutive common stock equivalent shares, which include incremental common shares issuable upon (i) the exercise of outstanding stock options and warrants, (ii) vesting of restricted stock units and restricted stock awards, and (iii) conversion of preferred stock, are only included in the calculation of diluted net loss per share when their effect is dilutive.

For the three months ended September 30, 2021, the Company calculated net income per share, diluted, as follows:

	For the Three Months Ended September 30, 2021
Numerator for net income per share	
Net income attributable to common stock – basic	\$ 8,145,916
Reverse: change in fair value of warrant liabilities	(16,363,170)
Net loss available to common stockholders – diluted	<u>\$ (8,217,254)</u>
Denominator for net income per share	
Weighted average shares outstanding – basic	95,044,250
Warrants to purchase shares of common stock, treasury method	7,496,560
Weighted average shares outstanding – diluted	<u>102,540,809</u>
Net income per share – basic	<u>\$ 0.09</u>
Net income per share – diluted	<u>\$ (0.08)</u>

For the three March 31, 2023 and nine months ended September 30, 2022, and for the nine months ended September 30, 2021, 2022, the Company was in a loss position and therefore all potentially dilutive securities would be anti-dilutive and the calculations are presented on the accompanying condensed consolidated statements of operations.

**Hall As of Fame Resort & Entertainment Company March 31, 2023 and Subsidiaries**  
**Notes to Condensed Consolidated Financial Statements**  
**(Unaudited)**

**Note 2: Summary of Significant Accounting Policies (continued)**

Net Income (Loss) Per Common Share (continued)

For the three and nine months ended September 30, 2022 and 2021, 2022, the following outstanding common stock equivalents have been excluded from the calculation of net loss per share because their impact would be anti-dilutive.

	For the Three Months Ended September 30,		For the Nine Months Ended September 30,	
	2022	2021	2022	2021
Warrants to purchase shares of Common Stock	44,137,349	27,214,854	44,137,349	41,012,349
Unvested restricted stock awards	-	238,643	-	238,643
Unvested restricted stock units to be settled in shares of Common Stock	2,815,589	2,869,754	2,815,589	2,869,754
Shares of Common Stock issuable upon conversion of convertible notes	24,589,120	3,401,180	24,589,120	3,401,180
Shares of Common Stock issuable upon conversion of Series B Preferred Stock	65,359	4,967,320	65,359	4,967,320
Shares of Common Stock issuable upon conversion of Series C Preferred Stock	10,000,000	-	10,000,000	-
Total potentially dilutive securities	<u>81,607,417</u>	<u>38,691,751</u>	<u>81,607,417</u>	<u>52,489,246</u>

	For the Three Months Ended March 31,	
	2023	2022
Warrants to purchase shares of Common Stock	2,003,649	2,000,561
Unvested restricted stock awards	-	10,847
Unvested restricted stock units to be settled in shares of Common Stock	173,450	127,816
Shares of Common Stock issuable upon conversion of convertible notes	3,435,659	1,077,591
Shares of Common Stock issuable upon conversion of Series B Preferred Stock	2,971	2,971
Shares of Common Stock issuable upon conversion of Series C Preferred Stock	454,545	454,545
Total potentially dilutive securities	<u>6,070,274</u>	<u>3,674,331</u>

Recent Accounting Standards

In February 2016, FASB issued Accounting Standards Update ("ASU") No. 2016-02, *Leases (Topic 842)*, as modified by subsequently issued ASU Nos. 2018-01, 2018-10, 2018-11, 2018-20, and 2019-01 (collectively "ASU 2016-02"). ASU 2016-02 requires recognition of right-of-use assets and lease liabilities on the balance sheet. In June 2020, FASB issued ASU 2020-05, further extending the effective date by one year making it effective for the Company for annual periods beginning after December 15, 2021 and interim periods within fiscal years beginning after December 15, 2022, with early adoption permitted. Most prominent among the changes in ASU 2016-02 is the lessees' recognition of a right-of-use asset and a lease liability for operating leases. The right-of-use asset and lease liability are initially measured based on the present value of committed lease payments. Leases are classified as either finance or operating, with classification affecting the pattern of expense recognition. Expenses related to operating leases are recognized on a straight-line basis, while those related to financing leases are recognized under a front-loaded approach in which interest expense and amortization of the right-of-use asset are presented separately in the statement of operations. Similarly, lessors are required to classify leases as sales-type, finance, or operating with classification affecting the pattern of income recognition. As the Company is an emerging growth company and following private company deadlines, the Company implemented this ASU beginning on January 1, 2022.

Classification for both lessees and lessors is based on an assessment of whether risks and rewards as well as substantive control have been transferred through a lease contract. ASU 2016-02 also requires qualitative and quantitative disclosures to assess the amount, timing, and uncertainty of cash flows arising from leases.

**Hall of Fame Resort & Entertainment Company and Subsidiaries**  
**Notes to Condensed Consolidated Financial Statements**  
**(Unaudited)**  
**(Unaudited)**

**Note 2: Summary of Significant Accounting Policies (continued)**

**Recent Accounting Standards (continued)**

In March 2019, the FASB issued ASU 2019-01, *Leases (Topic 842): Codification Improvements*, which requires an entity (a lessee or lessor) to provide transition disclosures under Topic 250 upon adoption of Topic 842. In February 2020, the FASB issued ASU 2020-02, *Financial Instruments - Credit Losses (Topic 326): Amendments to SEC Paragraphs Pursuant to SEC Staff Accounting Bulletin No. 119 and Update to SEC Section on Effective Date Related to Accounting Standards Update No. 2016-02, Leases*. The ASU adds and amends SEC paragraphs in the ASC to reflect the issuance of SEC Staff Accounting Bulletin No. 119 related to the new credit losses standard and comments by the SEC staff related to the revised effective date of the new leases standard. This new standard is effective for fiscal years beginning after December 15, 2021, including interim periods within fiscal years beginning after December 15, 2022. Upon the adoption of ASC 842 on January 1, 2022, the Company recognized a right of use asset of approximately \$7.7 million and corresponding lease liability of approximately \$3.4 million. The initial recognition of the ROU asset included the reclassification of approximately \$4.4 million of prepaid rent as of January 1, 2022. See Note 11 for additional disclosure regarding the Company's right of use assets and lease liabilities.

In May 2021, the FASB issued ASU No. 2021-04, *Earnings Per Share (Topic 260), Debt—Modifications and Extinguishments (Subtopic 470-50), Compensation—Stock Compensation (Topic 718), and Derivatives and Hedging—Contracts in Entity's Own Equity (Subtopic 815-40) Issuer's Accounting for Certain Modifications or Exchanges of Freestanding Equity-Classified Written Call Options*. ASU 2021-04 addresses issuer's accounting for certain modifications or exchanges of freestanding equity-classified written call options. ASU 2021-04 is effective for fiscal years beginning after December 15, 2021 and interim periods within those fiscal years, which is fiscal 2023 for us, with early adoption permitted. The Company adopted this ASU on January 1, 2022, which did not have a significant impact on the Company's financial statements.

In August 2020, the FASB issued ASU No. 2020-06, *Debt—Debt with Conversion and Other Options (Subtopic 470-20) and Derivatives and Hedging—Contracts in Entity's Own Equity (Subtopic 815-40): Accounting for Convertible Instruments and Contracts in an Entity's Own Equity*, which amends the accounting standards for convertible debt instruments that may be settled entirely or partially in cash upon conversion. ASU No. 2020-06 eliminates requirements to separately account for liability and equity components of such convertible debt instruments and eliminates the ability to use the treasury stock method for calculating diluted earnings per share for convertible instruments whose principal amount may be settled using shares. Instead, ASU No. 2020-06 requires (i) the entire amount of the security to be presented as a liability on the balance sheet and (ii) application of the "if-converted" method for calculating diluted earnings per share. The required use of the "if-converted" method will not impact the Company's diluted earnings per share as long as the Company is in a net loss position. The guidance in ASU No. 2020-06 is required for annual reporting periods, including interim periods within those annual periods, beginning after December 15, 2021, for public business entities. Early adoption is permitted, but no earlier than annual reporting periods beginning after December 15, 2020, including interim periods within those annual reporting periods. The Company early adopted this guidance for the fiscal year beginning January 1, 2022, and did so on a modified retrospective basis, without requiring any adjustments.

**Hall of Fame Resort & Entertainment Company and Subsidiaries**  
**Notes to Condensed Consolidated Financial Statements**  
**(Unaudited)**

**Note 2: Summary of Significant Accounting Policies (continued)**

Subsequent Events

Subsequent events have been evaluated through November 14, 2022, the date the condensed consolidated financial statements were issued. Except for as disclosed in Notes 1 and 13, no other events have been identified requiring disclosure or recording.

**Note 3: Property and Equipment**

Property and equipment consists of the following:

	Useful Life	September 30, 2022	December 31, 2021	Useful Life	March 31, 2023	December 31, 2022
Land		\$ 12,414,473	\$ 4,186,090		\$ 12,414,473	\$ 12,414,473
Land improvements	25 years	43,063,468	31,194,623	25 years	51,807,569	51,808,296
Building and improvements	15 to 39 years	233,725,546	192,384,530	15 to 39 years	242,742,676	239,068,974
Equipment	5 to 10 years	4,148,825	2,338,894	5 to 10 years	10,086,336	7,212,246
Property and equipment, gross		293,352,312	230,104,137		317,051,054	310,503,989
Less: accumulated depreciation		(59,064,160)	(49,643,575)		(64,230,821)	(61,677,136)
Property and equipment, net		\$ 234,288,152	\$ 180,460,562		\$ 252,820,233	\$ 248,826,853
Project development costs		\$ 139,989,064	\$ 128,721,480		\$ 143,271,191	\$ 140,138,924

For the three months ended September 30, 2022, March 31, 2023 and 2021, 2022, the Company recorded depreciation expense of \$2,650,719, \$2,553,360 and \$2,993,581, respectively, and for the nine months ended September 30, 2022 and 2021, of \$9,420,585 and \$8,886,648, \$3,242,285, respectively. For the nine three months ended September 30, 2022, March 31, 2023 and 2021, 2022, the Company incurred \$52,560,589, \$9,163,643 and \$39,514,231, \$16,905,966 of capitalized project development costs, respectively.

For the three and nine months ended September 30, 2022, March 31, 2023 and 2022, the Company transferred \$27,687,727, \$6,031,376 and \$40,556,269, \$0 from Construction in Progress Project development costs to Fixed Assets, Property and Equipment, respectively.

Included in project development costs are film development costs of \$464,000, \$200,000 and \$464,000, \$982,000 as of September 30, 2022, March 31, 2023 and December 31, 2021, December 31, 2022, respectively.

**Hall of Fame Resort & Entertainment Company and Subsidiaries**  
**Notes to Condensed Consolidated Financial Statements**  
**(Unaudited)**  
(Unaudited)

**Note 4: Notes Payable, net**

Notes payable, net consisted of the following at **September 30, 2022** and **March 31, 2023**<sup>(1)</sup>:

	Gross	Discount	Net	Interest Rate	Maturity Date	Debt discount and deferred financing			Interest Rate		Maturity Date
						Gross	Costs	Net	Stated	Effective	
TIF loan	\$ 9,345,000	\$ (1,569,914)	\$ 7,775,086	5.20%	7/31/2048						
Preferred equity loan (2)	3,600,000	-	3,600,000	7.00%	Various	\$ 6,000,000	\$ -	\$ 6,000,000	7.00%	7.00%	Various
City of Canton Loan (3)	3,500,000	(5,630)	3,494,370	5.00%	7/1/2027	3,450,000	(5,043)	3,444,957	0.50%	0.53%	7/1/2027
New Market/SCF	2,999,989	-	2,999,989	4.00%	12/30/2024	2,999,989	-	2,999,989	4.00%	4.00%	12/30/2024
Constellation EME	1,336,377	-	1,336,377	6.05%	12/31/2022						
JKP Capital Loan	8,990,869	(529,490)	8,461,379	12.00%	3/31/2024						
MKG DoubleTree Loan	15,300,000	-	15,300,000	6.55%	9/13/2023						
JKP Capital Loan <sup>(5)(6)</sup>						9,262,133	-	9,262,133	12.50%	12.50%	3/31/2024
MKG DoubleTree Loan <sup>(7)</sup>						15,300,000	-	15,300,000	9.75%	9.75%	9/13/2023
Convertible PIPE Notes	25,919,595	(8,890,345)	17,029,250	10.00%	3/31/2025	27,188,494	(7,284,798)	19,903,695	10.00%	24.40%	3/31/2025
Canton Cooperative Agreement	2,670,000	(169,926)	2,500,074	3.85%	5/15/2040	2,620,000	(166,566)	2,453,434	3.85%	5.35%	5/15/2040
CH Capital Loan	8,721,661	(942,922)	7,778,739	12.00%	3/31/2024						
Constellation EME #2	3,773,201	-	3,773,201	5.93%	4/30/2026						
IRG Split Note	4,273,543	(289,930)	3,983,613	8.00%	3/31/2024						
JKP Split Note	4,273,543	(253,045)	4,020,498	8.00%	3/31/2024						
CH Capital Loan <sup>(5)(6)(8)</sup>						8,945,999	-	8,945,999	12.50%	12.50%	3/31/2024
Constellation EME #2 <sup>(4)</sup>						3,295,583	-	3,295,583	5.93%	5.93%	4/30/2026
IRG Split Note <sup>(5)(6)(9)</sup>						4,351,021	-	4,351,021	12.50%	12.50%	3/31/2024
JKP Split Note <sup>(5)(6)(9)</sup>						4,351,021	-	4,351,021	12.50%	12.50%	3/31/2024
ErieBank Loan	17,982,720	(552,126)	17,430,594	5.75%	6/15/2034	19,465,282	(519,944)	18,945,338	9.00%	9.24%	12/15/2034
PACE Equity Loan	8,250,966	(274,230)	7,976,736	6.05%	12/31/2046	8,179,690	(271,813)	7,907,877	6.05%	6.18%	7/31/2047
PACE Equity CFP	1,059,993	(27,586)	1,032,407	6.05%	12/31/2046	2,437,578	(26,924)	2,410,654	6.05%	6.10%	7/31/2046
CFP Loan	4,000,000	(81,378)	3,918,622	6.50%	4/30/2023						
CFP Loan <sup>(6)(10)</sup>						4,072,519	-	4,072,519	12.50%	12.50%	3/31/2024
Stark County Community Foundation	5,000,000	-	5,000,000	6.00%	5/31/2029	5,000,000	-	5,000,000	6.00%	6.00%	5/31/2029
CH Capital Bridge Loan	7,000,000	-	7,000,000	12.00%	3/31/2024						
CH Capital Bridge Loan <sup>(6)</sup>						10,603,479	-	10,603,479	12.50%	12.50%	3/31/2024
Stadium PACE Loan	33,387,844	(4,117,551)	29,270,293	6.00%	7/31/2048	33,387,844	(4,046,531)	29,341,313	6.00%	6.51%	1/1/2049
Stark County Infrastructure Loan	5,000,000	-	5,000,000	6.00%	8/30/2029	5,000,000	-	5,000,000	6.00%	6.00%	8/31/2029

City of Canton Infrastructure Loan	5,000,000	(11,939)	4,988,061	6.00%	6/30/2029	5,000,000	(11,199)	4,988,801	6.00%	6.04%	6/30/2029
TDD Bonds						7,500,000	(665,460)	6,834,541	5.41%	5.78%	12/1/2046
TIF						18,100,000	(1,562,885)	16,537,115	6.375%	6.71%	12/30/2048
<b>Total</b>	<b>\$ 181,385,301</b>	<b>\$ (17,716,012)</b>	<b>\$ 163,669,289</b>			<b>\$ 206,510,632</b>	<b>\$ (14,561,163)</b>	<b>\$ 191,949,469</b>			

**Hall of Fame Resort & Entertainment Company and Subsidiaries**  
**Notes to Condensed Consolidated Financial Statements**  
**(Unaudited)**  
(Unaudited)

**Note 4: Notes Payable, net (continued)**

Notes payable, net consisted of the following at **December 31, 2021** December 31, 2022:

	Gross	Discount	Net
TIF loan	\$ 9,451,000	\$ (1,611,476)	\$ 7,839,524
Preferred equity loan	3,600,000	-	3,600,000
City of Canton Loan	3,500,000	(6,509)	3,493,491
New Market/SCF	2,999,989	-	2,999,989
Constellation EME	5,227,639	-	5,227,639
JKP Capital loan	6,953,831	-	6,953,831
MKG DoubleTree Loan	15,300,000	(83,939)	15,216,061
Convertible PIPE Notes	24,059,749	(11,168,630)	12,891,119
Canton Cooperative Agreement	2,670,000	(174,843)	2,495,157
Aquarian Mortgage Loan	7,400,000	(439,418)	6,960,582
Constellation EME #2	4,455,346	-	4,455,346
IRG Note	8,500,000	-	8,500,000
ErieBank Loan	13,353,186	(598,966)	12,754,220
PACE Equity Loan	8,250,966	(277,729)	7,973,237
Total	<u>\$ 115,721,706</u>	<u>\$ (14,361,510)</u>	<u>\$ 101,360,196</u>

	Gross	Debt discount and deferred financing costs	Net
Preferred equity loan <sup>(2)</sup>	3,600,000	-	3,600,000
City of Canton Loan <sup>(3)</sup>	3,450,000	(5,333)	3,444,667
New Market/SCF	2,999,989	-	2,999,989
JKP Capital loan <sup>(5)(6)</sup>	9,158,711	-	9,158,711
MKG DoubleTree Loan <sup>(7)</sup>	15,300,000	-	15,300,000
Convertible PIPE Notes	26,525,360	(8,097,564)	18,427,796
Canton Cooperative Agreement	2,620,000	(168,254)	2,451,746
CH Capital Loan <sup>(5)(6)(8)</sup>	8,846,106	-	8,846,106
Constellation EME #2 <sup>(4)</sup>	3,536,738	-	3,536,738
IRG Split Note <sup>(5)(6)(9)</sup>	4,302,437	-	4,302,437
JKP Split Note <sup>(5)(6)(9)</sup>	4,302,437	-	4,302,437
ErieBank Loan	19,465,282	(536,106)	18,929,176
PACE Equity Loan	8,250,966	(273,031)	7,977,935
PACE Equity CFP	2,437,578	(27,586)	2,409,992
CFP Loan <sup>(6)(10)</sup>	4,027,045	-	4,027,045
Stark County Community Foundation	5,000,000	-	5,000,000
CH Capital Bridge Loan <sup>(6)</sup>	10,485,079	-	10,485,079
Stadium PACE Loan	33,387,844	(4,091,382)	29,296,462
Stark County Infrastructure Loan	5,000,000	-	5,000,000
City of Canton Infrastructure Loan	5,000,000	(11,572)	4,988,428
TDD Bonds	7,500,000	(668,884)	6,831,116
Total	<u>\$ 185,195,572</u>	<u>\$ (13,879,712)</u>	<u>\$ 171,315,860</u>

During the three months ended **September 30, 2022** March 31, 2023 and **2021**, 2022, the Company recorded amortization of note discounts of **\$1,132,440** \$855,891 and **\$1,326,620**, respectively, and for the nine months ended September 30, 2022 and 2021, of \$3,610,738 and \$3,725,347, \$1,355,974, respectively.

During the nine three months ended **September 30, 2022** March 31, 2023 and **2021**, 2022, the Company recorded paid-in-kind interest of **\$2,659,044** \$1,127,491 and \$1,500,382, \$718,294, respectively.

See below footnotes for the Company's notes payable:

- (1) The Company's notes payable are subject to certain customary financial and non-financial covenants. As of March 31, 2023 and 2022 the Company was in compliance with all of its notes payable covenants. Many of the Company's notes payable are secured by the Company's developed and undeveloped land and other assets.
- (2) The Company had 3,600 and 1,800 shares of Series A Preferred Stock outstanding and 52,800 and 52,800 shares of Series A Preferred Stock authorized as of March 31, 2023 and December 31, 2022, respectively. The Series A Preferred Stock is required to be redeemed for cash after five years from the date of issuance.
- (3) The Company has the option to extend the loan's maturity date for three years, to July 1, 2030, if the Company meets certain criteria in terms of the hotel occupancy level and maintaining certain financial ratios.
- (4) The Company also has a sponsorship agreement with Constellation New Energy, Inc., the lender of the Constellation EME #2 note.



**Hall of Fame Resort & Entertainment Company and Subsidiaries**  
**Notes to Condensed Consolidated Financial Statements**  
**(Unaudited)**  
(Unaudited)

**Note 4: Notes Payable, net (continued)**

- (5) On March 1, 2022, the Company entered into amendments to certain of its IRG and IRG-affiliated notes payable. See discussion below for the accounting and assumptions used in the transactions.
- (6) On November 7, 2022, the Company entered into amendments to certain of its IRG and IRG-affiliated notes payable. See discussion below for the accounting and assumptions used in the transactions.
- (7) On March 1, 2022, HOF Village Hotel II, LLC, a subsidiary of the Company, entered into an amendment to the MKG DoubleTree Loan with the Company's director, Stuart Lichter, as guarantor, and ErieBank, a division of CNB Bank, a wholly owned subsidiary of CNB Financial Corporation, as lender, which extended the maturity to September 13, 2023. The Company accounted for this amendment as a modification, and expensed approximately \$38,000 in loan modification costs.
- (8) On March 1, 2022, CH Capital Lending purchased and acquired, the Company's \$7.4 million Aquarian Mortgage Loan (as thereafter amended and acquired by CH Capital Lending, the "CH Capital Loan").
- (9) On March 1, 2022, pursuant to an Assignment of Promissory Note, dated March 1, 2022, IRG assigned (a) a one-half (½) interest in the IRG Note to IRG (the "IRG Split Note") and (b) a one-half (½) interest in the IRG Note to JKP (the "JKP Split Note"). See "IRG Split Note" and "JKP Split Note", below.
- (10) See "CFP Loan", below, for a description of the loan along with the valuation assumptions used to value the warrants issued in connection with the loan.
- (11) See "TIF Loan", below, for a description of the loan.

Accrued Interest on Notes Payable

As of September 30, 2022, March 31, 2023 and December 31, 2021, December 31, 2022, accrued interest on notes payable, were as follows:

	<u>September 30,</u> 2022	<u>December 31,</u> 2021	<u>March 31,</u> 2023	<u>December</u> 31, 2022
TIF loan	\$ 33,159	\$ 22,208		
Preferred equity loan	48,825	203,350	\$ 131,931	\$ 64,575
City of Canton Loan			1,586	1,555
New Market/SCF	48,500	89,682	30,000	-
City of Canton Loan	1,533	5,979		
JKP Capital Note	-	1,251,395		
MKG DoubleTree Loan			127,500	121,656
Canton Cooperative Agreement	69,902	39,416	78,535	48,708
CH Capital Loan	55,652	-	60,036	55,328
IRG Split Note	28,490	-	41,553	28,490
JKP Split Note	28,490	-	48,201	35,138
ErieBank Loan	31,910	26,706	157,343	140,394
PACE Equity Loan	410,950	30,824	87,898	213,842
Stark Community Foundation	44,167	-		
CFP Loan			6,042	5,245
Stark County Community Foundation			75,000	-
CH Capital Bridge Loan	269,000	-	-	70,659
Stark County Infrastructure Loan	6,667	-		
City of Canton Infrastructure Loan	12,500			
Stadium PACE Loan	500,818	-	166,939	166,939
TDD Bonds			115,026	13,533
TIF			185,902	-
<b>Total</b>	<b>\$ 1,590,563</b>	<b>\$ 1,669,560</b>	<b>\$ 1,313,492</b>	<b>\$ 966,062</b>

The amounts above were included in "accounts payable and accrued expenses" on the Company's condensed consolidated balance sheets.

For more information on the notes payable above, please see Note 4 of the Company's Annual Report on Form 10-K, as filed on March 14, 2022.

**Hall of Fame Resort & Entertainment Company and Subsidiaries**  
**Notes to Condensed Consolidated Financial Statements**  
**(Unaudited)**  
(Unaudited)

**Note 4: Notes Payable, net (continued)**

**JKP Capital Loan** *March 1, 2022 Refinancing Transactions*

On June 24, 2020, HOF Village and HOFV Hotel II executed a loan evidenced by a promissory note (the "JKP Capital Loan") in favor of JKP Financial, LLC ("JKP") for the principal sum of \$7,000,000. The JKP Capital Loan bears interest at a rate of 12% per annum and matured on December 2, 2021, on which date all unpaid principal and accrued and unpaid interest was due. The JKP Capital Loan is secured by the membership interests in HOFV Hotel II held by HOF Village.

On March 1, 2022, the Company amended certain of its IRG and IRG-affiliate held loans. This included the IRG Split Note, the JKP Split Note, the CH Capital Loan, and the JKP Capital Loan. The Second Amendment to JKP Capital Loan amendments (i) revises revised the outstanding principal balance of the JKP Capital Loan loans to include interest that has accrued and has not been paid as of March 1, 2022, in the aggregate amount of \$1,437,459, and (ii) extends the maturity of the JKP Capital Loan loans to March 31, 2024, and (iii) amends the JKP Capital Loan loans to be convertible into shares of Common Stock at a conversion price of \$1.09 \$30.80 per share (\$23.98 per share for the JKP Split Note and JKP Capital Loan), subject to adjustment. The conversion price is subject to a weighted-average antidilution anti-dilution adjustment.

As part of the consideration for the Second Amendment to JKP Capital Loan, amendments, the Company issued in a transaction exempt from registration pursuant to Section 4(a)(2) an aggregate of the Securities Act: (i) 280,000 39,091 shares of Common Stock to JKP common stock, amended the Series C Warrants and (ii) a Series D Warrants, and issued Series E Warrants and Series F Warrant to purchase 1,000,000 shares of Common Stock to JKP Warrants.

The Company accounted for this transaction as an extinguishment, given that a substantive conversion feature was added to the JKP Capital Loan. The Company recorded the relative fair value of the shares of Common Stock and Series F Warrants as a discount against the JKP Capital Loan. The following assumptions were used to calculate the fair value of Series F Warrants: TIF Loan

Term (years)		5.0
Stock price	\$	1.01
Exercise price	\$	1.09
Dividend yield		0.0%
Expected volatility		51.2%
Risk free interest rate		1.6%
Number of shares		1,000,000

For the Company, the Development Finance Authority of Summit County ("DFA Summit") offered a private placement of \$10,030,000 in taxable development revenue bonds, Series 2018. The bond proceeds are to reimburse the developer for costs of certain public improvements at the Hall of Fame Village, which are eligible uses of tax-incremental funding ("TIF") proceeds.

The term of the TIF requires the Company to make installment payments through July 31, 2048. The current imputed interest rate is 5.2%, which runs through July 31, 2028. The imputed interest rate then increases to 6.6% through July 31, 2038 and finally increases to 7.7% through the remainder of the TIF. The Company is required to make payments on the TIF semi-annually in June and December each year.

On December 27, 2022, the Company paid \$9.7 million to reacquire the TIF bonds related to the Stadium PACE agreement. In January 2023, the DFA Summit issued new bonds as TIF proceeds.

**Hall of Fame Resort & Entertainment Company and Subsidiaries**  
**Notes to Condensed Consolidated Financial Statements**  
**(Unaudited)**  
(Unaudited)

**Note 4: Notes Payable, net (continued)**

TIF Loan (continued)

MKG DoubleTree Loan On February 2, 2023, the Company received proceeds from the issuance on such date by Stark County Port Authority ("Port Authority") of \$18,100,000 principal amount Tax Increment Financing ("TIF") Revenue Bonds, Series 2023 ("2023 Bonds"). Of the \$18,100,000 principal amount, approximately \$6.8 million was used to reimburse the Company for a portion of the cost of certain roadway improvements within the Hall of Fame Village grounds, approximately \$8.6 million was used to pay off the Development Finance Authority of Summit County ("DFA") Revenue Bonds, Series 2018 ("2018 Bonds") that had been acquired by the Company in December 2022 pursuant to a previously disclosed arrangement (such that the Company received the payoff of the 2018 Bonds), approximately \$1.2 million was used to pay costs of issuance of the 2023 Bonds, and approximately \$.9 million was used to fund a debt service reserve held by The Huntington National Bank ("2023 Bond Trustee"), as trustee for the 2023 Bonds. The maturity date of the 2023 Bonds is December 30, 2048. The interest rate on the 2023 Bonds is 6.375%. Interest payments are due on the 2023 Bonds semi-annually on June 30 and December 30 of each year, commencing June 30, 2023.

On September 14, 2020, in connection with the issuance of the 2023 Bonds by the Port Authority, the Company entered into transferred ownership of a construction loan agreement with Erie Bank, a wholly owned subsidiary portion of CNB Financial Corporation, a Pennsylvania corporation, as lender, the roadway and related improvements within Hall of Fame Village grounds to the Port Authority. The Company has applied maintains management rights and been approved maintenance obligations with regard to such roadway pursuant to a Maintenance and Management Agreement among the Port Authority, the Company and the Company's subsidiary, Newco.

