

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, 2024

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**

(State or other jurisdiction of  
incorporation or organization)

**84-3235695**

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

**2014 Champions Gateway, Suite 100**

**Canton, OH 44708**

(Address of principal executive offices)

**(330) 458-9176**

(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 0.064578 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

Non-accelerated filer

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 8, 2024, there were 6,556,835 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

TABLE OF CONTENTS

	Page
<b><u>PART I. FINANCIAL INFORMATION</u></b>	<b>1</b>
<u>Item 1. Financial statements</u>	1
<u>Condensed Consolidated Balance Sheets as of September 30, 2024 (unaudited) and December 31, 2023</u>	1
<u>Condensed Consolidated Statements of Operations for the three and nine months ended September 30, 2024 and 2023 (unaudited)</u>	2
<u>Condensed Consolidated Statement of Changes in Stockholders' Equity for the three and nine months ended September 30, 2024 and 2023 (unaudited)</u>	3
<u>Condensed Consolidated Statements of Cash Flows for the nine months ended September 30, 2024 and 2023 (unaudited)</u>	4
<u>Notes to the Condensed Consolidated Financial Statements (unaudited)</u>	6
<u>Item 2. Management's discussion and analysis of financial condition and results of operations</u>	38
<u>Item 3. Quantitative and qualitative disclosures about market risk</u>	50
<u>Item 4. Controls and procedures</u>	50
<b><u>PART II. OTHER INFORMATION</u></b>	<b>51</b>
<u>Item 1. Legal proceedings</u>	51
<u>Item 1A. Risk factors</u>	51
<u>Item 2. Unregistered sales of equity securities and use of proceeds</u>	54
<u>Item 3. Defaults upon senior securities</u>	54
<u>Item 4. Mine safety disclosures</u>	54
<u>Item 5. Other information</u>	54
<u>Item 6. Exhibits</u>	54

**PART I. FINANCIAL INFORMATION**

**Item 1. Financial Statements**

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

	As of	
	September 30, 2024 (unaudited)	December 31, 2023
<b>Assets</b>		
Cash	\$ 2,569,355	\$ 3,243,353
Restricted cash	4,915,073	8,572,730
Equity method investments	2,363,379	-
Investments available for sale	2,000,000	2,000,000
Accounts receivable, net	1,659,904	1,108,460
Prepaid expenses and other assets	7,839,927	3,514,135
Property and equipment, net	335,114,292	344,378,835
Property and equipment held for sale	-	12,325,227
Right-of-use lease assets	7,268,277	7,387,693
Project development costs	71,910,357	59,366,200
<b>Total assets</b>	<b>\$ 435,640,564</b>	<b>\$ 441,896,633</b>
<b>Liabilities and stockholders' equity</b>		
<b>Liabilities</b>		
Notes payable, net	\$ 241,587,376	\$ 219,532,941
Accounts payable and accrued expenses	18,936,113	21,825,540
Due to affiliate	2,911,032	1,293,874
Warrant liability	161,000	225,000
Financing liability	68,879,042	62,982,552
Lease liabilities	3,399,584	3,440,630
Other liabilities	6,064,620	5,858,682
<b>Total liabilities</b>	<b>341,938,767</b>	<b>315,159,219</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, 2024 and December 31, 2023	-	-
Series B convertible preferred stock, \$0.0001 par value; 15,200 shares designated; 0 and 200 shares issued and outstanding at September 30, 2024 and December 31, 2023; liquidation preference of \$0 as of September 30, 2024	-	-
Series C convertible preferred stock, \$0.0001 par value; 15,000 shares designated; 15,000 shares issued and outstanding at September 30, 2024 and December 31, 2023; liquidation preference of \$16,948,500 as of September 30, 2024	2	2
Common stock, \$0.0001 par value; 300,000,000 shares authorized; 6,556,835 and 6,437,020 shares issued and outstanding at September 30, 2024 and December 31, 2023, respectively	655	643
Additional paid-in capital	346,637,348	344,335,489
Accumulated deficit	(251,972,782)	(216,643,882)
<b>Total equity attributable to HOFRE</b>	<b>94,665,223</b>	<b>127,692,252</b>
Non-controlling interest	(963,426)	(954,838)
<b>Total equity</b>	<b>93,701,797</b>	<b>126,737,414</b>
<b>Total liabilities and stockholders' equity</b>	<b>\$ 435,640,564</b>	<b>\$ 441,896,633</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,	
	2024	2023	2024	2023
<b>Revenues</b>				
Sponsorships, net of activation costs	\$ 684,180	\$ 689,753	\$ 2,170,742	\$ 2,054,464
Event, rents, restaurant, and other revenues	4,639,785	5,763,583	8,886,562	10,081,905
Hotel revenues	2,177,661	2,291,493	5,335,306	5,856,170
Total revenues	<u>7,501,626</u>	<u>8,744,829</u>	<u>16,392,610</u>	<u>17,992,539</u>
<b>Operating expenses</b>				
Operating expenses	8,604,054	12,409,390	21,953,614	35,631,959
Hotel operating expenses	1,847,014	1,814,053	4,530,407	4,860,876
Impairment expense	-	-	-	1,145,000
Depreciation expense	4,202,042	4,559,899	12,541,983	10,486,335
Total operating expenses	<u>14,653,110</u>	<u>18,783,342</u>	<u>39,026,004</u>	<u>52,124,170</u>
<b>Loss from operations</b>	(7,151,484)	(10,038,513)	(22,633,394)	(34,131,631)
<b>Other income (expense)</b>				
Interest expense, net	(5,902,062)	(6,026,801)	(18,899,210)	(14,063,584)
Amortization of discount on note payable	(1,092,996)	(1,419,684)	(3,102,968)	(3,157,815)
Change in fair value of warrant liability	16,000	968,000	64,000	507,000
Change in fair value of interest rate swap	-	203,850	-	163,850
Change in fair value of securities available for sale	-	-	-	1,683,246
Loss on sale of asset	(5,674)	-	(144,213)	-
Loss on extinguishment of debt	-	-	(3,763)	-
Other income	9,763,126	148,796	10,263,126	148,796
Loss from equity method investments	(47,240)	-	(83,066)	-
Total other income (expense)	<u>2,731,154</u>	<u>(6,125,839)</u>	<u>(11,906,094)</u>	<u>(14,718,507)</u>
<b>Net loss</b>	\$ (4,420,330)	\$ (16,164,352)	\$ (34,539,488)	\$ (48,850,138)
Preferred stock dividends	(266,000)	(266,000)	(798,000)	(798,000)
Loss attributable to non-controlling interest	-	11,277	8,588	65,649
<b>Net loss attributable to HOFRE stockholders</b>	<u>\$ (4,686,330)</u>	<u>\$ (16,419,075)</u>	<u>\$ (35,328,900)</u>	<u>\$ (49,582,489)</u>
Net loss per share, basic and diluted	<u>\$ (0.72)</u>	<u>\$ (2.89)</u>	<u>\$ (5.42)</u>	<u>\$ (8.77)</u>
Weighted average shares outstanding, basic and diluted	<u>6,551,352</u>	<u>5,672,602</u>	<u>6,521,903</u>	<u>5,654,184</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 CHANGES IN STOCKHOLDERS' EQUITY**  
**FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2024 AND 2023**  
**(unaudited)**

	Series B Convertible Preferred stock		Series C Convertible Preferred stock		Common Stock		Additional Paid-In Capital	Accumulated Deficit	Total Equity Attributable to HOFRE Stockholders	Non- controlling Interest	Total Stockholders' Equity
	Shares	Amount	Shares	Amount	Shares	Amount					
<b>Balance as of January 1, 2024</b>	200	\$ -	15,000	\$ 2	6,437,020	\$ 643	\$ 344,335,489	\$ (216,643,882)	\$ 127,692,252	\$ (954,838)	\$ 126,737,414
Stock-based compensation on RSU and restricted stock awards	-	-	-	-	-	-	96,469	-	96,469	-	96,469
Vesting of restricted stock units, net of 7,672 shares withheld for taxes	-	-	-	-	65,417	7	(7)	-	-	-	-
Preferred stock dividend	-	-	-	-	-	-	-	(266,000)	(266,000)	-	(266,000)
Warrants issued for financing liability proceeds	-	-	-	-	-	-	1,666,000	-	1,666,000	-	1,666,000
Net loss	-	-	-	-	-	-	-	(14,621,588)	(14,621,588)	(8,588)	(14,630,176)
<b>Balance as of March 31, 2024</b>	<u>200</u>	<u>\$ -</u>	<u>15,000</u>	<u>\$ 2</u>	<u>6,502,437</u>	<u>\$ 650</u>	<u>\$ 346,097,951</u>	<u>\$ (231,531,470)</u>	<u>\$ 114,567,133</u>	<u>\$ (963,426)</u>	<u>\$ 113,603,707</u>
Stock-based compensation on RSU and restricted stock awards	-	-	-	-	-	-	205,994	-	205,994	-	205,994
Vesting of restricted stock units, net of 0 shares withheld for taxes	-	-	-	-	854	-	-	-	-	-	-
Sale of shares under ATM	-	-	-	-	37,457	5	113,423	-	113,428	-	113,428
Issuance of restricted stock awards	-	-	-	-	5,000	-	-	-	-	-	-
Automatic conversion of Series B Preferred Stock	(200)	-	-	-	2,971	-	-	-	-	-	-
Preferred stock dividend	-	-	-	-	-	-	-	(266,000)	(266,000)	-	(266,000)
Net loss	-	-	-	-	-	-	-	(15,488,982)	(15,488,982)	-	(15,488,982)
<b>Balance as of June 30, 2024</b>	<u>-</u>	<u>\$ -</u>	<u>15,000</u>	<u>\$ 2</u>	<u>6,548,719</u>	<u>\$ 655</u>	<u>\$ 346,417,368</u>	<u>\$ (247,286,452)</u>	<u>\$ 99,131,573</u>	<u>\$ (963,426)</u>	<u>\$ 98,168,147</u>
Stock-based compensation on RSU and restricted stock awards	-	\$ -	-	\$ -	-	-	219,980	\$ -	219,980	-	219,980
Vesting of restricted stock units, net of 0 shares withheld for taxes	-	-	-	-	7,548	-	-	-	-	-	-
Issuance of restricted stock awards	-	-	-	-	568	-	-	-	-	-	-
Preferred stock dividend	-	-	-	-	-	-	-	(266,000)	(266,000)	-	(266,000)
Net loss	-	-	-	-	-	-	-	(4,420,330)	(4,420,330)	-	(4,420,330)
<b>Balance as of September 30, 2024</b>	<u>-</u>	<u>\$ -</u>	<u>15,000</u>	<u>\$ 2</u>	<u>6,556,835</u>	<u>\$ 655</u>	<u>\$ 346,637,348</u>	<u>\$ (251,972,782)</u>	<u>\$ 94,665,223</u>	<u>\$ (963,426)</u>	<u>\$ 93,701,797</u>
<b>Balance as of January 1, 2023</b>	200	\$ -	15,000	\$ 2	5,604,869	\$ 560	\$ 339,038,466	\$ (146,898,343)	\$ 192,140,685	\$ (882,573)	\$ 191,258,112
Stock-based compensation on RSU and restricted stock awards	-	-	-	-	-	-	651,034	-	651,034	-	651,034
Issuance of restricted stock awards	-	-	-	-	6,207	1	(1)	-	-	-	-
Vesting of restricted stock units, net of 8,741 shares withheld for taxes	-	-	-	-	46,255	5	(5)	-	-	-	-
Cancellation of fractional shares	-	-	-	-	(10,433)	(1)	1	-	-	-	-
Preferred stock dividend	-	-	-	-	-	-	-	(266,000)	(266,000)	-	(266,000)
Net loss	-	-	-	-	-	-	-	(19,343,797)	(19,343,797)	(48,577)	(19,392,374)
<b>Balance as of March 31, 2023</b>	<u>200</u>	<u>\$ -</u>	<u>15,000</u>	<u>\$ 2</u>	<u>5,646,898</u>	<u>\$ 565</u>	<u>\$ 339,689,495</u>	<u>\$ (166,508,140)</u>	<u>\$ 173,181,922</u>	<u>\$ (931,150)</u>	<u>\$ 172,250,772</u>
Stock-based compensation on RSU and restricted stock awards	-	-	-	-	-	-	1,086,017	-	1,086,017	-	1,086,017
Issuance of restricted stock awards	-	-	-	-	4,881	-	-	-	-	-	-
Vesting of restricted stock units, net of 5,012 shares withheld for taxes	-	-	-	-	10,789	1	(1)	-	-	-	-
Sale of shares under ATM	-	-	-	-	4,878	-	39,261	-	39,261	-	39,261
Preferred stock dividends	-	-	-	-	-	-	-	(266,000)	(266,000)	-	(266,000)
Net loss	-	-	-	-	-	-	-	(13,287,617)	(13,287,617)	(5,795)	(13,293,412)
<b>Balance as of June 30, 2023</b>	<u>200</u>	<u>\$ -</u>	<u>15,000</u>	<u>\$ 2</u>	<u>5,667,446</u>	<u>\$ 566</u>	<u>\$ 340,814,772</u>	<u>\$ (180,061,757)</u>	<u>\$ 160,753,583</u>	<u>\$ (936,945)</u>	<u>\$ 159,816,638</u>
Stock-based compensation on RSU and restricted stock awards	-	-	-	-	-	-	783,159	-	783,159	-	783,159
Issuance of restricted stock awards	-	-	-	-	4,230	1	(1)	-	-	-	-

Vesting of restricted stock units, net of 696 shares withheld for taxes	-	-	-	-	3,293	-	-	-	-	-	-
Preferred stock dividends	-	-	-	-	-	-	-	(266,000)	(266,000)	-	(266,000)
Net loss	-	-	-	-	-	-	-	(16,153,075)	(16,153,075)	(11,277)	(16,164,352)
<b>Balance as of September 30, 2023</b>	<b>200</b>	<b>\$ -</b>	<b>15,000</b>	<b>\$ 2</b>	<b>5,674,969</b>	<b>\$ 567</b>	<b>\$ 341,597,930</b>	<b>\$ (196,480,832)</b>	<b>\$ 145,117,667</b>	<b>\$ (948,222)</b>	<b>\$ 144,169,445</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 CASH FLOWS**  
(unaudited)

	For the Nine Months Ended September 30,	
	2024	2023
<b>Cash Flows From Operating Activities</b>		
Net loss	\$ (34,539,488)	\$ (48,850,138)
<b>Adjustments to reconcile net loss to cash flows used in operating activities</b>		
Depreciation expense	12,541,983	10,486,335
Amortization of note discount and deferred financing costs	3,102,968	3,157,815
Amortization of financing liability	5,608,323	5,146,586
Recognition and impairment of film costs	100,000	1,305,000
Interest income on investments held to maturity	-	(563,652)
Loss from equity method investments	83,066	-
Interest paid in kind	9,025,755	4,334,790
Loss (gain) on sale of asset	144,213	(148,796)
Loss on extinguishment of debt	3,763	-
Change in fair value of interest rate swap	-	(163,850)
Change in fair value of warrant liability	(64,000)	(507,000)
Change in fair value of securities available for sale	-	(1,683,246)
Stock-based compensation expense	522,443	2,520,210
Operating lease expense	363,975	390,502
Finance lease expense	6,758	-
<b>Changes in operating assets and liabilities:</b>		
Accounts receivable	(581,204)	(1,935,867)
Prepaid expenses and other assets	(3,437,583)	(124,927)
Accounts payable and accrued expenses	(1,619,590)	5,838,427
Operating lease liabilities	(226,050)	(240,234)
Due to affiliate	1,617,159	396,876
Other liabilities	221,488	1,034,870
<b>Net cash used in operating activities</b>	<b>(7,126,021)</b>	<b>(19,606,299)</b>
<b>Cash Flows From Investing Activities</b>		
Investments in securities held to maturity	-	(71,947,597)
Proceeds from securities held to maturity	-	89,470,392
Proceeds from sale of assets	8,628,136	241,691
Additions to project development costs and property and equipment	(17,310,320)	(37,833,640)
<b>Net cash used in investing activities</b>	<b>(8,682,184)</b>	<b>(20,069,154)</b>
<b>Cash Flows From Financing Activities</b>		
Proceeds from notes payable	22,198,391	24,270,339
Repayments of notes payable	(12,777,269)	(1,069,800)
Payment of financing costs	-	(1,554,048)
Payment on financing liability	(1,545,833)	(3,281,250)
Payment of finance leases	(12,167)	-
Proceeds from financing liabilities	3,500,000	-
Payment of Series B dividends	-	(450,000)
Payment for repurchase of interest rate swap	-	(36,150)
Proceeds from sale of common stock under ATM	113,428	39,261
<b>Net cash provided by financing activities</b>	<b>11,476,550</b>	<b>17,918,352</b>
<b>Net decrease in cash and restricted cash</b>	<b>(4,331,655)</b>	<b>(21,757,101)</b>
<b>Cash and restricted cash, beginning of year</b>	<b>11,816,083</b>	<b>33,516,382</b>
<b>Cash and restricted cash, end of period</b>	<b>\$ 7,484,428</b>	<b>\$ 11,759,281</b>
Cash	\$ 2,569,355	\$ 4,307,380
Restricted Cash	4,915,073	7,451,901
<b>Total cash and restricted cash</b>	<b>\$ 7,484,428</b>	<b>\$ 11,759,281</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 CASH FLOWS**  
(unaudited)

	For the Nine Months Ended September 30,	
	2024	2023
<b>Supplemental disclosure of cash flow information</b>		
Cash paid during the year for interest	\$ 6,161,417	\$ 6,553,721
Cash paid for income taxes	\$ -	\$ -
<b>Non-cash investing and financing activities</b>		
Project development cost acquired through accounts payable and accrued expenses, net	\$ 10,718,594	\$ -
Initial value of assets acquired under finance lease	\$ 81,981	\$ -
Warrants issued in connection with financing liability	\$ 1,666,000	\$ -
Proceeds from sale of assets held in escrow	\$ 1,000,000	\$ -
Accrued preferred stock dividends	\$ 798,000	\$ 348,000

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

#### Note 1: Organization, 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 DoubleTree by Hilton located in downtown Canton and the Hall of Fame Village, which is a multi-use sports, entertainment, and media destination centered around the PFHOF’s campus. The Company is pursuing a multi-pronged strategy across three business verticals, including destination-based assets, Hall of Fame Village, HOF Village Media Group, LLC (“Hall of Fame Village Media”), and gaming (“Gold Summit Gaming”).

The Company has entered into multiple agreements with PFHOF, 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 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 on a direct-cost basis.

##### Liquidity and Going Concern

The Company has sustained recurring losses through September 30, 2024 and the Company’s accumulated deficit was \$252.0 million as of such date. Since inception, the Company’s operations have been funded principally through the issuance of debt and equity. As of September 30, 2024, the Company had approximately \$2.6 million of unrestricted cash and \$4.9 million of restricted cash. During the nine months ended September 30, 2024, the Company used cash for operating activities of \$7.1 million. The Company has approximately \$97.1 million of debt coming due through November 13, 2025, including approximately \$11.2 million of debt due December 4, 2024.

