

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

Form 10-K
(Mark One)

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

For the fiscal year ended: December 31, 2021

OR

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

For the transition period from _____ to _____

Commission File Number 001-38363

HALL OF FAME RESORT & ENTERTAINMENT COMPANY

(Exact name of registrant as specified in its charter)

Delaware

(State or other jurisdiction of
incorporation or organization)

2626 Fulton Drive NW
Canton, OH

(Address of principal executive offices)

82-1270173

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

44718

(Zip Code)

(330) 458-9176

(Registrant's telephone number, including area code)

Securities registered under section 12(b) of the Act:

<u>Title of each class</u>	<u>Trading Symbol(s)</u>	<u>Name of each exchange on which registered</u>
Common Stock, \$0.0001 par value per share	HOFV	Nasdaq Capital Market
Warrants to purchase 1.421333 shares of Common Stock	HOFVW	Nasdaq Capital Market

Securities registered under section 12(g) of the Act:

Not applicable

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

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

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant 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 registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer or a smaller reporting company, or an emerging growth company. See 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 checkmark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to section 13(a) of the Exchange Act.

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

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

As of June 30, 2021, the last day of the registrant's most recently completed second fiscal quarter; the aggregate market value of the registrant's common stock held by non-affiliates of the registrant was approximately \$177,288,737.

As of March 11, 2022, the registrant had outstanding 108,123,006 shares of common stock, \$0.0001 par value.

DOCUMENTS INCORPORATED BY REFERENCE

Portions of the registrant's Proxy Statement for the 2022 Annual Meeting of Stockholders are incorporated herein by reference in Part III of this Annual Report on

Form 10-K to the extent stated herein. Such proxy statement will be filed with the Securities and Exchange Commission within 120 days of the registrant's fiscal year ended December 31, 2021.

HALL OF FAME RESORT & ENTERTAINMENT COMPANY AND SUBSIDIARIES
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NOTE REGARDING FORWARD-LOOKING STATEMENTS

This Annual Report on Form 10-K may contain “forward-looking statements” within the meaning of the Private Securities Litigation Reform Act of 1995. Such statements are generally identified by use of words such as “will likely result,” “are expected to,” “will continue,” “is anticipated,” “estimated,” “believe,” “intend,” “plan,” “projection,” “outlook,” “target,” “seek,” or words of similar meaning. These forward-looking statements include, but are not limited to, statements regarding the Company’s future opportunities and estimated future results. Such forward-looking statements are based upon the current beliefs and expectations of our management and are inherently subject to significant business, economic and competitive uncertainties and contingencies, many of which are difficult to predict and generally beyond our control. Actual results and the timing of events may differ materially from the results anticipated in these forward-looking statements.

In addition to factors identified elsewhere in this Annual Report on Form 10-K, the following risks, among others, could cause actual results and the timing of events to differ materially from the anticipated results or other expectations expressed in the forward-looking statements: the benefits of the Business Combination (defined below); the future financial performance of the Company and its subsidiaries, including Newco (as defined below); changes in the market in which the Company competes; expansion and other plans and opportunities; the effect of the COVID-19 pandemic on the Company’s business; the Company’s ability to raise financing in the future; the Company’s ability to maintain the listing of its Common Stock, \$0.0001 par value (the “Common Stock”), on the Nasdaq Capital Market (“Nasdaq”); and other factors detailed under the section titled “Risk Factors” in this Report.

Actual results, performance or achievements may differ materially, and potentially adversely, from any projections and forward-looking statements and the assumptions on which those forward-looking statements are based. There can be no assurance that the data contained herein is reflective of future performance to any degree. You are cautioned not to place undue reliance on forward-looking statements as a predictor of future performance. All information set forth herein speaks only as of the date hereof, in the case of information about the Company, or as of the date of such information, in the case of information from persons other than the Company, and we disclaim any intention or obligation to update any forward-looking statements as a result of developments occurring after the date of this Annual Report on Form 10-K. Forecasts and estimates regarding the Company’s industry and end markets are based on sources we believe to be reliable, however there can be no assurance these forecasts and estimates will prove accurate in whole or in part. Annualized, pro forma, projected and estimated numbers are used for illustrative purpose only, are not forecasts and may not reflect actual results.

Unless the context indicates otherwise, references in this Annual Report on Form 10-K to the “Company,” “HOFRE,” “we,” “us,” “our” and similar terms refer to Hall of Fame Resort & Entertainment Company.

PART I

Item 1. Business

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

Overview

We are a resort and entertainment company leveraging the power and popularity of professional football and its legendary players in partnership with the National Football Museum, Inc., doing business as the Pro Football Hall of Fame (“PFHOF”). Headquartered in Canton, Ohio, we own the Hall of Fame Village powered by Johnson Controls, a multi-use sports and entertainment destination centered around the PFHOF’s campus. We expect to create a diversified set of revenue streams through developing themed attractions, premier entertainment programming and sponsorships. The strategic plan has been developed in three phases of growth: Phase I, Phase II, and Phase III.

Phase I of the Hall of Fame Village powered by Johnson Controls is operational, consisting of the Tom Benson Hall of Fame Stadium, the Sports Complex, and HOF Village Media Group, LLC (“Hall of Fame Village Media” or the “Media Company”). In 2016, HOF Village substantially completed the Tom Benson Hall of Fame Stadium, a sports and entertainment venue with a seating capacity of approximately 23,000, with continued development of the end zones in 2021. The Tom Benson Hall of Fame Stadium hosts multiple sports and entertainment events, including the NFL Hall of Fame Game, Enshrinement and Concert for Legends during the annual Pro Football Hall of Fame Enshrinement Week. In 2016, HOF Village opened the Sports Complex, which will consist of eight full-sized, multi-use regulation football fields, five of which have been completed in Phase I. The facility hosts camps and tournaments for football players, as well as athletes from across the country in other sports such as lacrosse, rugby and soccer. In 2017, HOF Village formed a sports and entertainment media company, Hall of Fame Village Media, leveraging the sport of professional football to produce exclusive programming by licensing the extensive content controlled by the PFHOF as well as new programming assets developed from live events such as youth tournaments, camps and sporting events held at the Sports Complex and the Tom Benson Hall of Fame Stadium.

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

Corporate History and Background

The Hall of Fame Resort & Entertainment Company (formerly known as GPAQ Acquisition Holdings, Inc.) was incorporated in Delaware on August 29, 2019 as a subsidiary of Gordon Pointe Acquisition Corp. (“GPAQ”), a special purpose acquisition company formed for the purpose of effecting a merger, capital stock exchange, asset acquisition, stock purchase or other similar business combination with one or more businesses or assets.

On July 1, 2020, we consummated the 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 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 in this Annual Report on Form 10-K as the “Business Combination.”

Upon the consummation of the Business Combination: (i) Acquiror Merger Sub merged with and into GPAQ, with GPAQ continuing as the surviving entity (the “Acquiror Merger”) and (ii) Company Merger Sub merged with and into Newco, with Newco continuing as the surviving entity (the “Company Merger”). In advance of the Company Merger, HOF Village transferred all of its assets, liabilities and obligations to Newco pursuant to a contribution agreement. In connection with the closing of the Business Combination, the Company changed its name from “GPAQ Acquisition Holdings, Inc.” to “Hall of Fame Resort & Entertainment Company.” As a result of the Business Combination, GPAQ and Newco continue as our wholly owned subsidiaries.

In connection with the consummation of the Business Combination and pursuant to the Merger Agreement: (a) each issued and outstanding unit of GPAQ, if not already detached, was detached and each holder of such a unit was deemed to hold one share of GPAQ Class A common stock and one GPAQ warrant (“GPAQ Warrant”), (b) each issued and outstanding share of GPAQ Class A common stock (excluding any shares held by a GPAQ stockholder that elected to have its shares redeemed pursuant to GPAQ’s organizational documents) was converted automatically into the right to receive 1.421333 shares of our Common Stock, following which all shares of GPAQ Class A common stock ceased to be outstanding and were automatically canceled and cease to exist; (c) each issued and outstanding share of GPAQ Class F common stock was converted automatically into the right to receive one share of Common Stock, following which all shares of GPAQ Class F common stock ceased to be outstanding and were automatically canceled and cease to exist; (d) each issued and outstanding GPAQ Warrant (including GPAQ private placement warrants) was automatically converted into one Warrant (which we refer to in this Annual Report on Form 10-K as a “Series A Warrant”) to purchase 1.421333 shares of Common Stock per warrant, following which all GPAQ Warrants ceased to be outstanding and were automatically canceled and retired and cease to exist; and (e) each issued and outstanding membership interest in Newco converted automatically into the right to receive a pro rata portion of the Company Merger Consideration (as defined in the Merger Agreement), which was payable in shares of Common Stock.

The rights of holders of our Common Stock and Series A Warrants are governed by our amended and restated certificate of incorporation (the “Certificate of Incorporation”), our amended and restated bylaws (the “Bylaws”) and the Delaware General Corporation Law (the “DGCL”), and in the case of our Series A Warrants, the Warrant Agreement, dated January 24, 2018, between GPAQ and the Continental Stock Transfer & Trust Company. On November 3, 2020, our stockholders approved an amendment to our Certificate of Incorporation to increase the number of authorized shares of our Common Stock from 100,000,000 to 300,000,000.

Upon consummation of the Business Combination and, in connection therewith, we became a successor issuer to GPAQ by operation of Rule 12g-3(a) promulgated under the Securities Exchange Act of 1934, as amended (the “Exchange Act”).

Business Strategy

Our unique position and multimedia approach makes us the only company of our kind fully poised to capitalize on the popularity of professional football, one of the most popular brands in sports (as measured by total league revenue and number of fans). Our principal business objectives are to successfully develop and operate destination based assets such as the Hall of Fame Village powered by Johnson Controls as a premiere destination resort and entertainment company leveraging the expansive popularity of professional football and PFHOF; Hall of Fame Village Media taking advantage of direct access to exclusive content; and a gaming vertical including fantasy sports, and potential growth across eGaming and sports betting. The resort and entertainment platform will significantly extend the presence of PFHOF, the singular institution focused on promoting and preserving the legends and values of professional football. We are located in Canton, Ohio, the birthplace of American professional football. It is in a market area with limited themed attractions and within an 8-hour driving distance to nearly half of the NFL franchises. Together with the PFHOF, we intend to become an elite entertainment venue and premier attraction for the region. The current operational assets of the PFHOF and the Company currently attract approximately two million visitors annually.

We are building a year-round, multi-use destination complex with a master development plan that calls for the three phases described in greater detail below. Phase I, substantially complete, includes the Tom Benson Hall of Fame Stadium, the Sports Complex, Hall of Fame Village Media, and complementary, long-term sponsorship agreements, as well as land and infrastructure to support Phase II and Phase III. Phase II, already begun, will add the Hall of Fame Indoor Waterpark, hotels as well as additional attractions, retail and commercial assets. Phase III expansion plans may include a potential mix of residential space, additional attractions, entertainment, dining, merchandise and more.

Strategic Relationship with PFHOF

PFHOF is a distinct entity from the Company but serves as a significant shareholder and aligned partner. The Pro Football Hall of Fame Museum (the “Museum”), which is owned and operated by PFHOF and not the Company, is a 501(c)(3) not-for-profit educational institution that focuses on the education, promotion, preservation and honoring of the individuals and moments that shaped professional football’s history. Since opening in 1963, the Museum has grown in both size and stature. The building was expanded in 1971, 1978 and 1995, and completed major exhibit gallery renovations in 2003, 2008, and 2009. Together, these improvements have transformed the original 19,000 square-foot Museum into an exciting internationally recognized institution and travel destination. The “Future 50” Expansion & Renovation Project has expanded the museum to 118,000 square feet. The two-year, \$27 million project was completed in the summer of 2013 after a major renovation to 38,000 square feet of Museum space was finished. Today, the Museum stands as a shining tribute to the over 300 men who have earned their Gold Jackets and made professional football America’s most popular sport. The Museum and the Gold Jacket inductees serve as unique and valuable partners that contribute to the development of the Hall of Fame Village powered by Johnson Controls.

See the section entitled “*Risk Factors – The success of our business is substantially dependent upon the continued success of the PFHOF brand and museum experience and our ability to continue to secure favorable contracts with and maintain a good working relationship with PFHOF and its management team*” for additional information relating to the relationship with PFHOF.

About Phase I

We have invested approximately \$250 million of capital to build Phase I of the Hall of Fame Village powered by Johnson Controls in preparation for Phase II and Phase III. Phase I, substantially complete, includes the Tom Benson Hall of Fame Stadium, the Sports Complex, Hall of Fame Village Media, complementary, long-term sponsorship agreements, as well as land and infrastructure to support Phase II and Phase III. We are executing strategies to significantly increase programming of the Tom Benson Hall of Fame Stadium and Sports Complex and developing unique media content through Hall of Fame Village Media.

Tom Benson Hall of Fame Stadium

The Tom Benson Hall of Fame Stadium holds up to approximately 23,000 spectators and hosts the annual Pro Football Hall of Fame Enshrinement Week powered by Johnson Controls as well as other premier sporting events such as the Historic Black College Hall of Fame Game, and the Ohio State High School Football Championships. During the Pro Football Hall of Fame Enshrinement Week, the Tom Benson Hall of Fame Stadium hosts the Hall of Fame Game, the first nationally televised NFL game of the pre-season, and the Hall of Fame Enshrinement. The Tom Benson Hall of Fame Stadium is also equipped with cut-away seats, allowing it to serve as an elite concert venue. The Tom Benson Hall of Fame Stadium has hosted performances by national recording artists such as Aerosmith, Tim McGraw, Pitbull, Toby Keith and Maroon 5.

Sports Complex

The Sports Complex will consist of eight full sized fields, five of which are completed (four turf fields and one grass field) and three of which are in the process of construction as part of Phase II. The facility hosts camps and tournaments for football players as well as athletes from other sports such as lacrosse, rugby and soccer from across the country.

Hall of Fame Village Media

In 2017, HOF Village formed a sports and entertainment media company, Hall of Fame Village Media, leveraging the sport of professional football to produce exclusive content, including content developed from live events such as tournaments, camps and sporting events held at the Sports Complex and the Tom Benson Hall of Fame Stadium. Hall of Fame Village Media has the ability to develop multiple media formats including full length feature films, live and taped television specials, studio shows, live sports events, books and artwork. Through our partnership with the PFHOF, Hall of Fame Village Media has access to over 50 million pieces of photo, video and document archives. To date, Hall of Fame Village Media has produced broadcasts for the World Youth Football Championships aired on CBS, National Signing Day, during which top high school athletes announce their college commitments and is in the initial stages of producing six different sports related shows. Future live content is also expected to include programming with the NFL Alumni Association, including the NFL Alumni Academy taking part on the Hall of Fame Village powered by Johnson Controls campus in Canton, Ohio.

In 2021, Hall of Fame Village Media began developing and selling Non-Fungible Tokens (“NFTs”), focused on highlighting memorable plays of the college and professional careers of six legendary athletes.

In 2021, Hall of Fame Village Media co-produced the World Chase Tag primetime special on ESPN, which was also hosted at the Hall of Fame Village.

Sponsorship Agreements

We are bringing together world-class sponsors and partners. To date, we have struck formal agreements related to sponsorship alliances for development support from best-in-class companies, including Johnson Controls, the founding partner and official naming rights partner, Constellation NewEnergy, Inc. (an Exelon Company), the official energy partner, First Data Merchant Services, LLC (now Fiserv), the official processing and payment solutions partner, Forever Lawn, the official artificial turf partner, Republic Services of Ohio, LLC, the preferred waste and recycling partner, Commscope, the official data communications networking partner, and Cleveland Clinic, the official health care provider of the Sports Complex and the Tom Benson Hall of Fame Stadium.

Generally, under the terms of our sponsorship agreements, we will receive a fixed amount of revenue each year in exchange for granting certain rights to the relevant sponsor. The revenue may consist of a combination of cash, in-kind and/or activation funds. However, in some cases, the sponsorship fee may consist of a fixed initial payment with variable annual payments thereafter, based on our completion of certain projects or fulfillment of certain requirements.

Under the terms of the Naming Rights Agreement (as defined below), we will receive a fixed amount of revenue each year in return for granting to Johnson Controls, Inc. (“JCI” or “Johnson Controls”) exclusive rights to designate the name of the destination complex as well as granting to Johnson Controls certain branding, signage, advertising and similar rights. The Naming Rights Agreement is scheduled to expire on December 31, 2034, subject to certain termination rights discussed below under “Item 1A. Risk Factors – Risks Related to our Business – We rely on sponsorship contracts to generate revenues.” We are obligated to spend \$18 million as activation expenses for the benefit of promoting the Johnson Controls and our brands.

Under the terms of the Constellation Sponsorship Agreement (as defined below), we will receive a fixed amount of revenue each year in return for granting Constellation (as defined below) exclusive rights to designate the name of the Constellation Center for Excellence as well as granting Constellation certain branding, signage, advertising and similar rights. The Constellation Sponsorship Agreement is scheduled to expire on December 31, 2029. The annual revenue consists of sponsorship fees and annual activation fund proceeds. Activation fund proceeds may be used for a media plan, hospitality packages, business development and other expenses for the benefit of promoting the Constellation brand and our brands. Annual activation fund proceeds must be used in a particular calendar year, and any unused funds are not rolled into future contract years.

See the section entitled “*Risk Factors — We rely on sponsorship contracts to generate revenue*” for additional terms and conditions relating to the Naming Rights Agreement and the Constellation Sponsorship Agreement.

About Phase II

Phase II is expected to add additional strategic attractions, hospitality, and corporate assets in a well-planned and synergistic manner intended to increase consumer appeal and drive revenue and profitability growth. The Company has made material progress toward the full execution of Phase II.

To date, either through ground leases, purchase agreements, or through acquisition of title, the Company has acquired all land and received zoning approval from the City of Canton for the development of Phase II. In 2016 and 2017, the Company received significant support from the City of Canton through a pair of ordinances. In June 2016, the Planning Commission of the City of Canton amended the Planning and Zoning Code of Codified Ordinances of the City of Canton to include the Hall of Fame Village District, providing us with a zoning mechanism required to implement our mixed-use development plan. In February 2017, the Planning Commission of the City of Canton and City Council granted approval of the Hall of Fame Village Development plan, including plans for Phase II. The Company has gained control of over 200 parcels of land surrounding the Tom Benson Hall of Fame Stadium, Sports Complex, and the Museum for the future development of the Hall of Fame Indoor Waterpark, on-campus hotel attached to the Hall of Fame Indoor Waterpark, and a retail promenade offering a variety of food and beverage options, as well as other specialized entertainment alternatives. The Company has commissioned and completed three separate Phase I Environmental Site Assessments on land underlying the Tom Benson Hall of Fame Stadium, Sports Complex and residential land acquired for Phase II of the development plan. To date, no recognized environmental conditions have been revealed.

In addition, the Company has made significant progress in the design and construction of Phase II. Phase II is projected to cost approximately \$330 million in capital spending. Construction began in 2020 and all components of Phase II are expected to be complete and operational by the end of the fourth quarter of 2023. In 2018, the Company added significantly to its construction and planning resources with the goal of developing and delivering Company assets on time and on budget.

The Company's master general contractors delivered schematic and design documents in March 2020. Required permits have been identified and are in the process of being secured. The Company received a Guaranteed Maximum Price ("GMP") commitment from its project management consultants and general contractors in the first quarter of 2021. The GMP, along with the design and development work completed, will serve as critical elements in arranging a construction loan to meet the proposed schedule. The strategic plan reflects the projected \$330 million in capital spending, with a construction loan/equity/public financing used to support this spending and any other costs associated with completion and the attractive financial return characteristics of these assets.

In Phase II, the critical business strategies are to drive further asset development, increased event programming, new alliance sponsorships, media development and explore additional growth verticals:

- *Further Asset Development:* We are constructing additional assets in Phase II to attract and entertain guests. We have acquired or entered into agreements to acquire all land needed for Phase II development and have completed all of the design and development. In November 2020, HOF Village, opened its DoubleTree by Hilton hotel. Additional assets will include the Hall of Fame Indoor Waterpark, an on-campus hotel attached to the waterpark, and a retail promenade offering a variety of food and beverage options, as well as other specialized entertainment alternatives. In October 2021, we opened our Constellation Center for Excellence, which is an office complex expanding the corporate appeal of HOF Village. There will also be a Center for Performance to provide a variety of year-round programming options, including the NFL Alumni Academy. A green space area which will be called Play-Action Plaza is expected to provide 3.5 acres for fun, football-themed recreation, events, and formal gatherings. Future destination-based assets may include live entertainment, gaming, dining, and more all over the country alongside major NFL franchise cities.
- *Increased Event Programming:* We are planning to utilize the Tom Benson Hall of Fame Stadium for an expanded offering of live entertainment and events, including top performers, sporting events and festival programming. Also, given the appeal and popularity of youth sports, additional year-round programming is expected to be available across multiple sports utilizing the national appeal of the Hall of Fame brand. HOF Village has made key strategic hires and partnerships who will help drive increased Event Programming and Alliance Sponsorships. During 2022, we will be hosting the USFL finals and semi-finals, along with a "Fatherhood Festival" in June. There are also plans for multiple concerts, multi-day festivals, and on-going business event productions.
- *New Alliance Sponsorships:* We have been successful attracting a strong sponsorship base and plan to continue to form significant partnerships with leading companies and brands across a range of untapped categories. These partnerships are expected to be in the form of naming rights agreements or additional category-specific sponsorships. HOF Village plans to target a number of industry verticals for additional sponsorship revenue, such as autos, telecom and beverages.
- *Media Development:* We are developing original content from both our event programming and its direct access to millions of pieces of historic professional football artifacts located within the PFHOF archive through Hall of Fame Village Media. We are planning on producing full-length films, shows and other digital content marketing through multiple channels of distribution. Already advanced discussions with media leaders, creative, development and distribution partners have occurred. In September 2020, we hired an Executive Vice President of Content Development/Distribution, who previously served in a similar capacity as our outside consultant, to assess and identify market opportunities for content development, develop a business plan for the Media Company, identify sources of new creative content, and engage in discussions with distributor channels to identify the types of content they are seeking. We are working on expanding our team and partnerships and have a robust slate of new content in development.

- *Hall of Fame Village Gaming:* eGaming is expected to be the connective tissue that integrates the rest of the business units across the Company. This encompasses youth sports as a way to increase engagement, as well as gaming as a part of offsite asset building and programming, purpose-driven physical destination resort locations, and broadcast/streaming gaming content within media. We entered the high-growth vertical of fantasy sports with the launch of the Hall of Fantasy League in fall 2021, which has completed its first season, with geo-based franchises professionally managed with ownership and influence from the public. There is potential for industry expertise to be provided by experienced fantasy analysts, NFL Hall of Famers, and NFL Alumni.
- *Sports Betting:* We recently announced online and onsite retail partnerships to take advantage of sports betting. We are beginning to develop sports betting both online and on campus through these recently announced partnerships in connection with legislation that recently legalized sports betting in the State of Ohio, subject to obtaining the needed entity and individual gaming licenses. We are poised to utilize existing brand partnerships with our newly rebranded Hall of Fantasy League and eGaming, both of which we believe could be designed to accept sports wagering. In March 2022, we hired an executive vice president of gaming to lead our gaming division.
- *Exploring Additional Growth Verticals:* HOF Village has begun exploring additional growth verticals as part of Phase II. There also are expected to be opportunities to consider expanding certain destination-based assets in other geographic markets leveraging the popularity of professional football. We have hired several additional full-time employees to actively research these and other growth verticals. These Additional Growth Verticals are not included in the current set of financial projections.