The 2023 Bonds will be repaid by the Port Authority from statutory service payments in lieu of taxes paid by the Company in connection with the Company's Tom Benson Hall of Fame Stadium, ForeverLawn Sports Complex, Constellation Center for a first mortgage loan Excellence, Center for \$15.3 million ("MKG DoubleTree Loan") with a variable interest rate Performance, Retail I property, Retail II property, Play Action Plaza and an interior private roadway, net of 1.75% plus the prime commercial rate, at which no time can it drop below 5%, for the purpose portion payable to Canton City School District and Plain Local School District and net of renovating the McKinley Grand Hotel in administrative fees of Stark County and the City of Canton, Ohio. The initial maturity date is 18 months after and from minimum service payments levied against those parcels excluding the exercised loan date, March 13, 2022, Stadium and Youth Fields. Net statutory service payments are assigned by the agreement includes an extended maturity date City of September 13, 2022, should HOFRE need more time with an extension fee of 0.1% Canton to the Port Authority for payment of the then outstanding principal balance. The MKG DoubleTree Loan has certain financial covenants whereby 2023 Bonds pursuant to a Cooperative Agreement among the Company must maintain a minimum tangible net worth Port Authority, City of \$5,000,000 and minimum liquidity of not less than \$2,000,000. These covenants are to be tested annually based upon the financial statements at the end of each fiscal year.

On March 1, 2022, HOF Village Hotel II, LLC, a subsidiary of the Company, entered into an amendment to the MKG DoubleTree Loan with the Company's director, Stuart Lichter, as guarantor, and Erie Bank, a division of CNB Bank, a wholly owned subsidiary of CNB Financial Corporation, as lender, which extended the maturity to September 13, 2023. The Company accounted for this amendment as a modification, and expensed approximately \$38,000 in loan modification costs.

CH Capital Loan (formerly known as Aquarian Mortgage Loan)

On December 1, 2020, the Company entered into a mortgage loan (the "Aquarian Mortgage Loan") with Aquarian Credit Funding, LLC ("Aquarian"), as administrative agent and with Investors Heritage Life Insurance Company and Lincoln Benefit Life Company, as lenders, for \$40,000,000 of gross proceeds. The Aquarian Mortgage Loan bears interest at 10% per annum. Upon the occurrence and during the continuance of an event of default, Aquarian may, at its option, take such action, without notice or demand, that Aquarian deems advisable to protect and enforce its rights against the Company, including declaring the debt to become immediately due and payable.

On August 30, 2021, Canton, the Company and Aquarian amended Newco, and then pledged by the terms Port Authority to the 2023 Bond Trustee for payment of the Aquarian Mortgage Loan whereby 2023 Bonds pursuant to a Trust Indenture between the Port Authority and the 2023 Bond Trustee. Minimum service payments are a lien on the parcels under certain TIF declarations and supplements thereto, and are paid by the Company paid \$20 million to Lincoln Benefit Life Company. In accordance with such payment, Lincoln Benefit Life Company was removed as a lender and the aggregate principal of the Aquarian Mortgage Loan was reduced to \$20 million as of September 30, 2021. The Company and Aquarian also agreed to extend the maturity date of the Aquarian Mortgage Loan to March 31, 2022.

On December 15, 2021, the Company repaid approximately \$13 million of the Aquarian Mortgage Loan.

On March 1, 2022, CH Capital Lending purchased and acquired, the Company's \$7.4 million Aquarian Mortgage Loan (as thereafter amended and acquired by CH Capital Lending, the "CH Capital Loan").

**Hall of Fame Resort & Entertainment Company and Subsidiaries**  
**Notes to Condensed Consolidated Financial Statements**  
**(Unaudited)**

**Note 4: Notes Payable, net (continued)**

CH Capital Loan (formerly known as Aquarian Mortgage Loan), (continued)

On March 1, 2022, immediately after CH Capital Lending became the lender and administrative agent under the CH Capital Loan, the maturity date of the Term Loan was extended to March 31, 2024. Also under the amendment, the Term Loan was made convertible into shares of Common Stock at a conversion price of \$1.50 per share, subject to adjustment. The conversion price is subject to a weighted-average antidilution adjustment. Certain current and historical fees and expenses were added to the principal amount of the CH Capital Loan so that the new principal amount is \$8,347,839. The interest rate was increased from 10% to 12%. Of such 12% per annum interest: (i) 8% per annum shall be payable monthly and (ii) 4% per annum shall accumulate and be payable on the maturity date. 2023 Bond Trustee.

As part of the consideration for the amendment: (i) the Company issued in a transaction exempt from registration pursuant to Section 4(a)(2) of the Securities Act: (A) 330,000 shares of Common Stock to CH Capital Lending, and (B) a warrant to purchase 1,000,000 shares of Common Stock ("Series E Warrant") to CH Capital Lending, (ii) the Company was required to, subject to approval of its board of directors, create a series of preferred stock, to be known as 7.00% Series C Convertible Preferred Stock ("Series C Preferred Stock"), and, upon the request of CH Capital Lending, exchange each share of the Company's Series B Convertible Preferred Stock, that is held by CH Capital Lending for one share of Series C Preferred Stock, and (iii) the Company and CH Capital Lending amended and restated the Series C Warrants and Series D Warrants that the Company issued to CH Capital Lending.

The Series E Warrants have an exercise price of \$1.50 per share, subject to adjustment. The exercise price is subject to a weighted-average antidilution adjustment. The Series E Warrants may be exercised from and after March 1, 2023, subject to certain terms and conditions set forth in the Series E Warrants. Unexercised Series E Warrants will expire on March 1, 2027. The Series E Warrants shall be cancelled without any further action on the part of the Company or the holder, in the event that the Company repays in full on or before March 1, 2023, the CH Capital Loan.

The Company accounted for this transaction as an extinguishment, given that a substantive conversion feature was added to the CH Capital Loan. The Company recorded the relative fair value of the shares of Common Stock and Series E Warrants as a discount against the CH Capital Loan. The following assumptions were used to calculate the fair value of Series E Warrants:

Term (years)		5.0
Stock price	\$	1.01
Exercise price	\$	1.50
Dividend yield		0.0%
Expected volatility		51.2%
Risk free interest rate		1.6%
Number of shares		1,000,000

**Hall of Fame Resort & Entertainment Company and Subsidiaries**  
**Notes to Condensed Consolidated Financial Statements**  
**(Unaudited)**  
(Unaudited)

**Note 4: Notes Payable, net (continued)**

**CH Capital Loan (formerly known as Aquarian Mortgage Loan) (continued)**

On August 5, 2022, the Company and CH Capital amended the CH Capital Loan to increase the principal amount of the loan to reflect (a) certain legal and other fees incurred as part of the previous amendment on March 1, 2022; and (b) to reflect paid-in-kind interest through July 31, 2022. The amount of the principal was increased to \$8,751,763. **November 7, 2022 Refinancing Transactions**

**IRG Note**

On **November 23, 2021** November 7, 2022, the Company and IRG entered into a promissory note letter agreement (the "IRG Note" Letter Agreement") pursuant to which whereby IRG made a loan to agreed that IRG's affiliates and related parties ("IRG Affiliate Lenders") will provide the Company and its subsidiaries with certain financial support described below in exchange for certain consideration described below. The financial support provided under the aggregate amount of \$8,500,000. Interest will accrue on the outstanding balance IRG Letter Agreement consists of the Note at a rate of 8% per annum, compounded monthly. The Company will pay interest to following ("IRG under the Note on the first day of each month, in arrears. The Note has a maturity date of June 30, 2022. Financial Support"):

- (a) Extend the CH Capital Bridge Loan maturity to March 31, 2024
- (b) Release the first position mortgage lien on the Tom Benson Hall of Fame Stadium
- (c) Provide a financing commitment for the Company's Hilton Tapestry Hotel
- (d) Provide a completion guarantee for the Company's waterpark
- (e) Amend IRG loans to provide an optional one-year extension of maturity option to March 31, 2025 for a one percent fee

On March 1, 2022, pursuant to an Assignment of Promissory Note, dated March 1, 2022, IRG assigned (a) a one-half (½) interest In exchange, the Company agreed in the IRG Note to IRG (the "IRG Split Note") and (b) a one-half (½) interest in the IRG Note to JKP (the "JKP Split Note"). See "IRG Split Note" and "JKP Split Note", below. Letter Agreement to:

- (a) Issue 90,909 shares to IRG and pay \$4,500,000 in cash out of the Oak Street financing (See Note 12)
- (b) Increase interest rate on all IRG loans to 12.5% per annum
- (c) Make all IRG loans convertible at \$12.77 per share
- (d) Modify the Series C through Series G Warrants to be exercisable at \$12.77 per share

**In the IRG Split Note**

On March 1, 2022, Letter Agreement, IRG and the Company entered into a First Amended agreed to comply with all federal and Restated Promissory Note with IRG, which amended state securities laws and restated Nasdaq listing rules and to insert "blocker" provisions for the IRG Split Note (the "Amended IRG Split Note). The Amended IRG Split Note extended above-described re-pricing of the maturity to March 31, 2024. Under warrants and the Amended IRG Split Note, conversion provisions, such that the principal and accrued interest are convertible into total cumulative number of shares of Common Stock at a conversion price that may be issued to IRG and its affiliated and related parties pursuant to the IRG Letter Agreement may not exceed the requirements of \$1.50 per share, subject to adjustment. The conversion price is subject to a weighted-average antidilution adjustment. The principal amount Nasdaq Listing Rule 5635(d) ("Nasdaq 19.99% Cap"), except that such limitation will not apply following Approval (defined below). In addition, the provisions of the Amended IRG Split Note is \$4,273,543. Letter Agreement are limited by Nasdaq Listing Rule 5635(c).

As part of the consideration for the Amended IRG Split Note, the Company issued in a transaction exempt from registration pursuant to Section 4(a)(2) of the Securities Act: (i) 125,000 shares of Common Stock to IRG, LLC, and (ii) a Series E Warrant to purchase 500,000 shares of Common Stock to IRG.

The Series E Warrants shall be cancelled without any further action on the part of the Company or the holder, in the event that the Company repays in full, on or before March 1, 2023, the Amended IRG Split Note.

**Hall of Fame Resort & Entertainment Company and Subsidiaries**  
**Notes to Condensed Consolidated Financial Statements**  
**(Unaudited)**  
(Unaudited)

**Note 4: Notes Payable, net (continued)**

**IRG Split Note (continued)**

The Company accounted for this transaction as an extinguishment, given that a substantive conversion feature was added to the Amended IRG Split Note. The Company recorded the relative fair value of the shares of Common Stock and Series E Warrants as a discount against the JKP Capital Loan. The following assumptions were used to calculate the fair value of Series E Warrants: **CFP Loan**

Term (years)		5.0
Stock price	\$	1.01
Exercise price	\$	1.50
Dividend yield		0.0%
Expected volatility		51.2%
Risk free interest rate		1.6%
Number of shares		500,000

**JKP Split Note**

On March 1, 2022, the Company entered into a First Amended and Restated Promissory Note with JKP, which amended and restated the JKP Split Note (the "Amended JKP Split Note"). The Amended JKP Split Note extended the maturity to March 31, 2024. Under the Amended JKP Split Note, the principal and accrued interest are convertible into shares of Common Stock at a conversion price of \$1.09 per share, subject to adjustment. The conversion price is subject to a weighted-average antidilution adjustment. The principal amount of the Amended JKP Split Note is \$4,273,543.

As part of the consideration for the Amended JKP Split Note, the Company issued in a transaction exempt from registration pursuant to Section 4(a)(2) of the Securities Act: (i) 125,000 shares of Common Stock to JKP, and (ii) a Series F Warrant to purchase 500,000 shares of Common Stock to JKP.

The Series F Warrants have an exercise price of \$1.09 per share, subject to adjustment. The exercise price is subject to a weighted-average antidilution adjustment. The Series F Note Warrants may be exercised from and after March 1, 2022, subject to certain terms and conditions set forth in the Series F Warrants. Unexercised Series F Warrants will expire on March 1, 2027.

The Company accounted for this transaction as an extinguishment, given that a substantive conversion feature was added to the Amended JKP Split Note. The Company recorded the relative fair value of the shares of Common Stock and Series F Warrants as a discount against the Amended JKP Split Note. The following assumptions were used to calculate the fair value of Series F Warrants:

Term (years)		5.0
Stock price	\$	1.01
Exercise price	\$	1.09
Dividend yield		0.0%
Expected volatility		51.2%
Risk free interest rate		1.6%
Number of shares		500,000

**Hall of Fame Resort & Entertainment Company and Subsidiaries**  
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**Note 4: Notes Payable, net (continued)**

CFP Loan

On April 27, 2022, Midwest Lender Fund, LLC, a limited liability company wholly owned by our director Stuart Lichter (“MLF”), loaned \$4,000,000 (the “CFP Loan”) to HOF Village Center For Performance, LLC (“HOF Village CFP”). Interest accrues on the outstanding balance of the CFP Loan at 6.5% per annum, compounded monthly. The CFP Loan matures on April 30, 2023 or if HOF Village CFP exercises its extension option, April 30, 2024. The CFP Loan is secured by a mortgage encumbering the Center For Performance. As part of the consideration for making the Loan, on June 8, 2022, following stockholder approval, the Company issued to MLF: (A) 125,000 5,681 shares (the “Commitment Fee Shares”) of Common Stock, and (B) a warrant to purchase 125,000 5,681 shares of Common Stock (“Series G Warrants”). The exercise price of the Series G Warrants will be \$1.50 \$33 per share. The Series G Warrants will become exercisable one year after issuance, subject to certain terms and conditions set forth in the Series G Warrants. Unexercised Series G Warrants will expire five years after issuance. The exercise price of the Series G Warrants will be subject to a weighted-average antidilution adjustment.

The Company recorded the relative fair value of the shares of Common Stock and Series G Warrants as a discount against the CFP Loan. The following assumptions were used to calculate the fair value of Series G Warrants:

Term (years)		5.0
Stock price	\$	0.62
Exercise price	\$	1.50
Dividend yield		0.0%
Expected volatility		52.4%
Risk free interest rate		3.0%
Number of shares		125,000

PACE Equity CFP

On April 28, 2022, the City of Canton, in coordination with the Canton Regional Energy Special Improvement District, approved legislation that will enable the Company to receive \$3,200,000 in Property Assessed Clean Energy (“PACE”) financing in conjunction with the implementation of various energy-efficient improvements at the Center for Performance. Through September 30, 2022 November 7, 2022, the Company received \$1,059,994 further amended the CFP Loan in order to add an extension option that the Company may exercise at any time in order to extend the CFP Loan to March 31, 2025. In exchange for the amendment, the interest rate of this financing, the CFP Loan was increased to 12.5% per annum.

Stark County Community FoundationHuntington Loan

On June 16, 2022, the Company entered into a loan agreement with Stark pursuant to which Stark agreed to lend \$5,000,000 to the Company. Of this amount, the Company borrowed \$5,000,000 (the “SCF Loan”) through September 30, 2022. The interest rate applicable to the SCF Loan is 6.0% annum. Interest payments are paid annually on December 31 of each year. The SCF Loan is unsecured and matures on May 31, 2029. The Company may prepay the SCF Loan without penalty.

**Hall of Fame Resort & Entertainment Company and Subsidiaries**  
**Notes to Condensed Consolidated Financial Statements**  
**(Unaudited)**

**Note 4: Notes Payable, net (continued)**

Stark County Community Foundation (continued)

Events of default under the loan include without limitation: (i) a payment default, (ii) the Company's failure to complete the infrastructure development for Phase II on or before December 31, 2024, and (iii) the Company's failure, following notice from Stark, to comply with any non-monetary covenant contained in the loan agreement. Upon the occurrence of an event of default under the Business Loan Agreement: (a) interest due will increase by 5% per annum; and (b) Stark may, at its option, declare the Company's obligations under the Business Loan Agreement to be immediately due and payable.

The loan agreement contains customary affirmative and negative covenants for this type of loan, including without limitation (i) affirmative covenants, including furnish Stark with such financial statements and other related information at such frequencies and in such detail as Stark may reasonably request and use all SCF Loan proceeds solely for the infrastructure development for the construction of Phase II, and (ii) negative covenants, including restrictions on additional indebtedness, prepayment of other indebtedness, transactions with related parties, additional liens, mergers and acquisitions, and standard prohibitions on change of control.

CH Capital Bridge Loan

On June 16, 2022, The Company and its subsidiaries HOF Village Retail I, LLC and HOF Village Retail II, LLC, as borrowers (the "Borrowers"), borrowed \$10,500,000 (the "CH Capital Bridge Loan") from CH Capital Lending. The CH Capital Bridge Loan is evidenced by a Promissory Note issued by the Borrowers to CH Capital Lending. Interest accrues on the Note at 12% per annum, compounded monthly. The maturity date of the Note was September 10, 2022. Borrowers have the right to prepay all or any portion of the principal amount of the Note at any time before the maturity date without penalty. Under the Note, the net proceeds of a financing that occurs after the date of the Note shall be used to prepay the Note. The Note is secured by: (i) a mortgage on real property on which the Company is building its Fan Engagement Zone (an 82,000-square-foot promenade located strategically within the campus footprint, which will include restaurants, retailers and experiential offerings) and (ii) a pledge and security interest in all of the membership interests of HOF Village Waterpark, LLC, and HOF Village Hotel I, LLC held by Newco, each of which is direct or indirect wholly-owned subsidiary of the Company.

In September 2022, the Company repaid \$3,500,000 on the CH Capital Bridge Loan. As of September 30, 2022, the Company had not yet repaid the balance of the loan. On November 8, 2022, the Company amended the CH Capital Bridge Loan to, among other things, extend the maturity date of the loan to March 31, 2024. See Note 13 Subsequent Events for more information.

Upon the occurrence of an event of default under the Note, including without limitation Borrowers' failure to pay, on or before the due date any amount owing to CH Capital Lending under the Note or Borrowers' failure, following notice from CH Capital Lending, to comply with any non-monetary covenant contained in the CH Capital Bridge Loan, (i) interest due will increase by 5% per annum; and (ii) CH Capital Lending may, at its option, declare Borrowers' obligations under the Note to be immediately due and payable.

**Hall of Fame Resort & Entertainment Company and Subsidiaries**  
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**(Unaudited)**

**Note 4: Notes Payable, net (continued)**

Stadium PACE Loan

On July 1, 2022, HOF Village Stadium, LLC (the "Lessee"), a wholly-owned subsidiary of the Company that leases the Tom Benson Hall of Fame Stadium ("Stadium") from Stark County Port Authority, entered into the EPC Agreement with Canton Regional Energy Special Improvement District, Inc. (the "ESID"), SPH Canton St, LLC, an affiliate of Stonehill Strategic Capital, LLC ("Investor"), and City of Canton, Ohio.

Under the EPC Agreement, the Investor provided \$33,387,844 (the "Project Advance") PACE financing to finance the costs of the special energy improvement projects at the Stadium described in the Canton Regional Energy Special Improvement District Project Plan that have been completed (as supplemented, the "Plan"). Of the Project Advance, \$29,565,729 was disbursed to Lessee, \$3,221,927 was retained by Investor as capitalized interest, and \$600,187 was used to pay closing costs. Pursuant to the EPC Agreement, the Lessee agreed to make special assessment payments in an aggregate amount that will provide revenues sufficient to repay the Project Advance plus interest and certain costs (the "Special Assessments"). The Special Assessments have been levied in the amounts necessary to amortize the Project Advance, together with interest at the annual rate of 6.0% and a \$6,542 semi-annual administrative fee to the ESID over 50 semi-annual payments of \$1,314,913 to be collected beginning approximately on January 31, 2024 and continuing through approximately July 31, 2048.

In connection with entering into the EPC Agreement, the Company obtained the consent and agreement of Cuyahoga River Capital LLC ("CRC"), pursuant to an agreement, dated June 27, 2022 (the "Consent Agreement"). CRC holds 100% of the interest in the Development Finance Authority of Summit County Tax-Exempt Development Revenue Bonds, Series 2018 (Hall of Fame Village - Stadium and Youth Fields TIF Project), issued in the original principal amount of \$10,030,000 the "Series 2018 Bonds". Pursuant to the Consent Agreement, upon the closing of the EPC Agreement the Company deposited \$9,895,197 into a bank account at The Huntington National Bank ("Huntington") subject to a deposit account control agreement (the "DACA") executed by Huntington and CRC as secured party (the "Pledged Account"). Under the Consent Agreement, in the event the Series 2018 Bonds are outstanding on December 29, 2022, the Company will repurchase the Series 2018 Bonds. The Company granted CRC a lien on the Pledged Account to secure the Company's obligations under the Consent Agreement. In the event the Series 2018 Bonds are redeemed and/or defeased prior to December 29, 2022, upon such redemption or defeasance the Consent Agreement shall automatically terminate, and CRC shall instruct Huntington to release the DACA.

Stark County Infrastructure Loan

On August 31, 2022, the Company entered into an unsecured loan agreement with Stark County Port Authority, pursuant to which we borrowed \$5,000,000 ("SCPA Loan"). The interest rate applicable to the SCPA Loan is six percent (6.0%) per annum (compounded quarterly). Interest payments under the SCPA Loan are paid quarterly beginning on December 31, 2022. The SCPA Loan matures on August 30, 2029 and the Company may prepay without penalty.

**Hall of Fame Resort & Entertainment Company and Subsidiaries**  
**Notes to Condensed Consolidated Financial Statements**  
**(Unaudited)**

**Note 4: Notes Payable, net (continued)**

Stark County Infrastructure Loan (continued)

Events of default under the SCPA Loan include without limitation: (i) a payment default, (ii) our failure to complete the infrastructure development for Phase II on or before December 31, 2024, or (iii) our failure to comply with any non-monetary covenant contained in the loan agreement, subject to a cure period. Upon the occurrence of default beyond any applicable grace or cure period: (a) interest due will increase by 5% per annum; and (b) Stark County Port Authority may, at its option, declare our obligations under the loan agreement to be immediately due and payable.

The SCPA Loan contains customary affirmative and negative covenants for this type of loan, including without limitation (i) affirmative covenants, including furnish Stark County Port Authority with such financial statements and other related information at such frequencies and in such detail as Stark County Port Authority may reasonably request and use all SCPA Loan proceeds solely for the infrastructure development for the construction of Phase II, and (ii) negative covenants, including restrictions on additional indebtedness, prepayment of other indebtedness, transactions with related parties, additional liens, mergers and acquisitions, and standard prohibitions on change of control.

City of Canton Infrastructure Loan

On September 15, 2022, the Company entered into a business loan agreement with City of Canton, pursuant to which the Company borrowed \$5,000,000. The interest rate applicable to the Canton Loan is six percent (6%) per annum (compounded quarterly). Interest payments under the Canton Loan are paid quarterly beginning on December 31. The Canton Loan is unsecured and matures on June 30, 2029. The Company may prepay the Canton Loan without penalty.

Events of default under the business loan agreement include without limitation: (i) a payment default, (ii) the Company's failure to complete the infrastructure development for Phase II on or before December 31, 2024, and (iii) the Company's failure to comply with any non-monetary covenant contained in the business loan agreement, subject to the applicable cure period. Upon the occurrence of an event of default under the business loan agreement beyond any applicable grace or cure period: (a) interest due will increase by 5% per annum; and (b) City of Canton may, at its option, declare the Company's obligations under the business loan agreement to be immediately due and payable.

The business loan agreement contains customary affirmative and negative covenants for this type of loan, including without limitation (i) affirmative covenants, including furnish City of Canton with such financial statements and other related information at such frequencies and in such detail as City of Canton may reasonably request and use all Canton Loan proceeds solely for the infrastructure development for the construction of Phase II, and (ii) negative covenants, including restrictions on additional indebtedness, prepayment of other indebtedness, transactions with related parties, additional liens, mergers and acquisitions, and standard prohibitions on change of control.

**Hall of Fame Resort & Entertainment Company and Subsidiaries**  
**Notes to Condensed Consolidated Financial Statements**  
**(Unaudited)**

**Note 4: Notes Payable, net (continued)**

Huntington Loan

On September 27, 2022, HOF Village Retail I, LLC and HOF Village Retail II, LLC, subsidiaries of the Company, as borrowers (the "Subsidiary Borrowers"), entered into a loan agreement with The Huntington National Bank, pursuant to which the lender agreed to loan up to \$10,000,000 to the Subsidiary Borrowers, which may be drawn upon the Project achieving certain debt service coverage ratios.

The Loan is evidenced by a Promissory Note, dated September 27, 2022 (the "Note"), issued by the Subsidiary Borrowers to the Lender. Under the Note, the outstanding amount of the Loan bears interest at a per annum rate equal to the Term SOFR (as defined in the Note) plus a margin ranging from 2.60% to 3.50% per annum. The Subsidiary Borrowers may prepay the Loan without penalty. The Loan is secured by an open end mortgage (leasehold), assignment of leases and rents, security agreement, and fixture filing given by the Subsidiary Borrowers and granting a valid and subsisting first lien on Subsidiary Borrower's leasehold interest in the Land (defined below), and a security interest in the personal property and fixtures (collectively, the "Collateral").

The Loan matures on September 27, 2024 (the "Initial Maturity Date"). However, Subsidiary Borrowers have the option (the "Extension Option") to extend the Initial Maturity Date for an additional thirty six (36) months, provided that, among other things, (i) Subsidiary Borrowers pay to Lender an extension fee equal to 0.15% of the then outstanding principal balance of the Loan; and (ii) the Project has achieved a 1.30:1.00 debt service coverage ratio. months.

Repayment of the Loan is guaranteed pursuant to a Guaranty of Payment, dated September 27, 2022 (the "Guaranty of Payment"), by our director Stuart Lichter, and Stuart Lichter, Trustee of the Stuart Lichter Trust u/t/d dated November 13, 2011 (collectively, the "Guarantor"), in favor of the Lender. The Company and the Subsidiary Borrowers entered into a letter agreement with the Guarantor, dated September 27, 2022 (the "Guaranty Fee Letter Agreement"), agreeing pay the Guarantor a fee of 2.5% of the Loan proceeds disbursed by Lender to the Subsidiary Borrowers as and when Loan proceeds are disbursed to Subsidiary Borrowers.

Events of default under the Loan Agreement include without limitation: (i) a payment default, (ii) the failure of the Subsidiary Borrowers to comply with any non-monetary covenant contained in the Loan Agreement, subject to applicable cure period, (iii) one or more final, unappealable judgments for the payment of money are entered against the Subsidiary Borrowers in amounts aggregating in excess of \$50,000 or against any Guarantor in amounts aggregating in excess of \$50,000, (iv) the death or incapacity of the Guarantor without Subsidiary Borrowers providing a replacement guarantor within 90 days, or (v) Lender reasonably determines that a material adverse change has occurred with respect to the Subsidiary Borrowers' financial condition, results of operations, business or prospects or the Subsidiary Borrowers' ability to pay the Loan in accordance with the terms thereof or the value of the Collateral or the priority of Lender's lien on any Collateral. Upon the occurrence of an event of default under the Loan Agreement beyond any applicable grace or cure period: (a) interest due will increase by 5% per annum; and (b) Lender may, at its option, declare the Subsidiary Borrowers' obligations under the Loan Agreement to be immediately due and payable, and (c) Lender may appropriate and apply to the payment of the Note or of any sums due under the Loan Agreement, any and all accounts or money of Subsidiary Borrowers then or thereafter in the possession of Lender, or its Affiliates.

**Hall of Fame Resort & Entertainment Company and Subsidiaries**  
**Notes to Condensed Consolidated Financial Statements**  
**(Unaudited)**

**Note 4: Notes Payable, net (continued)**

Huntington Loan (continued)

The Loan Agreement contains customary affirmative and negative covenants for this type of loan, including without limitation: (i) affirmative covenants, including furnish Lender with such financial statements and other related information at such frequencies and in such detail as Lender may reasonably request, and (ii) negative covenants, including restrictions on additional indebtedness, prepayment of other indebtedness, additional liens, mergers and acquisitions, and standard prohibitions on change of control. In addition, (a) the Subsidiary Borrowers must establish and maintain all operating deposit accounts with the Lender, (b) the Loan to value ratio must be no more than sixty five percent ( 65%) based upon a current appraisal of the Property, subject to certain exceptions, and (c) Subsidiary Borrowers must enter into one or more hedging contracts in form and substance reasonably acceptable to Lender, protecting against fluctuations in interest rates, in an amount equal to the face amount of the Note. In connection with entering into the Loan Agreement the Subsidiary Borrowers paid customary fees and expenses.

As of September 30, 2022 March 31, 2023, the Company has not drawn under the loan agreement.

Additionally, in connection with the Huntington Loan, on September 27, 2022, the Company entered into an interest rate swap agreement with a notional amount of \$10 million to hedge a portion of the Company's outstanding Secured Overnight Financing Rate ("SOFR") debt with a fixed interest rate of 4.0%. The effective date of the interest rate swap is October 1, 2024 and the termination date is September 27, 2027.

Hall of Fame Resort & Entertainment Company and Subsidiaries  
Notes to Condensed Consolidated Financial Statements  
(Unaudited)

Note 4: Notes Payable, net (continued)

Future Minimum Principal Payments

The minimum required principal payments on notes payable outstanding as of September 30, 2022 March 31, 2023 are as follows:

For the years ending December 31,	Amount
2022 (three months)	\$ 8,780,840
2023	16,889,801
2024	35,375,531
2025	32,284,792
2026	2,028,797
Thereafter	86,025,540
Total Gross Principal Payments	<u>\$ 181,385,301</u>
Less: Discount	<u>(17,716,012)</u>
Total Net Principal Payments	<u>\$ 163,669,289</u>
For the three months ending March 31,	Amount
2023 (nine months)	\$ 16,432,370
2024	46,918,630
2025	31,516,621
2026	3,628,669
2027	4,265,957
Thereafter	103,748,385
Total Gross Principal Payments	<u>\$ 206,510,632</u>
Less: Debt discount and deferred financing costs	<u>(14,561,163)</u>
Total Net Principal Payments	<u>\$ 191,949,469</u>

The Company has various debt covenants that require certain financial information to be met. If the Company does not meet the requirements of the debt covenants, the Company will be responsible for paying the full outstanding amount of the note immediately. As of September 30, 2022, the Company was in compliance with all relevant debt covenants.