On September 27, 2024, the Company received a nonbinding proposal from IRG (as defined below) related to a proposed acquisition of HOFV by IRG. In response to the proposal, the Company’s Board of Directors formed a special committee made up of independent, disinterested directors (the “Special Committee”) to evaluate the proposal. The Special Committee and IRG are currently in discussions on this proposed acquisition.

On October 26, 2024, the Company received a notice of termination due to event of default on its waterpark ground lease. Under the waterpark ground lease, the notice of termination required that the Company immediately surrender the waterpark premises and related improvements to the landlord. The event of default under the Waterpark Ground Lease results in an event of default under certain of the Company’s loan agreements. Given the Company’s financial position, the Company is in default or risks becoming in default under certain other loan agreements. The loan agreements under which the Company is in default total approximately \$81 million gross principal outstanding as of September 30, 2024. See Note 14 – Subsequent Events – for more discussion of this termination.

The Company will need to raise additional financing to accomplish its development plan and fund its working capital. 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. Cash flows generated from the Company’s operations are insufficient 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 or must significantly curtail its ongoing operations. These conditions raise substantial doubt about the Company’s ability to continue as a going concern to meet its obligations as they come due 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**

**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, 2023, filed on March 25, 2024. Operating results for the three and nine months ended September 30, 2024 are not necessarily indicative of the results that may be expected for any subsequent quarters or for the year ending December 31, 2024.

Consolidation

The 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 considerable 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.

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 credit losses, depreciation, costs capitalized to project development costs, useful lives of long-lived assets, impairment, 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.

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 income (expense) on the 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, 2024 and December 31, 2023, 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, 2024 and December 31, 2023 were \$4,915,073 and \$8,572,730, respectively.

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

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

Investments

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 “Accounting Standards Codification (“ASC”)” Topic 320, “Investments – Debt and Equity Securities.” The Company recognizes interest income on these securities ratably over their term utilizing the interest method.

As of September 30, 2024 and December 31, 2023, the Company also had \$2,000,000 in investments available for sale, which are marked to market value at each reporting period.

Equity Method Investments

Investments in unconsolidated affiliates, which the Company exerts significant influence but does not control or otherwise consolidate are accounted for using the equity method. Equity method investments are initially recorded at cost. These investments are included in equity method investment in the accompanying condensed consolidated balance sheets. The Company’s share of the profits and losses from these investments is reported in “Loss from equity method investment” in the accompanying condensed consolidated statements of operations. The Company monitors its investments for other-than-temporary impairment by considering factors such as current economic and market conditions and the operating performance of the investees and records reductions in carrying values when necessary.

Accounts Receivable

Accounts receivable are generally amounts due under sponsorship and other agreements and are recorded at the invoiced amount. Accounts receivable are reviewed for delinquencies on a case-by-case basis and are considered delinquent when the sponsor or customer 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. The Company reviews its Accounts Receivable on a case-by-case basis and writes off any accounts receivable for which collection efforts have been exhausted. As of September 30, 2024 and December 31, 2023, the Company has recorded an allowance for credit losses of \$332,281 and \$243,081, 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 utilizing the effective interest method 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.

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

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

Revenue Recognition

The Company follows the Financial Accounting Standards Board's ("FASB") 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, food & beverage, events (including admissions, concessions and parking), and hotel and restaurant operations. The sponsorship arrangements, in which the customer sponsors an asset 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 sheets. Refer to Note 6 for more details. Revenue for short-term rentals 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.

Restaurant revenue at Company-operated restaurants and concessions is recognized when payment is tendered at the point of sale, net of sales tax, discounts and other sales related taxes.

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

**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% 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, 2024 and December 31, 2023, 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 operating expenses on the Company's condensed consolidated statements of operations. There were no amounts incurred for penalties and interest for the three and nine months ended September 30, 2024 and 2023. 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 2020 through 2023 remain subject to examination.

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

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

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 sheets. The costs for each film or media will be expensed over the expected release period. During the nine months ended September 30, 2024 and 2023, the Company recorded \$100,000 and \$1,305,000 in film and media costs, respectively, including an impairment charge of \$0 and \$1,145,000, respectively. The impairment in film and media costs is included in “Impairment expense” on the Company’s condensed consolidated statements of operations.

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.

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, accounts receivable, 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 are 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**

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

Fair Value Measurement (continued)

The Company uses the fair value hierarchy to measure the fair value of its warrant liabilities, investments available for sale and interest rate swap. The Company revalues its financial instruments at every reporting period. The Company recognizes gains or losses on the change in fair value of the warrant liabilities as “change in fair value of warrant liability” in the condensed consolidated statements of operations. The Company recognizes gains or losses on the change in fair value of the investments available for sale as “change in fair value of securities available for sale” 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 valuation of the investments available for sale was based on an option pricing model using market rate assumptions. The interest rate swap was terminated in 2023.

The following table provides the financial liabilities measured on a recurring basis and reported at fair value on the condensed consolidated balance sheets as of September 30, 2024 and December 31, 2023 and indicates the fair value hierarchy of the valuation inputs the Company utilized to determine such fair value:

	Level	September 30, 2024	December 31, 2023
Warrant liabilities – Public Series A Warrants	1	\$ 161,000	\$ 204,000
Warrant liabilities – Private Series A Warrants	3	-	-
Warrant liabilities – Series B Warrants	3	-	21,000
Fair value of aggregate warrant liabilities		<u>\$ 161,000</u>	<u>\$ 225,000</u>
Investments available for sale	3	<u>\$ 2,000,000</u>	<u>\$ 2,000,000</u>

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, 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**

**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	Total Warrant Liability
Fair value as of December 31, 2023	\$ 204,000	\$ -	\$ 21,000	\$ 225,000
Change in fair value	(43,000)	-	(21,000)	(64,000)
Fair value as of September 30, 2024	<u>\$ 161,000</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 161,000</u>

The key inputs into the Black Scholes valuation model for the Level 3 valuations as of September 30, 2024 and December 31, 2023 are as follows:

	September 30, 2024		December 31, 2023	
	Private Series A Warrants	Series B Warrants	Private Series A Warrants	Series B Warrants
Term (years)	0.8	1.1	1.5	1.9
Stock price	\$ 1.96	\$ 1.96	\$ 3.25	\$ 3.25
Exercise price	\$ 253.11	\$ 30.81	\$ 253.11	\$ 30.81
Dividend yield	0.0%	0.0%	0.0%	0.0%
Expected volatility	57.28%	80.41%	88.37%	85.42%
Risk free interest rate	3.98%	3.98%	4.23%	4.23%
Number of shares	95,576	170,862	95,576	170,862

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

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

Net Loss Per Common Share

Basic net loss per common share is computed by dividing net loss by the weighted average number of common shares outstanding during the periods.

Diluted net 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 and nine months ended September 30, 2024 and 2023, the Company was in a loss position and therefore all potentially dilutive securities would be anti-dilutive.

As of September 30, 2024 and 2023, 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 and Nine Months Ended September 30,	
	2024	2023
Warrants to purchase shares of Common Stock	3,681,403	2,003,649
Unvested restricted stock units to be settled in shares of Common Stock	205,754	163,922
Shares of Common Stock issuable upon conversion of convertible notes	10,629,091	3,588,102
Shares of Common Stock issuable upon conversion of Series B Preferred Stock	-	2,971
Shares of Common Stock issuable upon conversion of Series C Preferred Stock	454,408	454,408
Total potentially dilutive securities	<u>14,970,656</u>	<u>6,213,052</u>

Recent Accounting Standards

In November 2023, the FASB issued ASU 2023-07, Segment Reporting, to improve reportable segment disclosure requirements, primarily through enhanced disclosures about significant segment expenses. This ASU is effective for fiscal years beginning after December 15, 2023, and interim periods within fiscal years beginning after December 15, 2024. Early adoption is permitted. We are currently evaluating the impact of this standard on our condensed consolidated financial statements and related disclosures.

In December 2023, the FASB issued ASU 2023-09, Income Taxes, requiring more granular disclosure of the components of income taxes. This ASU is effective for fiscal years beginning after December 15, 2024 on a prospective basis. Early adoption is permitted. We are currently evaluating the impact of this standard on our condensed consolidated financial statements and related disclosures.

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

**Note 3: Property and Equipment**

Property and equipment, net, including property and equipment held for sale consists of the following:

	Useful Life	September 30, 2024	December 31, 2023
Land	Indefinite	\$ 27,651,699	\$ 27,651,699
Land improvements	25 years	33,571,252	48,478,397
Building and improvements	15 to 39 years	346,599,872	344,006,337
Equipment	5 to 10 years	10,835,928	13,314,547
Property and equipment, gross		<u>418,658,751</u>	<u>433,450,980</u>
Less: accumulated depreciation		<u>(83,544,459)</u>	<u>(76,746,918)</u>
Property and equipment, net, including property and equipment held for sale		<u>\$ 335,114,292</u>	<u>\$ 356,704,062</u>
Project development costs		<u>\$ 71,910,357</u>	<u>\$ 59,366,200</u>

On January 11, 2024, pursuant to a membership purchase agreement dated December 22, 2023, the Company sold an 80% interest in its ForeverLawn Sports Complex. These assets qualified as “held for sale” under ASC 360 as of December 31, 2023. Therefore, the Company included the property and equipment anticipated to be sold, in the amount of \$12,325,227 as “Property and equipment held for sale” on the Company’s consolidated balance sheet as of December 31, 2023.

For the three months ended September 30, 2024 and 2023, the Company recorded depreciation expense of \$4,202,042 and \$4,559,899, respectively, and for the nine months ended September 30, 2024 and 2023, of \$12,541,983 and \$10,486,335. For the nine months ended September 30, 2024 and 2023, the Company incurred \$14,398,324 and \$33,174,328 of capitalized project development costs, respectively.

For the nine months ended September 30, 2024 and 2023, the Company transferred \$1,854,167 and \$127,953,961 from Project development costs to Property and equipment, respectively.

Included in project development costs are film development costs of \$100,000 and \$200,000 as of September 30, 2024 and December 31, 2023, respectively.

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

**Note 4: Notes Payable, net**

Notes payable, net consisted of the following at September 30, 2024<sup>(1)</sup>:

	Gross	Debt discount and deferred financing costs	Net	Interest Rate		Maturity Date
				Stated	Effective	
Preferred equity Loan <sup>(2)</sup>	\$ 6,800,000	\$ -	\$ 6,800,000	7.00%	7.00%	Various
City of Canton Loan <sup>(7)</sup>	3,312,500	-	3,312,500	6.00%	6.00%	7/1/2046
New Market/SCF <sup>(7)</sup>	3,180,654	-	3,180,654	6.00%	6.00%	6/30/2044
JKP Capital Loan <sup>(5)</sup>	11,083,178	(53,150)	11,030,028	12.50%	12.50%	3/31/2025
MKG DoubleTree Loan	11,000,000	-	11,000,000	10.00%	10.00%	9/13/2028
Convertible PIPE Notes	31,530,317	(1,959,395)	29,570,922	10.00%	24.40%	3/31/2025
Canton Cooperative Agreement	2,355,000	(156,079)	2,198,921	3.85%	5.35%	5/15/2040
CH Capital Loan <sup>(4)(5)</sup>	15,576,992	-	15,576,992	12.50%	12.50%	3/31/2025
Constellation EME #2 <sup>(3)</sup>	1,744,794	-	1,744,794	5.93%	5.93%	4/30/2026
IRG Split Note <sup>(5)</sup>	5,206,484	(25,022)	5,181,462	12.50%	12.50%	3/31/2025
JKP Split Note <sup>(5)</sup>	5,206,484	(25,022)	5,181,462	12.50%	12.50%	3/31/2025
ErieBank Loan <sup>(6)</sup>	19,964,228	(419,071)	19,545,157	7.13%	7.13%	12/15/2034
PACE Equity Loan	7,936,739	(264,089)	7,672,650	6.05%	6.18%	7/31/2047
PACE Equity CFP	3,143,893	(22,736)	3,121,157	6.05%	6.10%	7/31/2046
CFP Loan <sup>(5)</sup>	4,873,224	(23,419)	4,849,805	12.50%	12.50%	3/31/2025
Stark County Community Foundation <sup>(7)</sup>	5,451,667	-	5,451,667	6.00%	6.00%	6/30/2044
CH Capital Bridge Loan <sup>(5)</sup>	12,789,702	(66,738)	12,722,964	12.50%	12.50%	3/31/2025
Stadium PACE Loan	32,796,630	(558,246)	32,238,384	6.00%	6.51%	1/1/2049
Stark County Infrastructure Loan <sup>(7)</sup>	5,520,383	-	5,520,383	6.00%	6.00%	6/30/2044
City of Canton Infrastructure Loan <sup>(7)</sup>	5,000,000	(8,843)	4,991,157	5.00%	5.00%	7/1/2046
TDD Bonds	7,265,000	(643,915)	6,621,085	5.41%	5.78%	12/1/2046
TIF	18,050,000	(1,525,126)	16,524,874	6.375%	6.71%	12/30/2048
CH Capital Retail	11,194,812	-	11,194,812	8.8%	8.8%	12/4/2024
DoubleTree TDD	3,445,000	(657,705)	2,787,295	6.875%	8.53%	5/15/2044
DoubleTree PACE	2,670,000	-	2,670,000	6.625%	6.625%	5/15/2040
Constellation EME #3 <sup>(3)</sup>	9,398,251	-	9,398,251	11.2%	11.2%	5/31/2029
SCF Loan	1,500,000	-	1,500,000	6.00%	6.00%	6/30/2025
Total	<u>\$ 247,995,932</u>	<u>\$ (6,408,556)</u>	<u>\$ 241,587,376</u>			

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

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

Notes payable, net consisted of the following at December 31, 2023<sup>(1)</sup>:

	Gross	Debt discount and deferred financing costs	Net
Preferred equity Loan <sup>(2)</sup>	\$ 6,800,000	\$ -	\$ 6,800,000
City of Canton Loan <sup>(3) (8)</sup>	3,387,500	(4,155)	3,383,345
New Market/SCF <sup>(8)</sup>	2,999,989	-	2,999,989
JKP Capital Loan <sup>(6)</sup>	9,982,554	-	9,982,554
MKG DoubleTree Loan	11,000,000	-	11,000,000
Convertible PIPE Notes	29,279,034	(4,721,488)	24,557,546
Canton Cooperative Agreement	2,520,000	(161,400)	2,358,600
CH Capital Loan <sup>(5)(6)</sup>	14,278,565	-	14,278,565
Constellation EME #2 <sup>(4)</sup>	2,543,032	-	2,543,032
IRG Split Note <sup>(6)</sup>	4,689,449	-	4,689,449
JKP Split Note <sup>(6)</sup>	4,689,449	-	4,689,449
ErieBank Loan <sup>(7)</sup>	19,888,626	(470,357)	19,418,269
PACE Equity Loan	8,104,871	(268,042)	7,836,829
PACE Equity CFP	2,984,572	(24,878)	2,959,694
CFP Loan <sup>(6)</sup>	4,389,284	-	4,389,284
Stark County Community Foundation <sup>(8)</sup>	5,000,000	-	5,000,000
CH Capital Bridge Loan <sup>(6)</sup>	11,426,309	-	11,426,309
Stadium PACE Loan	33,387,844	(1,123,635)	32,264,209
Stark County Infrastructure Loan <sup>(8)</sup>	5,000,000	-	5,000,000
City of Canton Infrastructure Loan <sup>(8)</sup>	5,000,000	(10,047)	4,989,953
TDD Bonds	7,345,000	(654,905)	6,690,095
TIF	18,100,000	(1,544,466)	16,555,534
CH Capital Retail	10,183,932	-	10,183,932
DoubleTree TDD	3,445,000	(668,696)	2,776,304
DoubleTree PACE	2,760,000	-	2,760,000
<b>Total</b>	<b>\$ 229,185,010</b>	<b>\$ (9,652,069)</b>	<b>\$ 219,532,941</b>

During the three months ended September 30, 2024 and 2023, the Company recorded amortization of note discounts and deferred financing costs of \$1,092,996 and \$1,419,684, respectively. During the nine months ended September 30, 2024 and 2023, the Company recorded amortization of note discounts of \$3,102,968 and \$3,157,815, respectively.

During nine months ended September 30, 2024 and 2023, the Company recorded paid-in-kind interest of \$9,025,755 and \$4,334,790, 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 September 30, 2024, the Company believes that it 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 6,800 and 6,800 shares of Series A Preferred Stock outstanding and 52,800 shares of Series A Preferred Stock authorized as of September 30, 2024 and December 31, 2023, respectively. The Series A Preferred Stock is required to be redeemed for cash after five years from the date of issuance.
- (3) The Company also has a sponsorship agreement with Constellation New Energy, Inc., the lender of the Constellation EME #2 and #3 notes.
- (4) During the three months ended March 31, 2024, the Company entered into multiple amendments of its CH Capital Loan. See discussion below.
- (5) On April 7, 2024, the Company entered into an omnibus extension of multiple of its IRG and IRG-affiliated loans. See discussion below.
- (6) On March 15, 2024, ErieBank agreed to release certain of its pledged restricted cash. See discussion below.
- (7) During the three months ended June 30, 2024, the Company amended these loan agreements. See discussions below.

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

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

Accrued Interest on Notes Payable

As of September 30, 2024 and December 31, 2023, accrued interest on notes payable, were as follows:

	September 30, 2024	December 31, 2023
Preferred Equity Loan	\$ 5,930	\$ 5,930
City of Canton Loan	-	5,925
New Market/SCF	51,421	-
MKG DoubleTree Loan	77,559	80,144
Canton Cooperative Agreement	68,157	92,926
CH Capital Loan	-	4,713
ErieBank Loan	143,245	178,893
PACE Equity Loan	83,275	204,569
PACE Equity CFP	55,211	-
CFP Loan	6,672	6,672
Stark County Community Foundation	88,135	-
Stadium PACE Loan	342,002	166,939
Stark County Infrastructure Loan	122,368	-
TDD Bonds	108,730	-
TIF	300,969	-
DoubleTree PACE	60,012	15,238
DoubleTree TDD	78,948	42,764
SCF Loan	28,005	-
Total	<u>\$ 1,620,639</u>	<u>\$ 804,713</u>

The amounts above were included in “accounts payable and accrued expenses” on the Company’s consolidated balance sheets.

City of Canton Loan

On June 5, 2024, the Company entered into an amendment to the City of Canton Loan. Pursuant to the amendment, which modifies the original instrument dated December 30, 2019, the parties agreed: (i) to modify the original maturity date from July 1, 2027 to July 1, 2046; and (ii) amend the repayment dates as follows (a) no interest shall accrue for two years, from May 28, 2024 through June 30, 2026, (b) commencing on July 1, 2026, the outstanding principal balance will bear interest at the increased rate of 5% per annum, and (c) commencing on October 1, 2026 and continuing quarterly thereafter on the first day of January, April, July and October of each year thereafter, the Company shall pay quarterly principal and interest payments until the maturity date when all other amounts due and owing to Lender will be due.

This loan modification was accounted for as an extinguishment of debt with a new debt issuance. The Company recognized a loss of \$3,763 during the nine months ended September 30, 2024, representing the difference between the fair value of the modified instrument and the carrying value of the existing instrument.