About Phase III

With Phase I and Phase II assets providing a solid foundation, growth is expected to continue with the development of Phase III, including a potential mix of residential space, and additional attractions, entertainment, dining, merchandise and more. This next phase of development would potentially be initiated upon substantial completion of Phase II. The financial performance of Phase III is not currently fully reflected in the financial projections contained in this Annual Report on Form 10-K.

Competition

We currently face and will face competition in each of our businesses, as follows:

- Tom Benson Hall of Fame Stadium, the Sports Complex and the planned Center for Performance will compete with other facilities and venues across the region and country for hosting concerts, athletic events (including professional sports events, sports camps and tournaments) and other major conventions.
- Hall of Fame Village Media will compete (i) with other media and content producers to obtain creative and performing talent, sports and other programming content, story properties, advertiser support, distribution channels and market share and (ii) for viewers with other broadcast, cable and satellite services as well as with home entertainment products, new sources of broadband and mobile delivered content and internet usage.
- The Hall of Fame Indoor Waterpark, the Hall of Fame hotels and the retail promenade, if and when completed, will compete with other theme parks and resorts, such as Cedar Point, located in Sandusky, Ohio, and other retail and tourist destinations in Ohio and around the country, and with other forms of entertainment, lodging, tourism and recreation activities.
- The Constellation Center for Excellence and Fan Engagement Zone will compete for tenants with other suppliers of commercial and/or retail space.
- Our sports betting and e-gaming will compete with other sports betting providers attempting to enter the Ohio sports betting market.

Employees

As of March 14, 2022, we had 52 employees (45 full-time employees, 2 part-time employees, and 5 temporary interns) that perform various administrative, finance and accounting, event planning, sports programming, media development, and corporate management functions for the Company and its subsidiaries.

Properties

We own real property in Canton, Ohio, at the site of the Hall of Fame Village powered by Johnson Controls development. Certain parcels of real property on which the Hall of Fame Village powered by Johnson Controls is located are owned by the City of Canton and the Canton City School District (Board of Education), and are subject to long-term ground leases and agreements with us for the use and development of such property.

Emerging Growth Company and Smaller Reporting Company

We are an “emerging growth company,” as defined in Section 2(a) of the Securities Act of 1933, as amended (the “Securities Act”), as modified by the Jumpstart Our Business Startups Act of 2012 (the “JOBS Act”), and we may take advantage of certain exemptions from various reporting requirements that are applicable to other public companies that are not emerging growth companies, including, but not limited to, not being required to comply with the auditor attestation requirements of Section 404 of the Sarbanes-Oxley Act, reduced disclosure obligations regarding executive compensation in our periodic reports and proxy statements, and exemptions from the requirements of holding a nonbinding advisory vote on executive compensation and stockholder approval of any golden parachute payments not previously approved.

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

We will remain an emerging growth company until the earlier of: (1) the last day of the fiscal year (a) following the fifth anniversary of the closing of the Company’s initial public offering, (b) in which we have total annual revenue of at least \$1.07 billion, or (c) in which we are deemed to be a large accelerated filer, which means the market value of our common equity that is held by non-affiliates exceeds \$700 million as of the end of the prior fiscal year’s second fiscal quarter; and (2) the date on which we have issued more than \$1.00 billion in non-convertible debt securities during the prior three-year period. References herein to “emerging growth company” have the meaning associated with it in the JOBS Act.

Additionally, we are a “smaller reporting company” as defined in Item 10(f)(1) of Regulation S-K. Smaller reporting companies may take advantage of certain reduced disclosure obligations, including, among other things, providing only two years of audited financial statements. We will remain a smaller reporting company until the last day of any fiscal year for so long as either (1) the market value of our shares of Common Stock held by non-affiliates did not equal or exceed \$250 million as of the prior June 30, or (2) our annual revenues did not equal or exceed \$100 million during such completed fiscal year and the market value of our shares of Common Stock held by non-affiliates did not equal or exceed \$700 million as of the prior June 30.

The COVID-19 Pandemic

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

Recent Developments

Amendment Number 6 to Term Loan

On March 1, 2022, CH Capital Lending, LLC, which is an affiliate of our director Stuart Lichter (“CH Capital Lending”), purchased and acquired, as administrative agent and lender, pursuant to an Assignment of Loan and Loan Documents (the “Assignment of Loan and Loan Documents”) with Aquarian Credit Funding LLC (“Aquarian”), as existing administrative agent, and Investors Heritage Life Insurance Company (“IHLIC”), as existing lender, our \$7.4 million term loan (the “Term Loan”) and related loan documents under term loan agreement, dated as of December 1, 2020 (as amended, the “Term Loan Agreement”).

On March 1, 2022, immediately after CH Capital Lending became the lender and administrative agent under the Term Loan Agreement, the Company entered into Amendment Number 6 to Term Loan Agreement (“Amendment Number 6”) by and among the Company, Newco, and certain of Newco’s subsidiaries, as borrowers, and CH Capital Lending, as administrative agent and lender. Under Amendment Number 6, the maturity date of the Term Loan was extended to March 31, 2024. Also under Amendment Number 6, the Term Loan was made convertible into shares of the Company’s Common Stock at a conversion price of \$1.50, subject to adjustment. The conversion price is subject to a weighted-average antidilution adjustment. Certain current and historical fees and expenses were added to the principal amount of the Term Loan. Amendment Number 6 increased the interest rate from 10% to 12%. Of such 12% per annum interest: (i) 8% per annum is payable monthly and (ii) 4% per annum accumulates and is payable on the maturity date.

As part of the consideration for Amendment Number 6: (i) the Company issued in a transaction exempt from registration pursuant to Section 4(a)(2) of the Securities Act: (A) 330,000 shares of Common Stock to CH Capital Lending, and (B) a Series E warrant to purchase 1,000,000 shares of Common Stock to CH Capital Lending (the “Term Loan Warrants”), (ii) the Company shall, subject to approval of its board of directors, create a series of preferred stock, to be known as 7.00% Series C Convertible Preferred Stock (“Series C Preferred Stock”), and, upon the request of CH Capital Lending, exchange each share of the Company’s 7.00% Series B Convertible Preferred Stock, par value \$0.0001 per share (“Series B Preferred Stock”), that is held by CH Capital Lending for one share of Series C Preferred Stock, and (iii) the Company and CH Capital Lending amended and restated the Series C Warrants and Series D Warrants that the Company issued to CH Capital Lending to extend the term to March 1, 2027 and subject the exercise price to a weighted-average antidilution adjustment.

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

First Amended and Restated Promissory Note with IRG, LLC

On November 23, 2021, the Company issued to Industrial Realty Group, LLC (“Original Lender”) a promissory note in the original principal amount of \$8,500,000 (the “Original Note”). Pursuant to an Assignment of Promissory Note, dated March 1, 2022, Original Lender assigned (a) a one-half (½) interest in the Original Note to IRG, LLC (the “IRG Split Note”) and (b) a one-half (½) interest in the Original Note to JKP Financial, LLC (the “JKP Split Note”).

On March 1, 2022, the Company entered into a First Amended and Restated Promissory Note with IRG, LLC, which amends and restates the IRG Split Note (the “Amended Assigned IRG Note”). The Amended Assigned IRG Note extended the maturity to March 31, 2024. Under the Amended Assigned IRG Note, the principal and accrued interest are convertible into shares of Common Stock at a conversion price of \$1.50, subject to adjustment. The conversion price is subject to a weighted-average antidilution adjustment.

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

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

First Amended and Restated Promissory Note with JKP Financial, LLC

On March 1, 2022, the Company entered into a First Amended and Restated Promissory Note with JKP Financial, LLC, which amends and restates the JKP Split Note (the “Amended Assigned JKP Note”). The Amended Assigned JKP Note extended the maturity to March 31, 2024. Under the Amended Assigned JKP Note, the principal and accrued interest are convertible into shares of Common Stock at a conversion price of \$1.09, subject to adjustment. The conversion price is subject to a weighted-average antidilution adjustment.

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

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

Second Amendment to JKP Promissory Note

On March 1, 2022, the Company entered into the Joinder and Second Amendment to Secured Cognovit Promissory Note (the “Second Amendment to JKP Promissory Note”), by and among (a) Newco, and HOF Village Hotel II, LLC (“Hotel II”), the makers (b) the Company; and (c) JKP Financial, LLC, which amends the Secured Cognovit Promissory Note, dated as of June 19, 2020, originally executed by Hotel II and by HOF Village, in favor of JKP Financial, LLC, as assigned by HOF Village to Newco pursuant to that certain Contribution Agreement dated as of June 30, 2020, by and between HOF Village and Newco, and as amended by that certain First Amendment to Secured Promissory Note, dated as of December 1, 2020 (as so assigned and amended, the “JKP Promissory Note”).

The Second Amendment to JKP Promissory Note (i) revises the outstanding principal balance (the “JKP Promissory Loan”) of the JKP Promissory Note to include interest thereunder that has accrued and has not been paid as of March 1, 2022, and (ii) extends the maturity of the JKP Promissory Note to March 31, 2024. The Second Amendment to JKP Promissory Note amends the JKP Promissory Note to be convertible into shares of Common Stock at a conversion price of \$1.09, subject to adjustment. The conversion price is subject to a weighted-average antidilution adjustment.

As part of the consideration for the Second Amendment to JKP Promissory Note, the Company issued in a transaction exempt from registration pursuant to Section 4(a)(2) of the Securities Act: (i) 280,000 shares of Common Stock to JKP Financial, LLC, and (ii) a Series F Warrant to purchase 1,000,000 shares of Common Stock to JKP Financial, LLC (the “JKP Promissory Note Warrants”).

JKP Promissory Note Warrants

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

Letter Agreement

On March 1, 2022, the Company entered into a letter agreement with Stuart Lichter (the “Letter Agreement”), pursuant to which, when Mr. Lichter provides a guaranty for a new loan up to \$4 million (the “New Loan”), the Company will issue to Mr. Lichter in a transaction exempt from registration pursuant to Section 4(a)(2) of the Securities Act, (i) 125,000 shares of Common Stock, and (ii) a Series G Warrant to purchase 125,000 shares of Common Stock (the “Letter Agreement Warrants”). The exercise price of the Letter Agreement Warrants will be set in connection with the closing of the New Loan. The exercise price of the Letter Agreement Warrants is subject to a weighted-average antidilution adjustment.

Registration Rights Agreement

On March 1, 2022, the Company entered into a registration rights agreement (the “Registration Rights Agreement”) with CH Capital Lending, IRG, LLC, JKP Financial, LLC and Stuart Lichter (the “Investors”), pursuant to which, the Company agreed to provide to the Investors certain customary resale registration rights with respect to (i) Commitment Fee Shares, (ii) the shares of Common Stock issuable upon exercise of the Term Loan Warrants, the IRG Split Note Warrants, the JKP Split Note Warrants, the JKP Promissory Note Warrants, and the Letter Agreement Warrants, (iii) the shares of Common Stock issuable upon conversion of the principal and accumulated but unpaid interest under the Term Loan Agreement, the Amended Assigned IRG Note, the Amended Assigned JKP Note, and the JKP Promissory Note, and (iv) the shares of Common Stock issuable upon conversion of the Series C Preferred Stock.

Nasdaq 19.99% Cap

Notwithstanding anything to the contrary contained in the March 1, 2022 transaction documents described above (the “Transaction Documents”), as set forth in the Transaction Documents, the total cumulative number of shares of Common Stock that may be issued to CH Capital Lending, LLC, IRG, LLC, JKP Financial, LLC and Stuart Lichter under the other Transaction Documents may not exceed the requirements of Nasdaq Listing Rule 5635(d) (“*Nasdaq 19.99% Cap*”), except that such limitation will not apply following Approval (defined below). If the number of shares of Common Stock issued to CH Capital Lending, LLC, IRG, LLC, JKP Financial, LLC and Stuart Lichter under the Transaction Documents reaches the Nasdaq 19.99% Cap, so as not to violate the 20% limit established in Listing Rule 5635(d), the Company, at its election, will use reasonable commercial efforts to obtain stockholder approval of the Transaction Documents and the shares of Common Stock to be issued thereunder, if necessary, in accordance with the requirements of Nasdaq Listing Rule 5635(d) (the “*Approval*”).

In connection with the execution of Amendment Number 6, Amended Assigned IRG Note, Amended Assigned JKP Note, and Second Amendment to JKP Promissory Note, the Company paid customary fees and expenses.

MKG DoubleTree Loan Extension

On March 1, 2022, Hotel II entered into First Amendment to Loan Documents (“First Amendment to Construction Loan”) with Stuart Lichter, as guarantor, and ErieBank. First Amendment to Construction Loan amended the Construction Loan Agreement dated September 14, 2020 to extend the maturity to September 13, 2023.

ATM Proceeds

From January 1 through March 14, 2022, the Company sold 8,984,968 shares of Common Stock under its at-the-market offering program, raising net proceeds of approximately \$10.2 million. See “Item 7. Management’s Discussion and Analysis of Financial Condition and Results of Operations—Liquidity and Capital Resources” for a discussion of sales under the Company’s at-the-market offering program for the year ended December 31, 2021.

Item 1A. Risk Factors

Certain factors may have a material adverse effect on our business, financial condition and results of operations. You should carefully consider the risks described below, in addition to other information contained in this Annual Report on Form 10-K, including our financial statements and related notes. If any of these risks and uncertainties actually occur, our business, financial condition and results of operations may be materially adversely affected. As a result, the market price of our securities could decline, and you could lose all or part of your investment. Additionally, the risks and uncertainties described in this Annual Report on Form 10-K are not the only risks and uncertainties that we face. Additional risks and uncertainties not presently known to us or that we currently believe to be immaterial may become material and adversely affect our business, financial condition and results of operations.

Unless the context otherwise indicates or requires, as used in this section, the term “HOF Village” shall refer to HOF Village, LLC prior to the Business Combination and Newco following the consummation of the Business Combination.

Summary of Risk Factors

Our business is subject to a number of risks, including risks that may prevent us from achieving our business objectives or may adversely affect our business and financial performance. These risks are discussed more fully below and include, but are not limited to, the following:

- We are an early stage company with a minimal track record and limited historical financial information available.
- Our ability to implement our proposed business strategy may be materially and adversely affected by many known and unknown factors.
- The success of our business is substantially dependent upon the continued success of the PFHOF brand and our ability to continue to secure favorable contracts with and maintain a good working relationship with PFHOF and its management team.
- Hall of Fame Resort & Entertainment Company will operate in highly competitive industries and our revenues, profits or market share could be harmed if we are unable to compete effectively.
- Our planned sports betting, fantasy sports and eSports operations and the growth prospects and marketability of such operations are subject to a variety of U.S. and foreign laws, many of which are unsettled and still developing and which could subject us to claims or otherwise harm our business.
- Changes in consumer tastes and preferences for sports and entertainment products, including fantasy sports, sports betting and eSports, or declines in discretionary consumer spending, consumer confidence and general and regional economic conditions could reduce demand for our offerings and products and adversely affect the profitability of our business.
- We are dependent on our management team, and the loss of one or more key employees could harm our business and prevent us from implementing our business plan in a timely manner.
- The high fixed cost structure of the Company’s operations may result in significantly lower margins if revenues decline.
- The COVID-19 pandemic could continue to have a material adverse effect on our business.
- Cyber security risks and the failure to maintain the integrity of internal or guest data could result in damages to our reputation, the disruption of operations and/or subject us to costs, fines or lawsuits.
- The suspension or termination of, or the failure to obtain, any business or other licenses may have a negative impact on our business.
- We will have to increase leverage to develop the Company, which could further exacerbate the risks associated with our substantial indebtedness, and we may not be able to generate sufficient cash flow from operations to service all of our indebtedness and may be forced to take other actions to satisfy our obligations under our indebtedness, which may not be successful.
- We currently do not intend to pay dividends on our Common Stock. Consequently, your ability to achieve a return on your investment will depend on appreciation in the price of our Common Stock.

- Our Series A Warrants, Series B Warrants, and Series C Warrants are accounted for as liabilities and the changes in value of such warrants could have a material effect on our financial statements.
- Our Certificate of Incorporation allows for our board of directors to create new series of preferred stock without further approval by our stockholders, which could adversely affect the rights of the holders of our Common Stock.
- We currently have outstanding, and we may in the future issue, instruments which are exercisable for or convertible into shares of Common Stock, which will result in dilution of our Common Stock.
- Antidilution provisions in certain of our convertible debt instruments may result in a reduction of the conversion price, which would result in additional dilution of our Common Stock.
- Our Common Stock may be delisted from the Nasdaq Capital Market if we cannot satisfy Nasdaq’s continued listing requirements.
- The trading price of our securities has been, and likely will continue to be, volatile and you could lose all or part of your investment.
- 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 you to lose some or all of your investment.

Risks Related to Our Business

We are an early stage company with a minimal track record and limited historical financial information available.

HOF Village was formed as a limited liability company on December 16, 2015 by certain affiliates of Industrial Realty Group and a subsidiary of PFHOF, to own and operate the Hall of Fame Village powered by Johnson Controls in Canton, Ohio, as a premiere destination resort and entertainment company leveraging the expansive popularity of professional football and the PFHOF. As a result of the Business Combination, HOF Village became our wholly owned subsidiary. As of the date hereof, the Hall of Fame Village powered by Johnson Controls has, with respect to Phase I, and will have, with respect to Phases II and III the following major components:

Phase I:

- Tom Benson Hall of Fame Stadium
- Hall of Fame Village Sports Complex
- Hall of Fame Village Media

Phase II:

- Hall of Fame Indoor Waterpark (“Hall of Fame Indoor Waterpark”)
- Two hotels (one on campus and one in downtown Canton about five minutes from campus)
- Constellation Center for Excellence (Office Building, Retail and Meeting Space)
- Center for Performance (Field House and Convention Center)
- Retail promenade (Fan Engagement Zone)
- Play Action Plaza (Green space for recreation, events and informal gatherings)
- Hall of Fantasy League (Fantasy Football)

Phase III:

- Residential space
- Additional attractions
- Entertainment, dining, merchandise and more

The components in Phase I are substantially complete, and of Phase II, the DoubleTree by Hilton Canton Hotel opened in November 2020 and the Center for Excellence opened in October 2021. To date the remaining components of Phase II are in the construction stage and Phase III is still in the planning stage and has not commenced operations or generated any revenue. The components of the Hall of Fame Village powered by Johnson Controls that have been developed in Phase I have limited operating history and business track record. In addition, our business strategy is broad and may be subject to significant modifications in the future. Our current strategy may not be successful, and if not successful, we may be unable to modify it in a timely and successful manner. A company with this extent of operations still in the development and planning stage is highly speculative and subject to an unusually high degree of risk.

Because we are in the early stages of executing our business strategy, we cannot provide assurance that, or when, we will be profitable. We will need to make significant investments and expect to incur significant expenses to develop and operate the Hall of Fame Village powered by Johnson Controls, including costs for entertainment, talent fees, marketing, salaries and maintenance of properties and equipment. We expect to incur significant capital, operational and marketing expenses for a several years in connection with our planned Phase II and III expansion. Any failure to achieve or sustain profitability may have a material adverse impact on the value of the shares of our Common Stock.

Our ability to implement our proposed business strategy may be materially and adversely affected by many known and unknown factors.

Our business strategy relies upon our future ability to successfully develop and operate the Hall of Fame Village powered by Johnson Controls as well as our other business verticals. Our strategy assumes that we will be able to, among other things: secure sufficient capital to repay our indebtedness; continue to lease or to acquire additional property in Canton, Ohio at attractive prices and develop such property into efficient and profitable operations; and maintain our relationships with key partners, including PFHOF, the general contractors for the Hall of Fame Village powered by Johnson Controls, and various other design firms, technology consultants, managers and operators and vendors that we are relying on for the successful development and operation of the Hall of Fame Village powered by Johnson Controls, as well as to develop new relationships and partnerships with third parties that will be necessary for the success of the Hall of Fame Village powered by Johnson Controls. These assumptions, which are critical to our prospects for success, are subject to significant economic, competitive, regulatory and operational uncertainties, contingencies and risks, many of which are beyond our control. These uncertainties are particularly heightened by the fact that we have significantly limited historical financial results or data on which financial projections might be based.

Our future ability to execute our business strategy and develop the various components of the Hall of Fame Village powered by Johnson Controls is uncertain, and it can be expected that one or more of our assumptions will prove to be incorrect and that we will face unanticipated events and circumstances that may adversely affect our proposed business. Any one or more of the following factors, or other factors which may be beyond our control, may have a material adverse effect on our ability to implement our proposed strategy:

- the impact of the COVID-19 pandemic involving the novel strain of coronavirus, COVID-19, governmental reactions thereto, and economic conditions resulting from such governmental reactions to the pandemic on our business strategy, operations, financial results, as well as on our future ability to access debt or equity financing;
- inability to complete development and construction on schedule, on budget or otherwise in a timely and cost-effective manner;
- issues impacting the brands of the PFHOF or the NFL Alumni Association or the NFL;
- inability to secure and maintain relationships and sponsorships with key partners, or a failure by key partners to fulfill their obligations;
- failure to manage rapidly expanding operations in the projected time frame;
- our or our partners' ability to provide innovative entertainment that competes favorably against other entertainment parks and similar enterprises on the basis of price, quality, design, appeal, reliability and performance;
- increases in operating costs, including capital improvements, insurance premiums, general taxes, real estate taxes and utilities, affecting our profit margins;
- general economic, political and business conditions in the United States and, in particular, in the Midwest and the geographic area around Canton, Ohio;
- inflation, appreciation of the real estate and fluctuations in interest rates; or
- existing and future governmental laws and regulations, including changes in our ability to use or receive Tourism Development District ("TDD") funds, tax-increment financing ("TIF") funds or other state and local grants and tax credits (including Ohio Film Tax Credits).

We are relying on various forms of public financing and public debt to finance the Company.

We currently expect to obtain a portion of the capital required for the development and operations of the Hall of Fame Village powered by Johnson Controls from various forms of public financing and public debt, including TDD funds, TIF funds, state and local grants and tax credits, which depend, in part, on factors outside of our control. The concept of a TDD was created under state law specifically for Canton, Ohio and the Hall of Fame Village powered by Johnson Controls. Canton City Council was permitted to designate up to 600 acres as a TDD and to approve the collection of additional taxes within that acreage to be used to foster tourism development. Canton City Council passed legislation allowing the collection of a 5% admissions tax and an additional 2% gross receipts tax and agreed to give the revenue from its 3% municipal lodging tax collected at any hotels built in the TDD to the Hall of Fame Village powered by Johnson Controls for 30 years. Our ability to obtain funds from TDD depends on, among other things, ticket sales (including parking lots, garages, stadiums, auditoriums, museums, athletic parks, swimming pools and theaters), wholesale, retail and some food sales within the TDD and revenues from our hotels within the TDD. For TIF funds, the amount of property tax that a specific district generates is set at a base amount and as property values increase, property tax growth above that base amount, net of property taxes retained by the school districts, can be used to fund redevelopment projects within the district. Our ability to obtain TIF funds is dependent on the value of developed property in the specific district, the collection of general property taxes from property owners in the specific district, the time it takes the tax assessor to update the tax rolls and market interest rates at the time the tax increment bonds are issued.