**Hall of Fame Resort & Entertainment Company and Subsidiaries**  
**Notes to Condensed Consolidated Financial Statements**  
**(Unaudited)**  
(Unaudited)

**Note 5: Stockholders' Equity**

Authorized Capital Reverse Stock Split

On September 29, 2022, our stockholders approved amendments to our Amended and Restated Certificate of Incorporation to effect a reverse stock split of our shares of common stock, and our Board approved a final reverse stock split ratio of 1-for-22. The reverse stock split became effective on December 27, 2022. On the effective date, every 22 shares of issued and outstanding common stock were combined and converted into one issued and outstanding share of common stock. Fractional shares were cancelled, and stockholders received cash in lieu thereof in the aggregate amount of \$118,344.

The number of authorized shares of common stock and the par value per share of common stock remains unchanged. A proportionate adjustment was also made to the maximum number of shares of common stock issuable under the Hall of Fame Resort & Entertainment Company Amended 2020 Omnibus Incentive Plan (the "Plan").

As a result, the number of shares and income (loss) per share disclosed throughout this Report on Form 10-Q have been retrospectively adjusted to reflect the reverse stock split. Where applicable, the disclosures below have been adjusted to reflect the 1-for-22 reverse stock split effective December 27, 2022.

Authorized Capital

On November 3, 2020, the Company's stockholders approved an amendment to the Company's charter to increase the authorized shares of Common Stock from 100,000,000 to 300,000,000. Consequently, the Company's charter allows the Company to issue up to 300,000,000 shares of Common Stock and to issue and designate its rights, without stockholder approval, of up to 5,000,000 shares of preferred stock, par value \$0.0001.

Series A Preferred Stock Designation

On October 8, 2020, the Company filed a Certificate of Designations with the Secretary of State of the State of Delaware to establish preferences, limitations, and relative rights of the Series A Preferred Stock. The number of authorized shares of Series A Preferred Stock is 52,800.

The Series B Preferred Stock Designation

On May 13, 2021, the Company filed a Certificate of Designations with the Secretary of State of the State of Delaware to establish preferences, limitations, and relative rights of the 7.00% Series B Preferred Stock (as defined below). The number of authorized shares of Series B Preferred Stock is 15,200, mandatorily redeemable, and therefore classified as a liability on the Company's condensed consolidated balance sheets within Notes Payable, net.

The Company had 200 and 15,200 shares of 7.00% Series B Convertible Preferred Stock ("Series B Preferred Stock") outstanding and 15,200 and 15,200 shares authorized as of September 30, 2022 and December 31, 2021, respectively. On the third anniversary of the date on which shares of Series B Preferred Stock are first issued (the "Automatic Conversion Date"), each share of Series B Preferred Stock, except to the extent previously converted pursuant to an Optional Conversion (as defined below), shall automatically be converted into shares of Common Stock (the "Automatic Conversion"). At any time following the date on which shares of Series B Preferred Stock are first issued, and from time to time prior to the Automatic Conversion Date, each holder of Series B Preferred Stock shall have the right, but not the obligation, to elect to convert all or any portion of such holder's shares of Series B Preferred Stock into shares of Common Stock, on terms similar to the Automatic Conversion (any such conversion, an "Optional Conversion").

**Hall of Fame Resort & Entertainment Company and Subsidiaries**  
**Notes to Condensed Consolidated Financial Statements**  
**(Unaudited)**  
(Unaudited)

**Note 5: Stockholders' Equity (continued)**

7.00% Series C Convertible Preferred Stock

On March 28, 2022, the Company filed a Certificate of Designations with the Secretary of State of the State of Delaware to establish preferences, limitations, and relative rights of its Series C Preferred Stock. The number of authorized shares of Series C Preferred Stock is 15,000.

On March 28, 2022, in accordance with the previously announced Amendment Number 6 to Term Loan Agreement by and among the Company and CH Capital Lending, the Company entered into a Securities Exchange Agreement (the "Exchange Agreement") with CH Capital Lending, pursuant to which the Company exchanged in a private placement (the "Private Placement") each share of the Company's Series B Convertible Preferred Stock, that is held by CH Capital Lending for one share of the Company's Series C Preferred Stock, resulting in the issuance of 15,000 shares of Series C Preferred Stock to CH Capital Lending. The Series C Preferred Stock is convertible into shares of the Company's common stock. The shares of Series B Preferred Stock exchanged, and the Series C Preferred Stock acquired, have an aggregate liquidation preference of \$15 million plus any accrued but unpaid dividends to the date of payment.

2020 Omnibus Incentive Plan

On July 1, 2020, in connection with the closing of the Business Combination, the Company's omnibus incentive plan (the "2020 Omnibus Incentive Plan") became effective immediately upon the closing of the Business Combination, immediately. The 2020 Omnibus Incentive Plan was previously approved by the Company's stockholders and Board of Directors. Subject to adjustment, the maximum number of shares of Common Stock authorized for issuance under the 2020 Omnibus Incentive Plan was 1,812,727 82,397 shares. On June 2, 2021, the Company held its 2021 Annual Meeting whereby the Company's stockholders approved an amendment to the 2020 Omnibus Incentive Plan to increase by four million 181,818 the number of shares of Common Stock, that will be available for issuance under the 2020 Omnibus Incentive Plan, resulting in a maximum of 5,812,727 264,214 shares that can be issued under the amended 2020 Omnibus Incentive Plan. The amendment to the 2020 Omnibus Incentive Plan was previously approved by the Board of Directors of the Company, and the amended 2020 Omnibus Incentive Plan became effective on June 2, 2021. As of September 30, 2022 March 31, 2023, 2,086,018 6,938 shares remained available for issuance under the 2020 Omnibus Incentive Plan.

**Hall of Fame Resort & Entertainment Company and Subsidiaries**  
**Notes to Condensed Consolidated Financial Statements**  
**(Unaudited)**

**Note 5: Stockholders' Equity (continued)**

Equity Distribution Agreement

On September 30, 2021, the Company entered into an Equity Distribution Agreement with Wedbush Securities Inc. and Maxim Group LLC with respect to an at-the-market offering program under which the Company may, from time to time, offer and sell shares of the Company's Common Stock having an aggregate offering price of up to \$50 million. From January 1 through September 30, 2022 March 31, 2023, approximately 21.7 million there were no shares were sold resulting in net proceeds to the Company totaling approximately \$20.4 million. sold. The remaining availability under the Equity Distribution Agreement as of September 30, 2022 March 31, 2023 was approximately \$25.7 million \$25.9 million.

Issuance of Restricted Stock Awards

The Company's activity in restricted Common Stock was as follows for the nine three months ended September 30, 2022 March 31, 2023:

	Number of shares	Weighted average grant date fair value	Number of shares	Weighted average grant date fair value
<b>Non-vested at January 1, 2022</b>	238,643	\$ 9.31		
<b>Non-vested at January 1, 2023</b>			-	\$ -
<b>Granted</b>	337,436	\$ 0.95	6,207	\$ 8.16
<b>Vested</b>	(576,079)	\$ 4.41	(6,207)	\$ 8.16
<b>Non-vested at September 30, 2022</b>	-	\$ -		
<b>Non-vested at March 31, 2023</b>			-	\$ -

For the three months ended September 30, 2022 March 31, 2023 and 2021, 2022, stock-based compensation related to restricted stock awards was \$177,411 \$50,657 and \$554,547, respectively, and for the nine months ended September 30, 2022 and 2021, \$1,630,871 and \$1,885,733, \$732,757, respectively. Stock-based compensation related to restricted stock awards was included in is as a component of "Operating expenses" Operating expenses in the condensed consolidated statement statements of operations. As of September 30, 2022 March 31, 2023, unamortized stock-based compensation costs related to restricted share arrangements were \$0.

Hall of Fame Resort & Entertainment Company and Subsidiaries  
Notes to Condensed Consolidated Financial Statements  
(Unaudited)

Note 5: Stockholders' Equity (continued)

Issuance of Restricted Stock Units

During the ~~nine~~ three months ended ~~September 30, 2022~~ March 31, 2023, the Company granted an aggregate of ~~1,953,220~~ 99,615 Restricted Stock Units ("RSUs") to its employees and directors, of which ~~639,093~~ 96,875 were granted under the 2020 Omnibus Incentive Plan and ~~1,314,127~~ 2,740 were granted as inducement awards. The RSUs were valued at the value of the Company's Common Stock on the date of grant, which was a range of \$0.55 to \$1.16 approximated \$14.70 per share for these awards. The RSUs granted to employees vest one third on the first anniversary of their grant, one third on the second anniversary of their grant, and one third on the third anniversary of their grant. The RSUs granted to directors vest one year from the date of grant.

**Hall of Fame Resort & Entertainment Company and Subsidiaries**  
**Notes to Condensed Consolidated Financial Statements**  
**(Unaudited)**

**Note 5: Stockholders' Equity (continued)**

Issuance of Restricted Stock Units (continued)

The Company's activity in RSUs was as follows for the nine three months ended September 30, 2022 March 31, 2023:

	Number of shares	Weighted average grant date fair value	Number of shares	Weighted average grant date fair value
<b>Non-vested at January 1, 2022</b>	2,207,337	\$ 2.34		
<b>Non-vested at January 1, 2023</b>			134,799	\$ 28.74
<b>Granted</b>	1,953,220	\$ 0.94	99,615	\$ 14.70
<b>Vested</b>	(693,332)	\$ 2.32	(54,996)	\$ 30.34
<b>Forfeited</b>	(651,636)	\$ 2.34	(5,968)	\$ 14.93
<b>Non-vested at September 30, 2022</b>	2,815,589	\$ 1.35		
<b>Non-vested at March 31, 2023</b>			173,450	\$ 20.64

For the three months ended September 30, 2022 March 31, 2023 and 2021, 2022, the Company recorded \$529,549 \$600,377 and \$848,108, \$502,412, respectively, in employee and director stock-based compensation expense, and for the nine months ended September 30, 2022 and 2021, \$1,618,508 and \$2,615,301, respectively. Employee and director stock-based compensation expense is a component of "Operating expenses" Operating expenses in the condensed consolidated statement statements of operations. As of September 30, 2022 March 31, 2023, unamortized stock-based compensation costs related to restricted stock units were \$2,669,106 \$3,005,663 and will be recognized over a weighted average period of 0.92 years.

Warrants

The Company's warrant activity was as follows for the nine three months ended September 30, 2022 March 31, 2023:

	Number of Shares	Weighted Average Exercise Price (USD)	Weighted Average Contractual Life (years)	Intrinsic Value (USD)
Outstanding - January 1, 2022	41,012,349	\$ 7.82	3.59	
Granted	3,125,000	\$ 1.30		
Outstanding - September 30, 2022	44,137,349	\$ 7.36	3.11	\$
Exercisable - September 30, 2022	42,512,349	\$ 7.59	3.06	\$

	Number of Shares	Weighted Average Exercise Price (USD)	Weighted Average Contractual Life (years)	Intrinsic Value (USD)
Outstanding - January 1, 2023	2,003,649	\$ 149.09	2.86	\$ -
Outstanding - March 31, 2023	2,003,649	\$ 149.09	2.61	\$ -
Exercisable - March 31, 2023	1,997,972	\$ 149.48	2.61	\$ -

Hall of Fame Resort & Entertainment Company and Subsidiaries  
Notes to Condensed Consolidated Financial Statements  
(Unaudited)

Note 5: Stockholders' Equity (continued)

Amended and Restated Series C Warrants

On March 1, 2022, in connection with the amendment to the IRG Split Note (as described in Note 4), the Company amended its Series C Warrants to extend the term of the Series C Warrants to March 1, 2027. The exercise price of ~~\$1.40~~ \$30.80 per share remains unchanged, was not amended, but the amendments subject the exercise price to a weighted-average antidilution adjustment. The amendments also remove certain provisions regarding fundamental transactions, which subsequently allowed the Series C Warrants to be derecognized as a liability and classified as equity.

**Hall of Fame Resort & Entertainment Company and Subsidiaries**  
**Notes to Condensed Consolidated Financial Statements**  
**(Unaudited)**

**Note 5: Stockholders' Equity (continued)**

Amended and Restated Series C Warrants (continued)

The Company accounted for this modification as a cost of the IRG Split Note, whereby the Company calculated the incremental fair value of the Series C Warrants and recorded them as a discount against the IRG Split Note.

On November 7, 2022, the Company further amended the Series C Warrants to reduce the exercise price to \$12.77 per share as part of the IRG Letter Agreement. See Note 4 for more information.

The following assumptions were used to calculate the fair value of Series C Warrants immediately before and after modification; in connection with the modifications:

	Original Series C Warrants	Modified Series C Warrants	Original Series C Warrants	March 1, 2022 Modification	November 7, 2022 Modification
Term (years)	3.8	5.0	3.8	5.0	3.1
Stock price	\$ 1.01	\$ 1.01	\$ 22.22	\$ 22.22	\$ 14.52
Exercise price	\$ 1.40	\$ 1.40	\$ 30.80	\$ 30.80	\$ 12.77
Dividend yield	0.0%	0.0%	0.0%	0.0%	0.0%
Expected volatility	54.7%	50.8%	54.7%	50.8%	63.9%
Risk free interest rate	1.5%	1.5%	1.5%	1.5%	4.8%
Number of shares	10,036,925	10,036,925	455,867	455,867	455,867
Aggregate fair value	\$ 3,336,000	\$ 3,648,000	\$ 3,336,000	\$ 3,648,000	\$ 3,230,000

Hall of Fame Resort & Entertainment Company and Subsidiaries  
Notes to Condensed Consolidated Financial Statements  
(Unaudited)

Note 5: Stockholders' Equity (continued)

Amended and Restated Series D Warrants issue to CH Capital Lending

On March 1, 2022, in connection with the amendment to the CH Capital Loan (as described in Note 4), the Company amended the Series D Warrants issued to CH Capital Lending to extend the term of such Series D Warrants to March 1, 2027. The exercise price of \$6.90 \$151.80 per share remains unchanged, was not amended, but the amendments subject the exercise price to a weighted-average antidilution adjustment.

The On November 7, 2022, the Company accounted for this modification further amended the Series C Warrants to reduce the exercise price to \$12.77 per share as a cost part of the CH Capital Loan, whereby the Company calculated the incremental fair value of the Series D Warrants and recorded them as a discount against the CH Capital Loan. IRG Letter Agreement. See Note 4 for more information.

The following assumptions were used to calculate the fair value of Series D Warrants immediately before and after modification: in connection with the modifications:

	Original Series D Warrants	Modified Series D Warrants	Original Series D Warrants	March 1, 2022 Modification	November 7, 2022 Modification
<b>Term (years)</b>	2.3	5.0	3.8	3.8	3.1
<b>Stock price</b>	\$ 1.01	\$ 1.01	\$ 22.22	\$ 22.22	\$ 14.52
<b>Exercise price</b>	\$ 6.90	\$ 6.90	\$ 151.80	\$ 151.80	\$ 12.77
<b>Dividend yield</b>	0.0%	0.0%	0.0%	0.0%	0.0%
<b>Expected volatility</b>	63.5%	50.8%	63.5%	50.8%	63.9%
<b>Risk free interest rate</b>	1.3%	1.6%	1.3%	1.6%	4.8%
<b>Number of shares</b>	2,450,980	2,450,980	111,321	111,321	111,321
<b>Aggregate fair value</b>	\$ 50,000	\$ 138,000	\$ 50,000	\$ 138,000	\$ 910,000

7.00% Series A Cumulative Redeemable Preferred Stock

On January 12, 2023, the Company issued to ADC LCR Hall of Fame Manager II, LLC (the "Series A Preferred Investor") 1,600 shares of the Company's 7.00% Series A Cumulative Redeemable Preferred Stock, par value \$0.0001 per share ("Series A Preferred Stock"), at a price of \$1,000 per share for an aggregate purchase price of \$1,600,000. On January 23, 2023, the Company issued to the Series A Preferred Investor 800 additional shares (the "Shares") of the Company's Series A Preferred Stock at a price of \$1,000 per share for an aggregate purchase price of \$800,000. The Company paid the Series A Preferred Investor an origination fee of 2% of the aggregate purchase price for each issuance. The issuance and sale of the shares to the Series A Preferred Investor is exempt from registration pursuant to Section 4(a)(2) of the Securities Act of 1933, as amended (the "Securities Act"). The Series A Preferred Stock is not convertible into Common Stock. The Series A Preferred Investor has represented to the Company that it is an "accredited investor" as defined in Rule 501 of the Securities Act and that the shares are being acquired for investment purposes and not with a view to, or for sale in connection with, any distribution thereof.

**Hall of Fame Resort & Entertainment Company and Subsidiaries**  
**Notes to Condensed Consolidated Financial Statements**  
**(Unaudited)**

**Note 5: Stockholders' Equity (continued)**

Compliance with Nasdaq Minimum Bid Requirement

As previously reported, on May 24, 2022, the Company received a deficiency letter from the Listing Qualifications Department (the "Staff") of the Nasdaq Stock Market ("Nasdaq") notifying the Company that for the last 30 consecutive business days the bid price for the Company's common stock, par value \$0.0001 per share ("Common Stock"), had closed below the minimum requirement for continued inclusion on the Nasdaq Capital Market pursuant to Nasdaq Listing Rule 5550(a)(2) (the "Minimum Bid Requirement"). On January 11, 2023, the Company received written notice from the Staff of Nasdaq informing the Company that it has regained compliance with the Minimum Bid Requirement because Nasdaq has determined that for 10 consecutive business days, the closing bid price of the Company's Common Stock was at or above the Minimum Bid Requirement. Accordingly, Nasdaq has advised that the matter is now closed.

Hall of Fame Resort & Entertainment Company 2023 Inducement Plan

On January 24, 2023, the Company's board of directors adopted the Hall of Fame Resort & Entertainment Company 2023 Inducement Plan (the "Inducement Plan"). The Inducement Plan is not subject to stockholder approval. The aggregate number of shares of Common Stock that may be issued or transferred pursuant to awards covered by the Plan (including existing inducement awards amended to be subject to the Inducement Plan) is 110,000. Awards covered by the Inducement Plan include only inducement grants under Nasdaq Listing Rule 5635(c)(4).

**Note 6: Sponsorship Revenue and Associated Commitments**

Johnson Controls, Inc.

On July 2, 2020, the Company entered into an Amended and Restated Sponsorship and Naming Rights Agreement (the "Naming Rights Agreement") among Newco, PFHOF and Johnson Controls, Inc. ("JCI" or "Johnson Controls"), that amended and restated the Sponsorship and Naming Rights Agreement, dated as of November 17, 2016 (the "Original Sponsorship Agreement"). Among other things, the Amended Sponsorship Agreement: (i) reduced the total amount of fees payable to Newco during the term of the Amended Sponsorship Agreement from \$135 million to \$99 million; (ii) restricted the activation proceeds from rolling over from year to year with a maximum amount of activation proceeds in one agreement year to be \$750,000; and (iii) renamed the "Johnson Controls Hall of Fame Village" to "Hall of Fame Village powered by Johnson Controls Village". This is a prospective change, which the Company reflected beginning in the third quarter of 2020.

JCI has a right to terminate the Naming Rights Agreement if the Company does not provide evidence to JCI by October 31, 2021 that it has secured sufficient debt and equity financing to complete Phase II, or if Phase II is not open for business by January 2, 2024, in each case subject to day-for-day extension due to force majeure and a notice and cure period. In addition, under the Naming Rights Agreement JCI's obligation to make sponsorship payments to the Company may be suspended commencing on December 31, 2020, if the Company has not provided evidence reasonably satisfactory to JCI on or before December 31, 2020, subject to day-for-day extension due to force majeure, that the Company has secured sufficient debt and equity financing to complete Phase II.

Additionally, on October 9, 2020, Newco, entered into a Technology as a Service Agreement (the "TAAS Agreement") with JCI. Pursuant to the TAAS Agreement, JCI will provide certain services related to the construction and development of the Hall of Fame Village powered by JCI (the "Project"), including, but not limited to, (i) design assist consulting, equipment sales and turn-key installation services in respect of specified systems to be constructed as part of Phase 2 and Phase 3 of the Project and (ii) maintenance and lifecycle services in respect of certain systems constructed as part of Phase 1, and to be constructed as part of Phase 2 and Phase 3, of the Project. Under the terms of the TAAS Agreement, Newco has agreed to pay JCI up to an aggregate of approximately \$217 million for services rendered by JCI over the term of the TAAS Agreement. As of September 30, 2022 and December 31, 2021, approximately \$195 million and \$199 million, respectively, was remaining under the TAAS Agreement.

**Hall of Fame Resort & Entertainment Company and Subsidiaries**  
**Notes to Condensed Consolidated Financial Statements**  
**(Unaudited)**  
(Unaudited)

**Note 6: Sponsorship Revenue and Associated Commitments (continued)**

Johnson Controls, Inc. (continued)

As The TAAS Agreement provides that in respect of September 30, 2022, scheduled future cash the Naming Rights Agreement, Johnson Controls and Newco intend, acknowledge and understand that: (i) Newco's performance under the TAAS Agreement is essential to, be received and a condition to Johnson Controls' performance under, the Naming Rights Agreement; and (ii) Johnson Controls' performance under the Naming Rights Agreement is as follows: essential to, and a condition to Newco's performance under, the TAAS Agreement. In the TAAS Agreement, Johnson Controls and Newco represent, warrant and agree that the transactions agreements and obligations contemplated under the TAAS Agreement and the Naming Rights Agreement are intended to be, and shall be, interrelated, integrated and indivisible, together being essential to consummating a single underlying transaction necessary for the Project. The Company anticipates that resolution of the dispute regarding the Naming Rights Agreement will include the TAAS Agreement.

	Unrestricted	Activation	Total
2022 (three months)	\$ 4,000,000	\$ 750,000	\$ 4,750,000
2023	4,000,000	750,000	4,750,000
2024	4,250,000	750,000	5,000,000
2025	4,250,000	750,000	5,000,000
2026	4,250,000	750,000	5,000,000
Thereafter	<u>35,531,251</u>	<u>6,000,000</u>	<u>41,531,251</u>
Total	<u>\$ 56,281,251</u>	<u>\$ 9,750,000</u>	<u>\$ 66,031,251</u>

As services are provided, the Company is recognizing revenue on a straight-line basis over the expected term of the Amended Sponsorship Agreement. During the three and nine months ended September 30, 2021, the Company recognized \$1,130,708 and \$3,364,155, respectively, of net sponsorship revenue related to the Naming Rights Agreement.

On May 10, 2022, the Company received from JCI a notice of termination (the "TAAS Notice") of the TAAS Agreement effective immediately. The TAAS Notice states that termination of the TAAS Agreement by JCI is due to Newco's alleged breach of its payment obligations. Additionally, JCI in the TAAS Notice demands the amount which is the sum of: (i) all past due payments and any other amounts owed by Newco under the TAAS Agreement; (ii) all commercially reasonable and documented subcontractor breakage and demobilization costs; and (iii) all commercially reasonable and documented direct losses incurred by JCI directly resulting from the alleged default by the Company and the exercise of JCI's rights and remedies in respect thereof, including reasonable attorney fees.

Also on May 10, 2022, the Company received from JCI a notice of termination ("Naming Rights Notice") of the Name Rights Agreement, effective immediately. The Naming Rights Notice states that the termination of the Naming Rights Agreement by JCI is due to JCI's concurrent termination of the TAAS Agreement. The Naming Rights Notice further states that the Company must pay JCI, within 30 days following the date of the Naming Rights Notice, \$4,750,000. The Company has not made such payment to date. The Naming Rights Notice states that Newco is also in breach of its covenants and agreements, which require Newco to provide evidence reasonably satisfactory to JCI on or before October 31, 2021, subject to day-for-day extension due to force majeure, that Newco has secured sufficient debt and equity financing to complete Phase II.

**Hall of Fame Resort & Entertainment Company and Subsidiaries**  
**Notes to Condensed Consolidated Financial Statements**  
**(Unaudited)**

**Note 6: Sponsorship Revenue and Associated Commitments (continued)**

Johnson Controls, Inc. (continued)

The Company disputes that it is in default under either the TAAS Agreement or the Naming Rights Agreement. The Company believes JCI is in breach of the Naming Rights Agreement and the TAAS Agreement due to their failure to make certain payments in accordance with the Naming Rights Agreement, and, on May 16, 2022, provided notice to JCI of these breaches.

The Company is pursuing dispute resolution pursuant to the terms of the Naming Rights Agreement to simultaneously defend against JCI's allegations and pursue its own claims. The parties participated in mediation in November 2022, but were unable to reach a resolution. On January 24, 2023, Newco filed a demand for arbitration with JAMS, asserting claims against JCI for breach of contract, breach of the implied duty of good faith and fair dealing, and unjust enrichment. On February 16, 2023, JCI filed its response, generally denying Newco's allegations and asserting counterclaims for breach of contract, breach of the implied covenant of good faith and fair dealing, and unjust enrichment. On March 9, 2023, Newco filed its response to JCI's counterclaims, generally denying JCI's allegations. A panel of three arbitrators has been constituted to hear and determine the dispute. The Company presently anticipates that the arbitration hearing will be held during the fourth quarter of 2023 in Ohio. The ultimate outcome of this dispute cannot presently be determined. However, in management's opinion, the likelihood of a material adverse outcome is remote. Accordingly, adjustments, if any, that might result from the resolution of this matter have not been reflected in the accompanying condensed consolidated financial statements. During the three and nine months year ended September 30, 2022 December 31, 2022, the Company suspended its revenue recognition until the dispute is resolved and has recorded an allowance against the amounts due as of September 30, 2022 March 31, 2023 and December 31, 2022 in the amount of \$3,312,500, \$6,000,000 and \$4,812,500, respectively. The balances due under the Naming Rights Agreement as of September 30, 2022 March 31, 2023 and December 31, 2021 December 31, 2022 amounted to \$5,197,917 \$7,822,917 and \$1,885,417, \$6,635,417 respectively.

Other Sponsorship Revenue

The Company has additional revenue primarily from sponsorship programs that provide its sponsors with strategic opportunities to reach customers through our venue including advertising on our website. Sponsorship agreements may contain multiple elements, which provide several distinct benefits to the sponsor over the term of the agreement and can be for a single or multi-year term. These agreements provide sponsors various rights such as venue naming rights, signage within our venues, and the ability to be the exclusive provider of a certain category of product, advertising on our website and other benefits as detailed in the agreements.

Hall of Fame Resort & Entertainment Company and Subsidiaries  
Notes to Condensed Consolidated Financial Statements  
(Unaudited)

Note 6: Sponsorship Revenue and Associated Commitments (continued)

Other Sponsorship Revenue (continued)

As of **September 30, 2022** **March 31, 2023**, scheduled future cash to be received under the agreements, excluding the Johnson Controls Naming Rights Agreement, is as follows:  
Year ending December 31,

2022 (three months)	\$ 654,759	
2023	2,814,220	
2023 (nine months)		\$ 951,750
2024	2,406,265	2,256,265
2025	2,317,265	2,167,265
2026	2,167,265	2,017,265
2027		1,757,265
Thereafter	6,271,792	4,514,529
<b>Total</b>	<b>\$ 16,631,566</b>	<b>\$ 13,664,339</b>

As services are provided, the Company is recognizing revenue on a straight-line basis over the expected term of the agreement. During the three months ended **September 30, 2022** **March 31, 2023** and **2021, 2022**, the Company recognized **\$748,033** **\$673,475** and **\$1,554,454** **\$819,290** of net sponsorship revenue, respectively, and for the nine months ended **September 30, 2022** and **2021**, **\$2,020,095** and **\$4,538,292**, respectively.

**Hall of Fame Resort & Entertainment Company and Subsidiaries**  
**Notes to Condensed Consolidated Financial Statements**  
**(Unaudited)**  
(Unaudited)

**Note 7: Other Commitments**

Lessor Commitments

As of September 30, 2022, the Company's Constellation Center for Excellence and retail facilities were partially leased including leases by the Company's subsidiaries. The future minimum lease commitments under this lease, excluding leases of the Company's subsidiaries, are as follows:

Year ending December 31:

2022 (three months)	\$ 50,603
2023	320,208
2024	289,906
2025	279,122
2026	268,802
Thereafter	1,093,060
Total	<u>\$ 2,301,701</u>

Employment Agreements

The Company has employment agreements with many of its key executive officers that usually have terms between one and three years.

Management Agreement with Crestline Hotels & Resorts

On October 22, 2019, the Company entered into a management agreement with Crestline Hotels & Resorts ("Crestline"). The Company appointed and engaged Crestline as the Company's exclusive agent to supervise, direct, and control management and operation of the DoubleTree Canton Downtown Hotel. In consideration of the services performed by Crestline, the Company agreed to the greater of: 2% of gross revenues or \$10,000 per month in base management fees and other operating expenses. The agreement will be terminated on the fifth anniversary of the commencement date, or October 22, 2024. For the three months ended September 30, 2022, March 31, 2023 and 2021, 2022, the Company paid and incurred \$51,466, \$45,500 and \$30,000, respectively in management fees, and for the nine months ended September 30, 2022 and 2021, \$114,310 and \$90,000, respectively, fees.