New Market/Stark Community Foundation (“SCF”) Loan

On June 25, 2024, the Company entered into an amendment to New Markert/SCF loan agreement. Pursuant to the amendment, which modifies the original business loan agreement dated December 30, 2019, the parties agreed: (i) to extend the original maturity date from December 30, 2024 to June 30, 2044; (ii) the principal balance is increased from \$3,000,000 to \$3,180,654, reflecting the addition of accrued and unpaid interest; and (iii) amended the repayment schedule as follows: (a) commencing on June 25, 2024, and continuing for approximately two and one-half years, until December 31, 2026, the outstanding principal balance will bear interest at 6% per annum, and the Company will not make interest or principal payments, and (b) commencing on December 31, 2026 and continuing annually on December 31 of each year thereafter, the Company will make annual principal and interest payments until the maturity date, June 30, 2044, when all other amounts due and owing to Hotel Lender are due.

This loan modification was considered a troubled debt restructuring, and all modifications were recognized prospectively as of the date of modification and no gain or loss was recognized.

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

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

CH Capital Term Loan

On January 11, 2024, the Company amended its Term Loan Agreement with CH Capital Lending, LLC (“CH Capital”) in order to reflect the repayment of a portion of principal out of the proceeds from the sale of the Sports Complex business. The Promissory Note was amended to reflect the change to the outstanding principal balance.

On January 17, 2024, the Company amended its Term Loan Agreement with CH Capital to document a \$2,200,000 advance to Borrower resulting in an increase of the principal amount of the loan to \$12,751,934. The Promissory Note was amended to reflect the increase of the outstanding principal balance.

On February 1, 2024, the Company amended its Term Loan Agreement with CH Capital to document an \$800,000 advance to Borrower. To the extent monetary references in prior amendments to the underlying Note and Loan Agreement are inconsistent with monetary references in this amendment, Borrower and Lender agreed such references in prior amendments are the result of minor computational error plus the addition of accrued interest through January 31, 2024. The Promissory Note was amended to reflect the increase of the outstanding principal balance.

On February 28, 2024, the Company amended its Term Loan Agreement with CH Capital to document a \$726,634 advance to Borrower resulting in an increase of the principal amount of the loan to \$14,417,076. The Promissory Note was amended to reflect the increase of the outstanding principal balance.

IRG Loan Amendments

On January 30, 2024, the Company provided timely notice of its intention to exercise the option to extend the maturity date of the IRG Debt Instruments. On April 7, 2024, the Company entered into a formal omnibus extension of certain debt instruments, effective March 31, 2024 (“Omnibus Extension”) with CH Capital Lending, LLC, a Delaware limited liability company (“CHCL”), IRG, LLC, a Nevada limited liability company (“IRGLLC”), JKP Financial, LLC, a Delaware limited liability company (“JKP”), and Midwest Lender Fund, LLC, a Delaware limited liability company (“MLF” individually; IRGLLC, CHCL, JKP, and MLF referred to collectively as “Lenders”). The impacted agreements include the following, as amended from time to time (collectively, “IRG Debt Instruments”):

- CH Capital Note
- IRG Split Note
- JKP Split Note
- JKP Capital Loan
- CFP Note

Stuart Lichter, a director of the Company, is President of IRGLLC and MLF and a director of CHCL.

On April 7, 2024, the Company and HOF Village Newco, LLC (collectively “Borrower”) entered into a formal omnibus extension of certain debt instruments, effective March 31, 2024, with CH Capital Lending, LLC, IRG, LLC, JKP Financial, LLC and Midwest Lender Fund, LLC (collectively “Lenders”). Borrower and Lenders agreed to extend the maturity date from March 31, 2024 to March 31, 2025. The impacted agreements, dated effective November 7, 2022, include the (i) Joinder and First Amended and Restated Secured Cognovit Promissory Note payable to CH Capital Lending, LLC; (ii) Second Amended and Restated Secured Promissory Note payable to CH Capital Lending, LLC; (iii) Joinder and Second Amended and Restated Secured Cognovit Promissory Note payable to IRG, LLC; (iv) Secured Cognovit Promissory Note payable to JKP Financial, LLC (v) Joinder and Second Amended and Restated Secured Cognovit Promissory Note payable to JKP Financial, LLC; and (vi) Secured Cognovit Promissory Note payable to Midwest Lender Fund, LLC.

ErieBank Release of Cash Pledge

On December 15, 2021, the HOF Village Center for Excellence, LLC (“HOFV CFE”), a wholly-owned subsidiary of the Company, entered into a Loan Agreement with ErieBank, a division of CNB Bank, a wholly owned subsidiary of CNB Financial Corporation (“ErieBank”), pursuant to which HOFV CFE borrowed \$22,040,000 (“ErieBank Loan”) in conjunction with the construction of the Center for Excellence. Pursuant to the terms of the ErieBank Loan, ErieBank held back a portion of the loan proceeds pending HOFV CFE’s satisfaction of certain disbursement conditions.

On March 15, 2024, ErieBank agreed to release a portion of the held back amount to HOFV CFE with \$1,830,000 being released to HOFV CFE for its use in the ongoing construction of the waterpark project and \$2,000,000 being applied to reduce the underlying loan commitment from \$22,040,000 to \$20,040,000. In addition, the parties agreed to convert the loan from interest-only payments to a term loan as of June 15, 2024. The fixed rate will be based on the five-year Federal Home Loan Bank of Pittsburgh rate plus 2.65% per annum pursuant to the existing loan documents.

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

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

Stark County Community Foundation

On June 25, 2024, the Company, entered into a First Amendment to Business Loan Agreement (“Infrastructure First Amendment”) and an Amended and Restated Promissory Note (“A&R Infrastructure Note”) with Stark Community Foundation, Inc.

Pursuant to the Infrastructure First Amendment, which modifies the original business loan agreement dated June 16, 2022, the parties agreed: (i) to extend the original maturity date from May 31, 2029 to June 30, 2044; (ii) the principal balance is increased from \$5,000,000 to \$5,451,667, reflecting the addition of accrued and unpaid interest; and (iii) pursuant to the A&R Infrastructure Note, the Company agreed to repay as follows: (a) commencing on June 25, 2024, and continuing for approximately two and one-half years, until December 31, 2026, the outstanding principal balance will bear interest at 6% per annum, which interest rate is unchanged from the original note, and the Company will not make interest or principal payments, and (b) commencing on December 31, 2026 and continuing annually on December 31 of each year thereafter, the Company will make annual principal and interest payments until the maturity date, June 30, 2044, when all other amounts due and owing to Infrastructure Lender are due.

This loan modification was treated as an extinguishment of debt. However, given that the fair value of the modified instrument was the same as of the carrying value of the original instrument, no gain or loss was recognized.

Stark County Infrastructure Loan

On May 20, 2024, the Company entered into an amendment to its Stark County Infrastructure Loan. Pursuant to the amendment, which modifies the original instrument dated August 31, 2022, the parties agreed: (i) to modify the original maturity date from August 30, 2029 to June 30, 2044; (ii) the lender will provide additional funds to the Company totaling \$520,383; (iii) the original principal balance will be increased from \$5,000,000 to \$5,520,383; and (iv) the repayment schedule is amended as follows (a) interest will be capitalized and compounded annually for two years, from May 20, 2024 through May 20, 2026, (b) quarterly interest only payments for five years, from June 30, 2026 through June 30, 2031, with subsequent interest payments due the last day of each March, June, September and December, (c) quarterly principal and interest payments until the maturity date when all other amounts due and owing to Lender are due. In addition, in the event of a substantial change in ownership, defined as more than 50% of the outstanding ownership and control of the Company, the lender may, at its option, declare all sums owed to the lender immediately due and payable.

This loan amendment was treated as a modification of debt with no gain or loss recognized.



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

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

City of Canton Infrastructure Loan

On June 5, 2024, the Company entered into an amendment to its City of Canton Infrastructure Loan. Pursuant to the amendment, which modifies the original instrument dated September 15, 2022, the parties agreed: (i) to modify the original maturity date from June 30, 2029 to July 1, 2046; and (ii) the repayment schedule was modified as follows (a) no interest shall accrue for two years, from May 28, 2024 through June 30, 2026, (b) commencing on July 1, 2026, the outstanding principal balance will bear interest at the reduced rate of 5% per annum, compounded quarterly, and (c) commencing on October 1, 2026 and continuing quarterly thereafter on the first day of January, April, July and October of each year thereafter, the Company shall pay quarterly principal and interest payments until the maturity date when all other amounts due and owing to the lender will be due.

This loan modification was considered a troubled debt restructuring, and all modifications were recognized prospectively as of the date of modification and no gain or loss was recognized.

SCF Loan

On June 11, 2024, the Company entered into a loan agreement with the Stark Community Foundation, Inc., an Ohio not-for-profit corporation (“SCF”). Pursuant to the SCF Loan, SCF provided a term loan to the Company in the principal amount of \$1,500,000. The maturity date of the SCF Loan is June 30, 2025. The interest rate is 6% per annum. With respect to repayment, the entire outstanding principal balance, all accrued interest and all other amounts that may be due and owing to SCF Lender shall be due upon maturity.

Constellation Energy Made Easy Agreement (EME 3)

On July 1, 2024, the Company received approximately \$9.9 million from Constellation’s Energy Made Easy program for the Company’s Gameday Bay Waterpark. The Company will repay this amount to Constellation over five years with 60 monthly payments of \$216,467.

Future Minimum Principal Payments

The minimum required principal payments on notes payable outstanding as of September 30, 2024 are as follows:

For the years ending December 31,	Amount
2024 (three months)	\$ 13,966,971
2025	94,372,477
2026	5,589,591
2027	7,757,437
2028	14,500,102
Thereafter	111,809,354
<b>Total Gross Principal Payments</b>	<b>\$ 247,995,932</b>
Less: Debt discount and deferred financing costs	(6,408,556)
<b>Total Net Principal Payments</b>	<b>\$ 241,587,376</b>

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

**Note 5: Stockholders' Equity**

2020 Omnibus Incentive Plan

On July 1, 2020, the Company's omnibus incentive plan (the "2020 Omnibus Incentive Plan") became effective 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 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 181,818 the number of shares of Common Stock, that will be available for issuance under the 2020 Omnibus Incentive Plan. On June 7, 2023, the Company's stockholders further approved an amendment to increase by 275,000 the number of shares available under the 2020 Omnibus Incentive Plan. As of September 30, 2024, 88,420 shares remained available for issuance under the 2020 Omnibus Incentive Plan.

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 Inducement 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). As of September 30, 2024, 60,094 shares remained available for issuance under the Inducement Plan.

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 \$50,000,000 (as of September 30, 2023).

On October 10, 2023, the Company reduced the amount of shares of its Common Stock that could be issued and sold pursuant to its "at-the-market" program ("ATM") with Wedbush Securities Inc. and Maxim Group LLC, as agents (the "Agents"), to an amount equal to \$39,016,766. The reduction in the amount of shares that can be issued and sold under the ATM was effected pursuant to the Amendment No. 1 to Equity Distribution Agreement, which amended the Company's Equity Distribution Agreement with the Agents, dated September 30, 2021 (the "Equity Distribution Agreement"), to reduce the aggregate offering price under the Equity Distribution Agreement from \$50,000,000 to \$39,016,766.

The Underwriting Agreement requires that we not issue any shares of our Common Stock for 90 days after October 11, 2023, subject to certain exceptions, and as a result, we have suspended sales pursuant to our ATM under our Equity Distribution Agreement during such period.

On April 8, 2024, the Company and the Agents entered into an Amendment No. 2 to the Equity Distribution Agreement, which was effective immediately and increased the compensation to which the Agents are entitled from up to 2.0% to up to 4.0% of the aggregate gross offering proceeds of the shares of Common Stock sold pursuant to the equity distribution agreement.

During the three and nine months ended September 30, 2024, the Company received net proceeds of \$0 and \$113,428, respectively, under the Equity Distribution Agreement. On September 14, 2024 the registration statement on Form S-3 expired and the Company was no longer eligible to sell shares under the ATM.

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

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

Issuance of Restricted Stock Awards

The Company's activity in restricted Common Stock was as follows for the nine months ended September 30, 2024:

	Number of shares	Weighted average grant date fair value
Non-vested at January 1, 2024	-	\$ -
Granted	5,568	\$ 3.09
Vested	(5,568)	\$ 3.09
Non-vested at September 30, 2024	-	\$ -

For the three months ended September 30, 2024 and 2023, stock-based compensation related to restricted stock awards was \$0 and \$43,273, respectively. For the nine months ended September 30, 2024 and 2023, stock-based compensation related to restricted stock awards was \$15,450 and \$140,202, respectively. Stock-based compensation related to restricted stock awards is included as a component of "Operating expenses" in the condensed consolidated statements of operations. As of September 30, 2024, unamortized stock-based compensation costs related to restricted share arrangements were \$0.

Issuance of Restricted Stock Units

During the nine months ended September 30, 2024, the Company granted an aggregate of 215,878 Restricted Stock Units ("RSUs") to its employees and directors, of which 181,824 were granted under the 2020 Omnibus Incentive Plan and 34,154 were granted under the Inducement Plan. The RSUs were valued at the value of the Company's Common Stock on the date of grant, which approximated \$3.19 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.

The Company's activity in RSUs was as follows for the nine months ended September 30, 2024:

	Number of shares	Weighted average grant date fair value
Non-vested at January 1, 2024	126,350	\$ 17.54
Granted	215,978	\$ 3.11
Vested	(81,491)	\$ 19.26
Forfeited	(55,083)	\$ 7.05
Non-vested at September 30, 2024	205,754	\$ 4.52

For the three months ended September 30, 2024 and 2023, the Company recorded \$219,980 and \$591,346, respectively, in stock-based compensation expense related to restricted stock units. For the nine months ended September 30, 2024 and 2023, the Company recorded \$592,292 and \$1,931,924, respectively, in stock-based compensation expense related to restricted stock units. Stock-based compensation expense is a component of "Operating expenses" in the condensed consolidated statements of operations. As of September 30, 2024, unamortized stock-based compensation costs related to restricted stock units were \$472,047 and will be recognized over a weighted average period of 0.74 years.

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

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

Issuance of Performance Stock Units

During the nine months ended September 30, 2024, the Company did not grant any Performance Stock Units ("PSUs") under the 2020 Omnibus Incentive Plan. PSUs granted in 2023 were valued at the value of the Company's Common Stock on the date of grant, which approximated \$9.62 per share for these awards. The PSUs were scheduled to vest upon the achievement of certain performance targets during the year ended December 31, 2023 and certification by the compensation committee in early 2024. In accordance with ASC 718, the Company expensed the portion of the PSUs which were probable to vest.

The Company's activity in PSUs was as follows for the nine months ended September 30, 2024:

	Number of shares	Weighted average grant date fair value
Non-vested at January 1, 2024	88,965	\$ 9.62
Granted	-	
Vested	-	
Forfeited	(88,965)	\$ 9.62
Non-vested at September 30, 2024	<u>-</u>	

The PSU award was payable to the extent that four performance goals were achieved. Three of the goals were not achieved and the fourth was achieved at a 50% threshold. During January 2024, the Compensation Committee determined that the recipient was eligible to receive 8,896 PSUs. However, the recipient agreed to waive receipt of the PSUs and the entire award was deemed to be forfeited. For the three months ended September 30, 2024 and 2023, the Company recorded \$0, in stock-based compensation expense related to performance stock units. For the nine months ended September 30, 2024, the Company recorded a reversal of \$85,299 in previously recognized stock-based compensation due to the forfeiture of the PSU's and for the nine months ended September 30, 2023, the Company recorded \$0, in stock-based compensation expense related to performance stock units. Stock-based compensation expense is a component of "Operating expenses" in the condensed consolidated statements of operations. As of September 30, 2024, unamortized stock-based compensation costs related to performance stock units was \$0.

Warrants

The Company's warrant activity was as follows for the nine months ended September 30, 2024:

	Number of Shares	Weighted Average Exercise Price (USD)	Weighted Average Contractual Life (years)	Intrinsic Value (USD)
Outstanding - January 1, 2024	2,793,649	\$ 107.99	2.7	\$ -
Granted	890,313	\$ 2.81		
Expired	(2,559)	\$ 12.77		
Outstanding - September 30, 2024	<u>3,681,403</u>	<u>\$ 82.62</u>	<u>2.05</u>	<u>\$ -</u>
Exercisable - September 30, 2024	<u>3,681,403</u>	<u>\$ 82.62</u>	<u>2.05</u>	<u>\$ -</u>

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 of the Company's Series A Preferred Stock at a price of \$1,000 per share for an aggregate purchase price of \$800,000. Additionally, on May 2, 2023, the Company issued to the Series A Preferred Investor 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.

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

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

Sponsorship Revenue

The Company has 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, the ability to be the exclusive provider of a certain category of product, and advertising on our website and other benefits as detailed in the agreements.

As of September 30, 2024, scheduled future cash to be received under the agreements, are as follows:

Year ending December 31,	
2024 (three months)	\$ 367,625
2025	2,038,265
2026	2,055,464
2027	1,388,515
2028	1,257,265
Thereafter	1,257,265
Total	<u>\$ 8,364,399</u>

As services are provided, the Company recognizes revenue on a straight-line basis over the expected term of the agreement. During the three months ended September 30, 2024 and 2023, the Company recognized \$684,180 and \$689,753 of net sponsorship revenue, respectively and for the nine months ended September 30, 2024 and 2023, \$2,170,742 and \$2,054,464, respectively.

**Note 7: Other Commitments**

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. The agreement will be terminated on the fifth anniversary of the hotel opening date, or November 21, 2025, unless otherwise extended. For the three months ended September 30, 2024 and 2023, the Company incurred \$65,330 and \$61,830, respectively in management fees, and for the nine months ended September 30, 2024 and 2023, \$161,144 and \$162,581, respectively.

Management Agreement with Shula’s Steak Houses, LLLP

On October 7, 2020, the Company entered into a management agreement with Shula’s Steak Houses, LLLP (“Shula’s”). The Company appointed and engaged Shula’s to develop, operate and manage the Don Shula’s American Kitchen restaurant. The initial term of the agreement is for a period of ten years or October 7, 2030. For the three months ended September 30, 2024 and 2023, the Company incurred \$35,568 and \$34,322, respectively in management fees, and for the nine months ended September 30, 2024 and 2023, the Company incurred \$84,182 and \$77,801, respectively.

On June 8, 2024, the Company provided notice to Shula’s of its intent to terminate the management agreement. The Company and Shula’s entered into a phased transition plan. On August 18, 2024, the Company completely took over management of the restaurant, and on October 22, 2024, opened it under a new brand, “Gridiron Gastropub”.

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

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

Sports Betting Agreements

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

As part of this agreement, the Company will receive a limited equity interest in BETR and certain revenue sharing, along with the opportunity for sponsorship and cross-marketing. The limited equity interest was in the form of penny warrants initially valued at \$4,000,000 at the grant date. The grant date value of these warrants was recorded as deferred revenue (within “Other liabilities” on the condensed consolidated balance sheets) and will be amortized over the life of the sports betting agreement. At September 30, 2024 and December 31, 2023, the amount remaining in deferred revenue was \$3,300,000 and \$3,600,000, respectively. The Company is also recognizing the change in fair value of the warrants under “Change in fair value of securities available for sale” on the condensed consolidated statements of operations.