If we are unable to realize the expected benefits from these various forms of public financing and public debt, we may need to obtain alternative financing through other means, including private transactions. If we are required to obtain alternative financing, such alternative financing may not be available at all or may not be available in a timely manner or on terms substantially similar or as favorable to public financing and public debt, which could significantly affect our ability to develop the Hall of Fame Village powered by Johnson Controls, increase our cost of capital and have a material adverse effect on our results of operations, cash flows and financial position.

If we were to obtain financing through private investment in public equity investments or other alternative financing, it could subject us to risks that, if realized, would adversely affect us, including the following:

- our cash flows from operations could be insufficient to make required payments of principal of and interest on any debt financing, and a failure to pay would likely result in acceleration of such debt and could result in cross accelerations or cross defaults on other debt;
- such debt may increase our vulnerability to adverse economic and industry conditions;
- to the extent that we generate and use any cash flow from operations to make payments on such debt, it will reduce our funds available for operations, development, capital expenditures and future investment opportunities or other purposes;
- debt covenants may limit our ability to borrow additional amounts, including for working capital, capital expenditures, debt service requirements, executing our development plan and other purposes;
- restrictive debt covenants may limit our flexibility in operating our business, including limitations on our ability to make certain investments; incur additional indebtedness; create certain liens; incur obligations that restrict the ability of our subsidiaries to make payments to us; consolidate, merge or transfer all or substantially all of our assets; or enter into transactions with affiliates; and
- to the extent that such debt bears interest at a variable rate, we would be exposed to the risk of increased interest rates.

We must retain our key management personnel.

We aim to recruit the most qualified candidates, and strive for a diverse and well-balanced workforce. We reward and support employees through competitive pay, benefits, and perquisite programs that allow employees to thrive. If we are unable to retain the key management personnel at our Company, the underlying business could suffer.

On March 9, 2022, the Company announced the appointment of Benjamin J. Lee as the Chief Financial Officer of the Company, effective March 21, 2022. Mr. Lee will succeed Jason Krom, who the Company previously announced resigned from the office of chief financial officer of the Company to pursue other interests effective January 3, 2022. Mr. Krom provided consulting services to the Company for two months after the effective date of his resignation to assist with the transition. John Van Buiten, Vice President of Accounting / Corporate Controller, is serving as interim principal accounting officer and principal financial officer until the effective date of Mr. Lee's appointment.

The success of our business is substantially dependent upon the continued success of the PFHOF brand and museum experience and our ability to continue to secure favorable contracts with and maintain a good working relationship with PFHOF and its management team.

PFHOF is a 501(c)(3) not-for-profit organization that owns and operates the Museum in Canton, Ohio. We are geographically located adjacent to PFHOF, and the local community and broader public generally view the Company and PFHOF as closely-connected affiliates. While PFHOF currently beneficially owns approximately 6% of the Company's outstanding Common Stock, the Company is neither a subsidiary of nor controlled by PFHOF. PFHOF is a party to our Director Nominating Agreement, which among other things provides PFHOF with the right to designate one individual to be appointed or nominated for election to the Company's board of directors, subject to certain conditions. Our director, Ed Roth, was designated by PFHOF pursuant to the Director Nominating Agreement.

We have entered into several agreements with PFHOF that are of significance to our business, including: (i) a First Amended and Restated License Agreement, dated September 16, 2019 (the "License Agreement"), (ii) an Amended and Restated Media License Agreement, dated July 1, 2020 (the "Media License Agreement"), and (iii) a Shared Services Agreements, dated June 30, 2020 and March 9, 2021 (the "Shared Services Agreements"). These agreements address topics that include, but are not limited to, the following:

- License to use PFHOF marks. Under the License Agreement, PFHOF grants to our Company a non-transferable, non-exclusive right and license to use PFHOF marks in conjunction with the Hall of Fame Village complex (the "Village"), Legends Landing, any theme park, water park, theater, sports arena, sports facility, hotel, sports bar, general or specific location-based entertainment, youth sports programs (excluding certain NFL-sponsored youth sports programs) ("Exclusive Fields of Use"). The license is exclusive for the Exclusive Fields of Use only within the municipal boundary of the City of Canton, Ohio. Under the License Agreement, PFHOF agreed that it will not grant any third party a license to use PFHOF marks outside of Canton, Ohio, in connection with the themed entertainment industry without giving us a right of first refusal to accept such third-party offer. In addition, the License Agreement provides that, subject to certain exceptions, all communications with the National Football League (the "NFL"), its 32 member clubs and its Hall of Famers must be made exclusively through PFHOF rather than from the Company. Many of the Company's events involve the participation of the NFL's Hall of Famers. The Company therefore must rely on PFHOF's cooperation and support to a significant extent in coordinating events and other activities involving any of these parties.
- Sponsorships. The License Agreement provides that PFHOF and our Company have the right to jointly seek sponsorships from third parties in conjunction with the Village and to sublicense PFHOF marks to such sponsors. The License Agreement provides that PFHOF and our Company have the right to enter into exclusive sponsorships for their individually owned and operated assets. The License Agreement provides that our Company and PFHOF will use their best efforts to coordinate the marketing, sales and activation of sponsorships so as to maximize the revenue of both organizations and minimize any potential negative impact to either organization. We and PFHOF are both parties to sponsorship agreements that are important to our business, such as the Naming Rights Agreement and the Constellation Sponsorship Agreement. We also rely on a collaborative approach with PFHOF to pursue other joint sponsorship agreements with third parties. Our success in obtaining those sponsorship agreements is highly dependent on the maintenance of a good working relationship with PFHOF and its management team. In addition, once these sponsorships are obtained, the Company must rely on PFHOF's cooperation in performing the obligations relating to PFHOF required by the sponsorship agreements. See "Risk Factors – Risk Related to Our Business – We rely on sponsorship contracts to generate revenues."
- Use of PFHOF media assets. The Media License Agreement provides for the sharing of media-related opportunities between PFHOF and our Company and sets forth the terms under which PFHOF enables our Company to exploit existing PFHOF works and create new works. Our ability to successfully monetize PFHOF assets (e.g., photographs, videos, memorabilia and other historically significant football-related assets) under the Media License Agreement depends upon PFHOF's providing access to such media assets as contemplated by the terms of the Media License Agreement.
- Shared Services. Under the Shared Services Agreements, our Company and PFHOF agree to act in good faith to coordinate with each other on certain services, including, without limitation, community relations, government relations, marketing and public relations, new business development, sponsorship activities and youth programming. Our success in these endeavors depends to a significant extent on PFHOF's cooperation in coordinating these services and events..

In the past, we have had to renegotiate payment terms and other provisions in certain of our agreements with PFHOF as part of improving the Company's financial position. If we were to lose or be required to renegotiate any of these agreements or if PFHOF failed to perform any of these agreements, our business may be adversely affected.

Changes in consumer tastes and preferences for sports and entertainment products could reduce demand for our offerings and products and adversely affect the profitability of our business.

The success of our business depends on our ability to consistently provide, maintain and expand attractions and events as well as create and distribute media programming, virtual experiences and consumer products that meet changing consumer preferences. Consumers who are fans of professional football will likely constitute a substantial majority of the attendance to Hall of Fame Village powered by Johnson Controls, and our success depends in part on the continued popularity of professional football and on our ability to successfully predict and adapt to tastes and preferences of this consumer group. If our sports and entertainment offerings and products do not achieve sufficient consumer acceptance or if consumer preferences change or consumers are drawn to other spectator sports and entertainment options, our business, financial condition or results of operations could be materially adversely affected. In the past, we have hosted major professional football events, as well as other musical and live entertainment events, and we can provide no assurance that we will be able to continue to host such events.

Incidents or adverse publicity concerning the Company, PFHOF, the NFL or the NFL Alumni Association could harm our reputation as well as negatively impact our revenues and profitability.

Our reputation is an important factor in the success of our business. Our ability to attract and retain consumers depends, in part, upon the external perceptions of our Company, the brands we are associated with, the quality of Hall of Fame Village powered by Johnson Controls and its services and our corporate and management integrity. If market recognition or the perception of the Company diminishes, there may be a material adverse effect on our revenues, profits and cash flow. In addition, the operations of Hall of Fame Village powered by Johnson Controls, particularly the Hall of Fame Indoor Waterpark, involve the risk of accidents, illnesses, environmental incidents and other incidents which may negatively affect the perception of guest and employee safety, health, security and guest satisfaction and which could negatively impact our reputation, reduce attendance at our facilities and negatively impact our business and results of operations.

We rely on sponsorship contracts to generate revenues.

We will receive a portion of our annual revenues from sponsorship agreements, including the amended and restated sponsorship and naming rights agreement, dated as of July 2, 2020 (the “Naming Rights Agreement”), by and among HOF Village, PFHOF and Johnson Controls, the sponsorship and services agreement, dated as of December 19, 2018, as amended (the “Constellation Sponsorship Agreement”), by and among HOF Village, PFHOF and Constellation NewEnergy, Inc., a Delaware corporation (“Constellation”), and other sponsorship agreements for various content, media and live events produced at Hall of Fame Village powered by Johnson Controls such as title, official product and promotional partner sponsorships, billboards, signs and other media. We are continuously in negotiations with existing sponsors and actively seeking new sponsors as there is significant competition for sponsorships. Some of our live events may not secure a title sponsor, may not secure a sufficient number of sponsorships on favorable terms, or may not secure sponsorships sufficiently enough in advance of an event, which may lead to event cancellations or otherwise adversely affect the revenue generated from such events.

The Naming Rights Agreement is scheduled to expire on December 31, 2034, but provides termination rights both to (a) HOF Village and PFHOF and (b) Johnson Controls, which may be exercised in the event the other party breaches any of its covenants and agreements under the Naming Rights Agreement beyond certain notice and cure periods, applies for or consents to the appointment of a custodian of any kind with respect to all or substantially all of its assets, becomes insolvent or is unable to pay its debts generally as they become due, makes a general assignment for the benefit of its creditors, files a voluntary petition seeking relief under any bankruptcy law, or an involuntary petition is filed by a creditor under any bankruptcy law and is approved by a court of competent jurisdiction. Additionally, Johnson Controls has a right to terminate the Naming Rights Agreement if (i) we do not provide evidence to Johnson Controls by October 31, 2021, subject to day-for-day extension due to force majeure, that we have secured sufficient debt and equity financing to complete Phase II, subject to a notice and cure period, (ii) Phase II is not open for business by January 2, 2024 or (iii) HOF Village is in default beyond applicable notice and cure periods under certain agreements, such as the Technology as a Service Agreement (the “TAAS Agreement”), any loan document evidencing or securing any construction loan with respect to the Hall of Fame Village powered by Johnson Controls and any agreement with its general contractor with respect to the construction of the Hall of Fame Village powered by Johnson Controls, among others. There can be no assurance that Phase II will be open for business by January 2, 2024.

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

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

We could be adversely affected by declines in discretionary consumer spending, consumer confidence and general and regional economic conditions.

Our success depends to a significant extent on discretionary consumer spending, which is heavily influenced by general economic conditions and the availability of discretionary income. The current economic environment as a result of COVID-19, coupled with high volatility and uncertainty as to the future global economic landscape, and increased inflation has had an adverse effect on consumers' discretionary income and consumer confidence. Future volatile, negative or uncertain economic conditions and recessionary periods or periods of significant inflation may adversely impact attendance and guest spending levels at Hall of Fame Village powered by Johnson Controls, which would materially adversely affect our business, financial condition and results of operations.

Hall of Fame Village powered by Johnson Controls is located in Canton, Ohio. The concentration of our operations in this market exposes us to greater risks than if our operations were more geographically diverse. As a result, negative developments in the local economic conditions in the Midwest region, particularly those impacting travel, hotel or other real estate operations, could reduce guest attendance, negatively impact consumer spending, increase tenant defaults and otherwise have a material adverse effect on our profitability.

Other factors that can affect consumer spending and confidence include severe weather, hurricanes, flooding, earthquakes and other natural disasters, elevated terrorism alerts, terrorist attacks, military actions, including in Ukraine, air travel concerns, outbreaks of disease, and geopolitical events, as well as various industry and other business conditions, including an ever increasing number of sporting and entertainment options that compete for discretionary spending. Such factors or incidents, even if not directly impacting us, can disrupt or otherwise adversely impact the spending sentiment and interest of our present or potential customers and sponsors.

The Company will operate in highly competitive industries and our revenues, profits or market share could be harmed if we are unable to compete effectively.

We will face substantial competition in each of our businesses. For example:

- Tom Benson Hall of Fame Stadium, the Sports Complex and the Center for Performance will compete with other facilities and venues across the region and country for hosting concerts, athletic events (including professional sports events, sports camps and tournaments) and other major conventions;
- Hall of Fame Village Media will compete (i) with other media and content producers to obtain creative and performing talent, sports and other programming content, story properties, advertiser support, distribution channels and market share and (ii) for viewers with other broadcast, cable and satellite services as well as with home entertainment products, new sources of broadband and mobile delivered content and internet usage;
- The indoor waterpark, the Hilton hotels, and the retail promenade, if and when completed, will compete for guests with other theme parks, waterparks, and resorts, such as Cedar Point, located in Sandusky, Ohio, and other theme parks, retail and tourist destinations in Ohio and around the country, and with other forms of entertainment, lodging, tourism and recreation activities;
- The Constellation Center for Excellence and Fan Engagement Zone will compete for tenants with other suppliers of commercial and/or retail space; and
- The planned Hall of Fantasy League fantasy football league will face competition from existing fantasy football leagues as well as other forms of virtual entertainment and fan interactions during the professional football season.

Competition in each of these areas may increase as a result of technological developments, changes in consumer preferences, economic conditions, changes in market structure and other factors that affect the recreation, entertainment, vacation, retail, tourism and leisure industries generally. Increased competition may divert consumers from Hall of Fame Village powered by Johnson Controls to other forms of entertainment, which could reduce our revenue or increase our marketing costs. Our competitors may have substantially greater financial resources than we do, and they may be able to adapt more quickly to changes in consumer preferences or devote greater resources to promotion of their offerings and services or to development or acquisition of offerings and services that are perceived to be of a higher quality or value than our offerings and services. As a result, we may not be able to compete successfully against such competitors.

We may not be able to fund capital expenditures and investment in future attractions and projects.

A principal competitive factor for Hall of Fame Village powered by Johnson Controls is the originality and perceived quality of its events, attractions and offerings. Even after completion of the various components of the Hall of Fame Village powered by Johnson Controls, we will need to make continued capital investments through maintenance and the regular addition of new events, attractions and offerings. Our ability to fund capital expenditures will depend on our ability to generate sufficient cash flow from operations and to raise capital from third parties. We cannot assure you that our operations will be able to generate sufficient cash flow to fund such costs, or that we will be able to obtain sufficient financing on adequate terms, or at all, which could cause us to delay or abandon certain projects or plans.

The high fixed cost structure of the Company's operations may result in significantly lower margins if revenues decline.

We expect a large portion of our operating expenses to be relatively fixed because the costs for full-time employees, maintenance, utilities, advertising and insurance will not vary significantly with attendance. These fixed costs may increase at a greater rate than our revenues and may not be able to be reduced at the same rate as declining revenues. If cost-cutting efforts are insufficient to offset declines in revenues or are impracticable, we could experience a material decline in margins, revenues, profitability and reduced or negative cash flows. Such effects can be especially pronounced during periods of economic contraction or slow economic growth.

Increased labor costs, labor shortages or labor disruptions could reduce our profitability.

Because labor costs are and will continue to be a major component of our operating expenses, higher labor costs could reduce our profitability. Higher labor costs could result from, among other things, labor shortages that require us to raise labor rates in order to attract employees, and increases in minimum wage rates. Higher employee health insurance costs could also adversely affect our profitability. Additionally, increased labor costs, labor shortages or labor disruptions by employees of our third-party contractors and subcontractors could disrupt our operations, increase our costs and affect our profitability.

Cyber security risks and the failure to maintain the integrity of internal or guest data could result in damages to our reputation, the disruption of operations and/or subject us to costs, fines or lawsuits.

We anticipate that we will collect and retain large volumes of internal and guest data, including credit card numbers and other personally identifiable information, for business purposes, including for transactional or target marketing and promotional purposes, and our various information technology systems enter, process, summarize and report such data. We also expect to maintain personally identifiable information about our employees. The integrity and protection of our guest, employee and company data will be critical to our business and our guests and employees are likely to have a high expectation that we will adequately protect their personal information. The regulatory environment, as well as the requirements imposed on us by the credit card industry, governing information, security and privacy laws is increasingly demanding and continues to evolve. Maintaining compliance with applicable security and privacy regulations may increase our operating costs and/or adversely impact our ability to market our theme parks, products and services to our guests.

We also expect to rely on accounting, financial and operational management information technology systems to conduct our operations. If these information technology systems suffer severe damage, disruption or shutdown and our business continuity plans do not effectively resolve the issues in a timely manner, our business, financial condition and results of operations could be materially adversely affected.

We may face various security threats, including cyber security attacks on our data (including our vendors' and guests' data) and/or information technology infrastructure. Although we will utilize various procedures and controls to monitor and mitigate these threats, there can be no assurance that these procedures and controls will be sufficient to prevent penetrations or disruptions to our systems. Furthermore, a penetrated or compromised data system or the intentional, inadvertent or negligent release or disclosure of data could result in theft, loss, fraudulent or unlawful use of guest, employee or company data which could harm our reputation or result in remedial and other costs, fines or lawsuits and require significant management attention and resources to be spent. In addition, our insurance coverage and indemnification arrangements that we enter into, if any, may not be adequate to cover all the costs related to cyber security attacks or disruptions resulting from such events. To date, cyber security attacks directed at us have not had a material impact on our financial results. Due to the evolving nature of security threats, however, the impact of any future incident cannot be predicted.

Investors are subject to litigation risk and their respective investments in the shares of our Common Stock may be lost as a result of our legal liabilities or the legal liabilities of our affiliates.

We or our affiliates may from time to time be subject to claims by third parties and may be plaintiffs or defendants in civil proceedings. There can be no assurance that claims will not be brought in the future if we cannot generate the revenue that we forecast or raise sufficient capital to pay contractors in connection with constructing other components of the project. The expense of prosecuting claims, for which there is no guarantee of success, and/or the expense of defending against claims by third parties and paying any amounts pursuant to settlements or judgments, would generally be borne by the Company and could result in the reduction or complete loss of all of the assets of the Company, and investors in our Common Stock could lose all or a part of their investment.

Our business may be adversely affected by tenant defaults or bankruptcy.

Our business may be adversely affected if any future tenants at the Constellation Center for Excellence or Hall of Fame retail promenade default on their obligations to us. A default by a tenant may result in the inability of such tenant to re-lease space from us on economically favorable terms, or at all. In the event of a default by a tenant, we may experience delays in payments and incur substantial costs in recovering our losses. In addition, our tenants may file for bankruptcy or be involved in insolvency proceedings and we may be required to expense costs associated with leases of bankrupt tenants and may not be able to replace future rents for tenant space rejected in bankruptcy proceedings, which could adversely affect our properties. Any bankruptcies of our tenants could make it difficult for us to enforce our rights as lessor and protect our investment.

Fluctuations in real estate values may require us to write down the carrying value of our real estate assets or investments.

Real estate valuations are subject to significant variability and fluctuation. The valuation of our real estate assets or real estate investments is inherently subjective and based on the individual characteristics of each asset. Factors such as competitive market supply and demand for inventory, changes in laws and regulations, political and economic conditions and interest and inflation rate fluctuations subject our valuations to uncertainty. Our valuations are or will be made on the basis of assumptions that may not prove to reflect economic or demographic reality. If the real estate market deteriorates, we may reevaluate the assumptions used in our analyses. As a result, adverse market conditions may require us to write down the book value of certain real estate assets or real estate investments and some of those write-downs could be material. Any material write-downs of assets could have a material adverse effect on our financial condition and results of operations.

Our property taxes could increase due to rate increases or reassessments or the imposition of new taxes or assessments or loss of tax credits, which may adversely impact our financial condition and results of operations.

We are required to pay state and local real property taxes and assessments on our properties. The real property taxes and assessments on our properties may increase as property or special tax rates increase or if our properties are assessed or reassessed at a higher value by taxing authorities. In addition, if we are obligated to pay new taxes or if there are increases in the property taxes and assessments that we currently pay, our financial condition and results of operations could be adversely affected. We are relying on various forms of public financing and public debt to finance the development and operations of the Company.

Our insurance coverage may not be adequate to cover all possible losses that we could suffer and our insurance costs may increase.

We seek to maintain comprehensive insurance coverage at commercially reasonable rates. Although we maintain various safety and loss prevention programs and carry property and casualty insurance to cover certain risks, our insurance policies do not cover all types of losses and liabilities. There can be no assurance that our insurance will be sufficient to cover the full extent of all losses or liabilities for which we are insured, and we cannot guarantee that we will be able to renew our current insurance policies on favorable terms, or at all. In addition, if we or other theme park operators sustain significant losses or make significant insurance claims, then our ability to obtain future insurance coverage at commercially reasonable rates could be materially adversely affected.

Our operations and our ownership of property subject us to environmental requirements, and to environmental expenditures and liabilities.

We incur costs to comply with environmental requirements, such as those relating to water use, wastewater and storm water management and disposal, air emissions control, hazardous materials management, solid and hazardous waste disposal, and the clean-up of properties affected by regulated materials.

We may be required to investigate and clean-up hazardous or toxic substances or chemical releases, and other releases, from current or formerly owned or operated facilities. In addition, in the ordinary course of our business, we generate, use and dispose of large volumes of water, which requires us to comply with a number of federal, state and local regulations and to incur significant expenses. Failure to comply with such regulations could subject us to fines and penalties and/or require us to incur additional expenses.

We cannot assure you that we will not incur substantial costs to comply with new or expanded environmental requirements in the future or to investigate or clean-up new or newly identified environmental conditions, which could also impair our ability to use or transfer the affected properties and to obtain financing.

Our planned sports betting, fantasy sports and eSports operations are subject to a variety of federal, state, and foreign laws, many of which are unsettled and still developing and which could subject us to claims or otherwise harm our business. Any change in existing statutes, regulations or their interpretation, or the regulatory climate applicable to our products and services, or changes in tax rules and regulations or interpretation thereof related to our products and services, could adversely impact our ability to operate our business as currently conducted or as we seek to operate in the future, which could have a material adverse effect on our financial condition and results of operations.

Our planned sports betting, fantasy sports and eSports operations are generally subject to state laws and regulations relating to sports betting, fantasy sports and eSports in the jurisdictions in which we are planning to conduct such operations or in some circumstances, in those jurisdictions in which we offer our services or they are available, as well as the general laws and regulations that apply to all e-commerce businesses, such as those related to privacy and personal information, tax and consumer protection. In the United States, these laws and regulations vary from one jurisdiction to another and future legislative and regulatory action, court decisions or other governmental action, which may be affected by, among other things, political pressures, attitudes and climates, as well as personal biases, may have a material impact on our operations and financial results. In particular, some jurisdictions have introduced legislation attempting to restrict or prohibit online gaming, while others have taken the position that online gaming should be licensed and regulated and have either legalized such activity or are in the process of considering legislation and regulations to enable that to happen. Additionally, some jurisdictions in which we may operate could presently be unregulated or partially regulated and therefore more susceptible to the enactment or change of laws and regulations.