**Hall of Fame Resort & Entertainment Company and Subsidiaries**  
**Notes to Condensed Consolidated Financial Statements**  
**(Unaudited)**

**Note 7: Other Commitments (continued)**

Constellation EME Express Equipment Services Program

On February 1, 2021, the Company entered into a contract with Constellation whereby Constellation will sell and/or deliver materials and equipment purchased by the Company. The Company is required to provide \$2,000,000 to an escrow account held by Constellation, representing adequate assurance of future performance. Constellation will invoice the Company in 60 monthly installments, which began in April 2021 for \$103,095. Additionally, the Company has two notes one note payable with Constellation. See Note 4 for more information.

Online Sports Betting Agreements Agreement

On July 14, 2022, Newco entered into an Online Market Access Agreement with Instabet, Inc. doing business as betr ("Instabet" BETR"), pursuant to which Instabet BETR will serve as a Mobile Management Services Provider (as defined under applicable Ohio gaming law) wherein Instabet BETR will host, operate and support a branded online sports betting service in Ohio, subject to procurement of all necessary licenses. The initial term of the Online Market Access Agreement is ten years.

As part of this agreement, Newco will receive a limited equity interest in Instabet BETR and certain revenue sharing, along with the opportunity for sponsorship and cross-marketing.

On July 29, 2022, Newco entered into a Retail Sports Gaming Services Agreement with RSI OH, LLC, ("RSI"), pursuant to which RSI The limited equity interest was in the form of penny warrants valued at \$4,000,000. The grant date value of these warrants were recorded as deferred revenue (within Other Liabilities on the condensed consolidated Balance Sheets) and will serve as a land-based Management Services Provider (as defined under applicable Ohio gaming law) wherein RSI will operate a retail be amortized over the life of the sports betting location in the Fan Engagement Zone at the Hall of Fame Village, subject to procurement of all necessary licenses. The initial term of the Retail Sports Gaming Services Agreement is ten years. As part of this agreement, Newco will receive sponsorship fees and certain revenue sharing. agreement.

On November 2, 2022, Newco received the Company took the next step toward live sports betting by securing conditional approval from the state for mobile and retail sports books.

The Ohio Casino Control Commission provided the required authorization for HOFV to gain licensing for a Type A (mobile) physical sports operation - called a sportsbook - as well as an online betting platform, under Ohio's sports betting law HB29. As of January 1, 2023, sports betting is legal in Ohio, for anyone in the state that is of legal betting age.

Hall of Fame Resort & Entertainment Company and a Type B (retail) sports gaming proprietor license. See Subsidiaries  
 Notes to Condensed Consolidated Financial Statements  
 (Unaudited)

Note 13: Subsequent Events. 7: Other Commitments (continued)

Other Liabilities

Other liabilities consisted of the following at September 30, 2022, March 31, 2023 and December 31, 2021, December 31, 2022:

	September 30, 2022	December 31, 2021	March 31, 2023	December 31, 2022
Activation fund reserves	\$ 3,588,974	\$ 3,537,347	\$ 3,692,820	\$ 3,511,185
Deferred revenue	1,549,931	203,278	9,787,961	6,867,970
Deposits and other liabilities	261,669	-	383,347	300,549
Total	\$ 5,400,574	\$ 3,740,625	\$ 13,864,128	\$ 10,679,704

Other Commitments

The Company has other commitments, as disclosed in Notes 6, 8 and 9 within these condensed consolidated footnotes.

**Hall of Fame Resort & Entertainment Company and Subsidiaries**  
**Notes to Condensed Consolidated Financial Statements**  
**(Unaudited)**

**Note 8: Contingencies**

During the normal course of its business, the Company is subject to occasional legal proceedings and claims. The Company does not have any pending litigation that, separately or in the aggregate, would, in the opinion of management, have a material adverse effect on its results of operations, financial condition, or cash flows.

**Note 9: Related-Party Transactions**

Due to Affiliates

Due to affiliates consisted of the following at **September 30, 2022**, **March 31, 2023** and **December 31, 2021**: **December 31, 2022**:

	September 30, 2022	December 31, 2021	March 31, 2023	December 31, 2022
Due to IRG Member	\$ 1,882,136	\$ 1,041,847	\$ 172,753	\$ 345,253
Due to IRG Affiliate	116,900	116,900		
Due to PFHOF	1,710,737	660,208	571,829	510,232
Total	<u>\$ 3,709,773</u>	<u>\$ 1,818,955</u>	<u>\$ 744,582</u>	<u>\$ 855,485</u>

IRG Canton Village Member, LLC, a member of HOF Village, LLC controlled by our director Stuart Lichter (the "IRG Member") and an affiliate, provides certain supporting services to the Company. As noted in the Operating Agreement of HOF Village, LLC, an affiliate of the IRG Member, IRG Canton Village Manager, LLC, the manager of HOF Village, LLC controlled by our director Stuart Lichter, may earn a master developer fee calculated as 4.0% of development costs incurred for the Hall of Fame Village, powered by Johnson Controls, including, but not limited to site assembly, construction supervision, and project financing. These development costs incurred are netted against certain costs incurred for general project management.

The due to related party amounts in the table above are non-interest bearing advances from an affiliate of IRG Member due on demand. The Company is currently in discussions with this affiliate to establish repayment terms of these advances. However, there could be no assurance that the Company and IRG Member will come to terms acceptable to both parties.

On January 13, 2020, the Company secured \$9.9 million in financing from Constellation through its Efficiency Made Easy ("EME") program to implement energy efficient measures and to finance the construction of the Constellation Center for Excellence and other enhancements, as part of Phase II development. The Hanover Insurance Company provided a guarantee bond to guarantee the Company's payment obligations under the financing, and Stuart Lichter and two trusts affiliated with Mr. Lichter have agreed to indemnify The Hanover Insurance Company for payments made under the guarantee bond.

The amounts above due to PFHOF relate to advances to and from PFHOF, including costs for onsite sponsorship activation, sponsorship sales support, shared services, event tickets, and expense reimbursements.

**Hall of Fame Resort & Entertainment Company and Subsidiaries**  
**Notes to Condensed Consolidated Financial Statements**  
**(Unaudited)**

**Note 9: Related-Party Transactions (continued)**

License Agreement

On March 10, 2016, the Company entered into a license agreement with PFHOF, whereby the Company has the ability to license and use certain intellectual property from PFHOF in exchange for the Company paying a fee based on certain sponsorship revenues and expenses. On December 11, 2018, the license agreement was amended to change the calculation of the fee to be 20% of eligible sponsorship revenue. The license agreement was further amended in a First Amended and Restated License Agreement, dated September 16, 2019. The license agreement expires on December 31, 2033.

Media License Agreement

On November 11, 2019, the Company entered into a Media License Agreement with PFHOF. On July 1, 2020, the Company entered into an Amended and Restated Media License Agreement that terminates on December 31, 2034. In consideration of a license to use certain intellectual property of PFHOF, the Company agreed to pay PFHOF minimum guaranteed license fees of \$1,250,000 each year during the term. After the first five years of the agreement, the minimum guarantee shall increase by 3% on a year-over-year basis. The first annual minimum payment was due July 1, 2021, which was not paid by December 31, 2021. On April 12, 2022, the Company and PFHOF terminated the Media License Agreement and entered into a new license agreement.

Purchase of Real Property from PFHOF

On February 3, 2021, the Company purchased certain parcels of real property from PFHOF, located at the site of the Hall of Fame Village powered by Johnson Controls, for \$1.75 million. In connection with the purchase, the Company granted certain easements to PFHOF to ensure accessibility to the PFHOF museum.

Shared Services Agreement with PFHOF

On March 9, 2021, the Company entered into an additional Shared Services Agreement with PFHOF, which supplements the existing Shared Services Agreement by, among other things, providing for the sharing of costs for activities relating to shared services.

**Hall of Fame Resort & Entertainment Company and Subsidiaries**  
**Notes to Condensed Consolidated Financial Statements**  
**(Unaudited)**  
**(Unaudited)**

**Note 9: Related-Party Transactions (continued)**

Global License Agreement

Effective April 8, 2022, Newco and PFHOF, entered into a Global License Agreement (the "Global License Agreement"). The Global License Agreement consolidates and replaces the First Amended and Restated License Agreement, the Amended and Restated Media License Agreement, and the Branding Agreement the parties had previously entered into. The Global License Agreement sets forth the terms under which PFHOF licenses certain marks and works to Newco and its affiliates to exploit existing PFHOF works and to create new works. The Global License Agreement grants Newco and its affiliates an exclusive right and license to use the PFHOF marks in conjunction with theme-based entertainment and attractions within the City of Canton, Ohio; youth sports programs, subject to certain exclusions; e-gaming and video games; and sports betting. The Global License Agreement also grants Newco and its affiliates a non-exclusive license to use the PFHOF marks and works in other areas of use, with a right of first refusal, subject to specified exclusions. The Global License Agreement acknowledges the existence of agreements in effect between PFHOF and certain third parties that provide for certain restrictions on the rights of PFHOF, which affects the rights that can be granted to Newco and its affiliates. These restrictions include, but are not limited to, such third parties having co-exclusive rights to exploit content based on the PFHOF enshrinement ceremonies and other enshrinement events. The Global License Agreement requires Newco to pay PFHOF an annual license fee of \$900,000 in the first contract year, inclusive of calendar years 2021 and 2022; an annual license fee of \$600,000 in each of contract years two through six; and an annual license fee of \$750,000 per year starting in contract year seven through the end of the initial term. The Global License Agreement also provides for an additional license royalty payment by Newco to PFHOF for certain usage above specified financial thresholds, as well as a commitment to support PFHOF museum attendance through Newco's and its affiliates' ticket sales for certain concerts and youth sports tournaments. The Global License Agreement has an initial term through December 31, 2036, subject to automatic renewal for successive five-year terms, unless timely notice of non-renewal is provided by either party.

The future minimum payments under this agreement as of **September 30, 2022** **March 31, 2023** are as follows:

For the years ending December 31,	Amount	Amount
2022 (three months)	\$ 318,750	
2023	600,000	
2023 (nine months)		\$ 300,000
2024	600,000	600,000
2025	600,000	600,000
2026	600,000	600,000
2027		600,000
Thereafter	7,350,000	6,750,000
Total Gross Principal Payments	<u>\$ 10,068,750</u>	<u>\$ 9,450,000</u>

During the three months ended **September 30, 2022** **March 31, 2023** and **2021, 2022**, the Company paid **\$212,500** **\$300,000** and \$0 of the annual license fee, respectively, and for the nine months ended September 30, 2022 and 2021, \$581,250 and \$0, respectively.

**Hall of Fame Resort & Entertainment Company and Subsidiaries**  
**Notes to Condensed Consolidated Financial Statements**  
**(Unaudited)**  
**(Unaudited)**

**Note 10: Concentrations**

For the three months ended September 30, 2022, two customers represented approximately 40% and 17% of the Company's sponsorship revenue. For the three months ended September 30, 2021, one customer represented approximately 33% of the Company's sponsorship revenue. For the nine months ended September 30, 2022, two customers represented approximately 43.4% and 18.5% of the Company's sponsorship revenue. For the nine months ended September 30, 2021, two customers represented approximately 43% and 11% of the Company's sponsorship revenue.

As of September 30, 2022, one customer represented approximately 84.4% of the Company's sponsorship accounts receivable. As of December 31, 2021, one customer represented approximately 88% of the Company's sponsorship accounts receivable.

At any point in time, the Company can have funds in their operating accounts and restricted cash accounts that are with third-party financial institutions. These balances in the U.S. may exceed the Federal Deposit Insurance Corporation insurance limits. While the Company monitors the cash balances in their operating accounts, these cash and restricted cash balances could be impacted if the underlying financial institutions fail or other adverse conditions in the financial markets occurs.

**Note 11: ROU Assets and Lease Liabilities**

The Company has entered into operating leases as the lessee primarily for ground leases under its stadium, sports complex, and parking facilities. On January 1, 2022 ("Effective Date"), the Company adopted FASB Accounting Standards Codification, or ASC, Topic 842, Leases ("ASC 842"), which increases transparency and comparability by recognizing a lessee's rights and obligations resulting from leases by recording them on the balance sheet as lease assets and lease liabilities. The new guidance requires the recognition of the right-of-use ("ROU") assets and related operating and finance lease liabilities on the balance sheet. The Company adopted the new guidance using the modified retrospective approach on January 1, 2022. As a result, the consolidated balance sheet as of December 31, 2021 was not restated and is not comparative.

The adoption of ASC 842 resulted in the recognition of operating ROU assets of \$7,741,946 and operating lease liabilities of \$3,383,807 on the Company's condensed consolidated balance sheet as of January 1, 2022. The initial recognition of the ROU asset included the reclassification of \$4,358,139 of prepaid rent as of January 1, 2022.

The Company elected the package of practical expedients permitted within the standard, which allow an entity to forgo reassessing (i) whether a contract contains a lease, (ii) classification of leases, and (iii) whether capitalized costs associated with a lease meet the definition of initial direct costs. Also, the Company elected the expedient allowing an entity to use hindsight to determine the lease term and impairment of ROU assets and the expedient to allow the Company to not have to separate lease and non-lease components. The Company has also elected the short-term lease accounting policy under which the Company would not recognize a lease liability or ROU asset for any lease that at the commencement date has a lease term of twelve months or less and does not include a purchase option that the Company is more than reasonably certain to exercise.

**Hall of Fame Resort & Entertainment Company and Subsidiaries**  
**Notes to Condensed Consolidated Financial Statements**  
**(Unaudited)**

**Note 11: ROU Assets and Lease Liabilities (continued)**

For contracts entered into on or after the Effective Date, at the inception of a contract the Company will assess whether the contract is, or contains, a lease. The Company's assessment is based on: (i) whether the contract involves the use of a distinct identified asset, (ii) whether the Company obtained the right to substantially all the economic benefit from the use of the asset throughout the period, and (iii) whether the Company has the right to direct the use of the asset. Leases entered into prior to January 1, 2022, which were accounted for under ASC 840, were not reassessed for classification.

For operating leases, the lease liability is initially and subsequently measured at the present value of the unpaid lease payments. For finance leases, the lease liability is initially measured in the same manner and date as for operating leases, and is subsequently presented at amortized cost using the effective interest method. The Company generally uses its incremental borrowing rate as the discount rate for leases, unless an interest rate is implicitly stated in the lease. The present value of the lease payments is calculated using the incremental borrowing rate for operating and finance leases, which was determined using a portfolio approach based on the rate of interest that the Company would have to pay to borrow an amount equal to the lease payments on a collateralized basis over a similar term. The lease term for all of the Company's leases includes the noncancelable period of the lease plus any additional periods covered by either a Company option to extend the lease that the Company is reasonably certain to exercise, or an option to extend the lease controlled by the lessor. All ROU assets are reviewed periodically for impairment.

Lease expense for operating leases consists of the lease payments plus any initial direct costs and is recognized on a straight-line basis over the lease term. Lease expense for finance leases consists of the amortization of the asset on a straight-line basis over the shorter of the lease term or its useful life and interest expense determined on an amortized cost basis, with the lease payments allocated between a reduction of the lease liability and interest expense.

The Company's operating leases are comprised primarily of ground leases and equipment leases. Balance sheet information related to our leases is present below (ASC 842 was adopted on January 1, 2022):

	September 30, 2022	December 31, 2021
Operating leases:		
Right-of-use assets	\$ 7,607,835	\$ -
Lease liability	3,408,892	-
Finance leases:		
Right-of-use assets	-	-
Lease liability	14,720,879	-
Other information related to leases is presented below:		
Nine Months Ended September 30, 2022		
Operating lease cost		\$ 386,279
Other information:		
Operating cash flows from operating leases		238,723
Weighted-average remaining lease term - operating leases (in years)		91.8
Weighted-average discount rate - operating leases		10.0%

**Hall of Fame Resort & Entertainment Company and Subsidiaries**  
**Notes to Condensed Consolidated Financial Statements**  
**(Unaudited)**

**Note 11: ROU Assets and Lease Liabilities (continued)**

As of September 30, 2022, the annual minimum lease payments of our operating lease liabilities were as follows:

For The Years Ending December 31,

2022 (three months)	\$ 79,574
2023	333,004
2024	311,900
2025	311,900
2026	311,900
Thereafter	41,436,900
Total future minimum lease payments, undiscounted	42,785,178
Less: imputed interest	(39,376,286)
Present value of future minimum lease payments	<u>\$ 3,408,892</u>

**Note 12: Failed Sale-Leaseback Financing Obligation**

On September 27, 2022 the Company sold the land under the Company's Fan Engagement Zone. Simultaneously, the Company entered into a lease agreement with the buyer of the property (the sale of the property and simultaneous leaseback is referred to as the "Sale-Leaseback"). The Sale-Leaseback is repayable over a 99-year term. Under the terms of the lease agreement, the Company's initial basic rent is approximately \$307,125 per quarter, with annual increases of approximately 2% each year of the term.

The Company accounted for the Sale-Leaseback as a financing transaction with the purchaser of the property in accordance with ASC 842 as the lease agreement was determined to be a finance lease. The Company concluded the lease agreement met the qualifications to be classified as a finance lease due to the significance of the present value of the lease payments, using a discount rate of 10.25% to reflect the Company's incremental borrowing rate, compared to the fair value of the leased property as of the lease commencement date.

The presence of a finance lease indicates that control of the land under the Fan Engagement Zone has not transferred to the buyer/lessor and, as such, the transaction was deemed a failed sale-leaseback and must be accounted for as a financing arrangement. As a result of this determination, the Company is viewed as having received the sales proceeds from the buyer/lessor in the form of a hypothetical loan collateralized by its leased land. The hypothetical loan is payable as principal and interest in the form of "lease payments" to the buyer/lessor. As such, the Company will not derecognize the property from its books for accounting purposes until the lease ends.

As of September 30, 2022, the carrying value of the financing liability was \$14,720,879, net of \$867,641 in debt issuance costs. The monthly lease payments are split between a reduction of principal and interest expense using the effective interest rate method. No gain or loss was recognized related to the Sale-Leaseback for the three and nine months ended September 30, 2022.

Under the terms of the Ground Lease, TWIN withheld \$2,631,481, representing 24 months' worth of rent under the ground lease.

Further, the Company has a right to re-purchase the land from TWIN at any time on or after September 27, 2025 at a fixed price according to the lease.

Remaining future cash payments related to the financing liability, for the fiscal years ending December 31 are as follows:

2022 (three months)	\$ -
2023	-
2024	313,268
2025	1,278,131
2026	1,303,694
Thereafter	367,649,843
Total Minimum Liability Payments	370,544,936
Imputed Interest	(355,824,057)
Total	<u>\$ 14,720,879</u>

**Note 9: Related-Party Transactions (continued)**

**Hall of Fame Resort & Entertainment Company and Subsidiaries**  
**Notes to Condensed Consolidated Financial Statements**  
**(Unaudited)**

**Note 13: Subsequent Events (continued)**

*Tourism Development District – Ohio Enterprise Bond Fund Transaction*

On October 19, 2022, HOF Village Center for Performance, LLC and HOF Village Newco, LLC, subsidiaries of the Company, entered an Ohio Enterprise Bond Fund transaction ("OEBF") with the State of Ohio and Stark County Port Authority. The OEBF issued \$7,500,000 of Series 2022-3 bonds, the proceeds of which were loaned to the Stark County Port Authority and used to purchase Series 2022A bonds. The interest on the bonds will be 5.413% which will produce, net of required reserves and transaction costs, approximately \$6,077,738 of bond proceeds. The term is approximately 24.75 years with the first debt service payment due December 1, 2022 and final payment December 1, 2046.

HOF Village Center for Performance, LLC granted a second mortgage on the Center for Performance parcel and improvements with HOF Village Newco, LLC providing a guaranty of completion of the Center for Performance improvements, lien free, and a guarantee of payment of any debt service due to the extent Tourism Development District revenues are not sufficient to make payments. Tourism Development District revenues are the primary source of repayment, pledged by the City of Canton through a Cooperative Agreement and include gross receipts tax, parking, admission tax, and additional hotel tax.

*Approval for Sports Betting Licenses*

On November 2, 2022, the Company took the next step toward live sports betting by securing conditional approval from the state for mobile and retail sports books.

The Ohio Casino Control Commission provided the required authorization for HOFV to gain licensing for a physical sports operation – called a sportsbook – as well as an online betting platform, under Ohio's sports betting law HB29. Sports betting will become legal in Ohio on New Year's Day, 2023, when anyone in the state that is of legal betting age will be able to place wagers.

*Waterpark Sale and Leaseback*

On November 7, 2022, HOF Village Waterpark, LLC ("HOFV Waterpark"), an indirect subsidiary of the Company, as seller, entered into an Agreement for Purchase and Sale of Real Property (the "Purchase and Sale Agreement") with HFAKOH001 LLC, an affiliate of Oak Street Real Estate Capital, LLC ("Oak Street"), as buyer, pursuant to which the parties agreed to consummate a sale and leaseback transaction (the "Waterpark Sale and Leaseback Transaction"). Under the terms of the Purchase and Sale Agreement, Oak Street paid the sum of \$1,000,000 as the purchase price for HOFV Waterpark's property located at Hall of Fame Village, Canton, Ohio (the "Waterpark Property"), and paid the sum of \$49,000,000 for the Pledged Interests (defined below). The net proceeds to be received by HOFV Waterpark will be reduced by transaction commissions and expenses incurred in connection with the sale.

At the closing of the Purchase and Sale Agreement, HOFV Waterpark leased the Waterpark Property back from Oak Street pursuant to a Ground Lease Agreement, dated November 7, 2022, between HOFV Waterpark, as tenant, and Oak Street, as landlord (the "Ground Lease"), the term of which Ground Lease is for approximately 99 years. In connection with the Ground Lease, HOFV Newco (defined below) is providing a Limited Recourse Carveout Guaranty, dated November 7, 2022 (the "Limited Guaranty") in favor of Oak Street. HOFV Waterpark will construct and develop structures for use as an indoor waterpark and other uses ancillary thereto on the Waterpark Property (the "Waterpark Project"). Proceeds from the conveyance of the Waterpark Property to Oak Street will provide funding for the Waterpark Project and other costs related to the Purchase and Sale Agreement and the Ground Lease.

HOF Village Stadium, LLC ("HOFV Stadium"), which is owned by HOF Village Newco, LLC, a subsidiary of the Company ("HOFV Newco"), owns leasehold interests (the "Stadium Leasehold Interests") in certain real property located in the City of Canton, Ohio on which is situated the Tom Benson Hall of Fame Stadium (the "Stadium"). In connection with the Waterpark Sale and Leaseback Transaction and as additional security for HOFV Waterpark's obligations under the Ground Lease, HOFV Newco pledged one hundred percent of the record and beneficial membership interests in HOFV Stadium (the "Pledged Interests") to Oak Street pursuant to a pledge and security agreement (the "Pledge Agreement") dated November 7, 2022.

Pursuant to a Post-Closing Matters Agreement dated November 7, 2022 by and between HOFV Waterpark, HOFV Newco and Oak Street ("Post-Closing Agreement"), Oak Street: (1) retains the right, which much be exercised on or before November 30, 2022, to cause HOFV Waterpark to purchase the Waterpark Property in the event Oak Street determines there is a material deficiency in the status, condition or sufficiency in the collateral for the Pledge Agreement, and (2) retains the right to cause HOFV Stadium to provide a mortgage on the Stadium Leasehold Interests (the "Stadium Leasehold Mortgage").

On November 7, 2022, Oak Street and HOFV Waterpark also entered into a Purchase Option Agreement (the "Purchase Option Agreement"), pursuant to which HOFV Waterpark is granted an option to purchase the Waterpark Property back from Oak Street that can be exercised during the period beginning on December 1, 2027 and ending on November 30, 2034 (the "Option Period").

**Hall of Fame Resort & Entertainment Company and Subsidiaries**  
**Notes to Condensed Consolidated Financial Statements**  
**(Unaudited)**

**Note 13: Subsequent Events (continued)**

*Hotel Construction Loan Commitment Letter*

On November 3, 2022, the Company entered into a Commitment Letter (the "Hotel Construction Loan Commitment Letter"), by and among the Company, as guarantor, HOF Village Hotel WP, LLC ("Hotel"), an indirect wholly owned subsidiary of the Company, as borrower, and Industrial Realty Group, Inc. ("IRGInc"), as lender. Stuart Lichter, a director of the Company, is President and Chairman of the Board of Industrial Realty Group, LLC ("IRGLLC"). Pursuant to the terms of the Hotel Construction Loan Commitment Letter, IRGInc committed to provide, or to arrange for one of IRGInc's affiliates to provide, a loan of \$28,000,000 (the "Hotel Construction Loan") to finance a portion of Hotel's costs and expenses in connection with the ground-up development of a 180-room family hotel (the "Hotel Project") on approximately 1.64 acres of land located in the Hall of Fame Village, Canton, Ohio (the "Hotel Property"), adjacent to the Waterpark Property. The commitment to provide the Hotel Construction Loan is subject to certain conditions, including the execution and delivery of definitive documentation with respect to the Hotel Construction Loan.

The Hotel Construction Loan will have a two-year term with one option to extend for twelve months, subject to standard extension conditions. The collateral for the Hotel Construction Loan will include, without limitation: (a) a first priority perfected mortgage encumbering the Hotel Property; (b) a first priority perfected assignment of leases and rents with respect to the Hotel Property; (c) a first priority perfected assignment of all permits, licenses, entitlements, approvals, and contracts with respect to the Hotel Property; (d) UCC-1 financing statements (all personal property, fixture filing and accounts and reserves); (e) equity pledge; and (f) all other agreements and assurances customary in similar financings by IRGInc. The Hotel Construction Loan will bear interest at a variable rate per annum equal to the one-month Term SOFR plus 6%, subject to a SOFR floor equal to the greater of (i) 4% and (ii) prevailing SOFR at closing of the Hotel Construction Loan. Payments of interest only will be made during the initial two-year term, with a payments of principal and interest based on a 25-year amortization during the extension term, if applicable. Hotel will pay 1% of the Hotel Construction Loan amount as an origination fee, payable in full at closing. The Hotel Construction Loan definitive documentation will have representations, warranties and events of default usual and customary for such type of loan.

*IRG Financial Support and Consideration*

On November 7, 2022, the Company entered into a letter agreement (the "IRG Letter Agreement") with IRGLLC, pursuant to which IRGLLC agreed that IRGLLC and IRGLLC's affiliates and related parties will provide the Company and its subsidiaries with certain financial support described below in exchange for certain consideration described below.

The financial support provided under the IRG Letter Agreement consists of the following (the "IRG Financial Support"):

*Waterpark Construction Financing Facilitation.* IRGLLC agreed that its affiliate CH Capital Lending, LLC ("CHCL"), would help facilitate the closing of financing with Oak Street with regard to construction of the Waterpark Project, by among other things, releasing CHCL's first mortgage lien on the Stadium Leasehold Interests and pledge of membership interests in HOFV Stadium. In addition, IRGLLC agreed to provide a completion guaranty to facilitate other needed financing for the Waterpark Project, as required.

Hall of Fame Resort & Entertainment Company and Subsidiaries  
Notes to Condensed Consolidated Financial Statements  
(Unaudited)

Note 9: Related-Party Transactions (continued)

IRG Financial Support and Consideration (continued)

*Extension of CHCL Bridge Loan.* IRGLLC agreed that CHCL would extend to March 31, 2024 the maturity of the promissory note dated June 16, 2022, issued by the Company, HOF Village Retail I, LLC and HOF Village Retail II, LLC, as borrowers, to CHCL, as lender (the "Bridge Loan").

*Provide One Year Extension Option for All IRG Affiliate Lender Loans.* All loans from affiliates and related parties of IRGLLC ("IRG Affiliate Lenders") will be amended to provide for an optional one-year extension of their maturity until March 31, 2025 for a one percent extension fee, which is payable if and when an IRG Affiliate Lender loan is extended. The IRG Affiliate Lender loans consist of the following: (i) Bridge Loan, with an existing modified maturity date of March 31, 2024; (ii) the term loan, payable to CHCL, with an existing maturity of March 31, 2024; (iii) the first amended and restated promissory note, dated March 1, 2022, payable to IRG, LLC, with an existing maturity of March 31, 2024; (iv) the first amended and restated promissory note, dated March 1, 2022, payable to JKP Financial, LLC, with an existing maturity of March 31, 2024; (v) the Secured Cognovit Promissory Note, dated as of June 19, 2020, assigned June 30, 2020 and amended December 1, 2020 and March 1, 2022, payable to JKP Financial, LLC, with an existing maturity of March 31, 2024; and (vi) the promissory note, dated April 27, 2022, payable to Midwest Lender Fund, LLC ("MLF"), with an existing maturity of April 30, 2023, and with an option to extend the maturity until March 31, 2024.

*Tapestry Hotel Construction Financing Commitment Letter.* IRGLLC agreed to provide a commitment for financing the Hotel Project, as set forth in the Hotel Construction Loan Commitment Letter.