On November 2, 2022, the Company secured conditional approval from the state for mobile and retail sports betting. The Ohio Casino Control Commission provided the required authorization for HOFV to gain licensing for a physical sports betting operation – called a sportsbook – as well as an online sports betting platform, under Ohio’s sports betting law H.B.29. As of January 1, 2023, sports betting is legal in Ohio for anyone in the state that is of legal betting age. The conditional approval required that the Company accept bets under both the mobile and retail sports books prior to December 31, 2023. The Company satisfied that condition for the mobile sports book. However, the Company does not currently have a sports betting partner for its retail sports book. In November 2023, Ohio granted an extension to June 30, 2024 for all retail license holders.

In May of 2024, the Ohio Casino Control Commission approved a waiver giving the Executive Director the immediate ability and discretion to extend the “use it or lose it” compliance period for all licensed Type B sports gaming proprietors and service providers. With the approval of this waiver and the proposed corresponding rule change, all licensees will be given the full length of their initial licensure period for compliance. The Company now has until December 31, 2027, to accept at least one retail sports bet under its Type B license. If at least one sports bet is not taken through an approved method before this date, the Company will not be eligible to apply for another license for a period of one year after the expiration of the license.

Other Liabilities

Other liabilities consisted of the following at September 30, 2024 and December 31, 2023:

	September 30, 2024	December 31, 2023
Activation fund reserves	\$ 144,799	\$ 126,685
Deferred revenue	5,574,477	5,441,640
Deposits and other liabilities	345,344	290,357
Total	\$ 6,064,620	\$ 5,858,682

Community Assistance Grant

On May 30, 2024, the Company received a grant of \$500,000 from SCF. The grant contained no restrictions and does not require repayment. The Company recorded this amount as “Other income” on its condensed consolidated statement of operations.

State of Ohio Grant

On June 28, 2024, the Company was awarded a \$9.8 million grant from the State of Ohio’s One Time Strategic Community Investments in support of the Hall of Fame Village. The Company received this funding on August 9, 2024. The funding was received in cash for the purpose of providing immediate financial support in operating the Company’s Hall of Fame Village development. Given that all of the funds were available for use as working capital, the Company recorded the entire amount as income during the three months ended September 30, 2024. The Company recorded this amount as “Other income” on its condensed consolidated statement of operations.

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**

**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, 2024 and December 31, 2023:

	<u>September 30,</u> 2024	<u>December 31,</u> 2023
Due to IRG Member	\$ 2,495,904	\$ 1,127,390
Due to PFHOF	415,128	166,484
Total	<u>\$ 2,911,032</u>	<u>\$ 1,293,874</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, 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 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.

As of September 30, 2024 and December 31, 2023, PFHOF owed the Company \$137,848 and \$74,167, respectively, which is included in “Accounts Receivable, net” on the accompanying condensed consolidated balance sheets.

Global License Agreement

Effective April 8, 2022, the Company 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 the Company to exploit existing PFHOF works and to create new works. The Global License Agreement grants the Company 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 the Company 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 the Company. 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 the Company 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 the Company to PFHOF for certain usage above specified financial thresholds, as well as a commitment to support PFHOF museum attendance through the Company’s and its affiliates’ ticket sales for certain concerts and youth sports tournaments. Effective September 13, 2023, the Company and PFHOF entered into an Amendment to Global License Agreement, which modified the structure of the ticket sales component to focus on event profitability, with PFHOF receiving a portion of net profits realized from certain covered events at the Tom Benson Hall of Fame Stadium with caps tied to ticket sales. 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.

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

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

Global License Agreement (continued)

Effective September 11, 2024, the Company and PFHOF, entered into an Amended and Restated Global License Agreement (“A&R Agreement”). The A&R Agreement replaces the Global License Agreement the parties had previously entered into on April 8, 2022.

The A&R Agreement sets forth the terms under which PFHOF licenses certain marks and works to the Company to utilize existing PFHOF marks and works in a HOFV proposed project. The Company’s bona fide use of PFHOF marks shall be in connection with the Village campus, youth sports programs, e-gaming, and/or video games, and such other fields of use that are not specifically set forth. The Company’s use and license rights of PFHOF marks and/or works vary based on the nature of the proposed project and are subject to PFHOF’s approval in each instance. In connection with any proposed project approved by PFHOF or use of any PFHOF work as approved by PFHOF, HOFV and PFHOF shall mutually agree on the license fee and/or royalty to be paid to PFHOF in connection therewith taking into consideration all relevant factors and uses thereof. The A&R Agreement removes the requirement of payment of an annual license fee moving forward and in exchange for the Company executing the A&R Agreement, PFHOF has agreed to expressly waive payment of the annual license fee of \$600,000 for 2024, which was invoiced in January and July. The A&R Agreement is effective September 11, 2024, and shall terminate on December 31, 2024. Thereafter, the A&R Agreement shall automatically renew for successive 1-year terms, unless either party gives written notice of intent not to renew at least sixty (60) days prior to the expiration of the then current term.

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 was subject to certain closing conditions, including, but not limited to, the execution and delivery of definitive documentation with respect to the Hotel Construction Loan. The Company and IRGInc did not reach agreement on definitive documentation by the target closing date set forth in the Hotel Construction Loan Commitment Letter. IRGInc has since informed the Company that it does not intend to provide the Hotel Construction Loan directly through IRGInc or one of its affiliates; however, IRGInc and Mr. Lichter have continued to play an active role in supporting the Company’s efforts to secure an alternative source for a different loan facility for a comparable loan amount.

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 HFAKOH001 LLC (“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**

**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.

*Tapstry 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.

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 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 \$12.77 per 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 the Company 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**

**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 of the Company’s stockholders. In addition, the provisions of the IRG Letter Agreement are limited by Nasdaq Listing Rule 5635(c). On June 7, 2023, the stockholders of the Company approved (i) issuance of shares of Common Stock in excess of the Nasdaq 19.99% Cap to IRG Affiliate Lenders with respect to transactions described in the IRG Letter Agreement; and (ii) the issuance to an entity wholly owned by a director of additional shares of Common Stock issuable upon the conversion of certain convertible debt and the exercise of certain warrants described in the IRG Letter Agreement.

On November 1, 2023, HOF Village CFE, LLC (“Landlord”) entered into a ten-year lease agreement with Touchdown Work Place, LLC (“Tenant”) to rent approximately twelve thousand three hundred and thirty-one (12,331) square feet with annual increases of two percent (2%) for years two (2) through ten (10) and an abatement for the first five (5) months of year one. On or about March 26, 2024, Landlord and Tenant negotiated a First Amendment to Lease Agreement to redefine the abatement period to six (6) months, waiver of the security deposit, and Landlord agreed to provide monthly rent invoices for the term of the lease. Stuart Lichter is a director of the Company and the Managing Member of Touchdown Work Place, LLC.

IRG Proposal

On September 27, 2024, IRG delivered a preliminary non-binding proposal to the Company’s Board of Directors of the Issuer related to the proposed acquisition by IRG of all of the outstanding shares of Common Stock not owned by IRG, its affiliated entities and any potential co-investors in IRG or its affiliates, for cash consideration of \$1.98 per share of Common Stock (the “Proposed Transaction”).

The Proposed Transaction is subject to certain conditions, including among other things, the completion of a due diligence review, negotiation and agreement of transaction structure and transaction documents, approval of the Proposed Transaction by a special committee consisting of independent, disinterested members of the Company’s Board of Directors and any required stockholder approvals, necessary third party consents, refinance of certain of the Company’s PACE financing and renegotiation of the ground lease for the Company’s waterpark, and securing committed financing on terms sufficient to fund the Company’s anticipated working capital needs for approximately 24 months following consummation of the Proposed Transaction.

The Proposal is non-binding in nature, constitutes a preliminary indication of interest and does not obligate in any way IRG or the Company to negotiate or enter into a definitive agreement with respect to the Proposed Transaction. No assurance can be given that any definitive agreement will be entered into, that the Proposed Transaction will be consummated, or that the Proposed Transaction will be consummated on the terms set forth in the proposal.

Other Related Party Commitments

On or about June 3, 2024, the Company entered a Professional Services Agreement with IRG in conjunction with expanded services requested of an executive. This executive is an IRG employee who has been an integral part of the broader Hall of Fame Village team for many years who has helped lead the construction and development of the Hall of Fame Village. The Professional Services Agreement more clearly defines the roles and responsibilities of this executive and establishes appropriate guardrails and processes from a governance perspective (e.g., authority, reporting structure, confidentiality, conflicts of interest). In exchange for an annual fee of \$50,000 per year, with reimbursement of reasonable expenses, this executive will provide the following services: (i) acting as the Executive Vice President, General Administration and Project Development; (ii) attending meetings of the Executive and Operating Committees, as requested; (iii) working in collaboration with members of the Executive and Operating Committees to achieve the goals and objectives; (iv) assisting other members of staff and management, including but not limited to the Vice President of Operations and Vice President of Revenue; and (v) responding and performing any other reasonable requests made by the President and Chief Executive Officers of HOF Village Newco, LLC.

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

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

Other Related Party Commitments (continued)

On or about June 17, 2024, HOF Village Waterpark, LLC (“HOFV Waterpark”) entered into a Customer Contract for EME Express Services Equipment Program (“Customer Contract”) with Constellation NewEnergy, Inc. (“Constellation”). In connection with the transaction, Constellation required the placement of a guarantee bond as security, which the Company secured through Hanover Insurance Company. In conjunction with the placement of the guarantee bond, the Company, HOFV Waterpark, Mr. Stuart Lichter, a director of the Company, and two of Mr. Lichter’s family trusts executed a General Indemnity Agreement in favor of Hanover Insurance Company whereby Mr. Lichter and his trusts guarantee the Company’s obligations under the guarantee bond. The Company and HOFV Waterpark also entered a reimbursement agreement with Mr. Lichter and his trusts granting a security interest in certain energy efficient equipment furnished pursuant to the Customer Contract and agreeing to reimburse them for any payments made on their behalf, including any taxes, fees, penalties, costs and expenses incurred by them in connection with such payments.

**Note 10: Concentrations**

For the three months ended September 30, 2024, two customers represented approximately 43.2% and 12.9% of the Company’s sponsorship revenue. For the three months ended September 30, 2023, two customers represented approximately 43.4% and 18.5% of the Company’s sponsorship revenue. No other customers exceeded 10% of sponsorship revenue in 2024 and 2023.

For the nine months ended September 30, 2024, two customers represented approximately 40.6% and 15.4% of the Company’s sponsorship revenue. For the nine months ended September 30, 2023, two customers represented approximately 42.7% and 18.5% of the Company’s sponsorship revenue. No other customers exceeded 10% of sponsorship revenue in 2024 and 2023.

As of September 30, 2024, one customer represented approximately 23.3% of the Company’s accounts receivable. As of December 31, 2023, three customers represented approximately 13.7%, 13.0% and 10.6% of the Company’s accounts receivable. No other customers exceeded 10% of outstanding accounts receivable as of September 30, 2024 and December 31,

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: Leases**

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

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 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 right-of-use (“ROU”) lease assets are reviewed periodically for impairment.

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

**Note 11: Leases (continued)**

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.

Balance sheet information related to our leases is presented below:

	September 30, 2024	December 31, 2023
Operating leases:		
Right-of-use assets	\$ 7,189,073	\$ 7,387,693
Lease liability	3,326,875	3,440,630
Financing leases:		
Right-of-use assets	\$ 79,204	\$ -
Lease liability	72,709	-

Other information related to leases is presented below:

	Nine Months Ended September 30, 2024	Nine Months Ended September 30, 2023
Operating lease cost	\$ 363,975	\$ 389,330
Other information:		
Weighted-average remaining lease term – operating leases (in years)	90.0	90.9
Weighted-average discount rate – operating leases	10.0%	10.0%
Finance lease cost		
Amortization of ROU asset	\$ 6,758	\$ -
Interest on lease liabilities	\$ 1,452	\$ -
Other information:		
Weighted-average remaining lease term – finance leases (in years)	2.0	
Weighted-average discount rate – finance leases	9.9%	

As of September 30, 2024, the annual minimum lease payments of our operating lease liabilities were as follows:

For The Years Ending December 31,	
2024 (three months)	\$ 75,350
2025	301,400
2026	301,400
2027	301,400
2028	328,600
Thereafter	39,116,467
Total future minimum lease payments, undiscounted	40,424,617
Less: imputed interest	(37,097,742)
Present value of future minimum lease payments	\$ 3,326,875

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

**Note 11: Leases (continued)**

As of September 30, 2024, the annual minimum lease payments of our financing lease liabilities were as follows:

For The Years Ending December 31,	
2024 (three months)	\$ 6,270
2025	43,493
2026	30,217
Thereafter	-
Total future minimum lease payments, undiscounted	79,980
Less: imputed interest	(7,271)
Present value of future minimum lease payments	<u>\$ 72,709</u>

Lessor Commitments

As of September 30, 2024 and December 31, 2023, the Company's Constellation Center for Excellence and retail facilities were partially leased including leases by the Company's subsidiaries.

Property and equipment currently under lease consists of the following:

	September 30, 2024	December 31, 2023
Land	\$ 5,067,746	\$ 5,067,746
Land improvements	189,270	189,270
Building and improvements	73,958,153	71,160,127
Equipment	2,993,048	2,802,324
Property and equipment, gross	<u>82,208,217</u>	<u>79,219,467</u>
Less: accumulated depreciation	(7,790,720)	(5,056,214)
Property and equipment, net	<u>\$ 74,417,497</u>	<u>\$ 74,163,253</u>

Certain of the Company's lease arrangements have a base rent component plus a component of lease income that is variable based on the respective tenant's sales performance.

Lease revenue is included in "Event, rents, restaurant, and other revenues" in the condensed consolidated statements of operations. During the three months ended September 30, 2024 and 2023, the Company recorded \$433,006 and \$372,015 of lease revenue, respectively, and for the nine months ended September 30, 2024 and 2023, the Company recorded \$1,503,268 and \$549,166 of lease revenue, respectively. The future minimum lease revenue under these leases, excluding leases of the Company's subsidiaries, are as follows:

Year ending December 31:	
2024 (three months)	\$ 395,499
2025	1,228,016
2026	1,240,343
2027	1,223,413
2028	1,002,686
Thereafter	4,216,921
Total	<u>\$ 9,306,878</u>

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

**Note 12: Financing Liability**

On September 27, 2022 the Company sold the land under the Company's Fan Engagement Zone to Twain GL XXXVI, LLC ("Twain"). Simultaneously, the Company entered into a lease agreement with 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. 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.

On November 7, 2022, HOFV Waterpark sold the land under the Company's future waterpark to Oak Street Real Estate Capital, LLC ("Oak Street"). Simultaneously, the Company entered into a lease agreement with Oak Street. 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 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").

The Company accounted for the Sale-Leaseback transactions with Twain and Oak Street as financing transactions with the purchaser of the property. The Company concluded the lease agreements both met the qualifications to be classified as finance 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 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.

On February 23, 2024, HOFV Waterpark entered into a first amendment to lease agreement ("First Amendment to Lease") with Oak Street to amend the existing water park ground lease to reflect: (a) Oak Street's funding for the benefit of the Tenant in the amount of \$2,500,000, (b) an increase in the base rent; (c) the pledge of the Company's 20% beneficial membership interest in Sandlot; and (d) the Company's issuance of a Series H Common Stock Purchase Warrant to Oak Street to purchase 890,313 shares of the Company's common stock, which is exercisable (a) prior to Landlord's return of 90% of such warrants pursuant to the terms of the First Amendment to Lease, when and if there is an event of default under the water park lease, or the guaranty related to the underlying ground lease, or (b) after Landlord's return of 90% of such warrants pursuant to the terms of the First Amendment to Lease, at any time.

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

**Note 12: Financing Liability (continued)**

On February 29, 2024, HOFV Waterpark, HOF Village Newco, LLC, as guarantor and pledgor, and HOF Village Stadium, LLC, as mortgagor, entered into a second amendment (the "Second Amendment") to the ground lease agreement for the waterpark with Oak Street, to memorialize, among other things, Landlord's forbearance of base rent due for March and April of 2024, with such payments extended to be due on May 1, 2024. Under the Second Amendment, there is no notice or cure period for the rent payment due on May 1, 2024. On May 10, 2024, the parties entered into a third amendment to the lease agreement, to remove a sentence, effective May 1, 2024, that provided there shall be no notice or cure period for deferred rent due on May 1, 2024. HOFV Waterpark has not paid the deferred base rent of \$1,197,907 due May 1, 2024, which upon written notice from the Landlord, and after HOFV Waterpark's failure to cure within three days, would be an event of default under the waterpark ground lease and would give Oak Street the option to, among other things, and to the extent permitted by applicable law, accelerate and recover all remaining payments owed under the waterpark ground lease. The Company was in negotiations with Oak Street to negotiate an amendment that provides for extending the base rent forbearance payment date under the waterpark ground lease or a similar outcome. However, on October 26, 2024, Oak Street sent the Company a notice of default and termination. See Note 14 – Subsequent Events.

As of September 30, 2024, the carrying value of the financing liability was \$68,879,042, representing \$2,323,937,685 in remaining payments under the leases, net of a discount of \$2,255,058,643. The lease payments are split between a reduction of principal and interest expense using the effective interest rate method.

As of September 30, 2023, the carrying value of the financing liability was \$61,953,243, representing \$2,200,799,025 in remaining payments under the leases, net of a discount of \$2,138,845,782. The monthly lease payments are split between a reduction of principal and interest expense using the effective interest rate method.

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

2024 (three months)	\$ 3,387,209
2025	6,179,956
2026	6,328,158
2027	6,479,940
2028	6,635,387
Thereafter	2,294,927,035
Total Minimum Liability Payments	<u>2,323,937,685</u>
Imputed Interest	<u>(2,255,058,643)</u>
Total	<u>\$ 68,879,042</u>

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

**Note 13: Disposition**

On January 11, 2024, HOF Village completed the sale to Sandlot Facilities, LLC (“Sandlot”) for a \$10 million purchase price, subject to adjustment, of 80% of a newly formed limited liability company named Sandlot HOFV Canton SC, LLC (“Sports Complex Newco”), to which the Company, HOF Village and HOF Village Youth Fields, LLC had contributed the ForeverLawn Sports Complex business prior to closing. The transaction occurred pursuant to the terms of the Membership Interest Purchase Agreement, dated December 22, 2023 (the “Purchase Agreement”), among the Company, HOF Village, Sandlot and Sandlot Youth Sports Holdings, LLC. Under the Purchase Agreement, Sandlot held back \$1.5 million of the Purchase Price (which is included in “Prepaid expenses and other assets” on the Company’s condensed consolidated balance sheets) to secure certain indemnification obligations of the Company and HOF Village, which holdback will be released by Sandlot for the benefit of HOF Village in three \$500,000 increments at 6, 12 and 18 months after the January 11, 2024 closing date of the Transaction, subject to post-closing adjustment of the Purchase Price and any indemnification claims pursuant to the Purchase Agreement. During July 2024, the Company received the first of such holdback payments. As of September 30, 2024, \$1 million remained outstanding and is included in “Prepaid expense and other assets” on the Company’s condensed consolidated balance sheet.