In May 2018, the U.S. Supreme Court struck down as unconstitutional the Professional and Amateur Sports Protection Act of 1992 (“PASPA”). This decision has the effect of lifting federal restrictions on sports betting and thus allows states to determine by themselves the legality of sports betting. Since the repeal of PASPA, several states (and Washington D.C.) have legalized online sports betting. To the extent new real money gaming or sports betting jurisdictions are established or expanded, we cannot guarantee that we will be successful in penetrating such new jurisdictions. If we are unable to effectively develop and operate directly or indirectly within existing or new jurisdictions or if our competitors are able to successfully penetrate geographic jurisdictions that we cannot access or where we face other restrictions, there could be a material adverse effect on our sports betting, fantasy sports and eSports operations. Our failure to obtain or maintain the necessary regulatory approvals in jurisdictions, whether individually or collectively, would have a material adverse effect on our business. To operate in any jurisdiction, we may need to be licensed and obtain approvals of our product offerings. This is a time-consuming process that can be extremely costly. Any delays in obtaining or difficulty in maintaining regulatory approvals needed for expansion within existing jurisdictions or into new jurisdictions can negatively affect our opportunities for growth, including the growth of our customer base, or delay our ability to recognize revenue from our offerings in any such jurisdictions.

Future legislative and regulatory action, and court decisions or other governmental action, may have a material impact on our planned sports betting, fantasy sports and eSports operations. Governmental authorities could view us as having violated local laws, despite our efforts to obtain all applicable licenses or approvals. There is also a risk that civil and criminal proceedings, including class actions brought by or on behalf of prosecutors or public entities or incumbent monopoly providers, or private individuals, could be initiated against us, Internet service providers, credit card and other payment processors, advertisers and others involved in the sports betting industry. Such potential proceedings could involve substantial litigation expense, penalties, fines, seizure of assets, injunctions or other restrictions being imposed upon us or our licensees or other business partners, while diverting the attention of key executives. Such proceedings could have a material adverse effect on our business, financial condition, results of operations and prospects, as well as impact our reputation.

Failure to comply with regulatory requirements in a particular jurisdiction, or the failure to successfully obtain a license or permit applied for in a particular jurisdiction, could impact our ability to comply with licensing and regulatory requirements in other jurisdictions, or could cause the rejection of license applications or cancellation of existing licenses in other jurisdictions, or could cause financial institutions, online and mobile platforms, advertisers and distributors to stop providing services to us which we rely upon to receive payments from, or distribute amounts to, our users, or otherwise to deliver and promote our services.

Compliance with the various regulations applicable to fantasy sports and real money gaming is costly and time-consuming. Regulatory authorities at the non-U.S., U.S. federal, state and local levels have broad powers with respect to the regulation and licensing of fantasy sports and real money gaming operations and may revoke, suspend, condition or limit our fantasy sports or real money gaming licenses, impose substantial fines on us and take other actions, any one of which could have a material adverse effect on our business, financial condition, results of operations and prospects. These laws and regulations are dynamic and subject to potentially differing interpretations, and various legislative and regulatory bodies may expand current laws or regulations or enact new laws and regulations regarding these matters. We will strive to comply with all applicable laws and regulations relating to our business. It is possible, however, that these requirements may be interpreted and applied in a manner that is inconsistent from one jurisdiction to another and may conflict with other rules. Non-compliance with any such law or regulations could expose us to claims, proceedings, litigation and investigations by private parties and regulatory authorities, as well as substantial fines and negative publicity, each of which may materially and adversely affect our business.

Any fantasy sports or real money gaming license obtained could be revoked, suspended or conditioned at any time. The loss of a license in one jurisdiction could trigger the loss of additional licenses or affect our eligibility for such a license in another jurisdiction, and any of such losses, or potential for such loss, could cause us to cease offering some or all of our offerings in the impacted jurisdictions. We may be unable to obtain or maintain all necessary registrations, licenses, permits or approvals, and could incur fines or experience delays related to the licensing process, which could adversely affect our operations. Our delay or failure to obtain or maintain licenses in any jurisdiction may prevent us from distributing our offerings, increasing our customer base and/or generating revenues. We cannot assure you that we will be able to obtain and maintain the licenses and related approvals necessary to conduct our planned sports betting operations. Any failure to maintain or renew our licenses, registrations, permits or approvals could have a material adverse effect on our business, financial condition, results of operations and prospects.

Negative events or negative media coverage relating to, or a declining popularity of, fantasy sports, sports betting, the underlying sports or athletes, or online sports betting in particular, or other negative coverage may adversely impact our ability to retain or attract users, which could have an adverse impact on our proposed sports betting, fantasy sports and eSports operations.

Public opinion can significantly influence our business. Unfavorable publicity regarding us, for example, our product changes, product quality, litigation, or regulatory activity, or regarding the actions of third parties with whom we have relationships or the underlying sports (including declining popularity of the sports or athletes) could seriously harm our reputation. In addition, a negative shift in the perception of sports betting by the public or by politicians, lobbyists or others could affect future legislation of sports betting, which could cause jurisdictions to abandon proposals to legalize sports betting, thereby limiting the number of jurisdictions in which we can operate such operations. Furthermore, illegal betting activity by athletes could result in negative publicity for our industry and could harm our brand reputation. Negative public perception could also lead to new restrictions on or to the prohibition of sports betting in jurisdictions in which such operations are currently legal. Such negative publicity could also adversely affect the size, demographics, engagement, and loyalty of our customer base and result in decreased revenue or slower user growth rates, which could seriously harm our business.

The suspension or termination of, or the failure to obtain, any business or other licenses may have a negative impact on our business.

We maintain a variety of business licenses issued by federal, state and local authorities that are renewable on a periodic basis. We cannot guarantee that we will be successful in renewing all of our licenses on a periodic basis. The suspension, termination or expiration of one or more of these licenses could materially adversely affect our revenues and profits. Any changes to the licensing requirements for any of our licenses could affect our ability to maintain the licenses. In addition, we do not yet have all of the appropriate licenses required for our operations, including liquor licenses. The failure to obtain liquor or other licenses may negatively impact our business.

Delays or restrictions in obtaining permits for capital investments could impair our business.

Our capital investments require regulatory permits from one or more governmental agencies in order to build new theme parks, attractions and shows. Such permits are typically issued by state agencies, but federal and local governmental permits may also be required. The requirements for such permits vary depending on the location of such capital investments. As with all governmental permitting processes, there is a degree of uncertainty as to whether a permit will be granted, the time it will take for a permit to be issued, and the conditions that may be imposed in connection with the granting of the permit. Therefore, our capital investments in certain areas may be delayed, interrupted or suspended for varying lengths of time, causing a loss of revenue to us and adversely affecting our results of operations.

There can be no assurance that we will be able to meet certain construction deadlines under a Letter of Representations, which could cause a cross-default under the Term Loan.

If construction is delayed for any reason and we do not meet certain construction deadlines, we could be in breach of a letter of representations agreement with the Canton City School District and Stark County Port Authority (the “Letter of Representations”). A breach of the Letter of Representations would cause a cross-default under the Term Loan. If we default on our obligations under the Term Loan, the lender could accelerate the entire amount of the Term Loan, declare the unpaid balance (plus interest, fees and expenses) immediately due and payable and take other action to enforce the Term Loan, including foreclosure of substantially all of our assets that secure the Term Loan. An affiliate of Industrial Realty Group has guaranteed certain payment obligations under the Term Loan in the event of a default.

In connection with the Term Loan, HOF Village entered into a mortgage granting a security interest in its rights to certain premises that HOF Village leases from the Canton City School District and Stark County Port Authority. The Letter of Representations provides that any lien created by the mortgage or any other security interest granted in such premises in connection with the Term Loan will attach only to HOF Village's and the other Borrowers' interest in such premises and would remain subordinate to and not disturb the rights and interests of the City of Canton, Ohio, the Canton City School District, Stark County Port Authority, PFHOF, the State of Ohio, Plain Local School District, the Canton Symphony Orchestra, and persons identified as benefitted parties under any TIF revenue bond declaration. Additionally, the Letter of Representations provides that HOF Village and its relevant affiliates will remain bound to fulfill their respective obligations under the existing ground leases, project leases and certain other agreements with the Canton City School District and Stark County Port Authority and that HOF Village will cause certain payments to be made to Canton City School District and Stark County Port Authority.

If we do not receive sufficient capital to substantially repay our indebtedness, our indebtedness may have a material adverse effect on our business, our financial condition and results of operations and our ability to secure additional financing in the future, and we may not be able to raise sufficient funds to repay our indebtedness.

As of December 31, 2021, the Company's capital structure includes debt and debt-like obligations consisting of the following gross principal amounts:

- approximately \$9.5 million of net indebtedness to Development Finance Authority of Summit County, Ohio ("DFA Summit"), representing tax-increment financing proceeds;
- approximately \$3.0 million drawn on a loan facility of up to \$3.0 million with New Market Project, Inc., the proceeds of which are to be used for the development of the McKinley Grand Hotel;
- approximately \$3.5 million drawn on a loan facility of up to \$3.5 million with the City of Canton, Ohio;
- approximately \$9.6 million in financing from Constellation through its Efficiency Made Easy ("EME") program;
- approximately \$7.0 million of indebtedness outstanding pursuant to a promissory note, by HOF Village in favor of JKP Financial, LLC;
- approximately \$15.3 million of net indebtedness outstanding pursuant to a construction loan agreement with Erie Bank, the proceeds of which were used for the development of the DoubleTree Hotel;
- approximately \$24.1 million of net indebtedness representing convertible PIPE notes;
- approximately \$2.7 million of net indebtedness representing a cooperating agreement with DFA Summit, the City of Canton, Ohio, the Canton Regional Special Improvement District, Inc. and the U.S. Bank National Association for the construction of the Series 2020C Project;
- approximately \$7.4 million of net indebtedness outstanding pursuant to a promissory note in favor of Aquarian Credit Funding, LLC;
- approximately \$8.5 million of net indebtedness outstanding pursuant to a promissory note in favor of IRG;
- approximately \$13.3 million of net indebtedness outstanding pursuant to a construction loan agreement in favor of Erie Bank, the proceeds of which are to be used for the development of the Center for Performance; and
- approximately \$8.3 million of net indebtedness outstanding pursuant to financing provided by PACE Equity, Inc.

If we do not have sufficient funds to repay our debt at maturity, our indebtedness could subject us to many risks that, if realized, would adversely affect us, including the following:

- our cash flows from operations would be insufficient to make required payments of principal of and interest on the debt, and a failure to pay would likely result in acceleration of such debt and could result in cross accelerations or cross defaults on other debt;
- our debt may increase our vulnerability to adverse economic and industry conditions;

- to the extent that we generate and use any cash flow from operations to make payments on our debt, it will reduce our funds available for operations, development, capital expenditures and future investment opportunities or other purposes;
- debt covenants limit our ability to borrow additional amounts, including for working capital, capital expenditures, debt service requirements, executing our development plan and other purposes;
- restrictive debt covenants may limit our flexibility in operating our business, including limitations on our ability to make certain investments; incur additional indebtedness; create certain liens; incur obligations that restrict the ability of our subsidiaries to make payments to us; consolidate, merge or transfer all or substantially all of our assets; or enter into transactions with affiliates;
- to the extent that our indebtedness bears interest at a variable rate, we are exposed to the risk of increased interest rates;
- debt covenants may limit our subsidiaries' ability to make distributions to us;
- causing an event of default under the Term Loan if it is not repaid in full at maturity; and
- if any debt is refinanced, the terms of any refinancing may not be as favorable as the terms of the debt being refinanced.

If we do not have sufficient funds to repay our debt at maturity, it may be necessary to refinance the debt through additional debt or equity financings. If, at the time of any refinancing, prevailing interest rates or other factors result in a higher interest rate on such refinancing, increases in interest expense could adversely affect our cash flows and results of operations. If we are unable to refinance our debt on acceptable terms or at all, we may be forced to dispose of uncollateralized assets on disadvantageous terms, postpone investments in the development of our properties or the Hall of Fame Village powered by Johnson Controls or default on our debt. In addition, to the extent we cannot meet any future debt service obligations, we will risk losing some or all of our assets that are pledged to secure such obligations.

Our business plan requires additional liquidity and capital resources that might not be available on terms that are favorable to us, or at all.

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 powered by Johnson Controls, 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. As discussed in greater detail above, there can be no assurance that we will be able to repay the Term Loan obligation upon maturity or otherwise avoid a default. The Company may also have to raise additional capital through the equity market, which could result in substantial dilution to existing stockholders.

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.

We will have to increase leverage to develop the Company, which could further exacerbate the risks associated with our substantial indebtedness.

While we used proceeds from the Business Combination and subsequent capital raises to pay down certain outstanding debt, we will have to take on substantially more debt to complete the construction of the Hall of Fame Village powered by Johnson Controls. We may incur additional indebtedness from time to time in the future to finance working capital, capital expenditures, investments or acquisitions, or for other purposes. If and when we incur additional indebtedness, the risks related to our indebtedness could intensify.

We may not be able to generate sufficient cash flow from operations to service all of our indebtedness and may be forced to take other actions to satisfy our obligations under our indebtedness, which may not be successful.

Our ability to make scheduled payments on or refinance our debt obligations depends on our financial condition and operating performance, which are subject to prevailing economic and competitive conditions and to certain financial, business, legislative, regulatory and other factors beyond our control. We may be unable to generate a level of cash flows from operating activities sufficient to permit us to pay the principal, premium, if any, and interest on our indebtedness. Until such time as we can service our indebtedness with cash flow from operations, we intend to service our indebtedness from other sources.

If our cash flows, cash on hand and other capital resources are insufficient to fund our debt service obligations, we could face continued and future liquidity concerns and could be forced to reduce or delay investments and capital expenditures or to dispose of material assets or operations, seek additional indebtedness or equity capital, or restructure or refinance our indebtedness. We may not be able to effect any such alternative measures, if necessary, on commercially reasonable terms or at all and, even if successful, those alternative actions may not allow us to meet our scheduled debt service obligations. The Term Loan restricts our ability to dispose of assets and use the proceeds from those dispositions and may also restrict our ability to raise indebtedness or equity capital to be used to repay other indebtedness when it becomes due. We may not be able to consummate those dispositions or to obtain proceeds in an amount sufficient to meet any debt service obligations then due.

Our inability to generate sufficient cash flows to satisfy our debt obligations, or to refinance our indebtedness on commercially reasonable terms or at all, would materially and adversely affect our financial position and results of operations.

If we fail to comply with the reporting obligations of the Exchange Act and Section 404 of the Sarbanes-Oxley Act, or if we fail to maintain adequate internal control over financial reporting, our business, financial condition, and results of operations, and investors' confidence in us, could be materially and adversely affected.

As a public company, we are required to comply with the periodic reporting obligations of the Exchange Act, including preparing annual reports, quarterly reports, and current reports. Our failure to prepare and disclose this information in a timely manner and meet our reporting obligations in their entirety could subject us to penalties under federal securities laws and regulations of the Nasdaq, expose us to lawsuits, and restrict our ability to access financing on favorable terms, or at all.

In addition, pursuant to Section 404 of the Sarbanes-Oxley Act, we are required to develop, evaluate and provide a management report of our systems of internal control over financial reporting. During the course of the evaluation of our internal control over financial reporting, we have identified and could identify areas requiring improvement and could be required to design enhanced processes and controls to address issues identified through this review. This could result in significant delays and costs to us and require us to divert substantial resources, including management time, from other activities.

If we fail to comply with the requirements of Section 404 on a timely basis this could result in the loss of investor confidence in the reliability of our financial statements, which in turn could, negatively impact the trading price of our stock, and adversely affect investors' confidence in the Company and our ability to access capital markets for financing.

The requirements of being a public company may strain our resources and distract management.

We expect to incur significant costs associated with our public company reporting requirements and costs associated with applicable corporate governance requirements. These applicable rules and regulations are expected to significantly increase our legal and financial compliance costs and to make some activities more time consuming and costly than those for privately owned companies that are not registrants with the SEC. Compliance with these rules and regulations may divert management's attention from other business concerns.

The COVID-19 pandemic has had, and is expected to continue to have, a material adverse effect on our business.

Since 2020, the world has been, and continues to be, impacted by the COVID-19 pandemic. COVID-19 and the measures to prevent its spread impacted our business in a number of ways, most significantly with regard to a reduction in the number of events and attendance at events at Tom Benson Hall of Fame Stadium and our Sports Complex, which negatively impacts our ability to generate revenue. Also, we opened our newly renovated DoubleTree by Hilton in Canton in November 2020, but the occupancy rate has been negatively impacted by the COVID-19 pandemic. Further, the COVID-19 pandemic has caused a number of supply chain disruptions, which negatively impacts our ability to obtain the materials needed to complete construction. The continued impact of these disruptions and the ongoing extent of their adverse impact on our financial and operating results will be dictated by the length of time that such disruptions continue, which will, in turn, depend on the currently unknowable duration and severity of the impacts of COVID-19, and among other things, the impact of governmental actions imposed in response to COVID-19 and individuals' and companies' risk tolerance regarding health matters going forward.

Even after restrictions loosen, the demand for sports and entertainment events may decrease as fears over travel or attending large-scale events linger due to concerns over the spread of COVID-19. If unemployment levels persist and economic disruption continues, the demand for entertainment activities, travel and other discretionary consumer spending may also decline as consumers have less money to spend. We may be required to enforce social distancing measures within our facilities by, among other things, limiting the number of people admitted or standing in lines at any time, or adding social distancing signage and markers. We may incur additional costs associated with maintaining the health and safety of our guests and employees, including facility improvements such as additional sanitization stations or requiring the broad use of personal protective equipment. If it is alleged or determined that illness associated with COVID-19 was contracted at one of our facilities, we may suffer reputational damage that could adversely affect attendance and future ticket sales.

Even after we are able to open our facilities, we may elect or be required to close them in the future in response to the continued impact of COVID-19 or outbreaks involving other epidemics. Any decrease in demand for the sports and entertainment industry would likely affect our business and financial results. The extent and duration of the long-term impact of COVID-19 remains uncertain and the full impact on our business operations cannot be predicted.

Risk Related to Our Securities

We currently do not intend to pay dividends on our Common Stock. Consequently, our stockholders' ability to achieve a return on their investment will depend on appreciation in the price of our Common Stock.

We do not expect to pay cash dividends on our Common Stock. Any future dividend payments are within the absolute discretion of our board of directors and will depend on, among other things, our results of operations, working capital requirements, capital expenditure requirements, financial condition, level of indebtedness, contractual restrictions with respect to payment of dividends, business opportunities, anticipated cash needs, provisions of applicable law and other factors that our board of directors may deem relevant.

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.

Our Series A Warrants, Series B Warrants, and Series C Warrants are accounted for as liabilities and the changes in value of such warrants could have a material effect on our financial results.

On April 12, 2021, the staff of the Securities and Exchange Commission (the "SEC") issued a statement (the "SEC Statement") regarding the accounting and reporting considerations for warrants issued by special purpose acquisition companies. Specifically, the SEC Statement focused on certain settlement terms and provisions related to certain tender offers following a business combination, which terms are similar to those governing our Series A Warrants, Series B Warrants, and Series C Warrants. As a result of the SEC Statement, we reevaluated the accounting treatment of such warrants, and determined to classify such warrants as derivative liabilities measured at fair value, with changes in fair value each period reported in earnings.

As a result, included on our balance sheets as of December 31, 2021 and 2020 contained elsewhere in this Annual Report are derivative liabilities related to embedded features contained within our Series A Warrants, Series B Warrants, and Series C Warrants. ASC Subtopic 815, Derivatives and Hedging, provides for the remeasurement of the fair value of such derivatives at each balance sheet date, with a resulting non-cash gain or loss related to the change in the fair value being recognized in earnings in the statement of operations. As a result of the recurring fair value measurement, our financial statements and results of operations may fluctuate quarterly, based on factors which are outside of our control. Due to the recurring fair value measurement, we expect that we will recognize non-cash gains or losses on our Series A Warrants, Series B Warrants, and Series C Warrants each reporting period and that the amount of such gains or losses could be material.

Our Certificate of Incorporation allows for our board of directors to create new series of preferred stock without further approval by our stockholders, which could adversely affect the rights of the holders of our Common Stock.

Our board of directors has the authority to fix and determine the relative rights and preferences of preferred stock. Our board of directors has the authority to issue up to 5,000,000 shares of our preferred stock (of which 52,800 shares have been designated 7.00% Series A Cumulative Redeemable Preferred Stock, par value \$0.0001 per share ("Series A Preferred Stock"), of which 3,600 shares are issued and outstanding as of December 31, 2021, and 15,200 shares have been designated as 7.00% Series B Convertible Preferred Stock, par value \$0.0001 per share ("Series B Preferred Stock"), all of which are issued and outstanding as of December 31, 2021, without further stockholder approval. In addition, as part of the consideration for Amendment Number 6 discussed under "Item 1. Business—Recent Developments" above, the Company agreed, subject to approval of its board of directors, to create a series of preferred stock, to be known as 7.00% Series C Convertible Preferred Stock ("Series C Preferred Stock"), and, upon the request of CH Capital Lending, exchange each share of the Company's Series B Preferred Stock that is held by CH Capital Lending for one share of Series C Preferred Stock. Our board of directors could authorize the issuance of additional series of preferred stock that would grant to holders the preferred right to our assets upon liquidation, the right to receive dividend payments before dividends are distributed to the holders of Common Stock and the right to the redemption of the shares, together with a premium, prior to the redemption of our Common Stock. In addition, our board of directors could authorize the issuance of a series of preferred stock that has greater voting power than our Common Stock or that is convertible into our Common Stock, which could decrease the relative voting power of our Common Stock or result in dilution to our existing stockholders. Although we have no present intention to issue any additional shares of preferred stock or to create any additional series of preferred stock other than as disclosed, we may issue such shares in the future.

We currently have outstanding, and we may in the future issue, instruments which are exercisable for or convertible into shares of Common Stock, which will result in dilution of our Common Stock.