**Hall of Fame Resort & Entertainment Company and Subsidiaries**  
**Notes to Condensed Consolidated Financial Statements**  
**(Unaudited)**

Note 9: Related-Party Transactions (continued)

IRG Financial Support and Consideration (continued)

**Note 13: Subsequent Events (continued)**

In consideration of the IRG Financial Support to be received by the Company and its subsidiaries, the Company agreed in the IRG Letter Agreement to provide the following consideration to IRGLLC and the IRG Affiliate Lenders:

The Company agreed to make a payment of \$4,500,000 as a fee for providing the completion guaranty and other IRG Financial Support described above, payable to CHCL to be held in trust for the IRG Affiliate Lenders, to be allocated as the IRG Affiliate Lenders shall determine. The Company also agreed to issue 2,000,000 90,909 shares of common stock, par value \$0.0001 per share ("Common Stock") to the IRG Affiliate Lenders, to be allocated as the IRG Affiliate Lenders shall determine, in reliance upon an exemption from the registration requirements of the Securities Act of 1933, as amended, pursuant to Section 4(a)(2) thereof, as a transaction by an issuer not involving any public offering.

The Company agreed to modify the IRG Affiliate Lender loans as follows: (i) all IRG Affiliate Lender loans will bear interest at 12.5% per annum, compounded monthly, with payment required monthly at 8% per annum, and with the remaining interest accrued and deferred until maturity; (ii) the price at which the principal and accumulated and unpaid interest under the IRG Affiliated Lender loans is convertible into shares of Common Stock will be reset to a price equal to 105% of the average Nasdaq official closing price of the Company's Common Stock (as reflected on Nasdaq.com) for the five trading days immediately preceding the date of the Oak Street closing, which price is \$0.58 \$12.77 per share ("Market Price"); share; (iii) the Company and its subsidiaries will record a blanket junior mortgage on all real estate owned or leased by the Company and its subsidiaries, whether fee or leasehold estates, other than those parcels for which existing lenders prohibit junior financing; (iv) the Company agreed to acknowledge an existing pledge of the Company's 100% membership interest in HOFV Newco and reflect that such pledge secures all amounts due under the IRG Affiliate Lender Loans; (v) all IRG Affiliate Lender loans will be cross-collateralized and cross-defaulted; (vi) the Company and its subsidiaries will covenant not to assign, pledge, mortgage, encumber or hypothecate any of the underlying assets, membership interests in affiliated entities or IP rights without IRGLLC's written consent; (vii) prior development fees owed by the Company to IRGLLC will be accrued and added to the Bridge Loan, and future development fees owed by the Company to IRGLLC will be paid as when due; and (viii) the Company will pay to IRGLLC 25% of all contractual dispute cash settlements collected by the Company with regard to existing contractual disputes in settlement discussions, which shall be applied to outstanding IRG Affiliate Lender loans, first against accrued interest and other charges and then against principal.

The Company agreed to modify the Series C through Series G warrants held by IRG Affiliate Lenders as follows: (i) the exercise price of the Series C through Series G warrants held by IRG Affiliate Lenders will be reset to Market Price; and (ii) the warrant expiration dates of the Series C through Series G warrants held by IRG Affiliate Lenders will be extended by two years from their current expiration dates.

Hall of Fame Resort & Entertainment Company and Subsidiaries  
Notes to Condensed Consolidated Financial Statements  
(Unaudited)

Note 9: Related-Party Transactions (continued)

IRG Financial Support and Consideration (continued)

In the IRG Letter Agreement, IRGLLC and the Company agreed to comply with all federal and state securities laws and Nasdaq listing rules and to insert "blocker" provisions for the above-described re-pricing of the warrants and the conversion provisions, such that the total cumulative number of shares of Common Stock that may be issued to IRGLLC and its affiliated and related parties pursuant to the IRG Letter Agreement may not exceed the requirements of Nasdaq Listing Rule 5635(d) ("Nasdaq 19.99% Cap"), except that such limitation will not apply following Approval (defined below). In addition, the provisions of the IRG Letter Agreement are limited by Nasdaq Listing Rule 5635(c). If the number of shares of Common Stock issued to IRGLLC and its affiliated and related parties pursuant to the IRG Letter Agreement and the agreements modified thereunder exceeds the Nasdaq 19.99% Cap, then the Company will use reasonable efforts to obtain stockholder approval of the issuance of shares in excess of the Nasdaq 19.99% Cap, no later than the next stockholder meeting (the "Approval").

In connection Note 10: Concentrations

For the three months ended March 31, 2023, two customers represented approximately 42.9% and 18.3% of the Company's sponsorship revenue. For the three months ended March 31, 2022, two customers represented approximately 35% and 15% of the Company's sponsorship revenue. No other customer represented more than 10% of sponsorship revenue.

As of March 31, 2023, one customer represented approximately 83.5% of the Company's sponsorship accounts receivable. As of December 31, 2022, one customer represented approximately 94.4% of the Company's sponsorship accounts receivable. No other customer represented more than 10% of outstanding accounts receivable.

At any point in time, the Company can have funds in their operating accounts and restricted cash accounts that are with entering third-party financial institutions. These balances in the U.S. may exceed the Federal Deposit Insurance Corporation insurance limits. While the Company monitors the cash balances in their operating accounts, these cash and restricted cash balances could be impacted if the underlying financial institutions fail or other adverse conditions in the financial markets occurs.

Hall of Fame Resort & Entertainment Company and Subsidiaries  
Notes to Condensed Consolidated Financial Statements  
(Unaudited)

Note 11: Leases

The Company has entered into operating leases as the lessee primarily for ground leases under its stadium, sports complex, and parking facilities.

At the inception of a contract the Company assesses whether the contract is, or contains, a lease. The Company's assessment is based on: (i) whether the contract involves the use of a distinct identified asset, (ii) whether the Company obtained the right to substantially all the economic benefit from the use of the asset throughout the period, and (iii) whether the Company has the right to direct the use of the asset. Leases entered into prior to January 1, 2022, which were accounted for under ASC 840, were not reassessed for classification.

For operating leases, the lease liability is initially and subsequently measured at the present value of the unpaid lease payments. For finance leases, the lease liability is initially measured in the same manner and date as for operating leases, and is subsequently presented at amortized cost using the effective interest method. The Company generally uses its incremental borrowing rate as the discount rate for leases, unless an interest rate is implicitly stated in the lease. The present value of the lease payments is calculated using the incremental borrowing rate for operating and finance leases, which was determined using a portfolio approach based on the rate of interest that the Company would have to pay to borrow an amount equal to the lease payments on a collateralized basis over a similar term. The lease term for all of the Company's leases includes the noncancelable period of the lease plus any additional periods covered by either a Company option to extend the lease that the Company is reasonably certain to exercise, or an option to extend the lease controlled by the lessor. All ROU assets are reviewed periodically for impairment.

Lease expense for operating leases consists of the lease payments plus any initial direct costs and is recognized on a straight-line basis over the lease term. Lease expense for finance leases consists of the amortization of the asset on a straight-line basis over the shorter of the lease term or its useful life and interest expense determined on an amortized cost basis, with the lease payments allocated between a reduction of the lease liability and interest expense.

Hall of Fame Resort & Entertainment Company and Subsidiaries  
Notes to Condensed Consolidated Financial Statements  
(Unaudited)

Note 11: Leases (continued)

The Company's operating leases are comprised primarily of ground leases and equipment leases. Balance sheet information related to our leases is present below (ASC 842 was adopted on January 1, 2022):

	March 31, 2023	December 31, 2022
Operating leases:		
Right-of-use assets	\$ 7,516,840	\$ 7,562,048
Lease liability	3,417,637	3,413,210
Finance leases:		
Right-of-use assets	-	-
Lease liability	-	-

Other information related to leases is presented below:

	Three Months Ended March 31, 2023	Three Months Ended March 31, 2022
Operating lease cost	\$ 128,143	\$ 128,976
Other information:		
Operating cash flows from operating leases	78,508	157,549
Weighted-average remaining lease term – operating leases (in years)	91.2	88.2
Weighted-average discount rate – operating leases	10.0%	10.0%

As of March 31, 2023, the annual minimum lease payments of our operating lease liabilities were as follows:

For The Years Ending December 31,

2023 (nine months)	\$ 238,723
2024	311,900
2025	311,900
2026	311,900
2027	311,900
Thereafter	41,125,000
Total future minimum lease payments, undiscounted	42,611,323
Less: imputed interest	(39,193,686)
Present value of future minimum lease payments	\$ 3,417,637

Hall of Fame Resort & Entertainment Company and Subsidiaries  
Notes to Condensed Consolidated Financial Statements  
(Unaudited)

Note 11: Leases (continued)

Lessor Commitments

As of March 31, 2023, the Company's Constellation Center for Excellence and retail facilities were partially leased including leases by the Company's subsidiaries. During the three months ended March 31, 2023 and 2022, the Company recorded \$94,540 and \$8,118 of lease revenue, respectively. The future minimum lease commitments under these leases, excluding leases of the Company's subsidiaries, are as follows:

Year ending December 31:

2023 (nine months)	\$ 463,870
2024	645,438
2025	641,542
2026	640,962
2027	619,495
Thereafter	2,972,365
Total	<u>\$ 5,983,672</u>

Note 12: Financing Liability

On September 27, 2022 the Company sold the land under the Company's Fan Engagement Zone with Twain. Simultaneously, the Company entered into a lease agreement with the Twain (the sale of the property and simultaneous leaseback is referred to as the "Sale-Leaseback"). The Sale-Leaseback is repayable over a 99-year term. Under the terms of the lease agreement, the Company's initial base rent is approximately \$307,125 per quarter, with annual increases of approximately 2% each year of the term.

On November 7, 2022, HOFV Waterpark sold the land under the Company's future waterpark. Simultaneously, the Company entered into a lease agreement with the buyer of the property. The Sale-Leaseback for the waterpark is repayable over a 99-year term. Under the terms of the leaseback agreement, the Company's initial base rent is \$4,375,000 per annum, payable monthly, with customary escalations over the lease term. On November 7, 2022, Oak Street and HOFV Waterpark also entered into a Purchase Option Agreement (the "Purchase Option Agreement"), pursuant to which HOFV Waterpark is granted an option to purchase the Waterpark Sale Property back from Oak Street that can be exercised during the period beginning on December 1, 2027 and Leaseback Transaction, ending on November 30, 2034 (the "Option Period").

The Company accounted for the Hotel Construction Loan Commitment Letter, Sale-Leaseback transactions with Twain and Oak Street as financing transactions with the IRG Letter Agreement, purchaser of the property. The Company concluded the lease agreements both met the qualifications to be classified as finance-type leases due to the significance of the present value of the lease payments, using a discount rate of 10.25% to reflect the Company's incremental borrowing rate, compared to the fair value of the leased property as of the lease commencement date.

The presence of a finance-type lease in the sale-leaseback transactions indicates that control of the land under the Fan Engagement Zone and HOFV Waterpark has not transferred to the buyer/lessor and, as such, the transactions were both deemed a failed sale-leaseback and must be accounted for as a financing arrangement. As a result of this determination, the Company paid customary fees is viewed as having received the sales proceeds from the buyer/lessor in the form of a hypothetical loan collateralized by its leased land. The hypothetical loan is payable as principal and expenses, interest in the form of "lease payments" to the buyer/lessor. As such, the Company will not derecognize the property from its books for accounting purposes until the lease ends.

Hall of Fame Resort & Entertainment Company and Subsidiaries  
Notes to Condensed Consolidated Financial Statements  
(Unaudited)

Note 12: Financing Liability (continued)

As of March 31, 2023, the carrying value of the financing liability was \$60,675,230, representing \$2,202,986,526 in remaining payments under the leases, net of a discount of \$2,142,311,296. The monthly lease payments are split between a reduction of principal and interest expense using the effective interest rate method.

As of December 31, 2022, the carrying value of the financing liability was \$60,087,907, representing \$2,204,080,276 in remaining payments under the leases, net of a discount of \$2,143,992,369. The monthly lease payments are split between a reduction of principal and interest expense using the effective interest rate method.

The Company has a right to re-purchase the land from TWAIN at any time on or after September 27, 2025 at a fixed price according to the lease. Oak Street and HOFV Waterpark also entered into a purchase option agreement, pursuant to which HOFV Waterpark is granted an option to purchase the waterpark property back from Oak Street that can be exercised during the period beginning on December 1, 2027 and ending on November 30, 2034.

Remaining future cash payments related to the financing liability, for the fiscal years ending December 31 are as follows:

2023 (nine months)	\$ 2,925,781
2024	4,672,544
2025	5,865,396
2026	6,005,734
2027	6,149,455
Thereafter	<u>2,177,367,616</u>
Total Minimum Liability Payments	2,202,986,526
Imputed Interest	<u>(2,142,311,296)</u>
Total	<u>\$ 60,675,230</u>

Note 13: Subsequent Events

Subsequent events have been evaluated through May 15, 2023, the date the condensed consolidated financial statements were issued. Except for as disclosed below, no other events have been identified requiring disclosure or recording.

On May 2, 2023, the Hall of Fame Resort & Entertainment Company (the "Company") issued to ADC LCR Hall of Fame Manager II, LLC (the "Investor") 800 shares (the "Shares") of the Company's 7.00% Series A Cumulative Redeemable Preferred Stock, par value \$0.0001 per share ("Series A Preferred Stock"), at a price of \$1,000 per share for an aggregate purchase price of \$800,000. The Company paid the Investor an origination fee of 2% of the aggregate purchase price. The issuance and sale of the Shares to the Investor is exempt from registration pursuant to Section 4(a)(2) of the Securities Act of 1933, as amended (the "Securities Act").

## Item 2. Management's discussion and analysis of financial condition and results of operations

This Quarterly Report on Form 10-Q contains forward-looking statements that involve risks and uncertainties, as well as assumptions that, if they never materialize or prove incorrect, could cause our results to differ materially from those expressed or implied by such forward-looking statements. The statements contained herein that are not purely historical are forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended (the "Exchange Act"). Forward-looking statements are often identified by the use of words such as, but not limited to, "will," "anticipate," "estimates," "should," "expect," "guidance," "project," "intend," "plan," "strategy," "believe" and similar expressions or variations intended to identify forward-looking statements. These statements are based on the beliefs and assumptions of our management based on information currently available to management. Factors that could cause or contribute to our results differing materially from those expressed or implied by forward-looking statements include, but are not limited to, those identified below, and those discussed in the section titled "Risk Factors" included in our Form 10-K for the fiscal year ended December 31, 2021, December 31, 2022 as filed with the Securities and Exchange Commission ("SEC") on March 14, 2022, March 27, 2023, and in our reports subsequently filed with the SEC. The forward-looking statements set forth herein speak only as of the date of this report. Except as required by law, we undertake no obligation to update any forward-looking statements to reflect events or circumstances after the date of such statements.

Unless the context otherwise requires, the "Company", "we," "our," "us" and similar terms refer to Hall of Fame Resort & Entertainment Company, a Delaware corporation.

The following discussion should be read in conjunction with the Company's Form 10-K for the year ended December 31, 2022 filed with the SEC and the condensed consolidated financial statements and accompanying notes included in Part I, Item 1 of this Form 10-Q.

### Business Overview

We are a resort and entertainment company leveraging the power and popularity of professional football and its legendary players in partnership with the National Football Museum, Inc., doing business as the Pro Football Hall of Fame ("PFHOF"). Headquartered in Canton, Ohio, we own the Hall of Fame Village, powered by Johnson Controls, a multi-use sports and entertainment destination centered around the PFHOF's campus. We expect to create a diversified set of revenue streams through developing themed attractions, premier entertainment programming and sponsorships. We are pursuing a differentiation strategy across three pillars, including destination-based assets, the Media Company, and gaming.

The strategic plan has been developed in three phases of growth: Phase I, Phase II, and Phase III.

Phase I of the Hall of Fame Village powered by Johnson Controls is operational, consisting of the Tom Benson Hall of Fame Stadium, the ForeverLawn Sports Complex, and HOF Village Media Group, LLC ("Hall of Fame Village Media" or the "Media Company"). The Tom Benson Hall of Fame Stadium hosts multiple sports and entertainment events, including the NFL Hall of Fame Game, Enshrinement and Concert for Legends during the annual Pro Football Hall of Fame Enshrinement Week. The ForeverLawn Sports Complex hosts camps and tournaments for football players, as well as athletes from across the country in other sports such as lacrosse, rugby and soccer. Hall of Fame Village Media leverages the sport of professional football to produce exclusive programming by programming. For example, licensing the extensive content controlled by the PFHOF as well as new programming assets developed from live events such as youth tournaments, camps and sporting events held at the ForeverLawn Sports Complex and the Tom Benson Hall of Fame Stadium.

We are developing new hospitality, attraction and corporate assets surrounding the Pro Football Hall of Fame Museum as part of our Phase II development plan. Phase II plans for future components of the Hall of Fame Village powered by Johnson Controls include two hotels (one on campus and one in downtown Canton that opened in November 2020), the Hall of Fame Indoor Waterpark, the Constellation Center for Excellence (an office building including retail and meeting space, that opened in October November 2021), the Center for Performance (a convention center/field house) house, that opened in August of 2022), the Play Action Plaza (completed in August of 2022), and the Hall Fan Engagement Zone (Retail Promenade), core and shell for Retail I was completed in August of 2022 and the core and shell of Retail Promenade. We are pursuing a differentiation strategy across three pillars, including destination-based assets, the Media Company, and gaming. II was completed in November of 2022). Phase III expansion plans may include a potential mix of residential space, additional attractions, entertainment, dining, merchandise and more.

### Key Components of the Company's Results of Operations

#### Revenue

We generate revenue from various streams such as sponsorship agreements, rents, cost recoveries, events, and hotel operations, Hall of Fantasy League, and through the sale of non-fungible tokens. operations. The sponsorship arrangements, in which the customer sponsors a play area or event and receives specified brand recognition and other benefits over a set period of time, recognize revenue on a straight-line basis over the time period specified in the contract. Revenue for rents, cost recoveries, and events are recognized at the time the respective event or service has been performed. Rental revenue for long term leases is recorded on a straight-line basis over the term of the lease beginning on the commencement date.

Our owned hotel revenues primarily consist of hotel room sales, revenue from accommodations sold in conjunction with other services (e.g., package reservations), food and beverage sales, and other ancillary goods and services (e.g., parking) related to owned hotel properties. Revenue is recognized when rooms are occupied or goods and services have been delivered or rendered, respectively. Payment terms typically align with when the goods and services are provided.

#### *Operating Expenses*

Our operating expenses include **property** operating expenses, depreciation expense, and other operating expenses. These expenses have increased in connection with completing Phase I development. **We** **These expenses have increased with completion of Phase II assets and would** expect **these expenses** to continue to increase with **our growth and** completion of **Phases II** the on campus hotel, waterpark, and Phase III.

Our **property** operating expenses include the costs associated with running **and maintaining** operational entertainment and destination assets such as the Tom Benson Hall of Fame Stadium and the ForeverLawn Sports Complex. Factors that will contribute to increased operating expenses include: more of our Phase II assets becoming operational, the addition of events for top performers, and sporting events.

Our depreciation expense includes the related costs of owning and operating significant property and entertainment assets. These expenses have grown as through completion of the Phase I **and Phase II** development.

Other operating expenses include items such as management fees, commission expense, and professional fees.

#### **Impact of COVID-19**

Since 2020, the world has been impacted by the novel coronavirus (COVID-19) pandemic. The COVID-19 pandemic and measures to prevent its spread have impacted our business in a number of ways, most significantly with regard to a reduction in the number of events and attendance at events at Tom Benson Hall of Fame Stadium and ForeverLawn Sports Complex, which has also negatively impacted our ability to sell sponsorships. Further, the COVID-19 pandemic has caused a number of supply chain disruptions, which negatively impacts our ability to obtain the materials needed to complete construction as well as increases in the costs of materials and labor. The continued impact of these disruptions and the ultimate extent of their adverse impact on our financial and operating results will continue to be dictated by the length of time that such disruptions continue, which will, in turn, depend on the currently unknowable duration and severity of the impacts of the COVID-19 pandemic, and among other things, the impact of governmental actions imposed in response to the COVID-19 pandemic and individuals' and companies' risk tolerance regarding health matters going forward and developing strain mutations.

#### **Recent Developments**

##### *Dispute Regarding Naming Rights Agreement with Johnson Controls*

The Naming Rights Agreement is scheduled to expire on December 31, 2034 but provides termination rights both to (a) HOF Village Newco, LLC, a wholly-owned subsidiary of the Company ("Newco"), and PFHOF; and (b) Johnson Controls, which may be exercised in the event the other party, among other things, breaches any of its covenants and agreements under the Naming Rights Agreement beyond certain notice and cure periods. Additionally, Johnson Controls has a right to terminate the Naming Rights Agreement if (i) we do not provide evidence to Johnson Controls by October 31, 2021, that we have secured sufficient debt and equity financing to complete Phase II, subject to day-for-day extensions due to force majeure and notice or cure periods; (ii) Phase II is not open for business by January 2, 2024, subject to day-for-day extensions due to force majeure and notice or cure periods; or (iii) Newco is in default beyond applicable notice and cure periods under certain agreements, such as the Technology as a Service Agreement with Johnson Controls (the "TAAS Agreement"), among others. There can be no assurance that Phase II will be open for business by January 2, 2024. In addition, under the Naming Rights Agreement, Johnson Controls' obligation to make sponsorship payments to Newco may be suspended if Newco has not provided evidence reasonably satisfactory to Johnson Controls on or before December 31, 2020, that Newco has secured sufficient debt and equity financing to complete Phase II, subject to day-for-day extensions due to force majeure.

We are in dispute with Johnson Controls for Johnson Controls' failure to make certain payments under **JCI** regarding the Naming Rights Agreement. We are currently in discussions with Johnson Controls to settle this dispute. However, there can be no assurances that the amounts due will be settled in accordance with the original terms of the Naming Rights Agreement. Therefore, during the three and nine months ended September 30, 2022, we suspended our revenue recognition until the dispute **The Company** is resolved and have recorded an allowance against the amounts due as of September 30, 2022 in the amount of \$3,312,500. The balances due under the Naming Rights Agreement as of September 30, 2022 and December 31, 2021 amounted to \$5,197,917 and \$1,885,417, respectively.

We anticipate this dispute will be resolved pursuant to the dispute resolution section of the Naming Rights Agreement, which provides for: (1) thirty (30) days of good faith negotiation to attempt to resolve such dispute, followed by (2) referral of the dispute to an independent facilitator or mediator for non-binding mediation; and (3) if the mediation is unsuccessful within sixty (60) days of the commencement of such non-binding mediation, any party may, by notice to all other parties, then refer the dispute to binding arbitration in the State of Ohio.

In addition to the Naming Rights Agreement, Newco is party to a Technology as a Service Agreement dated October 9, 2020 with Johnson Controls (the "TAAS Agreement"). Pursuant to the TAAS Agreement, Johnson Controls will provide certain services related to the construction and development of the Hall of Fame Village powered by Johnson Controls (the "Project").

The TAAS Agreement provides that in respect of the Naming Rights Agreement, Johnson Controls and Newco intend, acknowledge and understand that: (i) Newco's performance under the TAAS Agreement is essential to, and a condition to Johnson Controls' performance under, the Naming Rights Agreement; and (ii) Johnson Controls' performance under the Naming Rights Agreement is essential to, and a condition to Newco's performance under, the TAAS Agreement. In the TAAS Agreement, Johnson Controls and Newco represent, warrant and agree that the transactions agreements and obligations contemplated under the TAAS Agreement and the Naming Rights Agreement are intended to be, and shall be, interrelated, integrated and indivisible, together being essential to consummating a single underlying transaction necessary for the Project. We anticipate that resolution of the dispute regarding the Naming Rights Agreement will include the TAAS Agreement.

On May 10, 2022, we received from Johnson Controls a notice of termination (the "TAAS Notice") of the TAAS Agreement effective immediately. The TAAS Notice states that termination of the TAAS Agreement by Johnson Controls is due to our alleged breach of its payment obligations. Additionally, Johnson Controls in the TAAS Notice demands the amount which is the sum of: (i) all past due payments and any other amounts owed by us under the TAAS Agreement; (ii) all commercially reasonable and documented subcontractor breakage and demobilization costs; and (iii) all commercially reasonable and documented direct losses incurred by Johnson Controls directly resulting from the alleged default by us and the exercise of Johnson Controls' rights and remedies in respect thereof, including reasonable attorney fees.

Also on May 10, 2022, we received from Johnson Controls a notice of termination ("Naming Rights Notice") of the Name Rights Agreement, effective immediately. The Naming Rights Notice states that the termination of the Naming Rights Agreement by Johnson Controls is due to Johnson Controls' concurrent termination of the TAAS Agreement. The Naming Rights Notice further states that we must pay Johnson Controls, within 30 days following the date of the Naming Rights Notice, \$4,750,000. We have not made such payment to date. The Naming Rights Notice states that we are also in breach of its covenants and agreements, which required us to provide evidence reasonably satisfactory to Johnson Controls on or before October 31, 2021, subject to day-for-day extensions due to force majeure, that we have secured sufficient debt and equity financing to complete Phase II.

We dispute that we are in default under either the TAAS Agreement or the Naming Rights Agreement. We believe Johnson Controls is in breach of the Naming Rights Agreement and the TAAS Agreement, and, on May 16, 2022, provided notice to Johnson Controls of these breaches. We are pursuing dispute resolution pursuant to the terms of the Naming Rights Agreement to simultaneously defend against Johnson Controls' JCI's allegations and pursue our own claims. The parties participated in mediation in November 2022, but were unable to reach a resolution. On January 24, 2023, Newco filed a demand for arbitration with JAMS, asserting claims against JCI for breach of contract, breach of the implied duty of good faith and fair dealing, and unjust enrichment. On February 16, 2023, JCI filed its response, generally denying Newco's allegations and asserting counterclaims for breach of contract, breach of the implied covenant of good faith and fair dealing, and unjust enrichment. On March 9, 2023, Newco filed its response to JCI's counterclaims, generally denying JCI's allegations. A panel of three arbitrators has been constituted to hear and determine the dispute. The Company anticipates that the hearing will be held during the fourth quarter of 2023 in Ohio. The ultimate outcome of this dispute cannot presently be determined. However, in management's opinion, the likelihood of a material adverse financial statement is remote. Accordingly, adjustments, if any, that might result from the resolution of this matter have not been reflected in the accompanying condensed consolidated financial statements. During the year ended December 31, 2022, the Company suspended its revenue recognition until the dispute is resolved and has recorded an allowance against the amounts due as of March 31, 2023 and December 31, 2022 in the amount of \$6,000,000 and \$4,812,500, respectively. The balances due under the Naming Rights Agreement as of March 31, 2023 and December 31, 2022 amounted to \$7,822,917 and \$6,635,417, respectively.

See Note 6: Sponsorship Revenue and Associated Commitments – Johnson Controls, Inc., for additional information relating to this dispute.

On November 4, 2022, we began the mediation process with Johnson Controls. No agreement has yet been reached.

#### **7.00% Series A Cumulative Redeemable Preferred Stock**

##### **Stadium PACE Loan**

On January 12, 2023, the Company issued to ADC LCR Hall of Fame Manager II, LLC (the "Series A Preferred Investor") 1,600 shares of the Company's 7.00% Series A Cumulative Redeemable Preferred Stock, par value \$0.0001 per share ("Series A Preferred Stock"), at a price of \$1,000 per share for an aggregate purchase price of \$1,600,000. On January 23, 2023, the Company issued to the Series A Preferred Investor 800 additional shares (the "Shares") of the Company's Series A Preferred Stock at a price of \$1,000 per share for an aggregate purchase price of \$800,000. On May 2, 2023, the Company issued an additional 800 shares of the Company's Series A Preferred stock at a price of \$1,000 per share for an aggregate purchase price of \$ 800,000. The Company paid the Series A Preferred Investor an origination fee of 2% of the aggregate purchase price for each issuance. The issuance and sale of the shares to the Series A Preferred Investor is exempt from registration pursuant to Section 4(a)(2) of the Securities Act of 1933, as amended (the "Securities Act"). The Series A Preferred Stock is not convertible into Common Stock. The Series A Preferred Investor has represented to the Company that it is an "accredited investor" as defined in Rule 501 of the Securities Act and that the shares are being acquired for investment purposes and not with a view to, or for sale in connection with, any distribution thereof.

On July 1, 2022, HOF Village Stadium, LLC, entered into an Energy Project Cooperative Agreement with Canton Regional Energy Special Improvement District, Inc., SPH Canton St, LLC, an affiliate of Stonehill Strategic Capital, LLC ("SPH"), and City of Canton, Ohio (the "EPC Agreement").

Under the EPC Agreement, SPH provided \$33,387,844 property assessed clean energy financing to finance the costs of the special energy improvement projects at the Stadium described in the Canton Regional Energy Special Improvement District Project Plan that have been completed (as supplemented, the "Plan"). Of the amount received, \$29,565,729 was disbursed to us, \$3,221,927 was retained by SPH as capitalized interest, and \$600,187 was used to pay closing costs. Pursuant to the EPC Agreement, we agreed to make special assessment payments in an aggregate amount that will provide revenues sufficient to repay the amount received plus interest and certain costs. The EPC Agreement bears interest at the annual rate of 6.0% and we will pay a \$6,542 semi-annual administrative fee to the ESID over 50 semi-annual payments of \$1,314,913 to be collected beginning approximately on January 31, 2024, and continuing through approximately July 31, 2048.