In connection with this transaction, the Company recognized a loss on the sale of the sports complex of \$140,041, as follows:

Purchase price	\$ 10,000,000
Working capital adjustment	(214,222)
Net purchase price	<u>9,785,778</u>
Less: transaction costs	(159,144)
Less: book value of net assets sold	(12,213,120)
Plus: investment retained	<u>2,446,445</u>
Loss on sale	<u>\$ (140,041)</u>

The Company will account for the remaining investment in the sports complex as an equity-method investment and record its share of profit or loss as “Loss from equity method investment” on its condensed consolidated statements of operations.

**Note 14: Subsequent Events**

Subsequent events have been evaluated through November 13, 2024, the date the condensed consolidated financial statements were issued. Except as disclosed below, no events have been identified requiring disclosure or recording.

***Termination of Waterpark Ground Lease***

On October 26, 2024, the Company received from Oak Street a notice of lease termination due to an event of default under the Sale-Leaseback, dated as of November 7, 2022, between HOF Village Waterpark, LLC and Oak Street. Under the Sale-Leaseback, the termination requires that the Company immediately surrender the waterpark premises under such lease to the Landlord and any improvements thereto (including the construction of new buildings thereon) with all fixtures appurtenant thereto.

The default identified in the notice is a payment default under the Sale-Leaseback. Oak Street had agreed to forbear exercising remedies for the payment default until October 25, 2024. As of November 13, 2024, the Company had not remedied the payment default. The outstanding principal balance of unpaid base rent under the Sale-Leaseback (inclusive of default interest and late fees accrued up to the date of termination) is approximately \$2,600,000.



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

**Note 14: Subsequent Events (continued)**

***Termination of Water Park Ground Lease (continued)***

In addition to unpaid rent, the Waterpark Ground Lease provides that Landlord is entitled to recover the following as damages: (i) the amount by which the unpaid rent for what would have been the remaining term of the Waterpark Ground Lease exceeds the then fair market rental value of the waterpark premises, both discounted to present value, plus (ii) any damages, including without limitation reasonable attorneys' fees and court costs, which Landlord sustains as a result of the breach of the covenants of the Waterpark Ground Lease other than for the payment of rent, in each case plus interest.

The notice states that Landlord retains the absolute and unconditional right to pursue any and all remedies available under the Waterpark Ground Lease and related security agreements and applicable law, concurrently or consecutively, at Landlord's sole discretion. The Company's subsidiary HOF Village Newco, LLC ("Guarantor") guaranteed Tenant's obligations under the Waterpark Ground Lease pursuant to a limited recourse guaranty dated as of November 7, 2022. The security agreements and collateral that support Tenant and Guarantor's obligations under the Waterpark Ground Lease consist of the following:

- *Tom Benson Hall of Fame Stadium.* Guarantor pledged and granted in favor of Landlord 100% of its membership interests in HOF Village Stadium, LLC ("HOFV Stadium") and certain related security interests under a Pledge and Security Agreement dated as of November 7, 2022. HOFV Stadium granted Landlord a security interest in HOFV Stadium's leasehold interest in the Tom Benson Hall of Fame Stadium and certain related security interests, pursuant to an Open-End Leasehold Mortgage, Assignment of Lease and Rents, Security Agreement and Fixture Filing dated as of December 27, 2022.
- *20% Interest in ForeverLawn Sports Complex.* Guarantor pledged and granted in favor of landlord its 20% interest in the ForeverLawn Sports complex that is held in a joint venture with Sandlot Facilities, LLC, and certain related security interests, pursuant to a Pledge and Security Agreement dated as of February 23, 2024.
- *Real Estate Adjacent to Hall of Fame Village.* Guarantor granted Landlord a security interest in ten undeveloped residential real estate parcels and four commercial real estate parcels owned by Guarantor located adjacent to Hall of Fame Village and certain related security interests, pursuant to an Open-End Mortgage, Assignment of Leases and Rents, Security Agreement and Fixture Filing dated as of February 29, 2024.

The event of default under the Waterpark Ground Lease results in an event of default under certain of the Company's loan agreements. Given the Company's financial position, the Company is in default or risks becoming in default under certain other loan agreements. The loan agreements under which the Company is in default total approximately \$81 million gross principal outstanding as of September 30, 2024.

***ErieBank Release of Cash Pledge***

On October 10, 2024, ErieBank released an additional \$943,864 of the held back portion of the loan proceeds to HOFV CFE for general development.

***CH Capital Term Sheet***

On November 11, 2024, the Company and CH Capital signed a term sheet to provide up to \$2 million in interim financing to HOFV in the form of a short term note payable. The Company and CH Capital are currently in the process of preparing the definitive agreement for such note payable.

## 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, 2023 as filed with the Securities and Exchange Commission (“SEC”) on March 25, 2024, Form 10-K/A filed with the SEC on April 29, 2024, 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 and Form 10 K/A for the year ended December 31, 2023, 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, which is a multi-use sports and entertainment destination centered around the PFHOF’s campus and the DoubleTree by Hilton located in downtown Canton. We have created a diversified set of revenue streams through the development of themed attractions, premier entertainment programming and sponsorships. We continue to pursue a diversified strategy across three business verticals, including destination-based assets (Hall of Fame Village), Hall of Fame Village Media and Gold Summit Gaming.

The strategic plan for Hall of Fame Village involves three phases: Phase I, Phase II, and Phase III. Phase I of the Hall of Fame Village is operational, consisting of the Tom Benson Hall of Fame Stadium, the ForeverLawn Sports Complex (ownership reduced to 20% as of January 11, 2024), and Hall of Fame Village Media. The Tom Benson Hall of Fame Stadium hosts multiple sports and entertainment events, including the National Football League (“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. Hall of Fame Village Media has created short-form and long-form media entertainment through multiple distribution channels. This includes *The Perfect Ten*, *Inspired*, *The GOAT Code*, *Next Man Up: NFL Alumni Academy* and *Hometown Heroes*.

We have procured licenses through the State of Ohio for both a physical sports betting operation and online sports betting platform. We have entered into an agreement with BETR as our mobile management services provider. In addition, the gaming vertical hosts multiple eSports tournaments within the destination along with other types of gaming tournaments and interactive events.

We have developed new hospitality, attractions, and corporate assets as part of our Phase II development plan. Phase II components of the Hall of Fame Village include the Constellation Center for Excellence (an office building including retail and meeting space, that opened in November 2021), the Center for Performance (a convention center/field house, that opened in August of 2022), the Play Action Plaza (completed in August of 2022), and the Fan Engagement Zone (Retail Promenade), core and shell for Retail I was completed in August of 2022 and the core and shell of Retail II was completed in November of 2022, two hotels (one on campus, to be constructed, and one in downtown Canton that opened in November 2020), and the Gameday Bay Waterpark (currently under construction; ground lease terminated October 26, 2024, and premises and improvements surrendered to landlord). 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, events, exclusive programming, attractions and hotel and restaurant operations. The sponsorship arrangements, in which the customer sponsors an asset 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 property and events. 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.

Restaurant revenue at Company-operated restaurants and concessions is recognized when payment is tendered at the point of sale, net of sales tax, discounts and other sales related taxes.

Our media content and distribution revenue is recognized as content is released. Our gaming license revenue is recognized over the term of the license agreement.

We expect our revenues to continue to increase as we add in additional events, tenants, experiences and open additional assets.

### *Operating Expenses*

Our operating expenses include event/media production expenses, personnel expenses, campus maintenance expenses, food and beverage cost of sales, hotel operating expenses, and depreciation expense. These expenses have increased with completion of Phase II assets and we would expect these will continue to increase after completion of additional events, programming, and assets, and Phase III development.

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

## **Recent Developments**

### ***Amendment No. 2 to the Equity Distribution Agreement***

On April 8, 2024, the Company and Wedbush Securities Inc. (“Wedbush”) and Maxim Group LLC (“Maxim” and, together with Wedbush, the “Agents”) entered into an Amendment No. 2 to the Equity Distribution Agreement, dated as of September 30, 2021, as amended by Amendment No. 1 dated October 6, 2023, among the Company and Wedbush and Maxim (the “Equity Distribution Agreement Amendment”) pursuant to which the Company may offer and sell shares of Common Stock from time to time through Wedbush and Maxim in an “at the market offering” (the “ATM Facility”). The Equity Distribution Agreement Amendment was effective immediately and increased the compensation to which the Agents are entitled from up to 2.0% to up to 4.0% of the aggregate gross offering proceeds of the shares of Common Stock sold pursuant to the equity distribution agreement. As part of the Equity Distribution Agreement Amendment, the Company also agreed to reimburse the Agents for certain specified expenses, including the reasonable fees and disbursements of its legal counsel not to exceed an agreed upon cap.

During the three and nine months ended September 30, 2024, the Company received net proceeds of \$0 and \$113,428, respectively, under the Equity Distribution Agreement. As of September 30, 2024, shares of Common Stock having an aggregate offering price of up to \$14,543,722 remained available under the ATM. On September 14, 2024, the registration statement on Form S-3 expired and the Company is no longer eligible to sell shares under the ATM.

***Amendment to Business Loan Agreement with Stark County Port Authority***

On May 20, 2024, the Company entered into an Amendment to Business Loan Agreement (“Amendment”) with the Stark County Port Authority (“SPCA”), a body corporate and politic and a port authority duly organized and validly existing under the law of the State of Ohio.

Pursuant to the Amendment, which modifies the original instrument dated August 31, 2022, the parties agreed: (i) to modify the original maturity date from August 30, 2029 to June 30, 2044; (ii) SPCA will provide additional funds to Borrower totaling \$520,383; (iii) the original principal balance will be increased from \$5,000,000 to \$5,520,383; and (iv) Borrower shall repay as follows (a) interest will be capitalized and compounded annually for two years, from May 20, 2024 through May 20, 2026, (b) quarterly interest only payments for five years, from June 30, 2026 through June 30, 2031, with subsequent interest payments due the last day of each March, June, September and December, (c) quarterly principal and interest payments until the maturity date when all other amounts due and owing to SPCA are due. In addition, in the event of a substantial change in ownership, defined as more than 50% of the outstanding ownership and control of the Borrower, SPCA may, at its option, declare an Event of Default and declare all sums owed to SPCA immediately due and payable.

The Amendment contains customary affirmative and negative covenants for this type of loan, including without limitation, affirmative covenants, negative covenants and default provisions. Borrower agreed to reimburse SPCA for all costs and expenses including, without limitation, legal fees and expenses of counsel.

***Amendment to \$5,000,000 Unsecured Loan from City of Canton, Ohio***

On June 5, 2024, the Company, entered into a First Amendment to Business Loan Agreement (“First Amendment”) and a Promissory Note Modification Agreement (“Note Modification”) with the City of Canton, Ohio (“City of Canton”).

Pursuant to the First Amendment, which modifies the original instrument dated September 15, 2022, the parties agreed: (i) to modify the original maturity date from June 30, 2029 to July 1, 2046; and (ii) pursuant to the Note Modification, Borrower shall repay as follows (a) no interest shall accrue for two years, from May 28, 2024 through June 30, 2026, (b) commencing on July 1, 2026, the outstanding principal balance will bear interest at the reduced rate of five percent (5%) per annum, compounded quarterly, and (c) commencing on October 1, 2026 and continuing quarterly thereafter on the first day of January, April, July and October of each year thereafter, Borrower shall pay quarterly principal and interest payments until the maturity date when all other amounts due and owing to the City of Canton will be due.

***Amendment to \$3,500,000 Secured Loan from City of Canton, Ohio***

On June 5, 2024, the Company, entered into a First Amendment to Loan Agreement (“Hotel First Amendment”) and a Promissory Note Modification Agreement (“Hotel Note Modification”) with the City of Canton with the consent of the senior lender.

Pursuant to the Hotel First Amendment, which modifies the original instrument dated December 30, 2019, the parties agreed: (i) to modify the original maturity date from July 1, 2027 to July 1, 2046; and (ii) pursuant to the Hotel Note Modification, HOFV Hotel II shall repay as follows (a) no interest shall accrue for two years, from May 28, 2024 through June 30, 2026, (b) commencing on July 1, 2026, the outstanding principal balance will bear interest at the increased rate of five percent (5%) per annum, and (c) commencing on October 1, 2026 and continuing quarterly thereafter on the first day of January, April, July and October of each year thereafter, HOFV Hotel II shall pay quarterly principal and interest payments until the maturity date when all other amounts due and owing to the City of Canton will be due.

***\$1,500,000 Unsecured Loan from Stark Community Foundation, Inc.***

On June 11, 2024, the Company entered into a Business Loan Agreement (“SCF Loan”) and Promissory Note (“SCF Note”) with the Stark Community Foundation, Inc., an Ohio not-for-profit corporation (“SCF Lender”).

Pursuant to the SCF Loan, SCF Lender provided a term loan to the Company in the principal amount of One Million Five Hundred Thousand Dollars (\$1,500,000). The maturity date of the SCF Loan is June 30, 2025. The interest rate is six percent (6%) per annum and upon an Event of Default, the interest rate shall equal the interest rate in effect pursuant to the provisions of the SCF Note, plus five percent (5%) per annum. With respect to repayment, the entire outstanding principal balance, all accrued interest and all other amounts that may be due and owing to SCF Lender shall be due upon maturity. In connection with entering the SCF Loan and SCF Note, the Company agreed to pay customary fees and expenses.

### ***Constellation EME Express Equipment Services Program***

On June 17, 2024, the Company entered into a Customer Contract for EME Express Services Equipment Program (“Customer Contract”) with Constellation NewEnergy, Inc. (“Constellation”).

Pursuant to the Customer Contract, HOFV Waterpark secured \$9,900,000 in financing from Constellation through its Efficiency Made Easy (“EME”) program to implement energy efficient measures to finance construction of the waterpark as part of Phase II development. In conjunction with the Customer Contract, Welty Building Construction, Ltd. (“Welty”) agreed to sell and deliver certain materials and equipment purchased by HOF Village Waterpark. In addition, Welty will act as HOFV Waterpark’s agent pursuant to an Agency Agreement (“Agency Agreement”) and will hold the funds in escrow and facilitate compliance with the EME requirements in exchange for a success fee of one percent (1%) of the total of EME program funds.

Pursuant to the Customer Contract, as security for repayment, HOFV Waterpark was required to secure a surety bond (“Guarantee Bond”). The Hanover Insurance Company, a corporation organized and existing under the laws of the State of New Hampshire, provided a Guarantee Bond for the benefit of Constellation as adequate assurance of future performance in the amount of \$9,900,000 with the penal sum stepping down annually provided no default has occurred.

### ***Amendment to \$5,000,000 Unsecured Loan from Stark Community Foundation, Inc.***

On June 25, 2024, the Company entered into a First Amendment to Business Loan Agreement (“Infrastructure First Amendment”) and an Amended and Restated Promissory Note (“A&R Infrastructure Note”) with Stark Community Foundation, Inc., an Ohio not-for-profit corporation (“Infrastructure Lender”), as lender.

Pursuant to the Infrastructure First Amendment, which modifies the original business loan agreement dated June 16, 2022, the parties agreed: (i) to extend the original maturity date from May 31, 2029 to June 30, 2044; (ii) the principal balance is increased from \$5,000,000 to \$5,451,666, reflecting the addition of accrued and unpaid interest; and (iii) pursuant to the A&R Infrastructure Note, the Company agreed to repay as follows: (a) commencing on June 25, 2024, and continuing for approximately two and one-half years, until December 31, 2026, the outstanding principal balance will bear interest at six percent (6%) per annum, which interest rate is unchanged from the original note, and the Company will not make interest or principal payments, and (b) commencing on December 31, 2026 and continuing annually on December 31 of each year thereafter, the Company will make annual principal and interest payments until the maturity date, June 30, 2044, when all other amounts due and owing to Infrastructure Lender are due.

### ***Amendment to \$3,000,000 Secured Loan from NewMarket Project, Inc.***

On June 25, 2024, the Company entered into a Second Amendment to Business Loan Agreement (“Hotel Second Amendment”) and an Amended and Restated Promissory Note (“A&R Hotel Note”) with NewMarket Project, Inc. (“Hotel Lender”), as lender.

Pursuant to the Hotel Second Amendment, which modifies the original business loan agreement dated December 30, 2019, the parties agreed: (i) to extend the original maturity date from December 30, 2024 to June 30, 2044; (ii) the principal balance is increased from \$3,000,000 to \$3,180,654, reflecting the addition of accrued and unpaid interest; and (iii) pursuant to the A&R Hotel Note, HOFV Hotel II will repay as follows: (a) commencing on June 25, 2024, and continuing for approximately two and one-half years, until December 31, 2026, the outstanding principal balance will bear interest at six percent (6%) per annum, and HOFV Hotel II will not make interest or principal payments, and (b) commencing on December 31, 2026 and continuing annually on December 31 of each year thereafter, HOFV Hotel II will make annual principal and interest payments until the maturity date, June 30, 2044, when all other amounts due and owing to Hotel Lender are due.

### ***State of Ohio Community Investment Grant***

On June 28, 2024 we were awarded a \$9.8 Million grant from the State of Ohio's One Time Strategic Community Investments in support of the Hall of Fame Village. The funding was received in cash for the purpose of providing financial support in operating our Hall of Fame Village development. We received this funding on August 9, 2024.

### ***Termination of Shula's Management Agreement***

HOFV and Shula's Steak Houses, LLLP have mutually agreed to end their partnership at the Hall of Fame Village. HOF Village Newco, LLC, which has owned the business since its inception, will now both own and manage the site. A phased transition plan was entered into by both organizations. On August 18, 2024, we completely took over management of the restaurant, and opened it under a new brand, "Gridiron Gastropub".

### ***Termination of Waterpark Ground Lease***

On October 26, 2024, we received from Oak Street a notice of lease termination due to an event of default under the Sale-Leaseback, dated as of November 7, 2022, between HOF Village Waterpark, LLC and Oak Street. Under the Sale-Leaseback, the termination requires that we immediately surrender the waterpark premises under such lease to the Landlord and any improvements thereto (including the construction of new buildings thereon) with all fixtures appurtenant thereto.

The default identified in the notice is a payment default under the Sale-Leaseback. Oak Street had agreed to forbear exercising remedies for the payment default until October 25, 2024. As of November 13, 2024, the Company had not remedied the payment default. The outstanding principal balance of unpaid base rent under the Sale-Leaseback (inclusive of default interest and late fees accrued up to the date of termination) is approximately \$2,600,000.

In addition to unpaid rent, the Waterpark Ground Lease provides that Landlord is entitled to recover the following as damages: (i) the amount by which the unpaid rent for what would have been the remaining term of the Waterpark Ground Lease exceeds the then fair market rental value of the waterpark premises, both discounted to present value, plus (ii) any damages, including without limitation reasonable attorneys' fees and court costs, which Landlord sustains as a result of the breach of the covenants of the Waterpark Ground Lease other than for the payment of rent, in each case plus interest.