We currently have outstanding as of March 11, 2022 the following instruments that are exercisable for or convertible into shares of our Common Stock:

- Series A Warrants, exercisable for 24,731,195 shares of Common Stock at an exercise price of \$11.50 per share, subject to adjustment;
- Series B Warrants, exercisable for 3,760,570 shares of Common Stock at an exercise price of \$1.40 per share, subject to adjustment;
- Series C Warrants, exercisable for 10,036,925 shares of Common Stock at an exercise price of \$1.40 per share, subject to adjustment;
- Series D Warrants, exercisable for 2,483,660 shares of Common Stock at an exercise price of \$6.90 per share, subject to adjustment;
- Series E Warrants, exercisable for 1,500,000 shares of Common Stock at an exercise price of \$1.50 per share, subject to adjustment;
- Series F Warrants, exercisable for 1,500,000 shares of Common Stock at an exercise price of \$1.09 per share, subject to adjustment;
- \$15,200,000 original issue date price Series B Preferred Stock, convertible by the holder into shares of Common Stock at a conversion price of \$3.06 per share of Common Stock, subject to adjustment;
- approximately \$24.1 million of net indebtedness representing PIPE Notes, convertible by holders into shares of Common Stock at a current conversion rate or 144.9304 shares of Common Stock per \$1,000 principal amount of PIPE Notes or approximately \$6.90 per share, subject to adjustment;
- \$8,347,839 Term Loan, convertible by the lender into shares of Common Stock at a conversion price of \$1.50 per share, subject to adjustment;
- \$4,273,543 First Amended and Restated Promissory Note with IRG, LLC, convertible by the holder into shares of Common Stock at a conversion price of \$1.50 per share, subject to adjustment;
- \$4,273,543 First Amended and Restated Promissory Note with JKP Financial, LLC, convertible by the holder into shares of Common Stock at a conversion price of \$1.09 per share, subject to adjustment;
- \$8,394,836 JKP Promissory Note, convertible by the holder into shares of Common Stock at a conversion price of \$1.09 per share, subject to adjustment; and
- approximately 1,970,127 unvested restricted stock units to be settled in shares of Common Stock.

We may need to issue similar instruments in the future. In the event that these convertible instruments are exercised for or converted into shares of Common Stock, or that we make additional issuances of other convertible or exchangeable securities, our Common Stock holders could experience additional dilution.

Antidilution provisions in certain of our convertible debt instruments may result in a reduction of the conversion price, which would result in additional dilution of our Common Stock.

Our Term Loan, First Amended and Restated Promissory Note with IRG, LLC, First Amended and Restated Promissory Note with JKP Financial, LLC and JKP Promissory Note contain an antidilution adjustment to the conversion price. Under such antidilution provision, if the Company prior to the applicable maturity date issues any additional shares of Common Stock (or is deemed to have issued any shares of Common Stock as provided therein), with certain exceptions, without consideration or for a consideration per share less than the conversion price in effect immediately prior to the issuance of Common Stock, the conversion price in effect immediately prior to such issuance shall forthwith be lowered using a weighted average formula set forth therein. If the conversion price is lowered, the debt instruments will become convertible into additional shares of Common Stock, which would result in additional dilution of our Common Stock.

Our Common Stock may be delisted from the Nasdaq Capital Market if we cannot satisfy Nasdaq's continued listing requirements.

Among the conditions required for continued listing on the Nasdaq Capital Market, Nasdaq requires us to maintain at least \$35 million market value of listed securities or at least \$500,000 in net income over the prior two years or two of the prior three years, and to maintain a stock price over \$1.00 per share. We may not maintain a minimum \$35 million market value of listed securities, we may not generate over \$500,000 of yearly net income moving forward, and we may not be able to maintain a stock price over \$1.00 per share. If we fail to timely comply with the applicable requirements, our stock may be delisted. In addition, even if we demonstrate compliance with the requirements above, we will have to continue to meet other objective and subjective listing requirements to continue to be listed on the Nasdaq Capital Market. Delisting from the Nasdaq Capital Market could make trading our Common Stock more difficult for investors, potentially leading to declines in our share price and liquidity. Without a Nasdaq Capital Market listing, stockholders may have a difficult time getting a quote for the sale or purchase of our stock, the sale or purchase of our stock would likely be made more difficult, and the trading volume and liquidity of our stock could decline. Delisting from the Nasdaq Capital Market could also result in negative publicity and could also make it more difficult for us to raise additional capital. The absence of such a listing may adversely affect the acceptance of our Common Stock as currency or the value accorded by other parties. Further, if we are delisted, we would also incur additional costs under state blue sky laws in connection with any sales of our securities. These requirements could severely limit the market liquidity of our Common Stock and the ability of our stockholders to sell our Common Stock in the secondary market. If our Common Stock is delisted by Nasdaq, our Common Stock may be eligible to trade on an over-the-counter quotation system, such as the OTCQB market, where an investor may find it more difficult to sell our stock or obtain accurate quotations as to the market value of our Common Stock. In the event our Common Stock is delisted from the Nasdaq Capital Market, we may not be able to list our Common Stock on another national securities exchange or obtain quotation on an over-the counter quotation system.

The trading price of our securities has been, and likely will continue to be, volatile and you could lose all or part of your investment.

The trading price of our securities could be volatile and subject to wide fluctuations in response to various factors, some of which are beyond our control, including but not limited to our general business condition, the release of our financial reports and general economic conditions and forecasts. Broad market and industry factors may materially harm the market price of our securities irrespective of our operating performance. The stock market in general, and Nasdaq, have experienced price and volume fluctuations that have often been unrelated or disproportionate to the operating performance of the particular companies affected. The trading prices and valuations of these stocks, and of our securities, may not be predictable. A loss of investor confidence in the market for the stocks of other companies which investors perceive to be similar to us could depress our stock price regardless of our business, prospects, financial conditions or results of operations. A decline in the market price of our securities also could adversely affect our ability to issue additional securities and our ability to obtain additional financing in the future. Any of these factors could have a material adverse effect on our stockholders' investment in our securities, and our securities may trade at prices significantly below the price they paid for them. In such circumstances, the trading price of our securities may not recover and may experience a further decline.

Anti-takeover provisions contained in our Certificate of Incorporation and Bylaws, as well as provisions of Delaware law, could impair a takeover attempt.

Our Certificate of Incorporation contains provisions that may discourage unsolicited takeover proposals that stockholders may consider to be in their best interests. We are also subject to anti-takeover provisions under Delaware law, which could delay or prevent a change of control. Together, these provisions may make more difficult the removal of management and may discourage transactions that otherwise could involve payment of a premium over prevailing market prices for our securities. These provisions include:

- no cumulative voting in the election of directors, which limits the ability of minority stockholders to elect director candidates;
- a classified board of directors with three-year staggered terms, which could delay the ability of stockholders to change the membership of a majority of our board of directors;
- the right of our board of directors to elect a director to fill a vacancy created by the expansion of our board of directors or the resignation, death or removal of a director in certain circumstances, which prevents stockholders from being able to fill vacancies on our board of directors;
- a prohibition on stockholder action by written consent, which forces stockholder action to be taken at an annual or special meeting of our stockholders; and
- the requirement that a meeting of stockholders may only be called by members of our board of directors, the chairman of our board of directors, our chief executive officer, or the stockholders holding a majority of our shares, which may delay the ability of our stockholders to force consideration of a proposal or to take action, including the removal of directors.

Our Certificate of Incorporation provides, subject to limited exceptions, that the Court of Chancery of the State of Delaware will be the sole and exclusive forum for certain stockholder litigation matters, which could limit our stockholders' ability to obtain a favorable judicial forum for disputes with us or our directors, officers, employees or stockholders.

Our Certificate of Incorporation requires, to the fullest extent permitted by law, that derivative actions brought in HOFRE's name, actions against directors, officers, stockholders and employees for breach of fiduciary duty, actions under the Delaware General Corporation Law or under our Certificate of Incorporation, or actions asserting a claim governed by the internal affairs doctrine may be brought only in the Court of Chancery in the State of Delaware and, if brought outside of Delaware, the stockholder bringing the suit will be deemed to have consented to service of process on such stockholder's counsel. This choice of forum provision does not preclude or contract the scope of exclusive federal or concurrent jurisdiction for any actions brought under the Securities Act or the Exchange Act. Accordingly, such exclusive forum provision will not relieve us of our duties to comply with the federal securities laws and the rules and regulations thereunder, and our stockholders will not be deemed to have waived its compliance with these laws, rules and regulations.

Any person or entity purchasing or otherwise acquiring any interest in shares of our capital stock shall be deemed to have notice of and consented to the forum provisions in our Certificate of Incorporation. This choice of forum provision does not exclude stockholders from suing in federal court for claims under the federal securities laws but may limit a stockholder's ability to bring such claims in a judicial forum that it finds favorable for disputes with HOFRE or any of its directors, officers, other employees or stockholders, which may discourage lawsuits with respect to such claims.

Alternatively, if a court were to find the choice of forum provision contained in our Certificate of Incorporation to be inapplicable or unenforceable in an action, we may incur additional costs associated with resolving such action in other jurisdictions, which could harm our business, operating results and financial condition.

If securities or industry analysts do not publish research or publish inaccurate or unfavorable research about our business, our stock price and trading volume could decline.

The trading market for our securities will depend in part on the research and reports that securities or industry analysts publish about us or our business. If only a limited number of securities or industry analysts commence coverage of our Company, the trading price for our securities would likely be negatively impacted. In the event securities or industry analysts initiate coverage, if one or more of the analysts who covers us downgrades our stock or publishes unfavorable research about our business, our stock price may decline. If one or more of these analysts ceases coverage of our Company or fails to publish reports on us regularly, demand for our securities could decrease, which might cause our stock price and trading volume to decline.

Our executive officers and directors, and their affiliated entities, along with our seven other largest stockholders, own a significant percentage of our stock and will be able to exert significant control over matters subject to stockholder approval.

Our executive officers and directors, together with entities affiliated with such individuals, along with our seven other largest stockholders, beneficially own approximately 48% of our outstanding Common Stock. Accordingly, these stockholders are able to exert significant control over matters subject to stockholder approval. This concentration of ownership could delay or prevent a change in control of the Company.

We are an emerging growth company and a smaller reporting company within the meaning of the Securities Act, and if we take advantage of certain exemptions from disclosure requirements available to emerging growth companies or smaller reporting companies, this could make our securities less attractive to investors and may make it more difficult to compare our performance with other public companies.

We are an “emerging growth company,” as defined in Section 2(a) of the Securities Act, as modified by the JOBS Act, and we may take advantage of certain exemptions from various reporting requirements that are applicable to other public companies that are not emerging growth companies, including, but not limited to, not being required to comply with the auditor attestation requirements of Section 404 of the Sarbanes-Oxley Act, reduced disclosure obligations regarding executive compensation in our periodic reports and proxy statements, and exemptions from the requirements of holding a nonbinding advisory vote on executive compensation and stockholder approval of any golden parachute payments not previously approved.

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

We will remain an emerging growth company until the earlier of: (1) the last day of the fiscal year (a) following the fifth anniversary of the closing of the Company’s initial public offering, (b) in which we have total annual revenue of at least \$1.07 billion, or (c) in which we are deemed to be a large accelerated filer, which means the market value of our common equity that is held by non-affiliates exceeds \$700 million as of the end of the prior fiscal year’s second fiscal quarter; and (2) the date on which we have issued more than \$1.00 billion in non-convertible debt securities during the prior three-year period. References herein to “emerging growth company” have the meaning associated with it in the JOBS Act.

Additionally, we are a “smaller reporting company” as defined in Item 10(f)(1) of Regulation S-K. Smaller reporting companies may take advantage of certain reduced disclosure obligations, including, among other things, providing only two years of audited financial statements. We will remain a smaller reporting company until the last day of any fiscal year for so long as either (1) the market value of our shares of our Common Stock held by non-affiliates did not equal or exceed \$250 million as of the prior June 30, or (2) our annual revenues did not equal or exceed \$100 million during such completed fiscal year and the market value of our shares of our Common Stock held by non-affiliates did not equal or exceed \$700 million as of the prior June 30.

Item 1B. Unresolved Staff Comments

Not applicable.

Item 2. Properties

The Company owns real property in Canton, Ohio, at the site of the Hall of Fame Village powered by Johnson Controls development, including the Tom Benson Hall of Fame Stadium, the Constellation Center for Excellence, and the Company's principal corporate office. Certain parcels of real property on which the Hall of Fame Village powered by Johnson Controls is located are owned by the City of Canton and the Canton City School District (Board of Education) and are subject to long-term ground leases and agreements with the Company for the use and development of such property.

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

Item 3. Legal Proceedings

Information with respect to certain legal proceedings is set forth in Note 8, "Contingencies," to the Company's Consolidated Financial Statements and is incorporated herein by reference.

Item 4. Mine Safety Disclosures

Not applicable.

PART II

Item 5. Market For Registrant's Common Equity, Related Stockholder Matters And Issuer's Purchases Of Equity Securities

Market Information

Our Common Stock is traded on The NASDAQ Capital Markets under the symbol "HOFV" and our Warrants are traded on the NASDAQ Capital Markets under the symbol "HOFVW".

Holders

On March 11, 2022, the Company had 152 holders of record of our Common Stock.

Dividends

The Company has never declared or paid cash dividends on its Common Stock and has no intention to do so in the foreseeable future.

Item 6. [Reserved]

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

The following discussion and analysis provides information which our management believes is relevant to an assessment and understanding of our financial condition and results of operations. This discussion and analysis should be read together with our results of operations and financial condition and the audited and unaudited consolidated financial statements and related notes that are included elsewhere in this Annual Report on Form 10-K. In addition to historical financial information, this discussion and analysis contains forward-looking statements based upon current expectations that involve risks, uncertainties and assumptions. See the section entitled "Cautionary Note Regarding Forward-Looking Statements." Actual results and timing of selected events may differ materially from those anticipated in these forward-looking statements as a result of various factors, including those set forth under "Risk Factors" or elsewhere in this Annual Report on Form 10-K.

Certain figures, such as interest rates and other percentages, included in this section have been rounded for ease of presentation. Percentage figures included in this section have not in all cases been calculated on the basis of such rounded figures but on the basis of such amounts prior to rounding. For this reason, percentage amounts in this section may vary slightly from those obtained by performing the same calculations using the figures in our consolidated financial statements or in the associated text. Certain other amounts that appear in this section may similarly not sum due to rounding.

Overview

We are a resort and entertainment company located in Canton, Ohio, 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. Headquartered in Canton, Ohio, we own the Hall of Fame Village powered by Johnson Controls, a multi-use sports, entertainment and media destination centered around the PFHOF's campus. We expect to create a diversified set of revenue streams through developing themed attractions, premier entertainment programming, sponsorships and media. The strategic plan has been developed in three phases of growth: Phase I, Phase II, and Phase III.

Phase I of the Hall of Fame Village powered by Johnson Controls is operational, consisting of the Tom Benson Hall of Fame Stadium, the Sports Complex, and HOF Village Media. In 2016, HOF Village completed the Tom Benson Hall of Fame Stadium, a sports and entertainment venue with a seating capacity of approximately 23,000. The Tom Benson Hall of Fame Stadium hosts multiple sports and entertainment events, including the NFL Hall of Fame Game, Enshrinement and Concert for Legends during the annual Pro Football Hall of Fame Enshrinement Week. In 2016, HOF Village opened the Sports Complex, which will consist of eight full-sized, multi-use regulation football fields, five of which have been completed in Phase I. The facility hosts camps and tournaments for football players, as well as athletes from across the country in other sports such as lacrosse, rugby and soccer. In 2017, HOF Village formed a sports and entertainment media company, Hall of Fame Village Media, leveraging the sport of professional football to produce exclusive programming by licensing the extensive content controlled by the PFHOF as well as new programming assets developed from live events such as youth tournaments, business meetings, weddings, festivals, camps, sporting events, and more held at the Sports Complex and the Tom Benson Hall of Fame Stadium.

We are developing new hospitality, attraction and corporate assets surrounding the Pro Football Hall of Fame Museum as part of our Phase II development plan. Phase II plans for future components of the Hall of Fame Village powered by Johnson Controls include two hotels (one on campus and one in downtown Canton that opened in November 2020), the Hall of Fame Indoor Waterpark, the Constellation Center for Excellence (an office building including retail and meeting space that opened in October 2021), the Center for Performance (a convention center/field house), Play Action Plaza, and the Hall of Fame Retail Promenade. We are pursuing a differentiation strategy across three pillars, including destination-based assets, Hall of Fame Village Media, and gaming (including the fantasy football league we acquired a majority stake in). 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

The Company's sponsorship revenue is derived from its agreements with third parties such as Johnson Controls and Constellation. These sponsorship agreements are generally multi-year agreements to provide cash or some other type of benefit to the Company. Some agreements require the Company to use a portion of the sponsorship revenue to incur marketing and other activation costs associated with the agreement, and this revenue is shown net of those associated costs. Additionally, the Company's Tom Benson Hall of Fame Stadium is used to host premier entertainment and sports events to generate event revenues. The stadium is used to host a variety of sporting events, including high school, college and professional football games throughout the year, in addition to top entertainers. The Company plans to continue to expand programming where applicable for its live event business. The Company's other revenue is derived primarily from rents and cost reimbursement.

Operating Expenses

The Company's operating expenses include property operating expenses, depreciation expense and other operating expenses. These expenses have increased in connection with putting the Company's first phase into operation and the Company expects these expenses to continue to increase with the Company's growth.

The Company's property operating expenses include the costs associated with running its operational entertainment and destination assets such as the Tom Benson Hall of Fame Stadium and the Sports Complex. As more of the Company's Phase II assets become operational and additional events for top performers and sporting events are held, the Company expects these expenses to continue to increase with the Company's development.

Other operating expenses include items such as management fees, commission expense and professional fees. The Company expects these expenses to continue to increase with the Company's growth.

The Company's depreciation expense includes the related costs to owning and operating significant property and entertainment assets. These expenses have grown as the Company completed Phase I development and the assets associated with Phase I became operational. The Company expects these expenses to continue to grow as Phases II and III assets are developed and become operational.

Warrant Liabilities

We account for warrants to purchase shares of our Common Stock that are not indexed to our own stock as liabilities at fair value on the balance sheet in accordance with the Accounting Standards Codification Topic 815 "Derivatives and Hedging". The 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), net on the statement of operations. We will continue to adjust the liability for changes in fair value until the earlier of the exercise or expiration of the Common Stock warrants. At that time, the portion of the warrant liability related to the Common Stock warrants will be reclassified to additional paid-in capital.

Results of Operations

The following table sets forth information comparing the components of net loss for the years ended December 31, 2021 and the comparable period in 2020:

	For the Years Ended December 31,	
	2021	2020
Revenues		
Sponsorships, net of activation costs	\$ 6,023,863	\$ 6,424,201
Rents and cost recoveries	305,302	474,020
Event and other revenues	681,408	38,750
Hotel revenues	3,759,811	162,183
Total revenues	<u>\$ 10,770,384</u>	<u>\$ 7,099,154</u>
Operating expenses		
Property operating expenses	27,780,351	26,631,821
Hotel operating expenses	4,408,691	419,595
Commission expense	1,020,774	1,671,964
Impairment expense	1,748,448	-
Depreciation expense	12,199,148	11,085,230
Total operating expenses	<u>\$ 47,157,412</u>	<u>\$ 39,808,610</u>
Loss from operations	(36,387,028)	(32,709,456)
Other expense		
Interest expense	(3,580,840)	(5,718,473)
Amortization of discount on note payable	(5,160,242)	(10,570,974)
Change in fair value of warrant liability	(48,075,943)	26,733,116
Business combination costs	-	(19,137,165)
Gain (loss) on extinguishment of debt	390,400	(4,282,220)
Total other expense	<u>\$(56,426,625)</u>	<u>\$(12,975,716)</u>
Net loss	\$(92,813,653)	\$(45,685,172)
Series B preferred stock dividends	(697,575)	-
Loss attributable to non-controlling interest	<u>400,260</u>	<u>196,506</u>
Net loss attributable to HOFRE stockholders	<u>\$(93,110,968)</u>	<u>\$(45,488,666)</u>
Net loss per share – basic and diluted	<u>\$ (1.03)</u>	<u>\$ (1.71)</u>
Weighted average shares outstanding, basic and diluted	<u>90,295,878</u>	<u>26,644,449</u>

Year Ended December 31, 2021 as Compared to the Year Ended December 31, 2020

Sponsorship Revenues, net of Activation Costs

The Company's sponsorship revenues for the year ended December 31, 2021 \$6,023,863 as compared to \$6,424,201 for the year ended December 31, 2020, a decreased of \$400,338 or 6%. This decrease was primarily driven by the cancellation of a smaller sponsorship agreement as well as the impact of revisions to two sponsorship agreements effective in the third quarter of 2020.

Rents and Cost Recoveries

The Company's revenue from rents and cost recoveries for the year ended December 31, 2021 were \$305,302 as compared to \$474,020 for the year ended December 31, 2020, a decrease of \$168,718, or 36%. This change was primarily driven by a decrease in utilization of our sports complex.

Event and Other Revenues

The Company's event and other revenues for the year ended December 31, 2021 were \$681,408 as compared to \$38,750 for the year ended December 31, 2020, an increase of \$642,658, or 1,659%. This increase was primarily driven by revenues from the Company's hosting of enshrinement week and other events.

Hotel Revenues

The Company's hotel revenues for the year ended December 31, 2021 were \$3,759,811 as compared to \$162,183 for the year ended December 31, 2020. This was driven by the having a full year open of our DoubleTree Hotel in 2021 as opposed to two months in 2020.

Property Operating Expenses

The Company's property operating expenses were \$27,780,351 for the year ended December 31, 2021 as compared to \$26,631,821 for the year ended December 31, 2020, an increase of \$1,148,530, or 4.3%. This increase was driven by an increase of \$1,058,861 in stock-based compensation and increase in compensation expenses.

Hotel Operating Expense

The Company's hotel operating expense was \$4,408,691 for the year ended December 31, 2021 as compared to \$419,595 for the year ended December 31, 2020, an increase of \$3,989,096 or 951%. This was driven by the having a full year open of our DoubleTree Hotel in 2021 as opposed to two months in 2020.

Commission Expense

The Company's commission expense was \$1,020,774 for the year ended December 31, 2021, as compared to \$1,671,964 for the year ended December 31, 2020, a decrease of \$651,190, or 39%. The decrease in commission expense is primarily the result of final prior year commissions' fees paid in the first quarter of 2020 per the agreements in place at that time.

Impairment Expense

The Company's impairment expense was \$1,784,448 for the year ended December 31, 2021, as compared to \$0 for the year ended December 31, 2020. The impairment expense was due to an impairment of project development costs due to a change in plans for Company's Center for Performance, which caused the Company to abandon previous plans that will not benefit the current plan.

Depreciation Expense

The Company's depreciation expense was \$12,199,148 for the year ended December 31, 2021 as compared to \$11,085,230 for the year ended December 31, 2020, an increase of \$1,113,918, or 10%. The increase in depreciation expense is primarily the result of additional depreciation expense incurred due to the DoubleTree Hotel being placed in service in the fourth quarter of 2020.

Interest Expense

The Company's interest expense was \$3,580,840 for the year ended December 31, 2021, as compared to \$5,718,473 for the year ended December 31, 2020, a decrease of \$2,137,633, or 37%. The decrease in total interest expense is primarily due to extinguishment of select debt instruments at the close of the Business Combination and the cancellation of a note we owed IRG in exchange for issuance of Common Stock and warrants in December, as well as changes in interest rates and certain interest expense due to affiliate that was waived under a revised agreement at June 30, 2020.

Amortization of Debt Discount

The Company's amortization of debt discount was \$5,160,242 for the year ended December 31, 2021, as compared to \$10,570,974 for the year ended December 31, 2020, a decrease of \$5,410,732, or 51%. The decrease in total amortization of debt discount is primarily due to the conversion of the Company's various outstanding notes payable throughout the second half of 2020.