In connection with entering into the EPC Agreement, we obtained the consent and agreement of Cuyahoga River Capital LLC, pursuant to an agreement, dated June 27, 2022. CRC holds 100% of the interest in the Development Finance Authority of Summit County Tax-Exempt Development Revenue Bonds, Series 2018 (Hall of Fame Village - Stadium and Youth Fields TIF Project), issued in the original principal amount of \$10,030,000 the "Series 2018 Bonds". Pursuant to the Consent Agreement, upon the closing of the EPC Agreement the Company deposited \$9,895,197 into a bank account at The Huntington National Bank subject to a deposit account control agreement executed by Huntington and CRC as secured party. Under the Consent Agreement, in the event the Series 2018 Bonds are outstanding on December 29, 2022, we will repurchase the Series 2018 Bonds. We granted CRC a lien on the Pledged Account to secure our obligation under the Consent Agreement. In the event the Series 2018 Bonds are redeemed and/or defeased prior to December 29, 2022, upon such redemption or defeasance the Consent Agreement shall automatically terminate, and CRC shall instruct Huntington to release the DACA.

#### **Nasdaq Minimum Bid Requirement**

##### **Sports Betting Agreements**

On July 14, 2022, Newco entered into an Online Market Access Agreement with Instabet, Inc. doing business as betr ("Instabet"), pursuant to which Instabet will serve as a Mobile Management Services Provider (as defined under applicable Ohio gaming law) wherein Instabet will host, operate and support a branded online sports betting service in Ohio, subject to procurement of all necessary licenses. The initial term of the Online Market Access Agreement is ten years. As part of this agreement, Newco will receive a limited equity interest in Instabet and certain revenue sharing, along with the opportunity for sponsorship and cross-marketing.

On July 29, 2022, Newco entered into a Retail Sports Gaming Services Agreement with RSI OH, LLC, ("RSI"), pursuant to which RSI will serve as a land-based Management Services Provider (as defined under applicable Ohio gaming law) wherein RSI will operate a retail sports betting location in the Fan Engagement Zone at the Hall of Fame Village, subject to procurement of all necessary licenses. The initial term of the Retail Sports Gaming Services Agreement is ten years. As part of this agreement, Newco will receive sponsorship fees and certain revenue sharing.

On November 2, 2022, As previously reported, on May 24, 2022, we received conditional approval from the Ohio Casino Control Commission for a Type A (mobile) and a Type B (retail) sports gaming proprietor license.

##### **Stark County Infrastructure Loan**

On August 31, 2022, we entered into an unsecured loan agreement with Stark County Port Authority, pursuant to which we borrowed \$5,000,000 ("SCPA Loan"). The interest rate applicable to the SCPA Loan is six percent (6.0%) per annum (compounded quarterly). Interest payments under the SCPA Loan are paid quarterly beginning on December 31, 2022. The SCPA Loan matures on August 30, 2029 and we may prepay without penalty.

Events of default under the SCPA Loan include without limitation: (i) a payment default, (ii) our failure to complete the infrastructure development for Phase II on or before December 31, 2024, or (iii) our failure to comply with any non-monetary covenant contained in the loan agreement, subject to a cure period. Upon the occurrence of default beyond any applicable grace or cure period: (a) interest due will increase by 5% per annum; and (b) Stark County Port Authority may, at its option, declare our obligations under the loan agreement to be immediately due and payable.

The SCPA Loan contains customary affirmative and negative covenants for this type of loan, including without limitation (i) affirmative covenants, including furnish Stark County Port Authority with such financial statements and other related information at such frequencies and in such detail as Stark County Port Authority may reasonably request and use all SCPA Loan proceeds solely for the infrastructure development for the construction of Phase II, and (ii) negative covenants, including restrictions on additional indebtedness, prepayment of other indebtedness, transactions with related parties, additional liens, mergers and acquisitions, and standard prohibitions on change of control.

##### **City of Canton Infrastructure Loan**

On September 15, 2022, we entered into a business loan agreement with City of Canton, pursuant to which we borrowed \$5,000,000. The interest rate applicable to the Canton Loan is six percent (6%) per annum (compounded quarterly). Interest payments under the Canton Loan are paid quarterly beginning on December 31. The Canton Loan is unsecured and matures on June 30, 2029. We may prepay the Canton Loan without penalty.

Events of default under the business loan agreement include without limitation: (i) a payment default, (ii) our failure to complete the infrastructure development for Phase II on or before December 31, 2024, and (iii) our failure to comply with any non-monetary covenant contained in the business loan agreement, subject to the applicable cure period. Upon the occurrence of an event of default under the business loan agreement beyond any applicable grace or cure period: (a) interest due will increase by 5% per annum; and (b) City of Canton may, at its option, declare our obligations under the business loan agreement to be immediately due and payable.

The business loan agreement contains customary affirmative and negative covenants for this type of loan, including without limitation (i) affirmative covenants, including furnish City of Canton with such financial statements and other related information at such frequencies and in such detail as City of Canton may reasonably request and use all Canton Loan proceeds solely for the infrastructure development for the construction of Phase II, and (ii) negative covenants, including restrictions on additional indebtedness, prepayment of other indebtedness, transactions with related parties, additional liens, mergers and acquisitions, and standard prohibitions on change of control.

#### Huntington Loan and Twain Sale Leaseback Transaction

On September 27, 2022, HOF Village Retail I, LLC and HOF Village Retail II, LLC, our subsidiaries, as borrowers (the "Subsidiary Borrowers"), entered into a loan agreement with The Huntington National Bank, pursuant to which the lender agreed to loan up to \$10,000,000 to the Subsidiary Borrowers, which may be drawn upon the Project achieving certain debt service coverage ratios. Stuart Lichter and Stuart Lichter as trustee of the Stuart Lichter Trust, guaranteed repayment of the loan and completion of the project which reduces upon stabilization. As of September 30, 2022, no amount has been drawn under the loan agreement.

We are in the process of constructing two commercial retail buildings on certain real property located on our campus in Canton, Ohio (the "Land") (the Land together with the commercial buildings the "Property") including, but not limited to, tenant improvements to the Property (the "Project"). On September 27, 2022, TWAIN GL XXXVI, LLC ("TWAIN") purchased the land under the our Fan Engagement Zone for a purchase price equal to \$550,000. Simultaneous with the closing of the sale of the land TWAIN entered into a Ground Lease with us (the "Ground Lease"), pursuant to which TWAIN, as ground lessor, has ground leased the land to us. The Ground Lease has a term of ninety-nine years. Under the terms of the Ground Lease, TWAIN contributed a tenant improvement allowance to us in the amount of \$18,200,000. Out of this amount, the purchase price for the land of \$550,000 was paid, and TWAIN withheld an amount equal to the first 24 months worth of rent due on the Ground Lease. We Company received a net amount of approximately \$14.7 million from this transaction, which was deemed to be a failed sale leaseback transaction and was recorded as a financing liability accordingly.

#### Stockholders Approve Reverse Stock Split at Discretion of Board

On September 29, 2022, our stockholders approved an amendment to our Amended and Restated Certificate of Incorporation to effect, at the discretion of our Board of Directors on or prior to May 5, 2023, a reverse stock split of all of the outstanding shares of our common stock, par value \$0.0001 per share ("Common Stock"), at a ratio in the range of 1-for-10 to 1-for-25 (the "Reverse Stock Split"), such ratio to be determined by our Board of Directors in its discretion and publicly disclosed prior to the effectiveness of the Reverse Stock Split, whereby each outstanding 10 to 25 shares would be combined, converted and changed into 1 share of our Common Stock. Currently, there has been no decision on if or when this would be effected.

The Company submitted a request to Nasdaq for a second 180 day compliance period to meet the Minimum Bid Requirement.

On May 24, 2022, as previously disclosed we received a notification deficiency letter from the Listing Qualifications Department (the "Staff") of the Nasdaq Stock Market LLC ("Nasdaq") indicating notifying the Company that we were not in compliance with for the \$1.00 minimum last 30 consecutive business days the bid price required to maintain for the Company's common stock, par value \$0.0001 per share ("Common Stock"), had closed below the minimum requirement for continued listing inclusion on The Nasdaq Capital Market under pursuant to Nasdaq Listing Rule 5550(a)(2) (the "Minimum Bid Requirement"). We were initially given a compliance period of 180 days.

On December 27, 2022, we effected the Reverse Stock Split to, among other things, increase our stock price to comply with the Nasdaq's minimum bid price requirements (Nasdaq Listing Rule 5550(a)(2)).

On January 11, 2023, the Company received written notice from the notification, or until November 21, 2022, to regain compliance, by having Staff of Nasdaq informing the closing bid price of our common stock exceed \$1.00 for a minimum of ten consecutive trading days during the 180 day compliance period.

As previously disclosed, if we do not regain Company that it has regained compliance with the Minimum Bid Requirement during because Nasdaq has determined that for 10 consecutive business days, the initial 180 calendar day period, we may be eligible for an additional 180 calendar day compliance period. On September 19, 2022, we submitted our request to Nasdaq for a second 180 day compliance period to meet the Minimum Bid Requirement, including an intent to implement a reverse stock split in sufficient time during the 180 days to evidence a closing bid price of the Company's Common Stock was at least \$1.00 per share for a minimum or above the Minimum Bid Requirement. Accordingly, Nasdaq has advised that the matter is now closed.

**Hall of ten consecutive business days prior to the expiration of the second 180 day compliance period. We do not expect to receive a response from Nasdaq to its request for a second 180 day compliance period until the first 180 day compliance period ends on November 21, 2022. There is no assurance, however, that we will regain compliance during a second 180 day compliance period. Fame Resort & Entertainment Company 2023 Inducement Plan**

**\$7,500,000 Tourism Development District ("TDD") Bond Proceeds; Payment Guaranty; Loan Agreement; Mortgage; Intercreditor Agreement**

On October 19, 2022 January 24, 2023, HOF Village Center for Performance, LLC the Company's board of directors adopted the Hall of Fame Resort & Entertainment Company 2023 Inducement Plan (the "Inducement Plan"). The Inducement Plan is not subject to stockholder approval. The aggregate number of shares of Common Stock that may be issued or transferred pursuant to awards covered by the Plan (including existing inducement awards amended to be subject to the Inducement Plan) is 110,000. Awards covered by the Inducement Plan include only inducement grants under Nasdaq Listing Rule 5635(c)(4).

#### **\$18,100,000 principal amount Tax Increment Financing ("HOFV CFP" TIF) Revenue Bonds**

On February 2, 2023, our wholly-owned subsidiary, the Company received proceeds from the sale issuance on such date by Stark County Port Authority (the "Port" ("Port Authority"), of \$7,500,000 \$18,100,000 principal amount of tourism development district special obligation bonds (the "TDD Tax Increment Financing ("TIF") Revenue Bonds, Series 2023 ("2023 Bonds") issued October 19, 2022. Of the \$18,100,000 principal amount, approximately \$6.8 million was used to Director of Development reimburse the Company for a portion of the State cost of Ohio, acting on behalf of the State of Ohio. HOFV CFP must use the funds to pay, or for reimbursement of payment of, project costs associated with the Center for Performance being constructed by HOFV CFP (the "Center for Performance").

The Center for Performance is part of certain roadway improvements within the Hall of Fame Village powered grounds, approximately \$8.6 million was used to pay off the Development Finance Authority of Summit County ("DFA") Revenue Bonds, Series 2018 ("2018 Bonds") that had been acquired by Johnson Controls, the Company in December 2022 pursuant to a multi-use sports, entertainment previously disclosed arrangement (such that the Company received the payoff of the 2018 Bonds), approximately \$1.2 million was used to pay costs of issuance of the 2023 Bonds, and media destination centered around approximately \$9 million was used to fund a debt service reserve held by The Huntington National Bank ("2023 Bond Trustee"), as trustee for the Pro Football Hall 2023 Bonds. The maturity date of Fame's campus ("Hall of Fame Village") the 2023 Bonds is December 30, 2048. The facilities interest rate on the 2023 Bonds is 6.375%. Interest payments are due on the 2023 Bonds semi-annually on June 30 and other improvements being constructed, and contemplated to be constructed, as part December 30 of Hall of Fame Village, are located and to be located within a tourism development district (a "Tourism Development District") established by the City of Canton (the "HOFV TDD") each year, commencing June 30, 2023. The HOFV TDD district was created with the intent of levying certain taxes and charges within its boundaries, the proceeds of which would be used to foster and develop tourism within the HOFV TDD ("TDD Revenues").

In connection with the issuance of TDD the 2023 Bonds by the Port Authority, the Treasurer Company transferred ownership of a portion of the State roadway and related improvements within Hall of Ohio issued \$7,500,000 principal amount economic development revenue bonds Fame Village grounds to the Port Authority. The Company maintains management rights and maintenance obligations with regard to such roadway pursuant to a Maintenance and Management Agreement among the Port Authority, the Company and the Company's subsidiary, Newco.

The 2023 Bonds will be repaid by the Port Authority from statutory service payments in lieu of taxes paid by the Company in connection with the Company's Tom Benson Hall of Fame Stadium, ForeverLawn Sports Complex, Constellation Center for Excellence, Center for Performance, Retail I property, Retail II property, Play Action Plaza and an interior private roadway, net of the State portion payable to Canton City School District and Plain Local School District and net of Ohio (Ohio Enterprise Bond Fund) ("OEBF Bonds"), administrative fees of Stark County and the proceeds City of which were used to purchase Canton, and from minimum service payments levied against those parcels excluding the TDD Bonds in accordance with a loan (the "Loan") Stadium and Youth Fields. Net statutory service payments are assigned by the City of Canton to the Port Authority under the terms of a Loan Agreement, dated October 1, 2022 (the "Loan Agreement") by and among the Director of Development for payment of the State of Ohio, acting on behalf of the State of Ohio, as lender, 2023 Bonds pursuant to a Cooperative Agreement among the Port Authority, as borrower, City of Canton, the Company and HOFV CFP, as beneficiary. The Loan Agreement provides for Newco, and then pledged by the execution and delivery of certain other documents (the "Loan Documents"). Pursuant Port Authority to the Loan Agreement, the Director loaned the proceeds from the sale 2023 Bond Trustee for payment of the OEBF 2023 Bonds (the "Loan"), pursuant to a Trust Indenture between the Port Authority and the TDD Bonds Beneficiary agreed 2023 Bond Trustee. Minimum service payments are a lien on the parcels under certain TIF declarations and supplements thereto, and are paid by the Company to construct, own, and operate the Project, as described in the Loan Agreement. 2023 Bond Trustee.

The Company and Newco are required to make payments ("Developer Shortfall Payments") to the extent the above described net statutory service payments and minimum service payments actually paid are not sufficient to pay the scheduled debt service on the 2023 Bonds, and entered into a guaranty of payment of minimum service payments under a Minimum Payment

*Guaranty until certain performance criteria (debt service coverage of 1.05x for the 2023 Bonds for three consecutive years) are met. In addition, a member of the Company's board of directors, Stuart Lichter, individually and with his trust, guaranteed Developer Shortfall Payments until debt service coverage of 1.0x for the 2023 Bonds for three consecutive years are met. To the extent statutory service payments and minimum service payments exceed the amounts required for debt service on the 2023 Bonds, the excess paid will first increase and/or restore the 2023 Bonds fund reserve to a maximum of 10% of the original principal amount of the 2023 Bonds (i.e. \$1,810,000) and then to redeem the 2023 Bonds, with the amount paid applied to the principal balance of the 2023 Bonds. The 2023 Bonds fund reserve (initially 5% (i.e., \$905,000) subject to increase up to 10%) mentioned above will be maintained to be used for payment of debt service and administrative fees if there are insufficient funds generated from the statutory service payments, minimum service payments and Developer Shortfall Payments, and, to the extent unused, make the final 2023 Bonds payment of debt service.*

On October 19, 2022, as a condition precedent to disbursement of the Loan proceeds, HOF Village Newco, **Industrial Realty Group, LLC ("Newco")**, our wholly-owned subsidiary, entered into a Payment Guaranty (the "Payment Guaranty") to and for the benefit of the Director, and The Huntington National Bank, as trustee (the "Trustee") under the trust agreement for the OEBF Bonds. Under the Payment Guaranty, Newco guarantees the payment of any "Shortfall", defined as the difference between TDD Revenues available for payment of, and the amounts required to be paid for, debt service and obligations owed by the Port Authority and the TDD Bonds Beneficiary under the Loan Agreement.

As security for the prompt and complete payment and performance when due of all of the obligations of the Port Authority, as borrower, under the Loan Agreement, HOFV CFP has entered into the Mortgage, dated and recorded in the Stark County, Ohio Recorder's Office (the "Recording Office") on October 19, 2022 (the "Mortgage"), under which HOFV CFP has granted a security interest in the Center for Performance, including buildings, fixtures and equipment, all revenues derived from leases or subleases of the Center for Performance, proceeds from any insurance claims, and other interests (the "HOFV Collateral"). HOFV CFP also entered into an intercreditor and subordination agreement (the "Intercreditor Agreement") by and among the Director of Development of the State of Ohio, as junior lender, acting on behalf of the State of Ohio (the "State"); Midwest Lender Fund, LLC, as senior lender, and HOFV CFP, as borrower and recorded in Recording Office on October 19, 2022.

#### **Waterpark Sale and Leaseback Affiliate Lenders Transactions**

On November 7, 2022, HOF Village Waterpark, LLC ("HOFV Waterpark"), an indirect subsidiary of the Company, as seller, entered into an Agreement for Purchase and Sale of Real Property (the "Purchase and Sale Agreement") with HFAKOH001 LLC, an affiliate of Oak Street Real Estate Capital, LLC ("Oak Street"), as buyer, pursuant to which the parties agreed to consummate a sale and leaseback transaction (the "Waterpark Sale and Leaseback Transaction"). Under the terms of the Purchase and Sale Agreement, Oak Street paid the sum of \$1,000,000 as the purchase price for HOFV Waterpark's property located at Hall of Fame Village, Canton, Ohio (the "Waterpark Property"), and paid the sum of \$49,000,000 for the Pledged Interests (defined below). The net proceeds to be received by HOFV Waterpark will be reduced by transaction commissions and expenses incurred in connection with the sale.

At the closing of the Purchase and Sale Agreement, HOFV Waterpark leased the Waterpark Property back from Oak Street pursuant to a Ground Lease Agreement, dated As previously disclosed, on November 7, 2022, between HOFV Waterpark, as tenant, and Oak Street, as landlord (the "Ground Lease"), the term of which Ground Lease is for approximately 99 years. In connection with the Ground Lease, HOFV Newco (defined below) is providing a Limited Recourse Carveout Guaranty, dated November 7, 2022 (the "Limited Guaranty") in favor of Oak Street. HOFV Waterpark will construct and develop structures for use as an indoor waterpark and other uses ancillary thereto on the Waterpark Property (the "Waterpark Project"). Proceeds from the conveyance of the Waterpark Property to Oak Street will provide funding for the Waterpark Project and other costs related to the Purchase and Sale Agreement and the Ground Lease. HOF Village Stadium, LLC ("HOFV Stadium"), which is owned by HOF Village Newco, LLC, a subsidiary of the Company ("HOFV Newco"), owns leasehold interests (the "Stadium Leasehold Interests") in certain real property located in the City of Canton, Ohio on which is situated the Tom Benson Hall of Fame Stadium (the "Stadium"). In connection with the Waterpark Sale and Leaseback Transaction and as additional security for HOFV Waterpark's obligations under the Ground Lease, HOFV Newco pledged one hundred percent of the record and beneficial membership interests in HOFV Stadium (the "Pledged Interests") to Oak Street pursuant to a pledge and security agreement (the "Pledge Agreement") dated November 7, 2022.

Pursuant to a Post-Closing Matters Agreement dated November 7, 2022 by and between HOFV Waterpark, HOFV Newco and Oak Street ("Post-Closing Agreement"), Oak Street: (1) retains the right, which much be exercised on or before November 30, 2022, to cause HOFV Waterpark to purchase the Waterpark Property in the event Oak Street determines there is a material deficiency in the status, condition or sufficiency in the collateral for the Pledge Agreement, and (2) retains the right to cause HOFV Stadium to provide a mortgage on the Stadium Leasehold Interests (the "Stadium Leasehold Mortgage").

On November 7, 2022, Oak Street and HOFV Waterpark also entered into a Purchase Option Agreement (the "Purchase Option Agreement"), pursuant to which HOFV Waterpark is granted an option to purchase the Waterpark Property back from Oak Street that can be exercised during the period beginning on December 1, 2027 and ending on November 30, 2034 (the "Option Period").

#### **Hotel Construction Loan Commitment Letter**

On November 3, 2022, we entered into a Commitment Letter (the "Hotel Construction Loan Commitment Letter"), by and among the Company, as guarantor, HOF Village Hotel WP, LLC ("Hotel"), an indirect subsidiary of the Company, as borrower, and Industrial Realty Group, Inc. ("IRGInc"), as lender. Stuart Lichter, a director of the Company, is President and Chairman of the Board of Industrial Realty Group, LLC ("IRGLLC"). Pursuant to the terms of the Hotel Construction Loan Commitment Letter, IRGInc committed to provide, or to arrange for one of IRGInc's affiliates to provide, a loan of \$28,000,000 (the "Hotel Construction Loan") to finance a portion of Hotel's costs and expenses in connection with the ground-up development of a 180-room family hotel (the "Hotel Project") on approximately 1.64 acres of land located in the Hall of Fame Village, Canton, Ohio (the "Hotel Property"), adjacent to the Waterpark Property. The commitment to provide the Hotel Construction Loan is subject to certain conditions, including the execution and delivery of definitive documentation with respect to the Hotel Construction Loan.

The Hotel Construction Loan will have a two-year term with one option to extend for twelve months, subject to standard extension conditions. The collateral for the Hotel Construction Loan will include, without limitation: (a) a first priority perfected mortgage encumbering the Hotel Property; (b) a first priority perfected assignment of leases and rents with respect to the Hotel Property; (c) a first priority perfected assignment of all permits, licenses, entitlements, approvals, and contracts with respect to the Hotel Property; (d) UCC-1 financing statements (all personal property, fixture filing and accounts and reserves); (e) equity pledge; and (f) all other agreements and assurances customary in similar financings by IRGInc. The Hotel Construction Loan will bear interest at a variable rate per annum equal to the one-month Term SOFR plus 6%, subject to a SOFR floor equal to the greater of (i) 4% and (ii) prevailing SOFR at closing of the Hotel Construction Loan. Payments of interest only will be made during the initial two-year term, with a payments of principal and interest based on a 25-year amortization during the extension term, if applicable. Hotel will pay 1% of the Hotel Construction Loan amount as an origination fee, payable in full at closing. The Hotel Construction Loan definitive documentation will have representations, warranties and events of default usual and customary for such type of loan.

#### IRG Financial Support and Consideration

On November 7, 2022, we entered into a letter agreement (the "IRG Letter Agreement") with IRGLLC, Industrial Realty Group, LLC ("IRGLLC"), pursuant to which IRGLLC agreed that IRGLLC and IRGLLC's certain IRGLLC affiliates and related parties, will provide us with certain financial support described below in exchange for certain consideration described below.

The financial support provided under the IRG Letter Agreement consists of the following (the "IRG Financial Support"):

Waterpark Construction Financing Facilitation. IRGLLC agreed that its affiliate which include CH Capital Lending, LLC ("CHCL"), would help facilitate IRG, LLC and JKP Financial, LLC (collectively, "IRG Affiliate Lenders"), will provide the closing of Company and its subsidiaries, in exchange for certain specified consideration described below, the following financial support (the "IRG Financial Support"): (i) certain financial support for an indoor waterpark and a commitment for the financing with Oak Street with regard to construction of the Waterpark Project, by among other things, releasing CHCL's first mortgage lien on the Stadium Leasehold Interests and pledge ground-up development of membership interests in HOFV Stadium. In addition, IRGLLC agreed a 180-room family hotel, (ii) an extension to provide a completion guaranty to facilitate other needed financing for the Waterpark Project, as required.

Extension March 31, 2024 of CHCL Bridge Loan. IRGLLC agreed that CHCL would extend to March 31, 2024 the maturity of the promissory note dated June 16, 2022, issued by the Company, HOF Village Retail I, LLC and HOF Village Retail II, LLC, as borrowers, to CHCL, as lender (the "Bridge Loan").

Provide One Year Extension Option for All, and (iii) amendment of all lending arrangements from IRG Affiliate Lender Loans. All loans from affiliates and related parties of IRGLLC ("IRG Affiliate Lenders") will be amended Lenders to provide for an optional one-year extension of their maturity until March 31, 2025 for a one percent extension fee, which is payable if and when an IRG Affiliate Lender loan is extended. The IRG Affiliate Lender loans consist Stuart Lichter, a director of the following: (i) Bridge Loan, with an existing modified maturity date Company, is President and Chairman of March 31, 2024; (ii) the term loan, payable to CHCL, with an existing maturity Board of March 31, 2024; (iii) the first amended and restated promissory note, dated March 1, 2022, payable to IRG, LLC, with an existing maturity of March 31, 2024; (iv) the first amended and restated promissory note, dated March 1, 2022, payable to JKP Financial, LLC, with an existing maturity of March 31, 2024; (v) the Secured Cognovit Promissory Note, dated as of June 19, 2020, assigned June 30, 2020 and amended December 1, 2020 and March 1, 2022, payable to JKP Financial, LLC, with an existing maturity of March 31, 2024; and (vi) the promissory note, dated April 27, 2022, payable to Midwest Lender Fund, LLC ("MLF"), with an existing maturity of April 30, 2023, and with an option to extend the maturity until March 31, 2024. IRGLLC.

Tapestry Hotel Construction Financing Commitment Letter. IRGLLC agreed On March 17, 2023, pursuant to provide a commitment for financing the Hotel Project, as set forth in the Hotel Construction Loan Commitment Letter.

In consideration of the IRG Financial Support to be received by the Company and its subsidiaries, we agreed in the IRG Letter Agreement the Company and certain of its subsidiaries signed amendments to provide the following consideration to IRGLLC and the (a) certain IRG Affiliate Lenders:

We agreed to make a payment Lender credit arrangements (and entered into backup notes for two credit arrangements) and (b) warrants issued by the Company held by IRG Affiliate Lenders (collectively, defined as Transaction Documents below), effective as of \$4,500,000 November 7, 2022 (unless otherwise noted), as a fee for providing the completion guaranty and other IRG Financial Support described above, payable to CHCL to be held in trust consideration for the IRG Affiliate Lenders, to be allocated as Financial Support. In particular, the Company amended the Series C through Series F warrants issued by the Company held by IRG Affiliate Lenders shall determine. We also agreed to issue 2,000,000 shares and, upon approval of common stock, par value \$0.0001 per share ("Common Stock") to the Company's stockholders under Nasdaq Listing Rule 5635(c), will amend the Series G warrant, as follows: (i) the exercise price of the Series C through Series G warrants held by IRG Affiliate Lenders is reset to be allocated as a price equal to 105% of the average Nasdaq official closing price of the Company's Common Stock for the five trading days immediately preceding the date of the Oak Street closing of November 7, 2022, which price was \$0.58 per share prior to the Reverse Stock Split (the "Market Price"); and (ii) the warrant expiration dates of the Series C through Series G warrants held by IRG Affiliate Lenders shall determine, in reliance upon an exemption are extended by two years from their current expiration dates. In addition, the registration requirements of the Securities Act of 1933, as Company amended pursuant to Section 4(a)(2) thereof, as a transaction by an issuer not involving any public offering.

We agreed to modify the certain IRG Affiliate Lender loans credit arrangements (and entered into backup notes for two credit arrangements) that are Transaction Documents as follows: (i) all IRG Affiliate Lender loans will bear interest at 12.5% per annum, compounded monthly, with payment required monthly at 8% per annum, and with the remaining interest accrued and deferred until maturity; (ii) the price at which the principal and accumulated and unpaid interest under the IRG Affiliated Lender loans is convertible into shares of Common Stock will be reset to \$12.77 per share of Common Stock (giving effect to the reverse stock split), subject to adjustment, including a price equal weighted-average antidilution adjustment and subject in the case of loans to 105% of the average Nasdaq official closing price which Midwest Lender Fund, LLC is a party to approval of the Company's Common Stock (as reflected on Nasdaq.com) for the five trading days immediately preceding the date of the Oak Street closing, which price is \$0.58 per share ("Market Price") stockholders under Nasdaq 5635(c); (iii) the Company and its certain subsidiaries will record entered into a blanket junior mortgage on all real estate owned or leased backup promissory note with each of JKP Financial, LLC and Midwest Lender Fund, LLC that provide benefits incremental to and offset by the Company and its subsidiaries, whether fee or leasehold estates, other than those parcels for which existing lenders prohibit junior financing; notes with such lenders; (iv) the Company agreed to acknowledge an existing pledge of the Company's 100% membership interest in HOFV Newco and reflect that such pledge secures all amounts due under the IRG Affiliate Lender Loans; loans; (v) all certain IRG Affiliate Lender loans will be were cross-collateralized and cross-defaulted; (vi) the Company and its subsidiaries will covenant covenanted not to assign, pledge, mortgage, encumber or hypothecate any of the underlying assets, membership interests in affiliated entities or IP intellectual property rights without IRGLLC's the written consent; consent of IRG Affiliate Lenders; (vii) prior development fees owed by the Company to IRGLLC will be IRG Affiliate Lenders were accrued and added to the Bridge Loan, and future development fees owed by the Company to IRGLLC IRG Affiliate Lenders will be paid as when due; and (viii) the Company will agreed to pay to IRGLLC IRG Affiliate Lenders 25% of all contractual dispute cash settlements collected by the Company with regard to existing contractual disputes in settlement discussions, which shall be applied to outstanding IRG Affiliate Lender loans, first against accrued interest and other charges and then against principal.