The notice states that Landlord retains the absolute and unconditional right to pursue any and all remedies available under the Waterpark Ground Lease and related security agreements and applicable law, concurrently or consecutively, at Landlord's sole discretion. The Company's subsidiary HOF Village Newco, LLC ("Guarantor") guaranteed Tenant's obligations under the Waterpark Ground Lease pursuant to a limited recourse guaranty dated as of November 7, 2022. The security agreements and collateral that support Tenant and Guarantor's obligations under the Waterpark Ground Lease consist of the following:

- *Tom Benson Hall of Fame Stadium.* Guarantor pledged and granted in favor of Landlord 100% of its membership interests in HOF Village Stadium, LLC ("HOFV Stadium") and certain related security interests under a Pledge and Security Agreement dated as of November 7, 2022. HOFV Stadium granted Landlord a security interest in HOFV Stadium's leasehold interest in the Tom Benson Hall of Fame Stadium and certain related security interests, pursuant to an Open-End Leasehold Mortgage, Assignment of Lease and Rents, Security Agreement and Fixture Filing dated as of December 27, 2022.
- *20% Interest in ForeverLawn Sports Complex.* Guarantor pledged and granted in favor of landlord its 20% interest in the ForeverLawn Sports complex that is held in a joint venture with Sandlot Facilities, LLC, and certain related security interests, pursuant to a Pledge and Security Agreement dated as of February 23, 2024.
- *Real Estate Adjacent to Hall of Fame Village.* Guarantor granted Landlord a security interest in ten undeveloped residential real estate parcels and four commercial real estate parcels owned by Guarantor located adjacent to Hall of Fame Village and certain related security interests, pursuant to an Open-End Mortgage, Assignment of Leases and Rents, Security Agreement and Fixture Filing dated as of February 29, 2024.

The event of default under the Waterpark Ground Lease results in an event of default under certain of the Company's loan agreements. Given the Company's financial position, the Company is in default or risks becoming in default under certain other loan agreements. The loan agreements under which the Company is in default total approximately \$81 million gross principal outstanding as of September 30, 2024.

### ***ErieBank Release of Cash Pledge***

On October 10, 2024, ErieBank released an additional \$943,864 of the held back portion of the loan proceeds to HOFV CFE for general development.

## Results of Operations

The following table sets forth information comparing the components of net loss for the three months ended September 30, 2024 and the comparable period in 2023:

	For the Three Months Ended September 30,	
	2024	2023
<b>Revenues</b>		
Sponsorships, net of activation costs	\$ 684,180	\$ 689,753
Event, rents, restaurant and other revenue	4,639,785	5,763,583
Hotel revenues	2,177,661	2,291,493
Total revenues	<u>7,501,626</u>	<u>8,744,829</u>
<b>Operating expenses</b>		
Operating expenses	8,604,054	12,409,390
Hotel operating expenses	1,847,014	1,814,053
Depreciation expense	4,202,042	4,559,899
Total operating expenses	<u>14,653,110</u>	<u>18,783,342</u>
<b>Loss from operations</b>	(7,151,484)	(10,038,513)
<b>Other income (expense)</b>		
Interest expense, net	(5,902,062)	(6,026,801)
Amortization of discount on note payable	(1,092,996)	(1,419,684)
Change in fair value of warrant liability	16,000	968,000
Change in fair value of interest rate swap	-	203,850
Loss on sale of asset	(5,674)	-
Other income	9,763,126	148,796
Loss from equity method investments	(47,240)	-
Total other income (expense)	<u>2,731,154</u>	<u>(6,125,839)</u>
<b>Net loss</b>	\$ (4,420,330)	\$ (16,164,352)
Preferred stock dividends	(266,000)	(266,000)
Loss attributable to non-controlling interest	-	11,277
<b>Net loss attributable to HOFRE stockholders</b>	<u>\$ (4,686,330)</u>	<u>\$ (16,419,075)</u>
Net loss per share, basic and diluted	<u>\$ (0.72)</u>	<u>\$ (2.89)</u>
<b>Weighted average shares outstanding, basic and diluted</b>	<u>6,551,352</u>	<u>5,672,602</u>

### Three Months Ended September 30, 2024 as Compared to the Three Months Ended September 30, 2023

#### *Sponsorship Revenues*

Sponsorship revenues totaled \$684,180 for the three months ended September 30, 2024, as compared to \$689,753 for the three months ended September 30, 2023, staying nearly the same, representing a decrease of \$5,573, or 0.8%.

#### *Event, rents, restaurant and other revenues*

Revenue from event, rents, restaurant and other revenues was \$4,639,785 for the three months ended September 30, 2024, compared to \$5,763,583 for the three months ended September 30, 2023, for a decrease of \$1,123,798, or 19.5%. The decrease was primarily due to a change in number of our large scale events in 2024 compared to 2023 as well as a decrease in revenue from our on-site restaurant.

#### *Hotel Revenues*

Hotel revenue was \$2,177,661 for the three months ended September 30, 2024, compared to \$2,291,493 from the three months ended September 30, 2023 for a decrease of \$113,832, or 5.0%. This decrease was driven by lower hotel occupancy.

#### *Operating Expenses*

Operating expense was \$8,604,054 for the three months ended September 30, 2024, compared to \$12,409,390 for the three months ended September 30, 2023, for a decrease of \$3,805,336, or 30.7%. This decrease was primarily driven by a decrease in production fees for our events and productions, a decrease in personnel and related benefits costs, as well as a decrease in professional fees.

#### *Hotel Operating Expenses*

Hotel operating expense was \$1,847,014 for the three months ended September 30, 2024, compared to \$1,814,053 for the three months ended September 30, 2023, for an increase of \$32,961, or 1.8%. This increase was primarily driven by increased labor and supply costs.

#### *Depreciation Expense*

Depreciation expense was \$4,202,042 for the three months ended September 30, 2024, compared to \$4,559,899 for the three months ended September 30, 2023, for a decrease of \$357,857, or 7.8%. The decrease in depreciation expense is primarily the result of certain assets completing their expected service life.

#### *Interest Expense*

Total interest expense was \$5,902,062 for the three months ended September 30, 2024, compared to \$6,026,801 for the three months ended September 30, 2023, for a decrease of \$124,739, or 2.1%. The decrease in total interest expense was primarily due to a lower weighted average interest rate.

#### *Amortization of Debt Discount*

Total amortization of debt discount was \$1,092,996 for the three months ended September 30, 2024, compared to \$1,419,684 for the three months ended September 30, 2023, for a decrease of \$326,688, or 23.0%. The decrease is primarily due to the elimination of a discount for certain restructured loans.



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

The change in fair value warrant liability was \$16,000 for the three months ended September 30, 2024, compared to \$968,000 for the three months ended September 30, 2023, for a decrease of \$952,000 or 98.3%. The decrease in change in fair value of warrant liability was due primarily to a change in our stock price.

#### *Change In Fair Value of Interest Rate Swap*

The change in fair value of interest rate swap was \$0 and \$203,850 for the three months ended September 30, 2024 and 2023, respectively. The interest rate swap was terminated in December 2023.

#### *Loss on sale of asset*

The loss on sale of asset was \$5,674 for the three months ended September 30, 2024, compared to \$0 for the three months ended September 30, 2023. The loss on sale of asset was due to the sale of some office equipment.

#### *Other income*

Other income was \$9,763,126 for the three months ended September 30, 2024, compared to \$148,796 for the three months ended September 30, 2023. Other income during 2024 was due to a grants from government entities.

#### *Loss from equity method investments*

The loss from equity method investments was \$47,240 for the three months ended September 30, 2024, compared to \$0 for the three months ended September 30, 2023. The loss from equity method investments was due to the Sandlot arrangement, which was entered into on January 11, 2024.

***Nine Months Ended September 30, 2024 as Compared to the Nine Months Ended September 30, 2023***

	For the Nine Months Ended September 30,	
	2024	2023
<b>Revenues</b>		
Sponsorships, net of activation costs	\$ 2,170,742	\$ 2,054,464
Event, rents, restaurant and other revenue	8,886,562	10,081,905
Hotel revenues	5,335,306	5,856,170
Total revenues	<u>16,392,610</u>	<u>17,992,539</u>
<b>Operating expenses</b>		
Operating expenses	21,953,614	35,631,959
Hotel operating expenses	4,530,407	4,860,876
Impairment expense	-	1,145,000
Depreciation expense	12,541,983	10,486,335
Total operating expenses	<u>39,026,004</u>	<u>52,124,170</u>
<b>Loss from operations</b>	(22,633,394)	(34,131,631)
<b>Other income (expense)</b>		
Interest expense, net	(18,899,210)	(14,063,584)
Amortization of discount on note payable	(3,102,968)	(3,157,815)
Change in fair value of warrant liability	64,000	507,000
Change in fair value of interest rate swap	-	163,850
Change in fair value of securities available for sale	-	1,683,246
Loss on sale of asset	(144,213)	-
Loss on extinguishment of debt	(3,763)	-
Other income	10,263,126	148,796
Loss from equity method investments	(83,066)	-
Total other income (expense)	<u>(11,906,094)</u>	<u>(14,718,507)</u>
<b>Net loss</b>	\$ (34,539,488)	\$ (48,850,138)
Preferred stock dividends	(798,000)	(798,000)
Loss attributable to non-controlling interest	8,588	65,649
<b>Net loss attributable to HOFRE stockholders</b>	<u>\$ (35,328,900)</u>	<u>\$ (49,582,489)</u>
Net loss per share, basic and diluted	<u>\$ (5.42)</u>	<u>\$ (8.77)</u>
<b>Weighted average shares outstanding, basic and diluted</b>	<u>6,521,903</u>	<u>5,654,184</u>

### *Sponsorship Revenues*

Sponsorship revenues totaled \$2,170,742 for the nine months ended September 30, 2024 as compared to \$2,054,464 for the nine months ended September 30, 2023, for an increase of \$116,278, or 5.7%. This increase was primarily driven by the Company gaining new sponsorships and increasing existing sponsorships.

### *Event, rents, restaurant and other revenues*

Revenue from event, rents, restaurant and other revenues was \$8,886,562 for the nine months ended September 30, 2024 compared to \$10,081,905 for the nine months ended September 30, 2023, for a decrease of \$1,195,343, or 11.9%. This decrease was primarily driven by a change in number of certain of our larger scale events.

### *Hotel Revenues*

Hotel revenue was \$5,335,306 for the nine months ended September 30, 2024 compared to \$5,856,170 from the nine months ended September 30, 2023, for a decrease of \$520,864, or 8.9%. This decrease was driven by decreased occupancy.

### *Operating Expenses*

Operating expense was \$21,953,614 for the nine months ended September 30, 2024 compared to \$35,631,959 for the nine months ended September 30, 2023, for a decrease of \$13,678,345, or 38.4%. This decrease was driven by lower personnel and related benefits costs, a decrease in production and related costs for our events, and a decrease in professional fees.

### *Hotel Operating Expenses*

Hotel operating expense was \$4,530,407 for the nine months ended September 30, 2024 compared to \$4,860,876 for the nine months ended September 30, 2023 for a decrease of \$330,469, or 6.8%. This decrease was driven by lower occupancy and lower related operating expenses.

### *Impairment Expense*

Impairment expense was \$0 for the nine months ended September 30, 2024, compared to \$1,145,000 for the nine months ended September 30, 2023. The impairment expense for 2023 was due to an impairment of the film costs.

### *Depreciation Expense*

Depreciation expense was \$12,541,983 for the nine months ended September 30, 2024 compared to \$10,486,335 for the nine months ended September 30, 2023, for an increase of \$2,055,648, or 19.6%. The increase was primarily the result of putting additional assets into service during 2024.

### *Interest Expense*

Total interest expense was \$18,899,210 for the nine months ended September 30, 2024 compared to \$14,063,584 for the nine months ended September 30, 2023, for an increase of \$4,835,626, or 34.4%. 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 \$3,102,968 for the nine months ended September 30, 2024 compared to \$3,157,815 for the nine months ended September 30, 2023, for a decrease of \$54,847, or 1.7%. The decrease is primarily due to the elimination of a discount for certain restructured loans.

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

The change in fair value warrant liability represents a loss of \$64,000 for the nine months ended September 30, 2024 compared to a loss of \$507,000 for the nine months ended September 30, 2023, for a change of \$443,000 or 87.4%. The change in fair value of warrant liability was primarily due to a change in our stock price.

#### *Change in Fair Value of Interest Rate Swap*

The change in fair value of interest rate swap was a loss of \$163,850 for the nine months ended September 30, 2023. The interest rate swap was terminated in December 2023.

#### *Change in Fair Value of Securities Available for Sale*

The change in fair value of securities available for sale was \$1,683,246 for the nine months ended September 30, 2023. This was due to the change in fair value of our penny warrants granted to us from our online sports betting partner.

#### *Loss on sale of asset*

The loss on sale of asset was \$144,213 for the nine months ended September 30, 2024, compared to \$0 for the nine months ended September 30, 2023. The loss on sale of asset was due to the sale of our sports complex and the sale of office equipment.

#### *Loss on extinguishment of debt*

The loss on extinguishment of debt was \$3,763 for the nine months ended September 30, 2024, compared to \$0 for the nine months ended September 30, 2023. The loss on extinguishment of debt was due to the restructuring of a portion of our debt arrangements.

#### *Other income*

Other income was \$10,263,126 for the nine months ended September 30, 2024, compared to \$148,796 for the nine months ended September 30, 2023. Our other income during 2024 was related to a government and community foundation grants we received during the period.

#### *Loss from equity method investments*

The loss from equity method investments was \$83,066 for the nine months ended September 30, 2024, compared to \$0 for the nine months ended September 30, 2023. The loss from equity method investments was due to the Sandlot arrangement, which was entered into on January 11, 2024.

### **Liquidity and Capital Resources**

We have sustained recurring losses through September 30, 2024, and our accumulated deficit was \$252.0 million as of such date. Since inception, the Company's operations have been funded principally through the issuance of debt and equity. As of September 30, 2024, we had approximately \$2.6 million of unrestricted cash and \$4.9 million of restricted cash. Through November 13, 2025, we have \$97.1 million in debt principal payments coming due, including approximately \$11.2 million of debt due December 4, 2024. During the nine months ended September 30, 2024, the Company used cash for operating activities of \$7.1 million.

On June 28, 2024, we were awarded a \$9.8 Million grant from the State of Ohio's One Time Strategic Community Investments in support of the Hall of Fame Village. We received this funding on August 9, 2024.

On September 27, 2024, the Company received a nonbinding proposal from IRG (as defined below) related to a proposed acquisition of HOFV by IRG. In response to the proposal, the Company's Board of Directors formed a special committee made up of independent, disinterested directors, (the "Special Committee") to evaluate the proposal. The Special Committee and IRG are currently in discussions on this proposed acquisition.

On October 26, 2024, the Company received a notice of termination due to event of default on its waterpark ground lease. Under the waterpark ground lease, the notice of termination required that the Company immediately surrender the waterpark premises and related improvements to the landlord. The event of default under the Waterpark Ground Lease results in an event of default under certain of the Company's loan agreements. Given the Company's financial position, the Company is in default or risks becoming in default under certain other loan agreements. The loan agreements under which the Company is in default total approximately \$81 million gross principal outstanding as of September 30, 2024.

We will need to raise additional financing to accomplish our development plan and fund our working capital. 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 acceptable to the Company or at all. Cash flows generated from our operations are insufficient to meet our 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 our financial condition and operating results, or we may not be able to continue to fund or must significantly curtail our ongoing operations. 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 our project development expenditures. The following table sets forth a summary of cash flows for the periods presented:

	For the Nine Months Ended September 30,	
	2024	2023
Cash (used in) provided by:		
Operating Activities	\$ (7,126,021)	\$ (19,606,299)
Investing Activities	(8,682,184)	(20,069,154)
Financing Activities	11,476,550	17,918,352
Net decrease in cash and restricted cash	<u>\$ (4,331,655)</u>	<u>\$ (21,757,101)</u>

### *Cash Flows for the Nine Months Ended September 30, 2024 as Compared to the Nine Months Ended September 30, 2023*

#### *Operating Activities*

Net cash used in operating activities was \$7.1 million for the nine months ended September 30, 2024, a decrease of \$12.4 million from the same period in the prior year. The decrease in cash used in operating activities was primarily attributable to a \$14.3 million decrease in net loss between the two periods, along with a \$2.1 million increase in the add-back for depreciation expense, a \$4.7 million increase in paid-in-kind interest, offset by a \$7.5 million increase in the change in accounts payable and accrued expenses, and a \$3.2 million increase in the change in prepaid expenses and other assets.

#### *Investing Activities*

Net cash used in investing activities was \$8.7 million during the nine months ended September 30, 2024, a decrease of \$11.4 million from the same period last year. The decrease was attributable to a decrease of \$20.5 million in capital spending on project development, \$17.5 million invested in treasury bills during the nine months ended September 30, 2023, offset by an increase \$8.4 million received from the sale of assets.

#### *Financing Activities*

Net cash provided by financing activities was \$11.5 million during the nine months ended September 30, 2024, a decrease of \$6.4 million from the same period last year. The decrease was primarily attributable to an increase of \$11.7 million in repayments of notes payable, a decrease of \$2.0 million in notes payable proceeds, offset by \$3.5 million in proceeds from our financing liability.

## **Off-Balance Sheet Arrangements**

We did not have any off-balance sheet arrangements as of September 30, 2024.

## **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. In designing and evaluating our disclosure controls and procedures, we recognize that any controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving the desired control objectives, and we are required to apply our judgment in evaluating the cost-benefit relationship of our disclosure controls and procedures.

In connection with the preparation of our consolidated financial statements for the year ended December 31, 2023, we concluded there was a material weakness in our internal control over financial reporting related to the precise and timely review and analysis of information used to prepare our financial statements and disclosures in accordance with U.S. GAAP. We have taken steps to remediate this material weakness in internal control over financial reporting; however, we are not yet able to determine whether the steps we are taking will fully remediate the material weakness.

Because of the material weakness in our internal control over financial reporting as previously disclosed, our principal executive officer and interim principal accounting officer concluded that, as of September 30, 2024, our disclosure controls and procedures were not effective at the reasonable assurance level. Our management, including our principal executive officer and interim principal accounting officer, have concluded that, notwithstanding the material weakness in our internal control over financial reporting, the condensed consolidated financial statements in this Quarterly Report on Form 10-Q fairly present, in all material respects, our financial position, results of operations and cash flows for the periods presented in conformity with U.S. GAAP.

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

During the quarter ended September 30, 2024, the Company continues to implement its plan of remediation for the material weakness discussed above. There have been no other changes to the Company’s internal control over financial reporting that has materially affected, or is reasonably likely to materially affect, the Company’s internal control over financial 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, 2023, as supplemented by Part II, Item 1A, "Risk Factors" in our Quarterly Report on Form 10-Q for the fiscal quarter ended March 31, 2024, 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, 2023, as supplemented by our Quarterly Reports on Form 10-Q for the quarters ended March 31, 2024 and June 30, 2024, other than:

*We have identified a material weakness in our internal control over financial reporting. If our remediation of this material weakness is not effective, or if we experience additional material weaknesses in the future or otherwise fail to maintain effective internal controls in the future, we may not be able to accurately report our financial condition or results of operations, which may adversely affect investor confidence in us and, as a result, the value of our common stock.*

Our management is responsible for establishing and maintaining adequate internal controls over financial reporting designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with U.S. GAAP. Our management is likewise required, on a quarterly basis, to evaluate the effectiveness of our internal controls over financial reporting and to disclose any changes and material weaknesses identified through such evaluation of those internal controls. A material weakness is a deficiency, or a combination of deficiencies, in internal control over financial reporting, such that there is a reasonable possibility that a material misstatement of our annual or interim financial statements will not be prevented or detected on a timely basis.