Gain (Loss) on Extinguishment of Debt

The Company's gain (loss) on extinguishment of debt was \$390,400 for the year ended December 31, 2021, as compared to \$(4,282,220) for the year ended December 31, 2020. The gain on extinguishment of debt during the year ended December 31, 2021 was related to the forgiveness of the Company's Paycheck Protection Loan. The loss on extinguishment of debt during the year ended December 31, 2020 was primarily due to IRG November Note conversion resulting in a \$3,404,244 loss on extinguishment of debt along with various other notes payable converting into equity upon the consummation of the Business Combination.

Business Combination Costs

The Company's Business Combination costs were \$0 for the year ended December 31, 2021, as compared to \$19,137,165 for the year ended December 31, 2020. The Business Combination costs consisted of \$6,233,473 in closing costs incurred for the Business Combination, \$10,789,840 for shares issued to a related party, \$2,218,187 related to our CEO's restricted stock award in which one-third vested on July 2, 2020 in conjunction with the closing of the Business Combination, a \$200,000 cash bonus to our CEO, and other legal and professional fees incurred in the Business Combination.

Liquidity and Capital Resources

The Company has sustained recurring losses and negative cash flows from operations through December 31, 2021. Since inception, the Company's operations have been funded principally through the issuance of debt and equity. As of December 31, 2021, the Company had approximately \$10 million of unrestricted cash and \$7 million of restricted cash.

During February 2021, the Company received approximately \$34.5 million gross proceeds from the issuance of shares of the Company's Common Stock, before offering costs.

On June 4, 2021, the Company completed a private placement with CH Capital Lending, LLC for a purchase price of \$15 million (i) 15,000 shares of 7.00% Series B Convertible Preferred Stock (the "Series B Preferred Stock"), which are convertible into shares of the Company's Common Stock, having an aggregate liquidation preference of \$15 million plus any accrued but unpaid dividends to the date of payment, and (ii) 2,450,980 warrants, with a term of three years, exercisable six months after issuance, each exercisable for one share of Common Stock at an exercise price of \$6.90 per share, subject to certain adjustments (the "Series D Warrants"). Also on June 4, 2021, the Company closed a securities purchase agreement with another purchaser for 200 shares of Series B Preferred Stock and 32,680 Series D Warrants in exchange for \$200,000.

On each of August 12, 2021 and September 22, 2021, the Company issued to American Capital Center, LLC ("ACC") 900 shares (the "Series A Shares") of 7.00% Series A Cumulative Redeemable Preferred Stock ("Series A Preferred Stock") at a price of \$1,000 per share for an aggregate purchase price of \$900,000. The Company will pay the Investor an origination fee of 2% of the aggregate purchase price.

On September 30, 2021, the Company entered into an Equity Distribution Agreement (the "Equity Distribution Agreement") with Wedbush Securities Inc. and Maxim Group LLC with respect to an at the market offering program under which the Company may, from time to time, offer and sell shares of the Company's Common Stock having an aggregate offering price of up to \$50 million. Through December 31, 2021, approximately 1.7 million shares were sold resulting in net proceeds to the Company totaling approximately \$3.5 million. The remaining availability under the Equity Distribution Agreement as of December 31, 2021 is approximately \$46.5 million.

On March 1, 2022, the Company and ErieBank agreed to extend the MKG DoubleTree Loan (as defined in Note 4 to the Company's Consolidated Financial Statements) in principal amount of \$15,300,000 to September 13, 2023.

On March 1, 2022, the Company executed a series of transactions with Industrial Realty Group, LLC, a Nevada limited liability company that is controlled by the Company's director Stuart Lichter ("IRG") and its affiliates, and JKP Financial, LLC ("JKP"), whereby IRG and JKP extended certain of the Company's debt in aggregate principal amount of \$22,853,831 to March 31, 2024. See "Item 1. Business—Recent Developments" for more information.

On March 3, 2022, the Company signed a nonbinding term sheet with a commercial lender for construction financing for the Center for Performance in an amount up to \$4 million. On March 12, 2022, the Company signed a nonbinding term sheet with a different commercial lender for construction financing for the Retail Promenade in an amount up to \$17.4 million.

The Company believes that, as a result of these transactions, it currently has sufficient cash and financing commitments to meet its funding requirements over the next year from the issuance of the Company's consolidated financial statements. Notwithstanding, the Company expects that it will need to raise additional financing to accomplish its development plan over the next several years. The Company is seeking to obtain additional funding through debt, construction lending, and equity financing. There are no assurances that the Company will be able to raise capital on terms acceptable to the Company or at all, or that cash flows generated from its operations will be sufficient to meet its current operating costs. If the Company is unable to obtain sufficient amounts of additional capital, it may be required to reduce the scope of its planned development, which could harm its financial condition and operating results.

Cash Flows

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

	For the Year Ended December 31,	
	2021	2020
Cash (used in) provided by:		
Operating Activities	\$ (20,762,629)	\$ (18,365,271)
Investing Activities	(70,734,055)	(17,579,550)
Financing Activities	68,831,263	67,383,690
Net increase (decrease) in cash and restricted	<u>\$ (22,665,421)</u>	<u>\$ 31,438,869</u>

Cash Flows for the Years Ended December 31, 2021 and 2020

Operating Activities

Net cash used in operating activities was \$20,762,629 during the year ended December 31, 2021, which consisted primarily of a net loss of \$92,813,653, offset by non-cash depreciation expense of \$12,199,148, amortization of note discounts of \$5,160,242, payment-in-kind interest rolled into debt of \$2,091,990, a gain on extinguishment of debt of \$390,400, non-cash stock-based compensation expense of \$5,582,634, a decrease in prepaid expenses and other assets of \$680,999, an increase in accounts payable and accrued expenses of \$1,113,976, an increase in due to affiliates of \$95,399, and a decrease in other liabilities of \$1,891,179.

Net cash used in operating activities was \$18,365,271 during the year ended December 31, 2020, which consisted primarily of a net loss of 45,685,172, offset by non-cash depreciation expense of \$11,085,230, amortization of note discounts of \$10,570,974, payment-in-kind interest rolled into debt of \$4,066,691, a loss on extinguishment of \$4,282,220, non-cash stock-based compensation expense of \$4,523,773, a decrease in prepaid expenses and other assets of \$4,627,992, an increase in accounts payable and accrued expenses of \$29,264,412, a decrease in due to affiliates of \$9,644,241, and an increase in other liabilities of \$3,542,670.

Investing Activities

Net cash used in investing activities was \$70,734,055 during the year ended December 31, 2021, which consisted solely of project development costs. Net cash used in investing activities was \$17,579,550 during the year ended December 31, 2020 and consisted of \$48,614,331 of cash used for project development costs and \$31,034,781 of proceeds from the Business Combination.

Financing Activities

Net cash provided by financing activities was \$68,831,263 during the year ended December 31, 2021, which consisted primarily of \$37,004,153 in proceeds from notes payable and \$50,420,975 of proceeds from common stock and preferred stock, \$23,485,200 from the proceeds from warrant exercises, offset by \$39,941,576 in repayments of notes payable, and \$1,569,779 in payment of financing costs.

Net cash provided by financing activities was \$67,383,690 during the year ended December 31, 2020, which consisted primarily of \$106,976,651 in proceeds from notes payable and \$26,228,499 of proceeds from equity raises, offset by \$62,593,562 in repayments of notes payable, and \$3,227,898 in payment of financing costs.

Subsequent Financing Activity since December 31, 2021

ErieBank Extension

On March 1, 2022, ErieBank and the Company agreed to a 12-month extension of the ErieBank DoubleTree Loan in the amount of \$15.3 million in unpaid principal from September 13, 2022 to September 13, 2023.

IRG and JKP Refinancing

On March 1, 2022, the Company executed a series of transactions with IRG and its affiliates, and JKP, whereby IRG and JKP extended certain of the Company's debt in aggregate principal amount of \$22,853,831 to March 31, 2024. See "Item 1. Business—Recent Developments" for more information.

Construction Financing

On March 3, 2022, the Company signed a nonbinding term sheet with a commercial lender for construction financing for the Center for Performance in an amount up to \$4 million. On March 12, 2022, the Company signed a nonbinding term sheet with a different commercial lender for construction financing for the Retail Promenade in an amount up to \$17.4 million.

Contractual Obligations and Commitments

The following is a summary of the contractual obligations as of December 31, 2021 and the effect of such obligations are expected to have on the liquidity and cash flows in future periods, which does not reflect the results of any of our subsequent refinancings:

	<u>Total</u>	<u>Less than 1 Year</u>	<u>1-3 Years</u>	<u>3-5 Years</u>	<u>More than 5 Years</u>
Notes payable commitments	\$ 115,721,706	\$ 44,614,077	\$ 36,166,719	\$ 18,063,888	\$ 16,877,022
Project and ground leases	\$ 42,608,400	\$ 321,900	\$ 965,700	\$ 965,700	\$ 40,355,100
Total	\$ 158,330,106	\$ 44,935,977	\$ 37,132,419	\$ 19,029,588	\$ 57,232,122

The Company has various debt covenants that require certain financial information to be met. If the Company does not meet the requirements of the debt covenants, the Company will be responsible for paying the full outstanding amount of the note immediately. As of December 31, 2021, we were in compliance with all relevant debt covenants.

Off-Balance Sheet Arrangements

The Company did not have any off-balance sheet arrangements as of December 31, 2021.

Critical Accounting Policies and Significant Judgments and Estimates

This discussion and analysis of the Company's financial condition and results of operations is based on the Company's 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 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 financial statements and the reported amounts of revenue and expenses during the reported periods. In accordance with U.S. GAAP, the Company bases its estimates on historical experience and on various other assumptions the Company believes are reasonable under the circumstances. Actual results may differ from these estimates under different assumptions or conditions.

For information on the Company's significant accounting policies please refer to Note 2 to the Company's Consolidated Financial Statements.

Item 7A. Quantitative and Qualitative Disclosure About Market Risk

The Company is not exposed to market risk related to interest rates on foreign currencies.

Item 8. Financial Statements and Supplementary Data

The financial statements required by this Item are included in Item 15 of this report and are presented beginning on page F-1.

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

None.

Item 9A. Controls and Procedures

Evaluation of Disclosure Controls and Procedures

We maintain disclosure controls and procedures designed to ensure that the information we are required to disclose in reports that we file or submit under the Exchange Act is recorded, processed, summarized and reported within the time periods specified under the rules and forms of the SEC. Disclosure controls and procedures include, without limitation, controls and procedures designed to ensure that such information is accumulated and communicated to our management, including our Chief Executive Officer and our Chief Financial Officer, as appropriate to allow timely decisions regarding required disclosures. As required by paragraph (b) of Rules 13a-15 and 15d-15 under the Exchange Act, our Chief Executive Officer (our principal executive) and VP Accounting / Corporate Controller (our interim principal financial officer and interim principal accounting officer) carried out an evaluation of the effectiveness of the design and operation of our disclosure controls and procedures as of December 31, 2021. Based on this evaluation, our Chief Executive Officer and VP Accounting / Corporate Controller concluded that our disclosure controls and procedures (as defined in paragraph (e) of Rules 13a-15 and 15d-15 under the Exchange Act) were effective as December 31, 2021.

Limitations on Internal Control over Financial Reporting

An internal control system over financial reporting has inherent limitations and may not prevent or detect misstatements. Therefore, even those systems determined to be effective can provide only reasonable assurance with respect to financial statement preparation and presentation. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate. However, these inherent limitations are known features of the financial reporting process. Therefore, it is possible to design into the process safeguards to reduce, though not eliminate, this risk.

Management's Annual Report on Internal Control over Financial Reporting

Our management is responsible for establishing and maintaining adequate internal control over financial reporting, as defined in Exchange Act Rule 13a-15(f) and 15d-15(f). Internal control over financial reporting is a process used to provide reasonable assurance regarding the reliability of our financial reporting and the preparation of our financial statements for external purposes in accordance with generally accepted accounting principles in the United States. Internal control over financial reporting includes policies and procedures that pertain to the maintenance of records that in reasonable detail accurately and fairly reflect the transactions and dispositions of our assets; provide reasonable assurance that transactions are recorded as necessary to permit preparation of our financial statements in accordance with generally accepted accounting principles in the United States, and that our receipts and expenditures are being made only in accordance with the authorization of our board of directors and management; and provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of our assets that could have a material effect on our financial statements.

Under the supervision and with the participation of our management, including our Chief Executive Officer (our principal executive officer) and VP of Accounting / Corporate Controller (our interim principal financial officer and interim principal accounting officer), we performed an assessment of the Company's significant processes and key controls. Based on this assessment, management concluded that our internal control over financial reporting was effective as of December 31, 2021.

Changes in Internal Control over Financial Reporting

During the quarter ended December 31, 2021, the Company hired a new Vice President of Accounting / Corporate Controller, who has experience in developing and maintaining internal controls over financial reporting.

Item 9B. Other Information

None.

Item 9C. Disclosure Regarding Foreign Jurisdictions that Prevent Inspections

Not Applicable.

PART III

Item 10. Directors, Executive Officers and Corporate Governance

The information required by this Item 10 is incorporated by reference to our Proxy Statement for the 2022 Annual Meeting of Stockholders to be filed with the Securities and Exchange Commission within 120 days of the fiscal year ended December 31, 2021.

Item 11. Executive Compensation

The information required by this Item 11 is incorporated by reference to our Proxy Statement for the 2022 Annual Meeting of Stockholders to be filed with the Securities and Exchange Commission within 120 days of the fiscal year ended December 31, 2021.

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

The information required by this Item 12 is incorporated by reference to our Proxy Statement for the 2022 Annual Meeting of Stockholders to be filed with the Securities and Exchange Commission within 120 days of the fiscal year ended December 31, 2021.

Item 13. Certain Relationships and Related Transactions and Director Independence

The information required by this Item 13 is incorporated by reference to our Proxy Statement for the 2022 Annual Meeting of Stockholders to be filed with the Securities and Exchange Commission within 120 days of the fiscal year ended December 31, 2021.

Item 14. Principal Accountant Fees and Services

The information required by this Item 14 is incorporated by reference to our Proxy Statement for the 2022 Annual Meeting of Stockholders to be filed with the Securities and Exchange Commission within 120 days of the fiscal year ended December 31, 2021.

PART IV

Item 15. Exhibits and Financial Statement Schedules.

Financial Statements

The consolidated financial statements of the Company for the fiscal years covered by this Annual Report are located on beginning on page F-1 of this Annual Report.

Exhibits

Exhibit No.	Description
2.1+	<u>Agreement and Plan of Merger, dated as of September 16, 2019, by and among Gordon Pointe Acquisition Corp., GPAQ Acquisition Holdings, Inc., GPAQ Acquiror Merger Sub, Inc., GPAQ Company Merger Sub, LLC, HOF Village, LLC and HOF Village Newco, LLC (incorporated by reference to Exhibit 2.1 to Gordon Pointe Acquisition Corp.'s Current Report on Form 8-K (File No. 001-38363) filed with the Commission on September 17, 2019)</u>
2.2	<u>First Amendment to Agreement and Plan of Merger, dated as of November 5, 2019, by and among Gordon Pointe Acquisition Corp., GPAQ Acquisition Holdings, Inc., GPAQ Acquiror Merger Sub, Inc., GPAQ Company Merger Sub, LLC, HOF Village, LLC and HOF Village Newco, LLC (incorporated by reference to Exhibit 2.2 to Gordon Pointe Acquisition Corp.'s Current Report on Form 8-K (File No. 001-38363) filed with the Commission on November 8, 2019)</u>
2.3	<u>Second Amendment to Agreement and Plan of Merger, dated as of March 10, 2020, by and among Gordon Pointe Acquisition Corp., GPAQ Acquisition Holdings, Inc., GPAQ Acquiror Merger Sub, Inc., GPAQ Company Merger Sub, LLC, HOF Village, LLC and HOF Village Newco, LLC (incorporated by reference to Exhibit 2.1 to Gordon Pointe Acquisition Corp.'s Current Report on Form 8-K (File No. 001-38363) filed with the Commission on March 16, 2020)</u>
2.4	<u>Third Amendment to Agreement and Plan of Merger, dated as of May 22, 2020, by and among Gordon Pointe Acquisition Corp., GPAQ Acquisition Holdings, Inc., GPAQ Acquiror Merger Sub, Inc., GPAQ Company Merger Sub, LLC, HOF Village, LLC and HOF Village Newco, LLC (incorporated by reference to Exhibit 2.1 to Gordon Pointe Acquisition Corp.'s Current Report on Form 8-K (File No. 001-38363) filed with the Commission on May 28, 2020)</u>
3.1	<u>Amended and Restated Certificate of Incorporation of the Company (incorporated by reference to Exhibit 3.1 of the Company's Form 8-K (001-38363), filed with the Commission on July 8, 2020)</u>
3.2	<u>Certificate of Designations of 7.00% Series A Cumulative Redeemable Preferred Stock of Hall of Fame Resort & Entertainment Company (incorporated by reference to Exhibit 3.1 of the Company's Form 8-K (001-38363), filed with the Commission on October 15, 2020)</u>
3.3	<u>Certificate of Amendment to Amended and Restated Certificate of Incorporation (incorporated by reference to Exhibit 3.1 of the Company's Form 8-K (001-38363), filed with the Commission on November 6, 2020)</u>
3.4	<u>Certificate of Designations of 7.00% Series B Convertible Preferred Stock of Hall of Fame Resort & Entertainment Company (incorporated by reference to Exhibit 3.1 of the Company's Form 8-K (001-38363), filed with the Commission on May 14, 2021)</u>
3.5	<u>Amended and Restated Bylaws of the Company (incorporated by reference to Exhibit 3.1 of the Company's Form 8-K (001-38363), filed with the Commission on August 12, 2021)</u>
4.1	<u>Specimen Common Stock Certificate (incorporated by reference to Exhibit 4.1 of the Company's Form 8-K (001-38363), filed with the Commission on July 8, 2020)</u>
4.2	<u>Specimen Warrant Certificate (incorporated by reference to Exhibit 4.2 of the Company's Form 8-K (001-38363), filed with the Commission on July 8, 2020)</u>
4.3	<u>Form of Warrant Agreement (incorporated by reference to Exhibit 4.2 to Gordon Pointe Acquisition Corp.'s Current Report on Form 8-K (File No. 001-38363) filed with the Commission on January 30, 2018)</u>
4.4	<u>Form of Warrant (incorporated by reference to Exhibit 4.2 of the Company's Form 8-K (001-38363), filed with the Commission on November 19, 2020)</u>
4.5	<u>Warrant Agency Agreement, dated November 18, 2020, between Hall of Fame Resort & Entertainment Company and Continental Stock Transfer & Trust Company (incorporated by reference to Exhibit 4.1 of the Company's Form 8-K (001-38363), filed with the Commission on November 19, 2020)</u>

- 4.6 [Warrant Agreement, dated as of July 1, 2020, by and among Hall of Fame Resort & Entertainment Company and purchasers party thereto \(incorporated by reference to Exhibit 99.3 of the Company's Registration Statement on Form S-1 \(File No. 333-256618\) filed with the Commission on May 28, 2021\)](#)
- 4.7 [Amended and Restated Series C Warrant, dated March 1, 2022, issued by Hall of Fame Resort & Entertainment Company to CH Capital Lending, LLC \(incorporated by reference to Exhibit 10.7 of the Company's Form 8-K \(001-38363\), filed with the Commission on March 2, 2022\)](#)
- 4.8 [Amended and Restated Series D Warrant, dated March 1, 2022, issued by Hall of Fame Resort & Entertainment Company to CH Capital Lending, LLC \(incorporated by reference to Exhibit 10.8 of the Company's Form 8-K \(001-38363\), filed with the Commission on March 2, 2022\)](#)
- 4.9 [Form of Series E Warrant \(incorporated by reference to Exhibit 10.5 of the Company's Form 8-K \(001-38363\), filed with the Commission on March 2, 2022\)](#)
- 4.10 [Form of Series F Warrant \(incorporated by reference to Exhibit 10.6 of the Company's Form 8-K \(001-38363\), filed with the Commission on March 2, 2022\)](#)
- 4.11 [Description of Registered Securities*](#)
- 10.1 [Form of Lock-Up Agreement \(incorporated by reference to Exhibit 10.1 to GPAQ Acquisition Holdings, Inc.'s Registration Statement on Form S-4 \(File No. 333-234655\) filed with the Commission on November 12, 2019\)](#)
- 10.2 [Director Nominating Agreement \(incorporated by reference to Exhibit 10.2 to the Company's Registration Statement on Form S-1 \(File No. 333-252807\) filed with the Commission on February 5, 2021\)](#)
- 10.3 [Form of Release Agreement \(incorporated by reference to Exhibit 10.3 to GPAQ Acquisition Holdings, Inc.'s Registration Statement on Form S-4 \(File No. 333-234655\) filed with the Commission on November 12, 2019\)](#)
- 10.4 [Hall of Fame Resort & Entertainment Company Amended 2020 Omnibus Incentive Plan \(incorporated by reference to Exhibit 10.1 of the Company's Form 8-K \(File No. 001-38363\), filed with the Commission on June 4, 2021\)](#)
- 10.5 [Form of Restricted Stock Award Agreement under Hall of Fame Resort & Entertainment Company 2020 Omnibus Incentive Plan \(incorporated by reference to Exhibit 99.2 of the Company's Registration Statement on Form S-8 \(File No. 333-248851\) filed with the Commission on September 16, 2020\)](#)
- 10.6 [Restricted Stock Unit Award Agreement, by and between the Company and Tara Charnes, dated as of September 16, 2020 \(incorporated by reference to Exhibit 99.3 of the Company's Registration Statement on Form S-8 \(File No. 333-248851\) filed with the Commission on September 16, 2020\)](#)
- 10.7 [Restricted Stock Unit Award Agreement, by and between the Company and Erica Muhleman, dated as of September 16, 2020 \(incorporated by reference to Exhibit 99.4 of the Company's Registration Statement on Form S-8 \(File No. 333-248851\) filed with the Commission on September 16, 2020\)](#)
- 10.8 [Form of Restricted Stock Unit Award Agreement under Hall of Fame Resort & Entertainment Company 2020 Omnibus Incentive Plan \(incorporated by reference to Exhibit 99.5 of the Company's Registration Statement on Form S-8 \(File No. 333-248851\) filed with the Commission on September 16, 2020\)](#)
- 10.9 [Form of Non-Employee Director Restricted Stock Unit Award Agreement under Hall of Fame Resort & Entertainment Company 2020 Omnibus Incentive Plan \(incorporated by reference to Exhibit 99.6 of the Company's Registration Statement on Form S-8 \(File No. 333-248851\) filed with the Commission on September 16, 2020\)](#)
- 10.10 [Restricted Stock Unit Award Agreement, by and between Hall of Fame Resort & Entertainment Company and Olivia Steier, dated as of November 13, 2020 \(incorporated by reference to Exhibit 99.2 of the Company's Registration Statement on Form S-8 \(File No. 333-259202\), filed with the Commission on August 31, 2021\)](#)
- 10.11 [Restricted Stock Unit Award Agreement, by and between Hall of Fame Resort & Entertainment Company and Scott Langerman, dated as of November 13, 2020 \(incorporated by reference to Exhibit 99.3 of the Company's Registration Statement on Form S-8 \(File No. 333-259202\), filed with the Commission on August 31, 2021\)](#)
- 10.12 [Employment Agreement, dated July 1, 2020, by and between Michael Crawford, HOF Village Newco, LLC and Hall of Fame Resort & Entertainment Company \(incorporated by reference to Exhibit 10.5 of the Company's Form 8-K \(001-38363\), filed with the Commission on July 8, 2020\)](#)
- 10.13 [Employment Agreement, dated February 14, 2022, by and between Benjamin Lee, HOF Village Newco, LLC and Hall of Fame Resort & Entertainment Company \(incorporated by reference to Exhibit 10.1 of the Company's Form 8-K \(001-38363\), filed with the Commission on March 10, 2022\)](#)