We agreed to modify The amendment and restatement of the Series C through Series G F warrants held by IRG Affiliate Lenders as follows: (i) and the exercise price IRG Affiliate Lender loans (and entering into the two backup notes) and, upon approval of the Series C through Company's stockholders under Nasdaq Listing Rule 5635(c), the Series G warrants held by warrant and the effectiveness of the conversion provision in the backup promissory note issued to Midwest Lender Fund, LLC, are transactions exempt from registration pursuant to Section 4(a)(2) of the Securities Act of 1933, as amended (the "Securities Act"). Each of the IRG Affiliate Lenders will be reset has represented to Market Price; and (ii) the warrant expiration dates Company that it is an "accredited investor" as defined in Rule 501 of the Series C through Series G warrants held by IRG Affiliate Lenders will be extended by two years from their current expiration dates. Securities Act.

In Notwithstanding anything to the contrary contained in the Transaction Documents (defined below), the Company and the IRG Letter Agreement, IRGLLC and the Company Affiliate Lenders agreed to comply with all federal and state securities laws and Nasdaq listing rules and to insert "blocker" provisions for the above-described re-pricing of the warrants and the conversion provisions, such that the total cumulative number of additional shares of Common Stock that may be issued to IRGLLC and its affiliated and related parties pursuant to the IRG Letter Agreement Affiliate Lenders under the Transaction Documents may not exceed the requirements of Nasdaq Listing Rule 5635(d) ("Nasdaq 19.99% Cap" Cap), except that such limitation will not apply following Approval (defined below). In addition, the provisions of the IRG Letter Agreement are limited by Nasdaq Listing Rule 5635(c). If the number of shares of Common Stock issued to IRGLLC and its affiliated and related parties pursuant to the IRG Letter Agreement and Affiliate Lenders under the agreements modified thereunder exceeds Transaction Documents reaches the Nasdaq 19.99% Cap, then so as not to violate the 20% limit established in Listing Rule 5635(d), the Company, at its election, will use reasonable commercial efforts to obtain stockholder approval of the Transaction Documents and the issuance of additional shares of Common Stock thereunder, if necessary, in excess accordance with the requirements of Nasdaq Listing Rule 5635(d) (the "Approval"). For purposes hereof, "Transaction Documents" means the second amended and restated Series C warrant, the second amended and restated Series D Warrant, the two amended and restated Series E warrants, the two amended and restated Series F warrants, the amended and restated Series G warrant, the joinder and second amended and restated secured cognovit promissory note issued to JKP Financial, LLC, the joinder and second amended and restated secured cognovit promissory note issued to IRG, LLC, the backup joinder and first amended and restated secured cognovit promissory note with JKP Financial, LLC, the amendment number 8 to term loan agreement, the second amended and restated secured cognovit promissory note issued to CHCL in connection with the term loan agreement, the fourth amendment to and spreader of the pledge and security agreement under the term loan agreement, the second amendment to and spreader of the mortgage under the term loan agreement, the joinder and first amended and restated secured cognovit bridge promissory note issued to CHCL, and the backup promissory note issued to Midwest Lender Fund, LLC.

Under Nasdaq 19.99% Cap, no later than Listing Rule 5635(c), stockholder approval is required prior to the next stockholder meeting (the "Approval") issuance of Common Stock in connection with certain non-public offerings involving the sale, issuance or potential issuance by a listed company of equity compensation. For this purpose, "equity compensation" includes Common Stock (and/or securities convertible into or exercisable for Common Stock) issued to our officers, directors, employees or consultants at a discount to the market value of the Common Stock, and "market value" is the closing bid price immediately preceding the time that the listed company enters into a binding agreement with such officer, director, employee or consultant to issue the equity compensation. Midwest Lender Fund, LLC is wholly-owned by our director Stuart Lichter. The amended and restated Series G warrant issued to Midwest Lender Fund, LLC and the backup promissory note issued to Midwest Lender Fund, LLC do not become effective unless and until approved by stockholders of the Company under Nasdaq Listing Rule 5635(c).

In connection with entering into the Waterpark Sale and Leaseback Transaction, the Hotel Construction Loan Commitment Letter, and the IRG Letter Agreement, the Company paid customary fees and expenses.

### Results of Operations

The following table sets forth information comparing the components of net loss for the three months ended September 30, 2022, March 31, 2023 and the comparable period in 2021:2022:

	For the Three Months Ended March 31,	
	2023	2022
<b>Revenues</b>		
Sponsorships, net of activation costs	\$ 673,475	\$ 819,290
Event, rents and cost recoveries	908,312	337,393
Hotel revenues	1,538,646	949,841
Total revenues	3,120,433	2,106,524
<b>Operating expenses</b>		
Operating expenses	13,673,716	7,666,609
Hotel operating expenses	1,459,203	1,153,112
Depreciation expense	2,553,360	3,242,285
Total operating expenses	17,686,279	12,062,006
<b>Loss from operations</b>	(14,565,846)	(9,955,482)
<b>Other income (expense)</b>		
Interest expense, net	(3,632,637)	(1,213,541)
Amortization of discount on note payable	(855,891)	(1,355,974)
Change in fair value of warrant liability	(238,000)	4,750,000
Change in fair value of interest rate swap	(100,000)	-
Loss on extinguishment of debt	-	(148,472)
Total other (expense) income	(4,826,528)	2,032,013
<b>Net loss</b>	\$ (19,392,374)	\$ (7,923,469)
Series B preferred stock dividends	(266,000)	(266,000)
Non-controlling interest	48,577	77,372
<b>Net loss attributable to HOFRE stockholders</b>	\$ (19,609,797)	\$ (8,112,097)
Net loss per share – basic	\$ (3.48)	\$ (1.71)
<b>Weighted average shares outstanding, basic and diluted</b>	5,629,086	4,745,022

	For the Three Months Ended September 30,	
	2022	2021
<b>Revenues</b>		
Sponsorships, net of activation costs	\$ 748,033	\$ 1,554,454
Event, rents and cost recoveries	5,857,467	503,789
Hotel revenues	2,058,687	1,423,713
Total revenues	8,664,187	3,481,956
<b>Operating expenses</b>		
Operating expenses	13,844,467	8,933,714
Hotel operating expenses	1,809,635	1,524,774
Commission expense	226,031	224,293
Impairment expense	-	1,748,448
Depreciation expense	2,650,719	2,993,583
Total operating expenses	18,530,852	15,424,812
<b>Loss from operations</b>	(9,866,665)	(11,942,856)
<b>Other income (expense)</b>		
Interest expense, net	(1,670,377)	(981,945)
Amortization of discount on note payable	(1,132,440)	(1,326,620)
Change in fair value of interest rate swap	(128,000)	-
Change in fair value of warrant liability	1,838,000	22,469,170
Total other (expense) income	(1,092,817)	20,160,605

<b>Net (loss) income</b>	\$ (10,959,482)	\$ 8,217,749
Series B preferred stock dividends	(266,000)	(212,844)
Non-controlling interest	<u>101,202</u>	<u>141,011</u>
<b>Net (loss) income attributable to HOFRE stockholders</b>	<u>\$ (11,124,280)</u>	<u>\$ 8,145,916</u>
Net (loss) income per share – basic	<u>\$ (0.09)</u>	<u>\$ 0.09</u>
<b>Weighted average shares outstanding, basic</b>	<u>118,437,440</u>	<u>95,044,250</u>
Net (loss) income per share – diluted	<u>\$ (0.09)</u>	<u>\$ (0.08)</u>
<b>Weighted average shares outstanding, diluted</b>	<u>118,437,440</u>	<u>102,540,809</u>

**Three Months Ended September 30, 2022 March 31, 2023 as Compared to the Three Months Ended September 30, 2021 March 31, 2022**

*Sponsorship Revenues*

Sponsorship revenues totaled \$748,033 \$673,475 for the three months ended September 30, 2022 March 31, 2023 as compared to \$1,554,454 \$819,290 for the three months ended September 30, 2021 March 31, 2022, representing a decrease of \$806,421, \$145,815, or 51.9% 17.8%. This decrease was primarily driven by a change in our pausing the recognition mix of revenue on the JCI sponsorship agreement while a dispute with Johnson Controls is resolved. For additional information, see "Dispute Regarding Naming Rights Agreement with Johnson Controls" above. agreements.

*Event, rents and cost recoveries*

Revenue from event, rents and cost recoveries was \$5,857,467 \$908,312 for the three months ended September 30, 2022 March 31, 2023 compared to \$503,789 \$337,393 for the three months ended September 30, 2021 March 31, 2022, for an increase of \$5,353,678, \$570,919, or 1062.7% 169.2%. This increase was primarily driven by an increase in events at the resumption of many sports Center for Performance and other tournaments Stadium, food commissions, rent from tenants in our ForeverLawn Sports Complex, Enshrinement activities Fan Engagement Zone and concerts, our hosting of the USFL finals and other tournaments in our Tom Benson Hall of Fame Stadium, Center for Excellence as well as the opening of the Constellation Center for Excellence. media revenue.

*Hotel Revenues*

Hotel revenue was \$2,058,687 \$1,538,646 for the three months ended September 30, 2022 March 31, 2023 compared to \$1,423,713 \$949,841 from the three months ended September 30, 2021 March 31, 2022 for an increase of \$634,974, \$588,805, or 44.6% 62%. This was driven by resumption of travel and conferences that had previously been paused due to the COVID-19 pandemic.

*Operating Expenses*

Operating expense was \$13,844,467 for the three months ended September 30, 2022 compared to \$8,933,714 for the three months ended September 30, 2021, for an increase of \$4,910,753, or 55.0%. This increase was driven by an increase in payroll guest stays and related costs due to increased headcount, an increase in event expenses, and an increase in insurance expense, partially offset by a decrease in stock-based compensation expense. conferences at the hotel.

*Hotel Operating Expenses*

Hotel operating Operating expense was \$1,809,635 \$13,673,716 for the three months ended September 30, 2022 March 31, 2023 compared to \$1,524,774 \$7,666,609 for the three months ended September 30, 2021 March 31, 2022, for an increase of \$284,861, \$6,007,107, or 18.7% 78.4%. This increase was primarily driven primarily by a \$2.5 million increase in hotel occupancy. payroll and related costs, \$1.3 million in film costs (including related impairment), a \$818,000 increase in real estate taxes, a \$238,000 increase in advertising and marketing, and a \$187,000 increase in show and event expenses.

*Commission Expense Hotel Operating Expenses*

Commission Hotel operating expense was \$226,031 \$1,459,203 for the three months ended September 30, 2022 March 31, 2023 compared to \$224,293 \$1,153,112 for the three months ended September 30, 2021 March 31, 2022 for an increase of \$1,738, \$306,091, or 0.8% 26.5%. The This increase in commission expense was primarily driven by payments incurred for commissions on our Constellation New Energy sponsorship agreement. a \$136,000 increase in hotel payroll and related costs, a \$70,000 increase in food and beverage costs, and a \$42,000 increase in franchise expenses.

*Depreciation Expense*

Depreciation expense was \$2,650,719 \$2,553,360 for the three months ended September 30, 2022 March 31, 2023 compared to \$2,993,583 \$3,242,285 for the three months ended September 30, 2021 March 31, 2022, for a decrease of \$342,364, \$688,925, or 11.5% 21.2%. The decrease in depreciation expense is primarily the result of a number of certain large assets becoming fully depreciated during the second quarter of in 2022. This was offset by additional depreciation expense incurred due to the opening of the Constellation Center for Excellence in the fourth quarter of 2021, the opening of the Center for Performance in the second quarter of 2022 and Play Action Plaza and the Fan Engagement Zone in the third quarter of 2022.

*Interest Expense*

Total interest expense was \$1,670,377 \$3,632,637 for the three months ended September 30, 2022 March 31, 2023 compared to \$981,945 \$1,213,541 for the three months ended September 30, 2021 March 31, 2022, for an increase of \$688,432, \$2,419,096, or 70.1% 199.3%. The increase in total interest expense was primarily due to a decrease in the proportion of debt that is capitalized for ongoing construction projects.

### Amortization of Debt Discount

Total amortization of debt discount was \$1,132,440 \$855,891 for the three months ended September 30, 2022 March 31, 2023, compared to \$1,326,620 \$1,355,974 for the three months ended September 30, 2021 March 31, 2022, for a decrease of \$194,180, \$500,083, or 14.6% 36.9%. The decrease is primarily due to the removal of discounts from IRG-related debt upon the modification of the debt in November 2022.

### Change in Fair Value of Warrant Liability

The change in fair value warrant liability represents a gain loss of \$1,838,000 \$238,000 for the three months ended September 30, 2022 March 31, 2023 compared to \$22,469,170 a gain of \$4,750,000 for the three months ended September 30, 2021 March 31, 2022, for a decrease of \$20,631,170 \$4,988,000 or 91.8% 105%. The decrease in change in fair value of warrant liability was due primarily to a decrease in our stock price.

### Nine Months Ended September 30, 2022 as Compared to the Nine Months Ended September 30, 2021

	For the Nine Months Ended September 30,	
	2022	2021
<b>Revenues</b>		
Sponsorships, net of activation costs	\$ 2,020,095	\$ 4,538,292
Event, rents and cost recoveries	6,863,723	607,469
Hotel revenues	4,572,428	2,615,273
Total revenues	13,456,246	7,761,034
<b>Operating expenses</b>		
Operating expenses	28,170,446	21,162,494
Hotel operating expenses	4,278,897	3,887,928
Commission expense	882,774	651,543
Impairment expense	-	1,748,448
Depreciation expense	9,420,585	8,886,650
Total operating expenses	42,752,702	36,337,063
<b>Loss from operations</b>	(29,296,456)	(28,576,029)
<b>Other expense</b>		
Interest expense, net	(3,805,310)	(2,941,672)
Amortization of discount on note payable	(3,610,738)	(3,725,347)
Change in fair value of interest rate swap	(128,000)	-
Change in fair value of warrant liability	9,011,000	(67,565,942)
(Loss) gain on extinguishment of debt	(148,472)	390,400
Total other income (expense)	1,318,480	(73,842,561)
<b>Net loss</b>	\$ (27,977,976)	\$ (102,418,590)
Series B preferred stock dividends	(798,000)	(342,844)
Non-controlling interest	337,166	301,221
<b>Net loss attributable to HOFRE stockholders</b>	\$ (28,438,810)	\$ (102,460,213)
Net loss per share – basic and diluted	\$ (0.25)	\$ (1.16)
<b>Weighted average shares outstanding, basic and diluted</b>	112,327,645	88,382,322

#### *Sponsorship Revenues*

Sponsorship revenues totaled \$2,020,095 for the nine months ended September 30, 2022 as compared to \$4,538,292 for the nine months ended September 30, 2021, for a decrease of \$2,518,197, or 55.5%. This decrease was primarily driven by our pausing the recognition of revenue on the JCI sponsorship agreement while a dispute with Johnson Controls is resolved. For additional information, see "Dispute Regarding Naming Rights Agreement with Johnson Controls" above.

#### *Event, rents and cost recoveries*

Revenue from event, rents and cost recoveries was \$6,863,723 for the nine months ended September 30, 2022 compared to \$607,469 for the nine months ended September 30, 2021, for an increase of \$6,256,254, or 1029.9%. This increase was primarily driven by the resumption of many sports and other tournaments in our ForeverLawn Sports Complex, Enshrinement activities and concerts, our hosting of the USFL finals and other tournaments in our Tom Benson Hall of Fame Stadium, as well as the opening of the Constellation Center for Excellence.

#### *Hotel Revenues*

Hotel revenue was \$4,572,428 for the nine months ended September 30, 2022 compared to \$2,615,273 from the nine months ended September 30, 2021 for an increase of \$1,957,155, or 74.8%. This increase was driven by resumption of travel and conferences that had previously been paused due to the COVID-19 pandemic.

#### *Operating Expenses*

Operating expense was \$28,170,446 for the nine months ended September 30, 2022 compared to \$21,162,494 for the nine months ended September 30, 2021, for an increase of \$7,007,952, or 33.1%. This increase was driven by an increase in legal and professional fees, an increase in payroll and related costs due to increased headcount, an increase in event expenses and an increase in insurance expense, partially offset by a decrease in stock-based compensation.

#### *Hotel Operating Expenses*

Hotel operating expense was \$4,278,897 for the nine months ended September 30, 2022 compared to \$3,887,928 for the nine months ended September 30, 2021 for an increase of \$390,969, or 10.1%. This increase was driven by resumption of travel and conferences that had previously been paused due to COVID-19.

#### *Commission Expense*

Commission expense was \$882,774 for the nine months ended September 30, 2022 compared to \$651,543 for the nine months ended September 30, 2021, for an increase of \$231,231, or 35.5%. The increase in commission expense was primarily driven by payments incurred for commissions on our Constellation New Energy sponsorship agreement.

#### *Depreciation Expense*

Depreciation expense was \$9,420,585 for the nine months ended September 30, 2022 compared to \$8,886,650 for the nine months ended September 30, 2021, for an increase of \$533,935, or 6.0%. The increase in depreciation expense is primarily the result of additional depreciation expense incurred due to the opening of the Constellation Center for Excellence in the fourth quarter of 2021, the opening of the Center for Performance in the second quarter of 2022 and Play Action Plaza and the Fan Engagement Zone in the third quarter of 2022.

#### *Interest Expense*

Total interest expense was \$3,805,310 for the nine months ended September 30, 2022 compared to \$2,941,672 for the nine months ended September 30, 2021, for an increase of \$863,638, or 29.4%. The increase in total interest expense is primarily due to the increase in our total debt outstanding, as well as a mix of higher interest rate loans.

#### *Amortization of Debt Discount*

Total amortization of debt discount was \$3,610,738 for the nine months ended September 30, 2022 compared to \$3,725,347 for the nine months ended September 30, 2021, for an decrease of \$114,609, or 3.1%.

#### *Change in Fair Value of Warrant Liability*

The change in fair value warrant liability represents a gain of \$9,011,000 for the nine months ended September 30, 2022 compared to a loss of \$67,565,942 for the nine months ended September 30, 2021, for a change of \$76,576,942 or 113.3%. The change in fair value of warrant liability was primarily due to a decrease in our stock price.

#### *(Loss) Gain on Extinguishment of Debt*

Loss on extinguishment of debt was \$148,472 for the nine months ended September 30, 2022, as compared to a gain of \$390,400 for the nine months ended September 30, 2021. The loss on extinguishment of debt is due to the forgiveness of our Paycheck Protection Program Loan during the first quarter of 2021 and the refinancing of many of our debt instruments in the first quarter of 2022.

#### **Liquidity and Capital Resources**

We have sustained recurring losses through September 30, 2022 March 31, 2023. Since inception, our operations have been funded principally through the issuance of debt and equity. As of September 30, 2022 March 31, 2023, we had approximately \$16 million \$7.4 million of unrestricted cash and \$17 million \$7.3 million of restricted cash, respectively. A majority and \$32.3 million of our restricted cash liquid investments held to maturity consisting primarily of U.S. Treasury securities. Through May 15, 2024, we have \$58.6 million in debt principal payments coming due. For a fee of one percent of the principal, we may be released extend the maturity of up to us upon achieving certain occupancy and other targets sets by certain of our lenders. We have approximately \$18.7 million \$41.6 million principal of debt coming due through December 31, 2023 until March 31, 2025.

On March 1, 2022, the Company and ErieBank agreed to extend the MKG DoubleTree Loan in principal amount of \$15,300,000 to September 13, 2023.

On March 1, 2022, we executed a series of transactions with Industrial Realty Group, LLC, a Nevada limited liability company controlled by our director Stuart Lichter ("IRG") and its affiliates and JKP Financial LLC ("JKP"), whereby IRG and JKP extended certain of our debt in aggregate principal amount of \$22,853,831 to March 31, 2024.

On June 16, 2022, we entered into a loan agreement with CH Capital Lending LLC, which is an affiliate of the Company's director Stuart Lichter ("CH Capital Lending"), whereby CH Capital Lending agreed to lend us \$10,500,000.

On June 16, 2022, we entered into a loan agreement with Stark Community Foundation, whereby Stark Community Foundation agreed to lend to us \$5,000,000, of which we've drawn \$5,000,000.

On July 1, 2022, we entered into an Energy Project Cooperative Agreement (the "EPC Agreement") with Canton Regional Energy Special Improvement District, Inc., SPH Canton St, LLC, an affiliate of Stonehill Strategic Capital, LLC and City of Canton, Ohio. Under the EPC Agreement, we were provided \$33,387,844 in Property Assessed Clean Energy ("PACE") financing.

On August 31, 2022, we entered into a Business Loan Agreement with Stark County Port Authority, pursuant to which we borrowed \$5,000,000.

On September 15, 2022, we entered into a Business Loan Agreement with the City of Canton, Ohio, pursuant to which we borrowed \$5,000,000.

On September 27, 2022, we received approximately \$14.7 million in proceeds from a failed sale-leaseback, net of financing costs and amounts held by the Landlord for future debt service.

On September 27, 2022, we entered into a loan agreement with The Huntington National Bank, pursuant to which the lender agreed to loan up to \$10,000,000 to us, which may be drawn upon achieving certain debt service coverage ratios. To date we have not received any funding from this loan agreement.

On October 19, 2022, we received proceeds from the sale by Stark County Port Authority (the "Port Authority"), of \$7,500,000 principal amount of tourism development district special obligation bonds (the "TDD Bonds") issued October 19, 2022, to Director of Development of the State of Ohio, acting on behalf of the State of Ohio. HOFV CFP must use the funds to pay, or for reimbursement of payment of, project costs associated with the Center for Performance being constructed by HOFV CFP (the "Center for Performance").

On November 7, 2022, we received approximately \$49 million in net proceeds from a failed sale-leaseback, net of financing costs.

We believe that, as a result of our demonstrated historical ability to finance and refinance debt, the transactions described above and current ongoing negotiations, we currently have sufficient cash and future financing to meet its funding requirements over the next year. Notwithstanding, we expect that we will need to raise additional financing to accomplish our development plan over the next several years. We are seeking to obtain additional funding through debt, construction lending, and equity financing. There are no assurances that we will be able to raise capital on terms that are acceptable to the Company or at all, or that cash flows generated from its operations will be sufficient to meet its current operating costs. If we are unable to obtain sufficient amounts of additional capital, we may be required to reduce the scope of our planned development, which could harm its financial condition and operating results, or we may not be able to continue to fund our ongoing operations. If management is unable to execute its planned debt and equity financing initiatives, these conditions raise substantial doubt about our ability to continue as a going concern to sustain operations for at least one year from the issuance of these condensed consolidated financial statements. The accompanying condensed consolidated financial statements do not include any adjustments that might result from the outcome of these uncertainties.

#### Cash Flows

Since inception, we have primarily used our available cash to fund its project development expenditures. The following table sets forth a summary of cash flows for the periods presented:

	For the Three Months Ended March 31,	
	2023	2022
Cash (used in) provided by:		
Operating Activities	\$ (11,542,932)	\$ 2,567,693
Investing Activities	(24,679,007)	(19,739,267)
Financing Activities	17,406,477	12,536,770
Net decrease in cash and restricted cash	\$ (18,815,462)	\$ (4,634,804)

  

	For the Nine Months Ended September 30,	
	2022	2021
Cash (used in) provided by:		
Operating Activities	\$ 2,413,959	\$ (20,245,591)
Investing Activities	(77,862,339)	(42,328,949)
Financing Activities	90,663,480	51,011,265
Net increase (decrease) in cash and restricted	\$ 15,215,100	\$ (11,563,275)

#### Cash Flows for the Nine Three Months Ended September 30, 2022 March 31, 2023 as Compared to the Nine Three Months Ended September 30, 2021 March 31, 2022

##### Operating Activities

Net cash provided by used in operating activities was \$2,413,959 \$11,542,932 during the nine three months ended September 30, 2022 March 31, 2023, which consisted primarily of our net loss of \$27,977,976, \$19,392,374, offset by non-cash depreciation expense of \$9,420,585, \$2,553,360, amortization of note discounts of \$3,610,738, \$855,891, payment-in-kind interest rolled into debt of \$2,659,044, a loss on forgiveness of debt of \$148,472, \$1,127,491, and stock-based compensation expense of \$3,277,879, \$651,034. The changes in operating assets and liabilities consisted of an increase in accounts receivable of \$1,201,990, a decrease \$888,740, an increase in prepaid expenses and other assets of \$719,172, an increase \$1,588,240, a decrease in accounts payable and accrued expenses of \$16,092,721, an increase \$875,060, a decrease in due to affiliates of \$2,740,818, \$110,903, and an increase in other liabilities of \$1,659,949, \$3,184,424.

Net cash used in provided by operating activities was \$20,245,591 \$2,567,693 during the nine three months ended September 30, 2021, which consisted March 31, 2022. Net cash provided by operating activities was primarily of our driven by the Company's net loss of \$102,418,590, \$7,923,469, offset by non-cash depreciation expense of \$8,886,648, \$3,242,285, amortization of note discounts of \$3,725,349, \$1,355,974, payment-in-kind interest rolled into debt of \$718,294, a loss on forgiveness of debt of \$148,472, stock-based compensation expense of \$4,573,524, non-cash impairment expense of \$1,748,448, \$1,316,195, and a change in fair value of warrant liability of \$67,565,942, \$4,750,000. The changes in operating assets and liabilities consisted primarily of an increase a decrease in accounts receivable of \$125,208, an increase \$48,782, a decrease in prepaid expenses and other assets of \$1,648,247, and \$451,139, a decrease in accounts payable and accrued expenses of \$2,537,410, \$4,588,788, an increase in due to affiliates of \$1,776,606, and an increase in other liabilities of \$1,623,200.

##### Investing Activities

Net cash used in investing activities was \$77,862,339 and \$42,328,949 \$24,679,007 during the nine three months ended September 30, 2022 and 2021, respectively, March 31, 2023 which consisted primarily of investments in treasury securities of \$30,021,129, proceeds from treasury securities of \$15,021,129, and investments in project development costs of \$9,679,007.

Net cash used in investing activities was \$19,739,267 during the three months ended March 31, 2022, which consisted of our project development costs.

#### *Financing Activities*

Net cash provided by financing activities was \$90,663,480 \$17,406,477 during the nine three months ended September 30, 2022 March 31, 2023. This consisted primarily of \$68,807,100 \$20,500,000 in proceeds from notes payable, \$15,588,519 offset by \$312,431 in repayments of notes payable, \$1,093,750 in payments of our sale leaseback arrangements and \$1,537,342 in payment of financing costs.

Net cash provided by financing activities was \$12,536,770 during the three months ended March 31, 2022. This consisted primarily of \$1,817,603 in proceeds from our sale leaseback, notes payable and \$20,403,517 \$12,531,505 of proceeds from equity raises under our ATM, offset by \$8,238,479 \$1,508,437 in repayments of notes payable, and \$5,447,177 \$153,901 in payment of financing costs.

Net cash provided by financing activities was \$51,011,265 during the nine months ended September 30, 2021, which consisted primarily of \$6,900,000 in proceeds from notes payable, \$15,200,000 in proceeds from the sale of Series B preferred stock, \$31,746,996 of proceeds from equity raises, and \$23,485,200 of proceeds from the exercise of warrants, offset by \$25,762,598 in repayments of notes payable, and \$515,000 in payment of financing costs.

#### **Off-Balance Sheet Arrangements**

We did not have any off-balance sheet arrangements as of September 30, 2022 March 31, 2023.

### **Critical Accounting Policies and Significant Judgments and Estimates**

This discussion and analysis of our financial condition and results of operations is based on our unaudited condensed consolidated financial statements, which have been prepared in accordance with generally accepted accounting principles in the United States of America, or U.S. GAAP. The preparation of these unaudited condensed consolidated financial statements requires us to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the unaudited condensed consolidated financial statements and the reported amounts of revenue and expenses during the reported periods. In accordance with U.S. GAAP, we base our estimates on historical experience and on various other assumptions we believe are reasonable under the circumstances. Actual results may differ from these estimates under different assumptions or conditions.

For information on our significant accounting policies please refer to Note 2 to our Unaudited Condensed Consolidated Financial Statements.

### **Item 3. Quantitative and qualitative disclosures about market risk**

Not applicable.

### **Item 4. Controls and procedures**

#### ***Evaluation of Disclosure Controls and Procedures***

We have established disclosure controls and procedures to ensure that the information required to be disclosed by us in the reports that we file or submit under the Securities Exchange Act of 1934 ("Exchange Act") is recorded, processed, summarized, and reported within the time periods specified in SEC rules and forms and that such information is accumulated and made known to the officers who certify our financial reports and to other members of senior management and the Board of Directors as appropriate to allow timely decisions regarding required disclosure.

Based on their evaluation as of **September 30, 2022** **March 31, 2023**, the principal executive officer and principal financial officer of the Company have concluded that our disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act) are effective.