In connection with the audit of our consolidated financial statements for the year ended December 31, 2023, management concluded that our internal controls over financial reporting were not effective as of December 31, 2023, due to the existence of a material weaknesses as follows: We identified, a material weakness in internal control over financial reporting related to the precise and timely review and analysis of information used to prepare our financial statements and disclosures in accordance with U.S. GAAP. This material weakness could impact our financial reporting such that there is a reasonable possibility that a material misstatement of our annual or interim financial statements will not be prevented or detected on a timely basis. We have taken steps to remediate this material weakness in internal control over financial reporting; however, we are not yet able to determine whether the steps we are taking will fully remediate the material weakness.

Because of the material weakness in our internal control over financial reporting as previously disclosed, our principal executive officer and interim principal accounting officer concluded that, as of September 30, 2024, our disclosure controls and procedures were not effective at the reasonable assurance level. Our management, including our principal executive officer and interim principal accounting officer, have concluded that, notwithstanding the material weakness in our internal control over financial reporting, the condensed consolidated financial statements in this Quarterly Report on Form 10-Q fairly present, in all material respects, our financial position, results of operations and cash flows for the periods presented in conformity with U.S. GAAP.

The existence of material weaknesses or significant deficiencies in internal control over financial reporting could adversely affect our reputation or investor perceptions of us, which could have a negative effect on the trading price of our stock. In addition, we have and will continue to incur additional costs to remediate our material weakness in our internal control over financial reporting.



***Our recurring losses from operations have raised substantial doubt regarding our ability to continue as a going concern, and our business plan requires additional liquidity and capital resources that might not be available on terms that are favorable to us, or at all.***

We have sustained recurring losses through September 30, 2024, and our accumulated deficit was \$252.0 million as of such date. Since inception, our operations have been funded principally through the issuance of debt and equity. As of September 30, 2024, we had approximately \$2.6 million of unrestricted cash and \$4.9 million of restricted cash. Through November 13, 2025, we have \$97.1 million in debt principal payments coming due, including approximately \$11.2 million of debt due December 4, 2024. During the nine months ended September 30, 2024, the Company used cash for operating activities of \$7.1 million.

While our strategy assumes that we will receive sufficient capital to have sufficient working capital, we currently do not have available cash and cash flows from operations to provide us with adequate liquidity for the near-term or foreseeable future. Our current projected liabilities exceed our current cash projections and we have 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 our ongoing business. There is no assurance that we will be able to raise sufficient additional capital or generate sufficient future cash flow from our future operations to fund the Hall of Fame Village, 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 funding our current debt obligations, we may be required to abandon or alter our plans for the Company. The Company may have to raise additional capital through the equity market, which could result in substantial dilution to existing stockholders. If management is unable to execute its planned debt and equity financing initiatives, these conditions raise substantial doubt about our ability to continue to sustain operations for at least one year from the issuance of our condensed consolidated financial statements for the quarter ended September 30, 2024 included in this quarterly report on Form 10-Q. The accompanying condensed consolidated financial statements do not include any adjustments that might result from the outcome of these uncertainties.

Our ability to obtain necessary financing may be impaired by factors such as the health of and access to capital markets, our limited track record and the limited historical financial information available, or the substantial doubt about our ability to continue as a going concern. Any additional capital raised through the sale of additional shares of our capital stock, convertible debt or other equity may dilute the ownership percentage of our stockholders. The perception that we may not be able to continue as a going concern may cause others to choose not to deal with us due to concerns about our ability to meet our contractual obligations.

***There is no assurance that the non-binding proposal from IRG Canton Village Member, LLC (“IRG”), an affiliate of the Company’s director Stuart Lichter, will result in a definitive transaction, and the absence of us entering into a definitive transaction agreement, changes to the proposal, or the commencement of related litigation may have an adverse impact on the market price of our common stock***

We received a non-binding proposal on September 27, 2024, from IRG, an affiliate of the Company’s director Stuart Lichter, outlining IRG’s preliminary non-binding proposal (“Proposal”) to acquire, through a to-be-formed affiliated entity (“Buyer”), all of the outstanding shares of common stock, par value \$0.0001 per share (the “Common Stock”), of the Company that are not held by Buyer, its affiliated entities and any potential co-investors in Buyer or its affiliates (the “Proposed Transaction”) at a purchase price of \$1.98 per share of Common Stock, to be paid in cash, which assumes an aggregate amount of indebtedness outstanding as of the consummation of the Proposed Transaction that does not exceed the aggregate amount of indebtedness that is outstanding as of the date of the Proposal.

In response to the proposal, the Company’s Board of Directors formed a special committee made up of independent, disinterested directors (the “Special Committee”) to evaluate the proposal. The Special Committee has retained a financial advisor and legal counsel to assist in its ongoing review and evaluation of the proposal. There is no guarantee that any proposal made by IRG regarding a proposed transaction will be accepted by the Special Committee, that definitive documentation relating to any such transaction will be executed, or that a transaction will be consummated in accordance with that documentation, if at all. The absence of a definite offer to acquire the shares of Common stock owned by persons other than Buyer, its affiliated entities and any potential co-investors in Buyer or its affiliates, or changes to the terms of the Proposed Transaction, as well as the commencement of litigation regarding any proposed transaction, would likely have an adverse effect on the market price of shares of our common stock.

***The termination of the waterpark ground lease and surrender of the waterpark premises and improvements to the landlord, which occurred October 26, 2024, and the exercise of certain remedies by waterpark landlord would be expected to have a material adverse effect on the liquidity, financial condition, and results of operations of the Company.***

On October 26, 2024, HOF Village Waterpark, LLC (“Tenant”), a subsidiary of Hall of Fame Resort & Entertainment Company (the “Company”), received from HFAKOH001 LLC (“Landlord”) a notice of termination due to event of default (the “Notice”) under the waterpark ground lease agreement, dated as of November 7, 2022, between Tenant and Landlord, as amended on February 23, 2024, February 29, 2024 and May 10, 2024 (as so amended, the “Waterpark Ground Lease”). Under the Waterpark Ground Lease, the Landlord’s termination requires that Tenant immediately surrender the waterpark premises under such lease to the Landlord and any improvements thereto (including the construction of new buildings thereon) with all fixtures appurtenant thereto.

The default identified in the Notice is a payment default under the Waterpark Ground Lease. The Landlord had agreed to forbear exercising remedies for the payment default until October 25, 2024. As of November 13, 2024, Tenant had not remedied the payment default. The outstanding principal balance of unpaid base rent under the Waterpark Ground Lease (inclusive of default interest and late fees accrued up to the date of termination) is approximately \$2,600,000.

In addition to unpaid rent, the Waterpark Ground Lease provides that Landlord is entitled to recover the following as damages: (i) the amount by which the unpaid rent for what would have been the remaining term of the Waterpark Ground Lease exceeds the then fair market rental value of the waterpark premises, both discounted to present value, plus (ii) any damages, including without limitation reasonable attorneys’ fees and court costs, which Landlord sustains as a result of the breach of the covenants of the Waterpark Ground Lease other than for the payment of rent, in each case plus interest.

The Notice states that Landlord retains the absolute and unconditional right to pursue any and all remedies available under the Waterpark Ground Lease and related security agreements and applicable law, concurrently or consecutively, at Landlord’s sole discretion. The Company’s subsidiary HOF Village Newco, LLC (“Guarantor”) guaranteed Tenant’s obligations under the Waterpark Ground Lease pursuant to a limited recourse guaranty dated as of November 7, 2022. The security agreements and collateral that support Tenant and Guarantor’s obligations under the Waterpark Ground Lease consist of the following:

- *Tom Benson Hall of Fame Stadium.* Guarantor pledged and granted in favor of Landlord 100% of its membership interests in HOF Village Stadium, LLC (“HOFV Stadium”) and certain related security interests under a Pledge and Security Agreement dated as of November 7, 2022. HOFV Stadium granted Landlord a security interest in HOFV Stadium’s leasehold interest in the Tom Benson Hall of Fame Stadium and certain related security interests, pursuant to an Open-End Leasehold Mortgage, Assignment of Lease and Rents, Security Agreement and Fixture Filing dated as of December 27, 2022.
- *20% Interest in ForeverLawn Sports Complex.* Guarantor pledged and granted in favor of landlord its 20% interest in the ForeverLawn Sports complex that is held in a joint venture with Sandlot Facilities, LLC, and certain related security interests, pursuant to a Pledge and Security Agreement dated as of February 23, 2024.
- *Real Estate Adjacent to Hall of Fame Village.* Guarantor granted Landlord a security interest in ten undeveloped residential real estate parcels and four commercial real estate parcels owned by Guarantor located adjacent to Hall of Fame Village and certain related security interests, pursuant to an Open-End Mortgage, Assignment of Leases and Rents, Security Agreement and Fixture Filing dated as of February 29, 2024.

The exercise of certain remedies by Landlord would be expected to have a material adverse effect on the liquidity, financial condition, and results of operations of the Company.

The event of default under the Waterpark Ground Lease results in an event of default under certain of the Company’s loan agreements. Given the Company’s financial position, the Company is in default or risks becoming in default under certain other loan agreements. The loan agreements under which the Company is in default total approximately \$81 million gross principal outstanding as of September 30, 2024.

***We may be required to take write-downs or write-offs, restructuring and impairment or other charges that could have a significant negative effect on our financial condition, results of operations and our stock price, which could cause our stockholders to lose some or all of their investment.***

We may be forced to write-down or write-off assets, restructure our operations, or incur impairment or other charges that could result in our reporting losses. Even though these charges may be non-cash items and not have an immediate impact on our liquidity, the fact that we report charges of this nature could contribute to negative market perceptions about us or our securities. In addition, charges of this nature may cause us to violate net worth or other covenants to which we may be subject. Accordingly, a stockholder could suffer a reduction in the value of their shares of Common Stock.

*If we fail to comply with the continued listing standards of Nasdaq, our common stock may be delisted from Nasdaq, which would be expected to have a negative effect on the liquidity and market price of our common stock, reduce the number of investors willing to hold or acquire our common stock, limit or reduce the amount of analyst coverage we receive, and impair your ability to sell or purchase our common stock when you wish to do so.*

The continued listing standards of the Nasdaq Stock Market, or Nasdaq, require, among other things, that (i) the minimum bid price of a listed company's stock be at or above \$1.00, and (ii) a listed company hold an annual meeting of shareholders no later than one year after the end of its fiscal year. If the closing minimum bid price is below \$1.00 for a period of more than 30 consecutive trading days or the Company does not hold an annual meeting of shareholders by December 31, 2024, the Company will fail to be in compliance with Nasdaq's listing rules and, if it does not regain compliance within the grace period, will be subject to delisting.

If the common stock ceases to be listed for trading on Nasdaq, the Company would expect the common stock would be traded on one of the three tiered marketplaces of the OTC Market Groups. If this were to occur, we could face significant material adverse consequences, including: (i) a limited availability of market quotations for our securities; (ii) reduced liquidity for our securities; (iii) a determination that our Common Stock are "penny stock," which will require brokers trading in our Common Stock to adhere to more stringent rules and possibly result in a reduced level of trading activity in the secondary trading market for our securities; (iv) a limited amount of news and analyst coverage; (v) a decreased ability to issue additional securities or obtain additional financing in the future; and (vi) being subject to regulation in each state in which we offer our securities.

## **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**

<u>Exhibit No.</u>	<u>Document</u>
10.1	<a href="#">Amended and Restated Global License Agreement, dated September 11, 2024, between HOF Village Newco, LLC and National Football Museum, Inc. (incorporated by reference to Exhibit 10.1 of the Company's Form 8-K (001-38363), filed with the Commission on September 17, 2024).</a>
10.2*	<a href="#">Forbearance agreement, dated September 25, 2024, by and among HOF Village Waterpark, LLC, HOF Village Newco, LLC, HOF Village Stadium, LLC, and Hall of Fame Resort &amp; Entertainment Company, and HFAKOH001 LLC</a>
31.1*	<a href="#">Certification of Chief Executive Officer and Interim Principal Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.</a>
31.2*	<a href="#">Certification of Interim Principal Accounting Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.</a>
32*	<a href="#">Certification of Chief Executive Officer and Interim Principal Financial Officer and Interim Principal Accounting Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.</a>
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.

HALL OF FAME RESORT & ENTERTAINMENT  
COMPANY

Date: November 13, 2024

By: /s/ Michael Crawford

Michael Crawford

President and Chief Executive Officer

*(Principal Executive and Interim Principal Financial Officer)*

Date: November 13, 2024

By: /s/ John Van Buiten

John Van Buiten

Vice President of Accounting/Corporate Controller

*(Interim Principal Accounting Officer)*

**FORBEARANCE AGREEMENT**

**THIS FORBEARANCE AGREEMENT** (this “**Agreement**”) is made effective as of September 25, 2024 (“**Effective Date**”), by and among HOF VILLAGE WATERPARK, LLC, a Delaware limited liability company (“**Tenant**”), HOF VILLAGE NEWCO, LLC, a Delaware limited liability company (“**Guarantor**”), HOF VILLAGE STADIUM, LLC, a Delaware limited liability company (“**Stadium Mortgagor**”), and HALL OF FAME RESORT & ENTERTAINMENT COMPANY, a company incorporated under the laws of the State of Delaware (“**HOFRECO**”), on the one hand, and HFAKOH001 LLC, a Delaware limited liability company (“**Landlord**”), on the other hand.

**RECITALS:**

**WHEREAS**, Landlord is the fee simple owner of that certain real property which is a part of the larger entertainment related complex known as the Hall of Fame Village located in Canton, Ohio;

**WHEREAS**, Landlord, Tenant and Guarantor entered into that certain Lease Agreement dated as of November 7, 2022 (the “**Original Lease**”), as amended by that certain First Amendment to Lease Agreement dated as of February 23, 2024 (the “**First Lease Amendment**”), as further amended by that certain Second Amendment to Lease Agreement dated as of February 29, 2024 (the “**Second Lease Amendment**”), as further amended by that certain Third Amendment to Lease Agreement dated as of May 10, 2024 (the “**Third Lease Amendment**”); the Original Lease as amended by the First Lease Amendment, the Second Lease Amendment, and the Third Lease Amendment, and as may be further amended, restated, supplemented, renewed, replaced, and otherwise modified from time to time, collectively, the “**Lease**”), pursuant to which the Landlord leases to Tenant the Premises (as defined in the Lease) on the conditions and terms therein;

**WHEREAS**, in connection with the Lease, Guarantor delivered to Landlord that certain Limited Recourse Carveout Guaranty dated as of November 7, 2022 (as amended from time to time, the “**Guaranty**”), and that certain Pledge and Security Agreement dated as of November 7, 2022 (as amended from time to time, the “**Stadium Pledge**”);

**WHEREAS**, in connection with the Lease and the Stadium Pledge, Stadium Mortgagor delivered to Landlord that certain Open-End Leasehold Mortgage, Assignment of Leases and Rents, Security Agreement and Fixture Filing dated as of December 27, 2022, and recorded as of December 29, 2022, as Instrument No. 202212290053025 with the Stark County, Ohio Recorder (as amended from time to time, the “**Stadium Mortgage**”);

**WHEREAS**, the land, improvements, and other mortgaged property described in the Stadium Mortgage are referred to collectively herein as the “**Stadium**”;

**WHEREAS**, in connection with the First Lease Amendment, Guarantor delivered to Landlord (1) that certain Consent & Agreement dated as of February 23, 2024 (together with all amendments, restatements, amendments and restatements, replacements and other modifications from time to time, the “**Consent**”), (2) that certain Pledge and Security Agreement dated as of February 23, 2024 (together with all amendments, restatements, amendments and restatements, replacements and other modifications from time to time, the “**Fields Pledge**”), (3) that certain Series H Common Stock Purchase Warrant dated as of February 23, 2024, relating to Hall of Fame Resort & Entertainment Company (together with all amendments, restatements, amendments and restatements, replacements and other modifications from time to time, the “**Warrants**”);

**WHEREAS**, in connection with the Second Lease Amendment, Guarantor delivered to Landlord that certain Open-End Mortgage, Assignment of Leases and Rents, Security Agreement and Fixture Filing dated as of February 29, 2024, and recorded as of March 12, 2024, as Instrument No. 202403120007893 with the Stark County, Ohio Recorder (as amended from time to time, the “**Additional Parcels Mortgage**”);

**WHEREAS**, Tenant, Guarantor, Stadium Mortgagor, and HOFRECO are collectively referred to herein as the “**Tenant Parties**”;

**WHEREAS**, all initial capitalized terms used but not defined herein have the meaning ascribed to such terms in the Lease;

**WHEREAS**, as used herein, the “**Subject Documents**” shall mean and refer to the Lease, the Guaranty, the Stadium Mortgage, the Stadium Pledge Agreement, the Fields Pledge Agreement, the Consent, the Additional Parcels Mortgage, any financing statements delivered in connection therewith, and all other documents and instruments in connection therewith, as such documents may be amended, modified, replaced or restated from time to time;

**WHEREAS**, as used herein, the “**Obligations**” shall mean and refer to (i) all obligations and liabilities of Tenant Parties or their affiliates under the Subject Documents, and (ii) all costs, expenses and liabilities (including reasonable attorneys’ fees and expenses, documentation and diligence fees and legal expenses, and search, audit, recording, professional and filing fees and expenses) that may be incurred or advanced by Landlord in any way in connection with the foregoing;

**WHEREAS**, the Tenant Parties are presently in default under the Subject Documents on account of a payment default under the Lease, as Tenant failed to pay (1) the payment due on May 1, 2024, which was attributable to Base Rent due under the Lease for the months of March 2024, April 2024, and May 2024 as described in Section 2 of the Second Lease Amendment, and (2) the Base Rent payments due for June 2024 and September 2024 under the Lease (collectively, the “**Default**”); and

**WHEREAS**, although Landlord is under no obligation to do so, Landlord is willing to forbear from exercising its rights against the Tenant Parties for the period set forth herein, subject to the terms and conditions set forth in this Agreement.

**NOW, THEREFORE**, in consideration of the foregoing premises, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Landlord and the Tenant Parties now agree as follows:

**1. Recitals.** The parties hereto acknowledge and agree that the recitals set forth above are true and correct and are incorporated herein by this reference; provided, however, that such recitals shall not be deemed to modify the express provisions hereinafter set forth.

**2. Balance.** As of the Effective Date, the outstanding principal balance of unpaid Base Rent under the Lease (inclusive of default interest and late fees accrued up to the date hereof) is \$2,218,443.62 (the “**Balance**”). The Balance may be further increased by further missed rent payments, default interest, late fees, and other penalties pursuant to the terms of the Subject Documents.