- 10.14 [Employment Agreement, dated June 22, 2020, by and between Michael Levy and HOF Village, LLC \(incorporated by reference to Exhibit 10.6 of the Company's Form 8-K \(001-38363\), filed with the Commission on July 8, 2020\)](#)
- 10.15 [Employment Agreement, dated September 16, 2019, by and between Jason Krom and HOF Village, LLC \(incorporated by reference to Exhibit 10.7 of the Company's Amendment No. 1 to Form S-3 on Form S-1 \(File No. 333-240045\), filed with the Commission on September 2, 2020\)](#)
- 10.16 [Employment Agreement, dated December 1, 2019, by and between Anne Graffice and HOF Village, LLC \(incorporated by reference to Exhibit 10.8 of the Company's Amendment No. 1 to Form S-3 on Form S-1 \(File No. 333-240045\), filed with the Commission on September 2, 2020\)](#)
- 10.17 [Employment Agreement, dated August 31, 2020, by and between Tara Charnes and Hall of Fame Resort & Entertainment Company \(incorporated by reference to Exhibit 10.9 of the Company's Amendment No. 1 to Form S-3 on Form S-1 \(File No. 333-240045\), filed with the Commission on September 2, 2020\)](#)
- 10.18 [Employment Agreement dated September 14, 2020, between Erica Muhleman and Hall of Fame Resort & Entertainment Company \(incorporated by reference to Exhibit 10.10 of the Company's Amendment No. 2 to Form S-3 on Form S-1 \(File No. 333-240045\), filed with the Commission on September 22, 2020\)](#)
- 10.19 [Amendment No. 1, dated December 22, 2020, to Employment Agreement between Michael Crawford, HOF Village Newco, LLC and Hall of Fame Resort & Entertainment Company \(incorporated by reference to Exhibit 10.16 to the Company's Registration Statement on Form S-1 \(File No. 333-252807\) filed with the Commission on February 5, 2021\)](#)
- 10.20 [Amendment No. 1, dated December 22, 2020, to Employment Agreement between Michael Levy and HOF Village, LLC \(incorporated by reference to Exhibit 10.17 to the Company's Registration Statement on Form S-1 \(File No. 333-252807\) filed with the Commission on February 5, 2021\)](#)
- 10.21 [Amendment No. 1, dated December 22, 2020, to Employment Agreement between Jason Krom and HOF Village, LLC \(incorporated by reference to Exhibit 10.18 to the Company's Registration Statement on Form S-1 \(File No. 333-252807\) filed with the Commission on February 5, 2021\)](#)
- 10.22 [Letter Agreement, dated January 2, 2022, between Hall of Fame Resort & Entertainment Company and Jason Krom*](#)
- 10.23 [Amendment No. 1, dated December 22, 2020, to Employment Agreement between Anne Graffice and HOF Village, LLC \(incorporated by reference to Exhibit 10.19 to the Company's Registration Statement on Form S-1 \(File No. 333-252807\) filed with the Commission on February 5, 2021\)](#)
- 10.24 [Amendment No. 1, dated December 22, 2020, to Employment Agreement between Tara Charnes and Hall of Fame Resort & Entertainment Company \(incorporated by reference to Exhibit 10.20 to the Company's Registration Statement on Form S-1 \(File No. 333-252807\) filed with the Commission on February 5, 2021\)](#)
- 10.25 [Amendment No. 1, dated December 22, 2020, to Employment Agreement between Erica Muhleman and Hall of Fame Resort & Entertainment Company \(incorporated by reference to Exhibit 10.21 to the Company's Registration Statement on Form S-1 \(File No. 333-252807\) filed with the Commission on February 5, 2021\)](#)
- 10.26+ [Note Purchase Agreement, dated July 1, 2020, by and among Hall of Fame Resort & Entertainment Company and certain funds managed by Magnetar Financial, LLC and the purchasers listed on the signature pages thereto \(incorporated by reference to Exhibit 10.7 of the Company's Form 8-K \(001-38363\), filed with the Commission on July 8, 2020\)](#)
- 10.27 [Registration Rights Agreement, dated July 1, 2020, by and among Hall of Fame Resort & Entertainment Company and certain funds managed by Magnetar Financial, LLC and the purchasers listed on the signature pages thereto \(incorporated by reference to Exhibit 10.8 of the Company's Form 8-K \(001-38363\), filed with the Commission on July 8, 2020\)](#)
- 10.28 [Note Redemption and Warrant Agreement, dated July 1, 2020, by and among Hall of Fame Resort & Entertainment Company and certain funds managed by Magnetar Financial, LLC and the purchasers listed on the signature pages thereto \(incorporated by reference to Exhibit 10.9 of the Company's Form 8-K \(001-38363\), filed with the Commission on July 8, 2020\)](#)
- 10.29+ [Amended and Restated Sponsorship and Naming Rights Agreement, dated July 2, 2020, by and among HOF Village, LLC, National Football Museum, Inc. and Johnson Controls, Inc. \(incorporated by reference to Exhibit 10.10 of the Company's Form 8-K \(001-38363\), filed with the Commission on July 8, 2020\)](#)
- 10.30 [Promissory Note, dated June 24, 2020, by HOF Village, LLC and HOF Village Hotel II, LLC in favor of JKP Financial, LLC \(incorporated by reference to Exhibit 10.11 of the Company's Form 8-K \(001-38363\), filed with the Commission on July 8, 2020\)](#)
- 10.31 [First Amendment to Promissory Note, dated December 1, 2020, by and among HOF Village Newco, LLC, and HOF Village Hotel II, LLC, as the makers, and JKP Financial, LLC, as holder *](#)
- 10.32 [Joinder and Second Amendment to Promissory Note, dated March 1, 2022, by and among HOF Village Newco, LLC, and HOF Village Hotel II, LLC, as the makers, Hall of Fame Resort & Entertainment Company, and JKP Financial, LLC, as holder \(incorporated by reference to Exhibit 10.4 of the Company's Form 8-K \(001-38363\), filed with the Commission on March 2, 2022\)](#)

- 10.33 [Letter Agreement re Payment Terms, dated June 25, 2020, by and among Industrial Realty Group, LLC, IRG Master Holdings, LLC, HOF Village, LLC and certain affiliates party thereto \(incorporated by reference to Exhibit 10.12 of the Company's Form 8-K \(001-38363\), filed with the Commission on July 8, 2020\)](#)
- 10.34+ [Amendment to Sponsorship and Services Agreement, dated June 15, 2020, by and among HOF Village, LLC, National Football Museum, Inc. and Constellation NewEnergy, Inc. \(incorporated by reference to Exhibit 10.14 of the Company's Form 8-K \(001-38363\), filed with the Commission on July 8, 2020\)](#)
- 10.35 [First Amended and Restated License Agreement, dated September 16, 2019, between the National Football Museum, Inc. and HOF Village, LLC \(incorporated by reference to Exhibit 10.5 to Amendment No. 1 to GPAQ Acquisition Holdings, Inc.'s Registration Statement on Form S-4 \(File No. 333-234655\) filed with the Commission on January 23, 2020\)](#)
- 10.36+ [Amended and Restated Media License Agreement, dated July 1, 2020, among National Football Museum, Inc., HOF Village Media Group, LLC and HOF Village, LLC \(incorporated by reference to Exhibit 10.30 of the Company's Amendment No. 1 to Form S-1 \(File No. 333-249133\), filed with the Commission on October 19, 2020\)](#)
- 10.37+ [Technology as a Service Agreement, dated October 9, 2020, by and between HOF Village NEWCO, LLC and Johnson Controls, Inc. \(incorporated by reference to Exhibit 10.9 of the Company's Form 10-Q \(001-38363\), filed with the Commission on November 5, 2020\)](#)
- 10.38+ [Term Loan Agreement, dated December 1, 2020, among Hall of Fame Resort & Entertainment Company, HOF Village Newco, LLC, certain of its subsidiaries, and Aquarian Credit Funding LLC \(incorporated by reference to Exhibit 10.1 of the Company's Form 8-K \(001-38363\), filed with the Commission on December 3, 2020\)](#)
- 10.39 [Amendment Number 1 to Term Loan Agreement, dated January 28, 2021, among Hall of Fame Resort & Entertainment Company, HOF Village Newco, LLC, certain of its subsidiaries, Aquarian Credit Funding LLC, and the Lenders party thereto \(incorporated by reference to Exhibit 10.36 of the Company's Post-Effective Amendment No. 3 to Form S-1 Registration Statement \(File No. 333-249133\), filed with the Commission on July 22, 2021\)](#)
- 10.40 [Amendment Number 2 to Term Loan Agreement, dated February 15, 2021, among Hall of Fame Resort & Entertainment Company, HOF Village Newco, LLC, certain of its subsidiaries, Aquarian Credit Funding LLC, and the Lenders party thereto \(incorporated by reference to Exhibit 10.37 of the Company's Post-Effective Amendment No. 3 to Form S-1 Registration Statement \(File No. 333-249133\), filed with the Commission on July 22, 2021\)](#)
- 10.41 [Amendment Number 3 to Term Loan Agreement, dated as of August 30, 2021 among Hall of Fame Resort & Entertainment Company, HOF Village Newco, LLC, certain of its subsidiaries, Aquarian Credit Funding LLC, and the Lenders party thereto \(incorporated by reference to Exhibit 10.1 of the Company's Form 8-K \(001-38363\), filed with the Commission on September 1, 2021\)](#)
- 10.42 [Amendment Number 4 to Term Loan Agreement, dated as of August 30, 2021 among Hall of Fame Resort & Entertainment Company, HOF Village Newco, LLC, certain of its subsidiaries, Aquarian Credit Funding LLC, and the Lenders party thereto \(incorporated by reference to Exhibit 10.2 of the Company's Form 8-K \(001-38363\), filed with the Commission on September 1, 2021\)](#)
- 10.43 [Amendment Number 5 to Term Loan Agreement, dated as of December 15, 2021 among Hall of Fame Resort & Entertainment Company, HOF Village Newco, LLC, certain of its subsidiaries, Aquarian Credit Funding LLC, and the Lenders party thereto \(incorporated by reference to Exhibit 10.5 of the Company's Form 8-K \(001-38363\), filed with the Commission on December 16, 2021\)](#)
- 10.44 [Assignment of Loan and Loan Documents, dated as of March 1, 2022, by and among Aquarian Credit Funding LLC, as administrative agent, Investors Heritage Life Insurance Company \("IHLIC"\), as a lender, and CH Capital Lending, LLC, as assignee*](#)
- 10.45 [Amendment Number 6 to Term Loan Agreement, dated as of March 1, 2022, among Hall of Fame Resort & Entertainment Company, HOF Village Newco, LLC, certain of its subsidiaries, and CH Capital Lending, LLC, as administrative agent and lender \(incorporated by reference to Exhibit 10.1 of the Company's Form 8-K \(001-38363\), filed with the Commission on March 2, 2022\)](#)
- 10.46 [Letter Agreement, dated as of December 1, 2020, by and among Hall of Fame Resort & Entertainment Company, HOF Village Newco, LLC, certain of its subsidiaries, and IRG Master Holdings, LLC \(incorporated by reference to Exhibit 10.36 to the Company's Registration Statement on Form S-1 \(File No. 333-252807\) filed with the Commission on February 5, 2021\)](#)
- 10.47 [Securities Purchase Agreement, dated December 29, 2020, between Hall of Fame Resort & Entertainment Company, Industrial Realty Group, LLC and CH Capital Lending, LLC \(incorporated by reference to Exhibit 10.1 of the Company's Form 8-K \(001-38363\), filed with the Commission on December 30, 2020\)](#)

10.48	Securities Purchase Agreement, dated May 13, 2021, between Hall of Fame Resort & Entertainment Company and IRG, LLC (incorporated by reference to Exhibit 10.1 of the Company's Form 8-K (001-38363), filed with the Commission on May 14, 2021)
10.49	Equity Distribution Agreement, dated September 30, 2021, by and among Hall of Fame Resort & Entertainment Company, Wedbush Securities Inc. and Maxim Group LLC (incorporated by reference to Exhibit 1.1 of the Company's Form 8-K (001-38363), filed with the Commission on October 1, 2021)
10.50	Promissory Note, date November 23, 2021, issued by Hall of Fame Resort & Entertainment Company to Industrial Realty Group, LLC (incorporated by reference to Exhibit 10.1 of the Company's Form 8-K (001-38363), filed with the Commission on November 24, 2021)
10.51	Assignment of Promissory Note, dated March 1, 2022, by Industrial Realty Group, LLC in favor of IRG, LLC and JKP Financial, LLC, as assignees*
10.52	First Amended and Restated Promissory Note, dated March 1, 2022, issued by Hall of Fame Resort & Entertainment Company to IRG, LLC (incorporated by reference to Exhibit 10.2 of the Company's Form 8-K (001-38363), filed with the Commission on March 2, 2022)
10.53	First Amended and Restated Promissory Note, dated March 1, 2022, issued by Hall of Fame Resort & Entertainment Company to JKP Financial, LLC (incorporated by reference to Exhibit 10.3 of the Company's Form 8-K (001-38363), filed with the Commission on March 2, 2022)
10.54	Loan Agreement, dated December 15, 2021, between HOF Village Center For Excellence, LLC, as borrower, and ErieBank, a division of CNB Bank, a wholly owned subsidiary of CNB Financial Corporation, as lender (incorporated by reference to Exhibit 10.1 of the Company's Form 8-K (001-38363), filed with the Commission on December 16, 2021)
10.55	Promissory Note, dated December 15, 2021, issued by HOF Village Center For Excellence, LLC to ErieBank, a division of CNB Bank, a wholly owned subsidiary of CNB Financial Corporation (incorporated by reference to Exhibit 10.2 of the Company's Form 8-K (001-38363), filed with the Commission on December 16, 2021)
10.56	Guaranty of Payment, dated December 15, 2021, by Hall of Fame Resort & Entertainment Company (incorporated by reference to Exhibit 10.3 of the Company's Form 8-K (001-38363), filed with the Commission on December 16, 2021)
10.57	Energy Project Cooperative Agreement, dated December 15, 2021, among the City of Canton, Ohio, the Canton Regional Energy Special Improvement District, Inc., HOF Village Center For Excellence, LLC and Pace Equity, LLC (incorporated by reference to Exhibit 10.4 of the Company's Form 8-K (001-38363), filed with the Commission on December 16, 2021)
21.1	Subsidiaries*
23.1	Consent of independent registered public accountant.*
31.1	Certification of the Principal Executive Officer required by Rule 13a-14(a) or Rule 15d-14(a)*
31.2	Certification of the Principal Financial Officer required by Rule 13a-14(a) or Rule 15d-14(a)*
32	Certification of the Principal Executive Officer and Principal Financial Officer required by Rule 13a-14(a) or Rule 15d-14(b) and 18 U.S.C. 1350*
101.INS	Inline XBRL Instance Document.*
101.SCH	Inline XBRL Taxonomy Extension Schema Document.*
101.CAL	Inline XBRL Taxonomy Extension Calculation Linkbase 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 as Inline XBRL and contained in Exhibit 101).*

* Filed herewith.

+ Schedules to this exhibit have been omitted pursuant to Item 601(b)(2) of Registration S-K. The registrant hereby agrees to furnish a copy of any omitted schedules to the Commission upon request.

Item 16. Form 10-K Summary.

Not applicable.

Hall of Fame Resort & Entertainment Company
Consolidated Financial Statements
For the Years Ended December 31, 2021 and 2020

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REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Stockholders and Board of Directors of
Hall of Fame Resort & Entertainment Company

Opinion on the Financial Statements

We have audited the accompanying consolidated balance sheets of Hall of Fame Resort & Entertainment Company (the “Company”) as of December 31, 2021 and 2020, the related consolidated statements of operations, changes in stockholders’ equity and cash flows for each of the two years in the period ended December 31, 2021, and the related notes (collectively referred to as the “financial statements”). In our opinion, the financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2021 and 2020, and the results of its operations and its cash flows for each of the two years in the period ended December 31, 2021, in conformity with accounting principles generally accepted in the United States of America.

Basis for Opinion

These financial statements are the responsibility of the Company’s management. Our responsibility is to express an opinion on the Company’s financial statements based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (“PCAOB”) and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. As part of our audits we are required to obtain an understanding of internal control over financial reporting but not for the purpose of expressing an opinion on the effectiveness of the Company’s internal control over financial reporting. Accordingly, we express no such opinion.

Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audits provide a reasonable basis for our opinion.

/s/ Marcum LLP

Marcum LLP

We have served as the Company’s auditor since 2019.

New York, NY
March 14, 2022

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

	As of December 31,	
	2021	2020
Assets		
Cash	\$ 10,282,983	\$ 7,145,661
Restricted cash	7,105,057	32,907,800
Accounts receivable, net	2,367,225	366,089
Prepaid expenses and other assets	8,350,604	6,920,851
Property and equipment, net	180,460,562	154,355,763
Project development costs	128,721,480	107,969,139
Total assets	\$ 337,287,911	\$ 309,665,303
Liabilities and stockholders' equity		
Liabilities		
Notes payable, net	\$ 101,360,196	\$ 98,899,367
Accounts payable and accrued expenses	12,120,891	20,538,190
Due to affiliate	1,818,955	1,723,556
Warrant liabilities	13,669,000	19,112,000
Other liabilities	3,740,625	4,310,469
Total liabilities	132,709,667	144,583,582
Commitments and contingencies (Note 6, 7, and 8)		
Stockholders' equity		
Undesignated preferred stock, \$0.0001 par value; 4,932,200 shares authorized; no shares issued or outstanding at December 31, 2021 and 2020	-	-
Series B convertible preferred stock, \$0.0001 par value; 15,200 shares designated; 15,200 and 0 shares issued and outstanding at December 31, 2021 and 2020, respectively	2	-
Common stock, \$0.0001 par value; 300,000,000 shares authorized; 97,563,841 and 64,091,266 shares issued and outstanding at December 31, 2021 and 2020, respectively	9,756	6,410
Additional paid-in capital	305,117,091	172,112,688
Accumulated deficit	(99,951,839)	(6,840,871)
Total equity attributable to HOFRE	205,175,010	165,278,227
Non-controlling interest	(596,766)	(196,506)
Total equity	204,578,244	165,081,721
Total liabilities and stockholders' equity	\$ 337,287,911	\$ 309,665,303

HALL OF FAME RESORT & ENTERTAINMENT COMPANY AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF OPERATIONS

	For the Years Ended December 31,	
	2021	2020
Revenues		
Sponsorships, net of activation costs	\$ 6,023,863	\$ 6,424,201
Rents and cost recoveries	305,302	474,020
Event and other revenues	681,408	38,750
Hotel revenues	3,759,811	162,183
Total revenues	10,770,384	7,099,154
Operating expenses		
Property operating expenses	27,780,351	26,631,821
Hotel operating expenses	4,408,691	419,595
Commission expense	1,020,774	1,671,964
Impairment expense	1,748,448	-
Depreciation expense	12,199,148	11,085,230
Total operating expenses	47,157,412	39,808,610
Loss from operations	(36,387,028)	(32,709,456)
Other income (expense)		
Interest expense, net	(3,580,840)	(5,718,473)
Amortization of discount on note payable	(5,160,242)	(10,570,974)
Change in fair value of warrant liability	(48,075,943)	26,733,116
Business combination costs	-	(19,137,165)
Gain (loss) on extinguishment of debt	390,400	(4,282,220)
Total other expense	(56,426,625)	(12,975,716)
Net loss	\$ (92,813,653)	\$ (45,685,172)
Series B preferred stock dividends	(697,575)	-
Loss attributable to non-controlling interest	400,260	196,506
Net loss attributable to HOFRE stockholders	\$ (93,110,968)	\$ (45,488,666)
Net loss per share, basic and diluted	\$ (1.03)	\$ (1.71)
Weighted average shares outstanding, basic and diluted	90,295,878	26,644,449

HALL OF FAME RESORT & ENTERTAINMENT COMPANY AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2021 and 2020

	Series B Convertible Preferred stock		Common Stock		Additional Paid-In Capital	Retained Earnings (Accumulated Deficit)	Total Equity Attributable to HOFRE Stockholders	Non-controlling Interest	Total Stockholders' Equity
	Shares	Amount	Shares	Amount					
Balance as of January 1, 2020	-	\$ -	5,436,000	\$ 544	\$ -	\$ 34,948,795	\$ 34,949,339	\$ -	\$ 34,949,339
Contribution from shareholders	-	-	-	-	-	3,699,000	3,699,000	-	3,699,000
Conversion of the preferred equity loan	-	-	12,277,428	1,228	58,438,346	-	58,439,574	-	58,439,574
Shares of common stock issued for accounts payable and due to affiliates	-	-	2,292,624	229	23,425,932	-	23,426,161	-	23,426,161
Business combination with GPAQ on July 1, 2020	-	-	6,538,201	653	494,179	-	494,832	-	494,832
Shares of common stock issued in exchange of debt	-	-	16,093,857	1,609	54,516,767	-	54,518,376	-	54,518,376
Stock-based compensation on restricted stock awards	-	-	715,929	72	2,772,733	-	2,772,805	-	2,772,805
Stock-based compensation on restricted stock units	-	-	-	-	1,554,968	-	1,554,968	-	1,554,968
Vesting of restricted stock units	-	-	176,514	18	(18)	-	-	-	-
Stock-based compensation - common stock awards	-	-	25,000	3	195,997	-	196,000	-	196,000
Contingent beneficial conversion feature on PIPE Notes	-	-	-	-	14,166,339	-	14,166,339	-	14,166,339
November 18, 2020 capital raise, net of offering costs	-	-	17,857,142	1,786	14,476,624	-	14,478,410	-	14,478,410
December 4, 2020 capital raise, net of offering costs	-	-	2,678,571	268	2,070,821	-	2,071,089	-	2,071,089
Net loss	-	-	-	-	-	(45,488,666)	(45,488,666)	(196,506)	(45,685,172)
Balance as of December 31, 2020	-	\$ -	64,091,266	\$ 6,410	\$ 172,112,688	\$ (6,840,871)	\$ 165,278,227	\$ (196,506)	\$ 165,081,721
Stock-based compensation on restricted stock units ("RSU") and restricted stock awards ("RSA")	-	-	-	-	5,510,134	-	5,510,134	-	5,510,134
Stock-based compensation - common stock awards	-	-	25,000	2	72,498	-	72,500	-	72,500
February 12, 2021 Capital Raise, net of offering costs	-	-	12,244,897	1,224	27,560,774	-	27,561,998	-	27,561,998
February 18, 2021 Overallotment, net of offering costs	-	-	1,836,734	184	4,184,814	-	4,184,998	-	4,184,998
Issuance of vested RSUs	-	-	24,028	2	(2)	-	-	-	-
Issuance of vested RSAs	-	-	66,451	6	(6)	-	-	-	-