#### ***Changes in Internal Control over Financial Reporting***

During the quarter ended **September 30, 2022** **March 31, 2023**, there were no changes to the **Company implemented a new accounting and Company's internal control over financial reporting system, which included additional IT** and that have materially affected, or are reasonably likely to materially affect, the Company's internal control over financial **controls.** **reporting.**

## PART II. OTHER INFORMATION

### Item 1. Legal proceedings

During the normal course of its business, the Company is subject to occasional legal proceedings and claims. The Company does not have any pending litigation that, separately or in the aggregate, would, in the opinion of management, have a material adverse effect on its results of operations, financial condition, or cash flows.

### Item 1A. Risk factors

Our operations and financial results are subject to various risks and uncertainties, including those described in Part I, Item 1A, "Risk Factors" in our Annual Report on Form 10-K for the year ended December 31, 2021, as updated by those described in Part II, Item 1A, "Risk Factors" in our Quarterly Report on Form 10-Q for the quarter ended June 30, 2022 December 31, 2022, which could adversely affect our business, financial condition, results of operations, cash flows, and the trading price of our common and capital stock. There have been no material changes to our risk factors since our Annual Report on Form 10-K for the year ended December 31, 2021, as updated by our Form 10-Q for the quarter ended June 30, 2022 December 31, 2022, except as follows:

**We rely on our business plan which requires additional liquidity and capital resources that might not be available on sponsorship contracts terms that are favorable to generate revenues, us, or at all.**

As of March 31, 2023, we had approximately \$7.4 million of unrestricted cash and \$7.3 million of restricted cash, and \$32.3 million of liquid investments held to maturity consisting primarily of U.S. Treasury securities. Through May 15, 2024, we have \$58.6 million in debt principal payments coming due. For a fee of one percent of the principal, the Company may extend the maturity of up to \$41.6 million principal of debt until March 31, 2025.

We

While our strategy assumes that we will receive a portion of our annual revenues from sponsorship agreements for various content, media and live events produced at Hall of Fame Village powered by Johnson Controls such as title, official product and promotional partner sponsorships, billboards, signs and other media. We are continuously in negotiations with existing sponsors and actively seeking new sponsors as there is significant competition for sponsorships. Some of our live events may not secure a title sponsor, may not secure a sufficient number of sponsorships on favorable terms, or may not secure sponsorships sufficiently enough in advance of an event, which may lead capital to event cancellations or otherwise adversely affect the revenue generated from such events.

The certain amended and restated sponsorship and naming rights agreement, dated as of July 2, 2020 (the "Naming Rights Agreement"), by and among HOF Village, PFHOF and Johnson Controls is scheduled to expire on December 31, 2034, but provides termination rights both to (a) HOF Village and PFHOF and (b) Johnson Controls, which may be exercised in the event the other party, among other things, breaches any of its covenants and agreements under the Naming Rights Agreement beyond certain notice and cure periods. Additionally, Johnson Controls has a right to terminate the Naming Rights Agreement if (i) we do not have sufficient working capital, we currently do not have available cash and cash flows from operations to provide evidence to Johnson Controls by October 31, 2021, that we have adequate liquidity for the near-term or foreseeable future. Our current projected liabilities exceed our current cash projections and we have secured sufficient very limited cash flow from current operations. We therefore will require additional capital and/or cash flow from future operations to fund the Company, our debt service obligations and equity financing to complete Phase II, subject to day-for-day extension due to force majeure and a notice and cure period, (ii) Phase II our ongoing business. There is not open for business by January 2, 2024 subject to day-for-day extension due to force majeure and a notice and cure period, or (iii) HOF Village is in default beyond applicable notice and cure periods under certain agreements, such as the Technology as a Service Agreement with Johnson Controls (the "TAAS Agreement"), among others. There can be no assurance that Phase II we will be open for business by January 2, 2024. In addition, under the Naming Rights Agreement Johnson Controls' obligation able to make sponsorship payments raise sufficient additional capital or generate sufficient future cash flow from our future operations to Newco may be suspended if Newco has not provided evidence reasonably satisfactory to Johnson Controls on or before December 31, 2020, subject to day-for-day extension due to Force Majeure, that Newco has secured sufficient debt and equity financing to complete Phase II.

In addition to the Naming Rights Agreement, Newco is party to a Technology as a Service Agreement dated October 9, 2020 with Johnson Controls (the "TAAS Agreement"). Pursuant to the TAAS Agreement, Johnson Controls will provide certain services related to the construction and development of fund the Hall of Fame Village, powered by Johnson Controls (the "Project"), our debt service obligations or our ongoing business. If the amount of capital we are able to raise, together with any income from future operations, is not sufficient to satisfy our liquidity and capital needs, including but not limited funding our current debt obligations, we may be required to (i) design assist consulting, equipment sales and turn-key installation services in respect of specified systems to be constructed as part of Phase 2 and Phase 3 of the Project and (ii) maintenance and lifecycle services in respect of certain systems constructed as part of Phase 1, and to be constructed as part of Phase 2 and Phase 3, of the Project. Under the terms of the TAAS Agreement, Newco has agreed to pay Johnson Controls up to an aggregate of approximately \$217 million for services rendered by Johnson Controls over the term of the TAAS Agreement. As of September 30, 2022 and December 31, 2021, approximately \$195 million and \$199 million, respectively, was remaining under the TAAS Agreement.

The TAAS Agreement provides that in respect of the Naming Rights Agreement, Johnson Controls and Newco intend, acknowledge and understand that: (i) Newco's performance under the TAAS Agreement is essential to, and a condition to Johnson Controls' performance under, the Naming Rights Agreement and (ii) Johnson Controls' performance under the Naming Rights Agreement is essential to, and a condition to Newco's performance under, the TAAS Agreement. In the TAAS Agreement, Johnson Controls and Newco represent, warrant and agree that the transactions agreements and obligations contemplated under the TAAS Agreement and the Naming Rights Agreement are intended to be, and shall be, interrelated, integrated and indivisible, together being essential to consummating a single underlying transaction necessary abandon or alter our plans for the Project. Company. The Company anticipates that resolution of may have to raise additional capital through the dispute regarding the Naming Right Agreement will include the TAAS Agreement.

On May 10, 2022, the Company received from JCI a notice of termination (the "TAAS Notice") of the TAAS Agreement effective immediately. The TAAS Notice states that termination of the TAAS Agreement by JCI equity market, which could result in substantial dilution to existing stockholders. If management is due unable to Newco's alleged breach of execute its payment obligations. Additionally, JCI in the TAAS Notice demands the amount which is the sum of: (i) all past due payments and any other amounts owed by Newco under the TAAS Agreement; (ii) all commercially reasonable and documented subcontractor breakage and demobilization costs; and (iii) all commercially reasonable and documented direct losses incurred by JCI directly resulting from the alleged default by the Company and the exercise of JCI's rights and remedies in respect thereof, including reasonable attorney fees. Also on May 10, 2022, the Company received from JCI a notice of termination ("Naming Rights Notice") of the Name Rights Agreement, effective immediately. The Naming Rights Notice states that the termination of the Naming Rights Agreement by JCI is due to JCI's concurrent termination of the TAAS Agreement. The Naming Rights Notice further states that the Company must pay JCI, within 30 days following the date of the Naming Rights Notice, \$4,750,000. The Company has not made such payment to date. The Naming Rights Notice states that Newco is also in breach of its covenants and agreements, which require Newco to provide evidence reasonably satisfactory to JCI on or before October 31, 2021, subject to day-for-day extension due to force majeure, that Newco has secured sufficient planned debt and equity financing initiatives, these conditions raise substantial doubt about our ability to complete Phase II.

The Company disputes that it is in default under either the TAAS Agreement or the Naming Rights Agreement. The Company believes JCI is in breach of the Naming Rights Agreement and the TAAS Agreement due continue to their failure to make certain payments in accordance with the Naming Rights Agreement, and, on May 16, 2022, provided notice to JCI of these breaches. The Company is pursuing dispute resolution pursuant to the terms of the Naming Rights Agreement to simultaneously defend against JCI's allegations and pursue its own claims. The ultimate outcome of this dispute cannot presently be determined. However, in management's opinion, the likelihood of a material adverse outcome is remote. Accordingly, adjustments, if any, that might result sustain operations for at least one year from the resolution issuance of this matter have not been reflected in the accompanying our condensed consolidated financial statements. During the three and nine months ended September 30, 2022, the Company suspended its revenue recognition until the dispute is resolved and has recorded an allowance against the amounts due as of September 30, 2022 in the amount of \$3,312,500. The balances due under the Naming Rights Agreement as of September 30, 2022 and December 31, 2021 amounted to \$5,197,917 and \$1,885,417, respectively.

The sponsorship and services agreement, dated as of December 19, 2018, as amended (the "Constellation Sponsorship Agreement"), by and among HOF Village, PFHOF and Constellation NewEnergy, Inc., is scheduled to expire on December 31, 2029 but provides termination rights both to (a) HOF Village and PFHOF and (b) Constellation, which may be exercised if a party would suffer material damage to its reputation by association with the other party or if there is an event of default. An event of default under the Constellation Sponsorship Agreement includes a party's failure to perform its material obligations for 60 days after receiving written notice from the other party and failure to cure such default; a party's becoming insolvent or filing a voluntary petition in bankruptcy; a party's being adjudged bankrupt; an involuntary petition under any bankruptcy or insolvency law being filed against a party; a party's sale, assignment or transfer of all or substantially all of its assets (other than to an affiliate in the case of HOF Village or PFHOF). Additionally, Constellation has a right to terminate the Constellation Sponsorship Agreement effective as of December 31, 2023 for failure to recover its investment in the form of new business, if it provides written notice on or prior to December 1, 2022.

Loss of our existing title sponsors or other major sponsorship agreements, including the Naming Rights Agreement and Constellation Sponsorship Agreement, or failure to secure sponsorship agreements in the future on favorable terms, could have a material adverse effect on our business, financial condition and results of operations.

***Our Common Stock may be delisted from the Nasdaq Capital Market if we cannot satisfy Nasdaq's continued listing requirements, which could adversely impact the price and liquidity of our Common Stock.***

On May 24, 2022, the Company received a deficiency letter (the "Notice") from the Listing Qualifications Department (the "Staff") of the Nasdaq Stock Market, LLC ("Nasdaq") notifying the Company that, statements for the last 30 consecutive business days, the bid price for the Common Stock had closed below \$1.00 per share, which is the minimum bid price required to maintain continued listing quarter ended March 31, 2023 included in this quarterly report on The Nasdaq Capital Market under Nasdaq Listing Rule 5550(a)(2) (the "Minimum Bid Requirement").

The Notice has no immediate effect on the listing of the Common Stock. In accordance with Nasdaq Listing Rule 5810(c)(3)(A), the Company has 180 calendar days to regain compliance with the Minimum Bid Requirement. To regain compliance, the closing bid price of the Common Stock must be at least \$1.00 per share for a minimum of ten consecutive business days during this 180-day period, at which time the Staff will provide written notification to the Company that it complies with the Minimum Bid Requirement, unless the Staff exercises its discretion to extend this ten-day period pursuant to Nasdaq Listing Rule 5810(c)(3)(H). The compliance period for the Company will expire on November 21, 2022.

Form 10-Q.

If the Company does not regain compliance with the Minimum Bid Requirement during the initial 180 calendar day period, the Company may be eligible for an additional 180 calendar day compliance period. To qualify, the Company would be required to meet the continued listing requirement for market value of publicly held shares and all other initial listing standards for The Nasdaq Capital Market, with the exception of the Minimum Bid Requirement, and would need to provide written notice of its intention to cure the deficiency during the second compliance period, impaired by effecting a reverse stock split, if necessary. On September 19, 2022, the Company submitted its request to Nasdaq for a second 180 day compliance period to meet the Minimum Bid Requirement, including an intent to implement a reverse stock split in sufficient time during the 180 days to evidence a closing bid price of at least \$1.00 per share for a minimum of ten consecutive business days prior to the expiration of the second 180 day compliance period. The Company does not expect to receive a response from Nasdaq to its request for a second 180 day compliance period until the first 180 day compliance period ends on November 21, 2022. There is no assurance, however, that the Company will regain compliance during a second 180 day compliance period.

If it appears to the Staff that the Company will not be able to cure the deficiency, or if the Company does not meet the other listing standards, the Staff could provide notice that the Common Stock will become subject to delisting. In the event the Company receives notice that its Common Stock is being delisted, Nasdaq rules permit the Company to appeal any delisting determination by the Staff to a Hearings Panel (the "Panel"). The Company expects that its Common Stock would remain listed pending the Panel's decision. However, there can be no assurance that, if the Company does appeal the delisting determination by the Staff to the Panel, that such appeal would be successful, or that the Company will be able to regain compliance with the Minimum Bid Requirement or maintain compliance with the other listing requirements.

Delisting from the Nasdaq Capital Market could make trading our Common Stock more difficult for investors, potentially leading to declines in our share price and liquidity. Without a Nasdaq Capital Market listing, stockholders may have a difficult time getting a quote for the sale or purchase of our stock, the sale or purchase of our stock would likely be made more difficult, and the trading volume and liquidity of our stock could decline. Delisting from the Nasdaq Capital Market could also result in negative publicity and could also make it more difficult for us to raise additional capital. The absence of such a listing may adversely affect the acceptance of our Common Stock as currency or the value accorded by other parties. Further, if we are delisted, we would also incur additional costs under state blue sky laws in connection with any sales of our securities. These requirements could severely limit the market liquidity of our Common Stock and the ability of our stockholders to sell our Common Stock in the secondary market. If our Common Stock is delisted by Nasdaq, our Common Stock may be eligible to trade on an over-the-counter quotation system, factors such as the OTCQB market, where an investor may find it more difficult health of and access to sell capital markets, our stock limited track record and the limited historical financial information available, or obtain accurate quotations the substantial doubt about our ability to continue as to a going concern. Any additional capital raised through the market value sale of our Common Stock. In the event our Common Stock is delisted from the Nasdaq Capital Market, we may not be able to list our Common Stock on another national securities exchange or obtain quotation on an over-the counter quotation system.

***If the Company completes a reverse stock split, the trading price of our Common Stock may not increase to a level we may have expected following the reverse stock split or, if it does, the trading price of our Common Stock may decrease in the future.***

On September 29, 2022, our stockholders approved an amendment to our Amended and Restated Certificate of Incorporation to effect, at the discretion of our Board of Directors on or prior to May 5, 2023, a reverse stock split of all of the outstanding additional shares of our common capital stock, par value \$0.0001 per share ("Common Stock"), at a ratio in convertible debt or other equity may dilute the range of 1-for-10 to 1-for-25 (the "Reverse Stock Split"), such ratio to be determined by our Board of Directors in its discretion and publicly disclosed prior to the effectiveness of the Reverse Stock Split, whereby each outstanding 10 to 25 shares would be combined, converted and changed into 1 share ownership percentage of our Common Stock.stockholders.

Reducing the number of outstanding shares of our Common Stock through the Reverse Stock Split is intended, absent other factors, to increase the per share trading price of our Common Stock. However, other factors, such as our financial results and financial outlook and investor perception of our future prospects, as well as general market and economic conditions, among many factors, may positively or negatively affect the trading price of our Common Stock. Therefore, even if the Reverse Stock Split is effected, the trading price of our Common Stock may not increase to a level we may have expected following the Reverse Stock Split or, if it does, the trading price of our Common Stock may decrease in the future. Additionally, the trading price per share of our Common Stock after the Reverse Stock Split may not increase in proportion to the reduction in the number of shares of our Common Stock outstanding before the Reverse Stock Split. Accordingly, the total market capitalization of our Common Stock after the Reverse Stock Split may be lower than the total market capitalization before the Reverse Stock Split. The trading price of our Common Stock also may change due to a variety of other factors, some of which are beyond our control, including but not limited to our general business condition, the release of our financial reports, general economic conditions and forecasts, market conditions and the market perception of our business. Because the number of authorized shares of our Common Stock will not be reduced proportionately, the Reverse Stock Split will increase the Board's ability to issue authorized and unissued shares without further stockholder action.

**Item 2. Unregistered sales of equity securities and use of proceeds**

None.

**Item 3. Defaults upon senior securities**

None.

**Item 4. Mine safety disclosures**

Not applicable.

**Item 5. Other information**

None.

## Item 6. Exhibits

10.1 4.1	<a href="#">Business Loan Agreement, dated August 31, 2022 Second Amended and Restated Series C Warrant (No. 2020 W-1), between effective as of November 7, 2022, issued by Hall of Fame Resort &amp; Entertainment Company and Stark County Port Authority to CH Capital Lending, LLC (incorporated by reference to Exhibit 10.1 of the Company's Form 8-K (001-38363), filed with the Commission on September 7, 2022 March 22, 2023).</a>
10.2 4.2	<a href="#">Business Loan Agreement, dated September 15, 2022 Second Amended and Restated Series D Warrant (Series D No. W-1), between effective as of November 7, 2022, issued by Hall of Fame Resort &amp; Entertainment Company and City of Canton, Ohio (incorporated by reference to Exhibit 10.1 of the Company's Form 8-K (001-38363), filed with the Commission on September 16, 2022).</a>
10.3	<a href="#">Loan Agreement, dated September 27, 2022, among HOF Village Retail I, CH Capital Lending, LLC and HOF Village Retail II, LLC, as borrowers, and The Huntington National Bank, as lender (incorporated by reference to Exhibit 10.1 of the Company's Form 8-K (001-38363), filed with the Commission on September 29, 2022).</a>
10.4	<a href="#">Promissory Note, dated September 27, 2022, issued by HOF Village Retail I, LLC and HOF Village Retail II, LLC, as borrowers, to The Huntington National Bank, as lender (incorporated by reference to Exhibit 10.2 of the Company's Form 8-K (001-38363), filed with the Commission on September 29, 2022 March 22, 2023).</a>
10.5 4.3	<a href="#">Ground Lease, dated September 27, 2022 Amended and Restated Series E Warrant (Series E No. W-1), among TWAIN GL XXXVI, effective as of November 7, 2022, issued by Hall of Fame Resort &amp; Entertainment Company to CH Capital Lending, LLC as landlord, and HOF Village Retail I, LLC and HOF Village Retail II, LLC, as tenants (incorporated by reference to Exhibit 10.3 of the Company's Form 8-K (001-38363), filed with the Commission on September 29, 2022 March 22, 2023).</a>
10.6 4.4	<a href="#">Guaranty Fee Letter Agreement, dated September 27, 2022 Amended and Restated Series E Warrant (Series E No. W-2), among effective as of November 7, 2022, issued by Hall of Fame Resort &amp; Entertainment Company HOF Village Retail I, to CH Capital Lending, LLC HOF Village Retail II, LLC, Stuart Lichter, and Stuart Lichter, Trustee of the Stuart Lichter Trust u/t/d dated November 13, 2011 (incorporated by reference to Exhibit 10.4 of the Company's Form 8-K (001-38363), filed with the Commission on September 29, 2022 March 22, 2023).</a>
10.7 4.5	<a href="#">Purchase Amended and Sale Agreement, dated Restated Series F Warrant (Series F No. W-1), effective as of November 7, 2022, between HFAKOH001 LLC as buyer and HOF Village Waterpark, LLC as seller (incorporated issued by reference Hall of Fame Resort &amp; Entertainment Company to Exhibit 10.1 of the Company's Form 8-K (001-38363), filed with the Commission on November 9, 2022).</a>
10.8	<a href="#">Ground Lease Agreement, dated November 7, 2022, between HFAKOH001 LLC as landlord and HOF Village Waterpark, LLC as tenant (incorporated by reference to Exhibit 10.2 of the Company's Form 8-K (001-38363), filed with the Commission on November 9, 2022).</a>
10.9	<a href="#">Limited Recourse Carveout Guaranty, dated November 7, 2022, by HOF Village Newco, LLC as guarantor and HFAKOH001 LLC as landlord (incorporated by reference to Exhibit 10.3 of the Company's Form 8-K (001-38363), filed with the Commission on November 9, 2022).</a>
10.10	<a href="#">Pledge and Security Agreement, dated November 7, 2022, by HOF Village Newco, LLC as pledgor and HFAKOH001 LLC as landlord (incorporated by reference to Exhibit 10.4 of the Company's Form 8-K (001-38363), filed with the Commission on November 9, 2022).</a>
10.11	<a href="#">Post-Closing Matters Agreement, dated November 7, 2022, among HOF Village Waterpark, LLC, HOF Village Newco, LLC and HFAKOH001 JKP Financial, LLC (incorporated by reference to Exhibit 10.5 of the Company's Form 8-K (001-38363), filed with the Commission on November 9, 2022 March 22, 2023).</a>
10.12 4.6	<a href="#">Purchase Option Agreement, dated Amended and Restated Series F Warrant (Series F No. W-2), effective as of November 7, 2022, between HFAKOH001 LLC and HOF Village Waterpark, issued by Hall of Fame Resort &amp; Entertainment Company to JKP Financial, LLC (incorporated by reference to Exhibit 10.6 of the Company's Form 8-K (001-38363), filed with the Commission on November 9, 2022 March 22, 2023).</a>
10.13 4.7	<a href="#">Hotel Construction Loan Commitment Letter, signed November 3, 2022 Amended and Restated Series G Warrant, dated as of November 7, 2022, among Industry Realty Group, Inc. as lender, issued by Hall of Fame Resort &amp; Entertainment Company as guarantor, and HOF Village Hotel WP, to Midwest Lender Fund, LLC as borrower (incorporated by reference to Exhibit 10.7 of the Company's Form 8-K (001-38363), filed with the Commission on November 9, 2022 March 22, 2023).</a>
10.14 10.1	<a href="#">IRG Letter Agreement, dated Backup Joinder and First Amended and Restated Secured COGNOVIT Promissory Note, effective as of November 7, 2022, between Industrial Realty Group, LLC by and its various affiliates and related parties and among Hall of Fame Resort &amp; Entertainment Company, HOF Village Newco, LLC, HOF Village Youth Fields, LLC, as makers, and JKP Financial, LLC, as holder (incorporated by reference to Exhibit 10.8 of the Company's Form 8-K (001-38363), filed with the Commission on November 9, 2022 March 22, 2023).</a>
10.2	<a href="#">Amendment Number 8 to Term Loan Agreement, effective as of November 7, 2022, by Hall of Fame Resort &amp; Entertainment Company, HOF Village Newco, LLC and HOF Village Youth Fields, LLC, as borrower, in favor of CH Capital Lending, LLC, as administrative agent and lender (incorporated by reference to Exhibit 10.9 of the Company's Form 8-K (001-38363), filed with the Commission on March 22, 2023).</a>
10.3	<a href="#">Joinder and Second Amended and Restated Secured COGNOVIT Promissory Note, effective as of November 7, 2022, issued by Hall of Fame Resort &amp; Entertainment Company, HOF Village Newco, LLC and HOF Village Youth Fields, LLC to IRG, LLC (incorporated by reference to Exhibit 10.10 of the Company's Form 8-K (001-38363), filed with the Commission on March 22, 2023).</a>
10.4	<a href="#">Joinder and Second Amended and Restated Secured COGNOVIT Promissory Note, effective as of November 7, 2022, issued by Hall of Fame Resort &amp; Entertainment Company, HOF Village Newco, LLC and HOF Village Youth Fields, LLC to JKP Financial, LLC (incorporated by reference to Exhibit 10.11 of the Company's Form 8-K (001-38363), filed with the Commission on March 22, 2023).</a>
10.5	<a href="#">Backup Promissory Note, effective as of November 7, 2022, issued by Hall of Fame Resort &amp; Entertainment Company, HOF Village Newco, LLC, and HOF Village Youth Fields, LLC to Midwest Lender Fund, LLC (incorporated by reference to Exhibit 10.12 of the Company's Form 8-K (001-38363), filed with the Commission on March 22, 2023).</a>

10.6	<a href="#">Joinder and First Amended and Restated Promissory Note, effective as of November 7, 2022, issued by Hall of Fame Resort &amp; Entertainment Company, HOF Village Newco, LLC, and HOF Village Youth Fields, LLC to CH Capital Lending, LLC (incorporated by reference to Exhibit 10.13 of the Company's Form 8-K (001-38363), filed with the Commission on March 22, 2023)</a>
10.7	<a href="#">Cooperative Tax Increment Financing Agreement, dated as of February 1, 2023, among Stark County Port Authority, the City of Canton, Ohio, Hall of Fame Resort &amp; Entertainment Company and HOF Village Newco, LLC, and is joined by HOF Village Stadium, LLC, HOF Village Youth Fields, LLC, HOF Village Center for Excellence, LLC, HOF Village Center for Performance, LLC, HOF Village Retail I, LLC, and HOF Village Retail II, LLC (incorporated by reference to Exhibit 10.71 of the Company's Annual Report on Form 10-K (File No. 001-38363) filed with the Commission on March 27, 2023)</a>
10.8	<a href="#">Maintenance and Management Agreement (Stark Port Public Roadway), dated as of February 1, 2023, by and between the Stark County Port Authority and HOF Village Newco, LLC, and is joined by Hall of Fame Resort &amp; Entertainment Company (incorporated by reference to Exhibit 10.72 of the Company's Annual Report on Form 10-K (File No. 001-38363) filed with the Commission on March 27, 2023)</a>
10.9	<a href="#">Minimum Payment Guaranty, dated as of February 2, 2023, by Hall of Fame Resort &amp; Entertainment Company and HOF Village Newco, LLC, to the Stark County Port Authority and The Huntington National Bank (incorporated by reference to Exhibit 10.73 of the Company's Annual Report on Form 10-K (File No. 001-38363) filed with the Commission on March 27, 2023)</a>
10.10	<a href="#">Shortfall Payment Guaranty, dated as of February 2, 2023, by Stuart Lichter, as trustee of The Stuart Lichter Trust U/T/D dated November 13, 2011, and Stuart Lichter to the Stark County Port Authority and The Huntington National Bank (incorporated by reference to Exhibit 10.74 of the Company's Annual Report on Form 10-K (File No. 001-38363) filed with the Commission on March 27, 2023)</a>
10.11	<a href="#">Hall of Fame Resort &amp; Entertainment Company 2023 Inducement Plan (incorporated by reference to Exhibit 99.1 of the Company's Registration Statement on Form S-8 (File No. 333-270572) filed with the Commission on March 15, 2023)</a>
10.12	<a href="#">Form of Restricted Stock Unit Award under Hall of Fame Resort &amp; Entertainment Company 2023 Inducement Plan (incorporated by reference to Exhibit 99.2 of the Company's Registration Statement on Form S-8 (File No. 333-270572) filed with the Commission on March 15, 2023)</a>
31.1*	<a href="#">Certification of Chief Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.</a>
31.2*	<a href="#">Certification of Chief Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.</a>
32*	<a href="#">Certification of Chief Executive Officer and Chief Financial Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.</a>
101.INS*	Interactive Data Files pursuant to Rule 405 of Regulation S-T formatted in Inline Extensible Business Reporting Language ("Inline XBRL")
101.CAL*	Inline XBRL Taxonomy Extension Calculation Linkbase Document
101.SCH*	Inline XBRL Taxonomy Extension Schema Document
101.DEF*	Inline XBRL Taxonomy Extension Definition Linkbase Document
101.LAB*	Inline XBRL Taxonomy Extension Label Linkbase Document
101.PRE*	Inline XBRL Taxonomy Extension Presentation Linkbase Document
104	Cover Page Interactive Data File (formatted in Inline XBRL and contained in Exhibit 101)

\* Filed herewith

## SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

Date: November 14, 2022 May 15, 2023

HALL OF FAME RESORT & ENTERTAINMENT COMPANY

By: /s/ Michael Crawford

Michael Crawford

President  
and Chief  
Executive  
Officer

(Principal Executive Officer)

Date: May 15, 2023

By: /s/ Benjamin Lee

Benjamin Lee

Chief Financial Officer

(Principal Financial and Accounting Officer)

74  
60

Exhibit 31.1

### CERTIFICATION PURSUANT TO SARBANES-OXLEY ACT OF 2002

I, Michael Crawford, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Hall of Fame Resort & Entertainment Company;
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 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 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: November 14, 2022 May 15, 2023

By: /s/ Michael Crawford

Michael Crawford

Chief Executive Officer

(Principal Executive Officer)

Exhibit 31.2

### CERTIFICATION PURSUANT TO SARBANES-OXLEY ACT OF 2002

I, Benjamin Lee, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Hall of Fame Resort & Entertainment Company;

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 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 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: November 14, 2022 May 15, 2023

By: /s/ Benjamin Lee  
Benjamin Lee  
Chief Financial Officer  
(Principal Financial Officer)

Exhibit 32

**CERTIFICATION PURSUANT TO SECTION 906  
OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Quarterly Report of Hall of Fame Resort & Entertainment Company (the "Company") on Form 10-Q for the quarter ended September 30, 2022 March 31, 2023 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), each of the undersigned, in the capacities and on the dates indicated below, hereby certifies pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

1. the Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 (15 U.S.C. 78m or 78o(d)); and
2. the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: November 14, 2022 May 15, 2023

By: /s/ Michael Crawford  
Michael Crawford  
Chief Executive Officer  
(Principal Executive Officer)

Date: November 14, 2022 May 15, 2023

By: /s/ Benjamin Lee  
Benjamin Lee  
Chief Financial Officer  
(Principal Financial Officer)

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