**3. Temporary Forbearance.** Landlord hereby provides notice to each of Tenant Parties of the Default. Subject to the satisfaction of the terms and conditions set forth in this Agreement, until that date (the “**Forbearance Termination Date**”), which is the earliest to occur of (a) thirty (30) calendar days after the Effective Date, and (b) the date of the occurrence of any one or more of the Events of Termination set forth in this Agreement, the Landlord will not exercise or enforce its rights or remedies against the Tenant Parties to which Landlord would be entitled under the terms of the Subject Documents by reason of the occurrence of such Default; provided that (i) such forbearance shall not act as a waiver of Landlord’s right to enforce any such right or remedy after the Forbearance Termination Date, (ii) Landlord sending one or more additional notices of an event of default under the Subject Documents shall not violate the terms hereof, and (iii) the foregoing shall not apply to any additional events of default under the Subject Documents occurring on or after the date hereof. Furthermore, nothing contained herein shall be construed as requiring Landlord to extend the Forbearance Termination Date. Notwithstanding anything to the contrary set forth in the Subject Documents, the Tenant Parties acknowledge that the amount described in Section 2 above, together with all interest thereon and all fees and expenses of the Landlord incurred in connection therewith, will be payable in full on the Forbearance Termination Date. The term “**Forbearance Period**” as used herein shall mean the period commencing on the date hereof and ending on the Forbearance Termination Date. The Tenant Parties each agree that the obligations of the Tenant Parties hereunder shall survive the termination of the Forbearance Termination Date.

**4. Expiration of Forbearance Period; Failure to Balance.** Notwithstanding anything to the contrary in the Subject Documents, in the event that Tenant Parties fail to pay to Landlord the Balance by the expiration of the Forbearance Period, the Lease shall immediately and irrevocably terminate without any further notice, demand or legal action required of Landlord. Upon such termination, Landlord shall have the absolute and unconditional right to pursue any and all remedies and rights available under the Subject Documents and applicable law, concurrently or consecutively, at Landlord’s sole discretion. Tenant hereby waives any right to notice, cure or redemption beyond the Forbearance Period under the Subject Documents, applicable law, or otherwise.

**5. Events of Termination.** The occurrence of any one or more of the following events, at the sole election of the Landlord, shall constitute an Event of Termination hereunder, it being expressly acknowledged and agreed that TIME IS OF THE ESSENCE: (a) the existence of any other event of default under any of the Subject Documents other than the Default; (b) the failure of the Tenant Parties to comply with the terms of this Agreement; (c) the initiation of any voluntary or involuntary federal or state bankruptcy, insolvency or similar proceeding by or against either Borrower or Guarantor (or a consolidation of the same with any affiliates in such a proceeding); (d) the commencement of litigation or legal proceedings by the Tenant Parties against the Landlord or its respective affiliates in connection with the Subject Documents; and/or (e) the filing or commencement of any criminal indictment, charge or proceeding, pursuant to Federal or state law against any of the Tenant Parties. Upon the occurrence of any Event of Termination, Landlord may, at its option and without notice to the Tenant Parties, exercise any and all rights and remedies pursuant to the Subject Documents for any event of default under the Subject Documents in such manner as Landlord in its sole and exclusive discretion determines.

**6. Release of Claims.** By execution of this Agreement, each of the Tenant Parties acknowledges and confirms that it does not have any offsets, defenses or claims in connection with the Subject Documents against the Landlord or any of its subsidiaries, affiliates, officers, directors, employees, agents, attorneys, predecessors, successors or assigns (“**Released Parties**”) whether asserted or unasserted. To the extent that such offsets, defenses or claims in connection with the Subject Documents may exist, each of the Tenant Parties on behalf of themselves and each of their respective successors, assigns, parents, subsidiaries, affiliates, predecessors, employees, agents, heirs and executors, as applicable (collectively, “**Releasors**”), jointly and severally, release and forever discharge the Landlord and each of their respective subsidiaries, affiliates, officers, directors, employees, agents, attorneys, predecessors, successors and assigns, both present and former (collectively the “**Landlord Affiliates**”) of and from any and all manner of actions, causes of action, suits, debts, controversies, damages, judgments, executions, claims and demands whatsoever, asserted or unasserted, in law or in equity, which Releasors ever had or now have against the Landlord in connection with the Subject Documents, including, without limitation, any presently existing claim or defense whether or not presently suspected, contemplated or anticipated. The term “Landlord” as used herein shall include, but shall not be limited to, its respective present and former officers, directors, employees, agents .

In this connection, each Releasor agrees, represents and warrants that it realizes and acknowledges that factual matters now unknown to it may have given or may hereafter give rise to claims which are presently unknown, unanticipated and unsuspected, and further agrees, represents and warrants that the release contained in Section 6(a) hereof has been negotiated and agreed upon in light of that realization and that it nevertheless hereby intends to release, discharge and acquit the Released Parties from any such unknown, unanticipated or unsuspected claims to the extent provided herein.

**7. Obligations during Forbearance Period.** During the Forbearance Period, other than with respect to the payment of the Balance (which is due by the expiration of the Forbearance Period) and the payment of Base Rent due under the Lease on October 1, 2024 (which shall be due by the expiration of the Forbearance Period), the Tenant Parties shall fully comply with the Subject Documents.



**8. Reservation of Rights.** Except as modified by the express agreements of Landlord set forth herein, Landlord expressly reserves all of its rights, powers and remedies provided for in the Subject Documents, at law or in equity, whether now or hereafter existing, with respect to (i) the Default (including, without limitation, all default interest, fees, and other penalties in connection therewith), (ii) any other default under the Subject Documents, and (iii) the Balance. Except for the express agreements of Landlord set forth herein, nothing contained in this Agreement, nor in any other communication (whether written, oral or electronic), nor any contact with any of the Tenant Parties or any of their affiliates, or conduct by, between or among Landlord, the Tenant Parties, or their affiliates, shall constitute (or be deemed to constitute or be construed as) (1) a waiver of the Default or any other event of default under the Subject Documents, or circumstances potentially constituting any event of default under the Subject Documents, whether now or hereafter existing, in each case as provided for in the Subject Documents and at law or in equity, (2) a waiver of any remedies available to Landlord under the Subject Documents (including, without limitation, the right to charge default interest, late fees, and the like), (3) a course of dealing obligating Landlord to provide any accommodations, financial or otherwise, to the Tenant Parties or any of their affiliates at any time, or (4) a commitment or agreement to make a commitment with respect to any possible waiver, amendment, consent or other modification of the terms provided in the Subject Documents. The fact that Landlord has not herein listed any other matters relating to the Subject Documents as defaults or any other violations shall not mean (and shall not be construed to mean) that Landlord does not consider them to be such or as a waiver of its rights to rely upon them, or to exercise any rights flowing therefrom.

Each of the Tenant Parties hereby expressly acknowledges such reservation and further agrees that such rights, powers and remedies may be taken without further notice or demand except as may be required pursuant to applicable law or the Subject Documents or a waiver, modification, alteration, amendment or release of any of Landlord's various rights, powers or remedies against the Tenant Parties or their affiliates or pursuant to applicable law.

**9. Default; Notice.** The Tenant Parties each acknowledge the existence of the Default and the fact that the same constitutes a material default under each of the Subject Documents, and that, subject to the express agreements of Landlord set forth herein, Landlord is fully entitled to exercise all its rights and remedies under the Subject Documents, at law, or in equity to enforce the obligations of the Tenant Parties under the Subject Documents. The Tenant Parties further acknowledge that on the Forbearance Termination Date, unless the Tenant Parties and Landlord have entered into a written agreement providing otherwise, Landlord shall immediately be entitled to exercise any and all rights and remedies, without further notice or opportunity to cure, that it may have under this Agreement, and the Subject Documents, at law or in equity, with respect to the Default.

**10. Tenant's and Guarantor's Representations and Warranties.** The Tenant Parties hereby represent and warrant to Landlord as follows:

(a) The representations and warranties contained in the Subject Documents and this Agreement are true and correct in all respects on and as of the date hereof as though made on and as of such date, except for those representations and warranties that were made as of a date certain;

(b) The Tenant Parties have all necessary and requisite power and authority to execute, deliver and perform their obligations under this Agreement; the execution, delivery and performance of this Agreement has been duly authorized by all necessary and requisite action on the part of the Tenant Parties; and this Agreement has been duly and validly executed and delivered by the Tenant Parties and constitutes the legal, valid and binding obligation of the Tenant Parties, enforceable in accordance with its terms;

(c) This Agreement (i) does not require any consent or approval of, registration or filing with, or any other action by, any Governmental Authority, (ii) will not violate in any material respect any applicable law or regulation, or any of the constituent documents of the Tenant Parties, or any order of any Governmental Authority, and (iii) will not violate in any material respect or result in a default under any indenture, agreement or other instrument binding upon the Tenant Parties or any of their assets; and

(d) Other than the Default, no event has occurred and is continuing which now, or with the giving of notice, the passage of time, or both, could constitute a default under any of the Subject Documents.

**11. Lien Continuation; No Novation.** The Tenant Parties hereby ratify and confirm the Obligations and confirm their obligation to pay and perform all Obligations. The liens (as applicable) of the applicable Subject Documents are hereby ratified and confirmed as valid, subsisting and continuing to secure the Obligations. Nothing herein shall in any manner diminish, impair, waive or extinguish the Obligations or the liens (as applicable) of the applicable Subject Documents. The execution and delivery of this Agreement shall not constitute a novation.

**12. Course of Dealing.** The Tenant Parties hereby acknowledge and agree that at no time shall any prior or subsequent course of conduct by the Tenant Parties or Landlord directly or indirectly limit, impair or otherwise adversely affect any of Landlord's rights, interests or remedies in connection with the Subject Documents or obligate Landlord to agree to, or to negotiate or consider an agreement to, any waiver of any obligation or default by the Tenant Parties or their affiliates under the Subject Documents, or any amendment to any term or condition of the Subject Documents.

**13. No Modification; No Waiver.** This Agreement shall not constitute: (i) an agreement to negotiate with one or more of the parties; (ii) an agreement to amend or modify the Subject Documents, except as expressly set forth herein; or (iii) a course of conduct or course of dealing relating to any one or more of the above. The Tenant Parties each acknowledge that they have no basis to expect Landlord to enter into any further forbearance or any modification of the Subject Documents.

**14. Time of the Essence.** Time is of the essence in the performance of the Tenant Parties' obligations under the Subject Documents.

**15. Severability.** In the event that any provision of this Agreement shall be held invalid or unenforceable by any court of competent jurisdiction, such holding shall not invalidate or render unenforceable any other provision of this Agreement.

**16. Intentionally Deleted.**

**17. Consent of Guarantor.** By its execution hereof, Guarantor does hereby consent to this Agreement, and acknowledge and agree that the Subject Documents to which it is a party remain valid and enforceable in accordance with their terms, notwithstanding any modifications of the Subject Documents contained herein.

**18. Default.** A default under this Agreement, after expiration of all applicable notice and cure periods (if any) hereunder, shall constitute an immediate event of default under the Subject Documents.

**19. Entry; Information Requests.** The Tenant Parties and their affiliates shall permit Landlord, Landlord's designated appraisal firm, and Landlord's designated construction advisor to access the Stadium and the Premises, provided that Landlord provide at least twenty-four (24) hours' prior notice. The Tenant Parties and their affiliates shall, upon written request from Landlord, promptly furnish to Landlord and Landlord's designated construction advisor any and all reasonably requested information pertaining to the Premises and the construction of the improvements thereon.

**20. Financial Forecasts.** The Tenant Parties shall provide Landlord with regular updates on the Tenant Parties' financial condition, restructuring progress, and any related analyses or recommendations, subject to reasonably acceptable confidentiality requirements. Additionally, the Tenant Parties shall, every Friday after the date hereof by 12:00 p.m. Eastern Time, deliver to Landlord a projected cash flow forecast covering a period(s) reasonably acceptable to Landlord.

**21. No Waiver by Landlord.** Except as expressly set forth in this Agreement during the Forbearance Period, nothing in this Agreement shall extend to or affect in any way any of the Obligations or any of the rights of Landlord and remedies of the Landlord arising under the Subject Documents, and Landlord shall not be deemed to have waived any or all of such rights or remedies with respect to any default or event or condition which, with notice or the lapse of time, or both, would become a default under the Subject Documents and which upon the Tenant Parties' execution and delivery of this Agreement might otherwise exist or which might hereafter occur.

**22. Acknowledgment/Waiver of Legal Counsel.** The Tenant Parties each represent and warrant that (1) they are represented by legal counsel of their choice, is fully aware of the terms contained in this Agreement and has voluntarily and without coercion or duress of any kind, entered into this Agreement and the documents executed in connection with this Agreement; or (2) they have knowingly and intentionally waived its right to have legal counsel of its choice review and represent it with respect to the negotiation and preparation of this Agreement.

**23. Entire Agreement; Binding Affect; Admissibility.** The Subject Documents and this Agreement constitute the entire and final agreement among the parties with respect to the subject matter hereof, and there are no agreements, understandings, warranties or representations among the parties except as set forth herein, in the Subject Documents and this Agreement. This Agreement will inure to the benefit and bind the respective heirs, administrators, executors, representatives, successors and permitted assigns of the parties hereto. Nothing in this Agreement or in the Subject Documents, expressed or implied, is intended to confer upon any party other than the parties hereto and thereto any rights, remedies, obligations or liabilities under or by reason of this Agreement or the Subject Documents. Notwithstanding the foregoing, each of the parties acknowledges and agrees that this Agreement is a legally binding agreement that may affect such party's rights and that this Agreement shall be admissible in any legal, judicial, administrative or other proceeding.

**24. Governing Law.** This Agreement is executed and delivered in the State of Ohio (the “State”), and it is the desire and intention of the parties that it be in all respects interpreted according to the laws of the State. The Tenant Parties each specifically and irrevocably consent to the jurisdiction and venue of any federal court in the Northern District of Ohio, or any state court situated in Stark County, State of Ohio, with respect to all matters concerning this Agreement or the Subject Documents or the enforcement of any of the foregoing. The Tenant Parties each agree that the execution and performance of this Agreement shall have a *situs* in the State of Ohio, and accordingly, consents to personal jurisdiction in such State.

**25. Counterparts.** This Agreement may be executed in counterparts, each of which will be deemed an original document, but all of which will constitute a single document. This document will not be binding on or constitute evidence of a contract between the parties until such time as a counterpart of this document has been executed by each of the parties and a copy thereof delivered to each party under this Agreement. Delivery of an executed signature page of this Agreement by facsimile, electronic mail or other electronic transmission (including DocuSign) shall be effective as delivery of a manually executed counterpart hereof.

**26. WAIVER OF JURY TRIAL.** LANDLORD THE TENANT PARTIES HEREBY KNOWINGLY, VOLUNTARILY AND INTENTIONALLY WAIVE THE RIGHT EITHER MAY HAVE TO A TRIAL BY JURY WITH RESPECT TO ANY AND ALL ISSUES PRESENTED IN ANY ACTION, PROCEEDING, CLAIM OR COUNTERCLAIM BROUGHT BY EITHER OF THE PARTIES HERETO AGAINST THE OTHER OR ITS SUCCESSORS WITH RESPECT TO ANY MATTER ARISING OUT OF OR IN CONNECTION WITH THIS AGREEMENT. THIS WAIVER BY THE PARTIES HERETO OF ANY RIGHT EITHER MAY HAVE TO A TRIAL BY JURY HAS BEEN NEGOTIATED AND IS AN ESSENTIAL ASPECT OF THEIR BARGAIN.

**27. Ratification.** All terms of the Subject Documents shall remain in full force and effect.

**28. Confidentiality.** The any and all discussions related to the negotiation of this Agreement (the “Discussions”) shall be kept strictly confidential and shall not be disclosed to any third party without the express written consent of the other parties hereto, except (a) by a party to its Affiliates and to its or its Affiliates’ respective partners, members, officers, directors, counsel, accountants, employees, agents, participants, investors, to its and its Affiliates’ directors, officers, employees and agents, including accountants, legal counsel and other advisors (it being understood that the Persons to whom such disclosure is made will be informed of the confidential nature of such Information and instructed to keep such Information confidential), (b) to the extent required by any regulatory authority, (c) to the extent required by applicable laws or regulations or by any subpoena or similar legal process, (d) to any other party to the Discussions, if applicable (e) in connection with the exercise of any remedies hereunder or under the Subject Documents or any suit, action or proceeding relating to the Obligations or the enforcement of rights under the Subject Documents (but subject to Section 23 of this Agreement), (f) with the consent of the Tenant Parties, (g) to holders of equity interests in the Tenant Parties, or (i) to the extent such Information (1) becomes publicly available other than, to the extent the same is known by the disclosing Person, as a result of a breach of this Section or (2) becomes available to Landlord on a non-confidential basis from a source other than the Tenant Parties. For the purposes of this Section, “Information” means all information received from any party relating to such party or its business, other than any such information that is available to such party on a non-confidential basis prior to disclosure by any other party and other than information pertaining to this Agreement, the Discussions or the Subject Documents provided that, in the case of information received from the Tenant Parties after the date hereof (but for purposes of clarification, not including the Discussions), such information is clearly identified at the time of delivery as confidential. Any Person required to maintain the confidentiality of Information as provided in this Section shall be considered to have complied with its obligation to do so if such Person has exercised the same degree of care to maintain the confidentiality of such Information as such Person would accord to its own confidential information.

**29. Attorneys’ Fees.** The Tenant Parties shall, within ten (10) days after receipt of an invoice therefor, reimburse Landlord for the amount of attorneys’ fees and related costs and expenses incurred by Landlord in connection with the negotiation and preparation of this Agreement.

**IN WITNESS WHEREOF**, the parties hereto, intending to be legally bound, have executed this Agreement under seal as of the day and year first hereinabove written.

**LANDLORD:**

**HFAKOH001 LLC,**  
a Delaware limited liability company

By: /s/ Michael Reiter

Name: Michael Reiter

Title: Authorized Signatory

*[Signatures Continue on Following Page]*

**TENANT:**

**HOF VILLAGE WATERPARK, LLC,**  
a Delaware limited liability company

By: /s/ Michael Crawford  
Name: Michael Crawford  
Title: President and CEO

**GUARANTOR:**

**HOF VILLAGE NEWCO, LLC,**  
a Delaware limited liability company

By: /s/ Michael Crawford  
Name: Michael Crawford  
Title: President and CEO

**STADIUM MORTGAGOR:**

**HOF VILLAGE STADIUM, LLC,**  
a Delaware limited liability company

By: /s/ Michael Crawford  
Name: Michael Crawford  
Title: President and CEO

**HOFRECO:**

**HALL OF FAME RESORT & ENTERTAINMENT  
COMPANY,**  
a company incorporated under the laws of the State of  
Delaware

By: /s/ Michael Crawford  
Name: Michael Crawford  
Title: President and CEO

## 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 13, 2024

By: /s/ Michael Crawford  
Michael Crawford  
Chief Executive Officer  
*(Principal Executive and Interim Principal Financial Officer)*

## CERTIFICATION PURSUANT TO SARBANES–OXLEY ACT OF 2002

I, John Van Buiten, 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 13, 2024

By: /s/ John Van Buiten  
John Van Buiten  
Vice President of Accounting/Corporate Controller  
(Interim Principal Accounting Officer)



**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, 2024 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 13, 2024

By: /s/ Michael Crawford  
Michael Crawford  
Chief Executive Officer  
*(Principal Executive and Interim Principal Financial Officer)*

Date: November 13, 2024

By: /s/ John Van Buiten  
John Van Buiten  
Vice President of Accounting/Corporate Controller  
*(Interim Principal Accounting Officer)*