Sale of Series B preferred stock and warrants	15,200	2	-	-	15,199,998	-	15,200,000	-	15,200,000
Vesting of RSUs, net of tax	-	-	841,218	84	(84)	-	-	-	-
Exercise of Warrants	-	-	16,775,143	1,678	77,002,464	-	77,004,142	-	77,004,142
Sale of common stock under at the market offering	-	-	1,659,104	166	3,473,813	-	3,473,979	-	3,473,979
Series B preferred stock dividends	-	-	-	-	-	(697,575)	(697,575)	-	(697,575)
Net loss	-	-	-	-	-	(92,413,393)	(92,413,393)	(400,260)	(92,813,653)
Balance as of December 31, 2021	<u>15,200</u>	<u>\$ 2</u>	<u>97,563,841</u>	<u>\$ 9,756</u>	<u>\$ 305,117,091</u>	<u>\$ (99,951,839)</u>	<u>\$ 205,175,010</u>	<u>\$ (596,766)</u>	<u>\$ 204,578,244</u>

HALL OF FAME RESORT & ENTERTAINMENT COMPANY AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS

	For the Years Ended December 31,	
	2021	2020
Cash Flows From Operating Activities		
Net loss	\$ (92,813,653)	\$ (45,685,172)
Adjustments to reconcile net loss to cash flows used in operating activities		
Depreciation expense	12,199,148	11,085,230
Amortization of note discounts	5,160,242	10,570,974
Impairment expense	1,748,448	-
Interest paid in kind	2,091,990	4,066,691
(Gain) loss on extinguishment of debt	(390,400)	4,282,220
Change in fair value of warrant liability	48,075,943	(26,733,116)
Stock-based compensation expense	5,582,634	4,523,773
Changes in operating assets and liabilities:		
Accounts receivable	(1,626,759)	989,280
Prepaid expenses and other assets	(1,429,753)	(4,627,992)
Accounts payable and accrued expenses	1,113,976	29,264,412
Due to affiliates	95,399	(9,644,241)
Other liabilities	(569,844)	3,542,670
Net cash used in operating activities	(20,762,629)	(18,365,271)
Cash Flows From Investing Activities		
Additions to project development costs and property and equipment	(70,734,055)	(48,614,331)
Proceeds from business combination	-	31,034,781
Net cash used in investing activities	(70,734,055)	(17,579,550)
Cash Flows From Financing Activities		
Proceeds from notes payable	37,004,153	106,976,651
Repayments of notes payable	(39,941,576)	(62,593,562)
Payment of financing costs	(1,569,779)	(3,227,898)
Payment of Series B dividends	(193,333)	-
Proceeds from sale of common stock under ATM	3,099,602	-
Proceeds from sale of Series B preferred stock and warrants	15,200,000	-
Proceeds from equity raises, net of offering costs	31,746,996	26,228,499
Proceeds from exercise of warrants	23,485,200	-
Net cash provided by financing activities	68,831,263	67,383,690
Net (decrease) increase in cash and restricted cash	(22,665,421)	31,438,869
Cash and restricted cash, beginning of period	40,053,461	8,614,592
Cash and restricted cash, end of period	\$ 17,388,040	\$ 40,053,461
Cash	\$ 10,282,983	\$ 7,145,661
Restricted Cash	7,105,057	32,907,800
Total cash and restricted cash	\$ 17,388,040	\$ 40,053,461

HALL OF FAME RESORT & ENTERTAINMENT COMPANY AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS

	For the Years Ended December 31,	
	2021	2020
Supplemental disclosure of cash flow information		
Cash paid during the year for interest	\$ 3,068,627	\$ 5,962,918
Cash paid for income taxes	\$ -	\$ -
Non-cash investing and financing activities		
Project development cost acquired through accounts payable and accrued expenses, net	\$ 5,929,913	\$ (1,297,215)
Settlement of warrant liability	\$ 53,518,943	\$ -
Non-cash contribution from PFHOF in shared services agreement	\$ -	\$ 3,699,000
Accrued dividends	\$ 504,242	\$ -
ATM proceeds receivable	\$ 374,377	\$ -
Conversion of the preferred equity loan to common equity	\$ -	\$ 58,439,625
Shares of common stock issued for accounts payable	\$ -	\$ 23,426,161
Shares of common stock issued in exchange of debt	\$ -	\$ 54,518,376
Conversion of GPAQ Sponsor Loan into convertible PIPE debt	\$ -	\$ 500,000
Deferred financing costs in accounts payable and accrued expenses, net	\$ -	\$ 610,810
Contingent beneficial conversion feature on PIPE Notes	\$ -	\$ 14,166,339
Initial value of warrants accounted for as liabilities	\$ -	\$ 45,845,116
Reclassify amounts from capitalized development costs to property and equipment	\$ 34,938,554	\$ 27,373,715

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

Note 1: Organization and Nature of Business

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”.

Upon the consummation of the Business Combination: (i) Acquiror Merger Sub merged with and into GPAQ, with GPAQ continuing as the surviving entity (the “Acquiror Merger”) and (ii) Company Merger Sub merged with and into Newco, with Newco continuing as the surviving entity (the “Company Merger”). In advance of the Company Merger, HOF Village transferred all of its assets, liabilities and obligations to Newco pursuant to a contribution agreement. In connection with the closing of the Business Combination, the Company changed its name from “GPAQ Acquisition Holdings, Inc.” to “Hall of Fame Resort & Entertainment Company.” As a result of the Business Combination, GPAQ and Newco continue as the Company’s wholly owned subsidiaries. Upon consummation of the Business Combination and, in connection therewith, HOFRE became a successor issuer to GPAQ by operation of Rule 12g-3(a) promulgated under the Securities Exchange Act of 1934, as amended (the “Exchange Act”). The Business Combination is, in substance, a reverse merger recapitalization and accordingly, the historical financials prior to the date of the Business Combination in these consolidated financial statements are those of HOF Village LLC and its subsidiaries. The Business Combination is further described in Note 11.

The Company is a resort and entertainment company leveraging the power and popularity of professional football and its legendary players in partnership with the National Football Museum, Inc., doing business as the Pro Football Hall of Fame (“PFHOF”). Headquartered in Canton, Ohio, the Company owns the Hall of Fame Village powered by Johnson Controls, a multi-use sports, entertainment, and media destination centered around the PFHOF’s campus. The Company is pursuing a differentiation strategy across three pillars, including destination-based assets, HOF Village Media Group, LLC (“Hall of Fame Village Media”), and gaming (including the fantasy football league in which the Company acquired a majority stake in 2020).

The Company has entered into several agreements with PFHOF, an affiliate of the Company, and certain government entities, which outline the rights and obligations of each of the parties with regard to the property on which the Hall of Fame Village powered by Johnson Controls sits, portions of which are owned by the Company and portions of which are net leased to the Company by the government entities (see Note 7 for additional information). Under these agreements, PFHOF and the government entities are entitled to use portions of the Hall of Fame Village powered by Johnson Controls on a direct-cost basis.

COVID-19

Since 2020, the world has been, and continues to be, impacted by the novel coronavirus (“COVID-19”) pandemic. COVID-19 and measures to prevent its spread impacted the Company’s business in a number of ways, most significantly with regard to a reduction in the number of events and attendance at events at Tom Benson Hall of Fame Stadium and Sports Complex, which negatively impacts the Company’s ability to sell sponsorships. Also, the Company opened its newly renovated DoubleTree by Hilton in Canton in November 2020, but the occupancy rate has been negatively impacted by the pandemic. Further, the COVID-19 pandemic has caused a number of supply chain disruptions, which negatively impacts the Company’s ability to obtain the materials needed to complete construction. The impact of these disruptions and the extent of their adverse impact on the Company’s financial and operating results will be dictated by the length of time that such disruptions continue, which will, in turn, depend on the currently unpredictable duration and severity of the impacts of COVID-19, and among other things, the impact of governmental actions imposed in response to COVID-19 as well as individuals’ and companies’ risk tolerance regarding health matters going forward and developing strain mutations.

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

Note 1: Organization and Nature of Business (continued)

Liquidity

The Company has sustained recurring losses and negative cash flows from operations through December 31, 2021. Since inception, the Company's operations have been funded principally through the issuance of debt and equity. As of December 31, 2021, the Company had approximately \$10 million of unrestricted cash and cash equivalents and \$7 million of restricted cash.

During February 2021, the Company received approximately \$34.5 million gross proceeds from the issuance of shares of the Company's common stock, par value of \$0.0001 per share ("Common Stock"), before offering costs.

On June 4, 2021, the Company completed a private placement with CH Capital Lending, LLC for a purchase price of \$15 million (i) 15,000 shares of 7.00% Series B Convertible Preferred Stock (the "Series B Preferred Stock"), which are convertible into shares of the Company's Common Stock, having an aggregate liquidation preference of \$15 million plus any accrued but unpaid dividends to the date of payment, and (ii) 2,450,980 warrants, with a term of three years, exercisable six months after issuance, each exercisable for one share of Common Stock at an exercise price of \$6.90 per share, subject to certain adjustments (the "Series D Warrants"). Also on June 4, 2021, the Company closed a securities purchase agreement with another purchaser for 200 shares of Series B Preferred Stock and 32,680 Series D Warrants in exchange for \$200,000.

On each of August 12, 2021 and September 22, 2021, the Company issued to American Capital Center, LLC ("ACC") 900 shares (the "Series A Shares") of 7.00% Series A Cumulative Redeemable Preferred Stock ("Series A Preferred Stock") at a price of \$1,000 per share for an aggregate purchase price of \$900,000. The Company will pay ACC an origination fee of 2% of the aggregate purchase price.

On September 30, 2021, the Company entered into an Equity Distribution Agreement (the "Equity Distribution Agreement") with Wedbush Securities Inc. and Maxim Group LLC with respect to an at-the-market offering program under which the Company may, from time to time, offer and sell shares of the Company's Common Stock having an aggregate offering price of up to \$50 million. Through December 31, 2021, approximately 1.7 million shares were sold resulting in net proceeds to the Company totaling approximately \$3.5 million. The remaining availability under the Equity Distribution Agreement as of December 31, 2021 is approximately \$46.5 million.

On March 1, 2022, the Company and ErieBank agreed to extend the MKG DoubleTree Loan (as defined in Note 4) in principal amount of \$15,300,000 to September 13, 2023. See Note 14, Subsequent Events, for more information on this transaction.

On March 1, 2022, the Company executed a series of transactions with Industrial Realty Group, LLC, a Nevada limited liability company that is controlled by the Company's director Stuart Lichter ("IRG") and its affiliates, and JKP Financial, LLC ("JKP"), whereby IRG and JKP, among other things, extended certain of the Company's debt in aggregate principal amount of \$22,853,831 to March 31, 2024. See Note 14, Subsequent Events, for more information on these transactions.

On March 3, 2022, the Company signed a nonbinding term sheet with a commercial lender for construction financing for the Center for Performance in an amount up to \$4 million. On March 12, 2022, the Company signed a nonbinding term sheet with a different commercial lender for construction financing for the Retail Promenade in an amount up to \$17.4 million.

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

Note 1: Organization and Nature of Business (continued)

Liquidity (continued)

The Company believes that, as a result of the transactions described above and its current ongoing negotiations, it will have sufficient cash and future financing to meet its funding requirements over the next twelve months from the issuance of these consolidated financial statements. Notwithstanding, the Company expects that it will need to raise additional financing to accomplish its development plan over the next several years. The Company is seeking to obtain additional funding through debt, construction lending, and equity financing. There are no assurances that the Company will be able to raise capital on terms acceptable to the Company or at all, or that cash flows generated from its operations will be sufficient to meet its current operating costs. If the Company is unable to obtain sufficient amounts of additional capital, it may be required to reduce the scope of its planned development, which could harm its financial condition and operating results.

Note 2: Summary of Significant Accounting Policies

Basis of Presentation

The accompanying consolidated financial statements of the Company for the years ended December 31, 2021 and 2020 have been prepared in accordance with accounting principles generally accepted in the United States of America (“U.S. GAAP”) and applicable rules and regulations of the United States Securities and Exchange Commission (“SEC”).

Consolidation

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

The Company owns a 60% interest in Mountaineer GM, LLC (“Mountaineer”), whose results are consolidated into the Company’s results of operations. The Company acquired 60% of the equity interests in Mountaineer for a purchase price of \$100 from one of its related parties. The portion of Mountaineer’s net income (loss) that is not attributable to the Company is included in non-controlling interest.

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

Note 2: Summary of Significant Accounting Policies (continued)

Emerging Growth Company

The Company is an “emerging growth company,” as defined in Section 2(a) of the Securities Act of 1933, as amended, (the “Securities Act”), as modified by the Jumpstart Our Business Startups Act of 2012 (the “JOBS Act”). It may take advantage of certain exemptions from various reporting requirements that are applicable to other public companies that are not emerging growth companies including, but not limited to, not being required to comply with the auditor attestation requirements of Section 404 of the Sarbanes-Oxley Act, reduced disclosure obligations regarding executive compensation in its periodic reports and proxy statements, and exemptions from the requirements of holding a nonbinding advisory vote on executive compensation and stockholder approval of any golden parachute payments not previously approved.

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

Use of Estimates

The preparation of the 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 consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. The most significant estimates and assumptions for the Company relate to bad debt, depreciation, costs capitalized to project development costs, useful lives of assets, stock-based compensation, fair value of financial instruments (including the fair value of the Company’s warrant liability), and estimates and assumptions used to measure impairment. Management adjusts such estimates when facts and circumstances dictate. Actual results could differ from those estimates.

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

Note 2: Summary of Significant Accounting Policies (continued)

Property and Equipment and Project Development Costs

Property and equipment are recorded at historical cost and depreciated using the straight-line method over the estimated useful lives of the assets. During the construction period, the Company capitalizes all costs related to the development of the Hall of Fame Village powered by Johnson Controls. Project development costs include predevelopment costs, amortization of finance costs, real estate taxes, insurance, and other project costs incurred during the period of development. The capitalization of costs began during the preconstruction period, which the Company defines as activities that are necessary for the development of the project. The Company ceases cost capitalization when a portion of the project is held available for occupancy and placed into service. This usually occurs upon substantial completion of all costs necessary to bring a portion of the project to the condition needed for its intended use, but no later than one year from the completion of major construction activity. The Company will continue to capitalize only those costs associated with the portion still under construction. Capitalization will also cease if activities necessary for the development of the project have been suspended. As of December 31, 2021, the second two phases of the project remained subject to such capitalization.

The Company reviews its property and equipment and projects under development for impairment whenever events or changes indicate that the carrying value of the long-lived assets may not be fully recoverable. In cases where the Company does not expect to recover its carrying costs, an impairment charge is recorded.

The Company measures and records impairment losses on its long-lived assets when indicators of impairment are present and the undiscounted cash flows estimated to be generated by those assets are less than their carrying amount. Considerable judgment by management is necessary to estimate undiscounted future operating cash flows, and fair values and accordingly, actual results could vary significantly from such estimates. In August 2021, management determined that previously capitalized costs for the construction of the Center for Performance should be written off because of significant changes to the plans for the project that render certain of the current capitalized costs no longer of use for the Center for Performance. Management reviewed its capitalized costs and identified the costs that had no future benefit. As a result, in the third quarter of 2021, the Company recorded a \$1,748,448 charge as an impairment of project development costs within the accompanying statement of operations.

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 at December 31, 2021 and 2020, 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 at December 31, 2021 and 2020 were \$7,105,057 and \$32,907,800, respectively.

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

Note 2: Summary of Significant Accounting Policies (continued)

Accounts Receivable

Accounts receivable are generally amounts due under sponsorship and other agreements. Accounts receivable are reviewed for delinquencies on a case-by-case basis and are considered delinquent when the sponsor or debtor has missed a scheduled payment. Interest is not charged on delinquencies.

The carrying amount of accounts receivable is reduced by an allowance that reflects management's best estimate of the amounts that will not be collected. Management individually reviews all delinquent accounts receivable balances and based on an assessment of current creditworthiness, estimates the portion, if any, of the balance that will not be collected.

Deferred Financing Costs

Costs incurred in obtaining financing are capitalized and amortized to additions in project development costs during the construction period over the term of the related loans, without regard for any extension options until the project or portion thereof is considered substantially complete. Upon substantial completion of the project or portion thereof, such costs are amortized as interest expense over the term of the related loan. Any unamortized costs are shown as an offset to "Notes Payable, net" on the accompanying consolidated balance sheet.

Investment in Joint Venture

The Company previously used the equity method to record the activities of its 50% owned joint venture in Youth Sports. The equity method of accounting required that the Company recognize its initial capital investment at cost and subsequently, its share of the earnings or losses in the joint venture. The joint venture agreement was structured whereby the Company was not at risk for losses above its original capital investment. Therefore, the Company did not record a deficit that would have resulted in the equity being negative from the investment in joint venture.

The maximum exposure to loss represented the potential loss of assets which may have been recognized by the Company relating to its investment in the joint venture. On May 29, 2020, the Company acquired the remaining 50% in Youth Sports for the accounts receivable amounts due from them, which was fully reserved as of the date of the transaction. The results of this non-cash transaction increased the Company's interest to 100%. Upon acquisition, the Company consolidated the Youth Sports joint venture, an inactive voting interest entity. The Company accounted for the transaction as an asset acquisition under a cost accumulation model, and no gain on the change of control of interest was recognized in the consolidation, resulting in no consolidated assets or liabilities.

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

Note 2: Summary of Significant Accounting Policies (continued)

Revenue Recognition

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

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

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

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

Hall of Fame Resort & Entertainment Company and Subsidiaries
Notes to 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 percent likely to be realized upon settlement. A liability for unrecognized tax benefits is recorded for any tax benefits claimed in the Company's tax returns that do not meet these recognition and measurement standards. As of December 31, 2021 and 2020, no liability for unrecognized tax benefits was required to be reported.

The Company's policy for recording interest and penalties associated with tax audits is to record such items as a component of general and administrative expense. There were no amounts accrued for penalties and interest for the years ended December 31, 2021 and 2020. 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 the United States and Ohio as its "major" tax jurisdictions, and such returns for the years 2017 through 2020 remain subject to examination.

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

Note 2: Summary of Significant Accounting Policies (continued)

Ground Rent Expense

Ground rent expense is recognized on a straight-line basis over the life of the related operating lease.

Stock-Based Compensation

The Company recognizes compensation expense for all equity-based payments in accordance with ASC 718 "*Compensation – Stock Compensation*." Under fair value recognition provisions, the Company recognizes equity-based compensation net of an estimated forfeiture rate and recognizes compensation cost only for those shares expected to vest over the requisite service period of the award.

Restricted stock units are granted at the discretion of the Compensation Committee of the Company's board of directors (the "Board of Directors"). These awards are restricted as to the transfer of ownership and generally vest over the requisite service periods, typically over a 12 to 36-month period.

Segments

The Company has evaluated its business to determine whether it has multiple operating segments. The Company has concluded that, as of December 31, 2021 and 2020, it only has one operating segment, given that its chief operating decision maker reviews the Company's results solely on a consolidated basis.

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

Note 2: Summary of Significant Accounting Policies (continued)

Warrant Liabilities

The Company accounts for warrants to purchase shares of the Company's common stock that are not indexed to its own stock as liabilities at fair value on the balance sheet in accordance with ASC 815, "Derivatives and Hedging". The warrants are subject to remeasurement at each balance sheet date and any change in fair value is recognized as "change in fair value of warrant liabilities" on the statement of operations. The Company will continue to adjust the liability for changes in fair value until the earlier of the exercise or expiration of the common stock warrants. At that time, the portion of the warrant liability related to the common stock warrants will be reclassified to additional paid-in capital.

Advertising Costs

The Company expenses all advertising and marketing costs as they are incurred and records them as "property operating expenses" on the Company's consolidated statements of operations. Total advertising and marketing costs for the years ended December 31, 2021 and 2020 were \$611,843 and \$484,978, respectively.

Software Development Costs

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

Film and Media Costs

The Company capitalizes all costs to develop films and related media as an asset, included in "project development costs" on the Company's consolidated balance sheet. The costs for each film or media will be expensed over the expected release period.

Accounting for Real Estate Investments

Upon the acquisition of real estate properties, a determination is made as to whether the acquisition meets the criteria to be accounted for as an asset or business combination. The determination is primarily based on whether the assets acquired and liabilities assumed meet the definition of a business. The determination of whether the assets acquired and liabilities assumed meet the definition of a business include a single or similar asset threshold. In applying the single or similar asset threshold, if substantially all the fair value of the gross assets acquired is concentrated in a single identifiable asset or group of similar identifiable assets, the assets acquired and liabilities assumed are not considered a business. Most of the Company's acquisitions meet the single or similar asset threshold due to the fact that substantially all the fair value of the gross assets acquired is attributable to the real estate acquired.

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

Note 2: Summary of Significant Accounting Policies (continued)

Accounting for Real Estate Investments (continued)

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

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

Reclassification

Certain amounts in prior periods relating to the presentation of accounts receivable and deferred sponsorship revenue have been reclassified to conform to the current period presentation.

Fair Value Measurement

The Company follows FASB's ASC 820-10, *Fair Value Measurement*, to measure the fair value of its 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.

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

Note 2: Summary of Significant Accounting Policies (continued)

Fair Value Measurement (continued)

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

The carrying amounts of the Company's financial assets and liabilities, such as cash, prepaid expenses and other current assets, accounts payable, and accrued expenses approximate their fair values due to the short-term nature of these instruments.

The Company uses Levels 1 and 3 of the fair value hierarchy to measure the fair value of its warrant liabilities. The Company revalues such liabilities at every reporting period and recognizes gains or losses on the change in fair value of the warrant liabilities as "change in fair value of warrant liabilities" in the consolidated statements of operations.

The following table provides the financial liabilities measured on a recurring basis and reported at fair value on the balance sheet as of December 31, 2021 and 2020 and indicates the fair value hierarchy of the valuation inputs the Company utilized to determine such fair value:

	<u>Level</u>	<u>December 31,</u>	
		<u>2021</u>	<u>2020</u>
Warrant liabilities – Public Series A Warrants	1	\$ 4,617,000	\$ 4,130,000
Warrant liabilities – Private Series A Warrants	3	110,000	420,000
Warrant liabilities – Series B Warrants	3	2,416,000	9,781,000
Warrant liabilities – Series C Warrants	3	6,526,000	4,781,000
Fair value of aggregate warrant liabilities		<u>\$ 13,669,000</u>	<u>\$ 19,112,000</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"), the Series B Warrants issued in the Company's November 2020 follow-on public offering, and the Series C Warrants issued in the Company's December 2020 private placement, 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 Consolidated Financial Statements

Note 2: Summary of Significant Accounting Policies (continued)

Fair Value Measurement (continued)

Initial Measurement

The Company established the initial fair value of its warrant liabilities at the respective dates of issuance. In the case of the Public Series A Warrants, the Company valued the warrants using the quoted market price on the date of issuance. In the case of the Private Series A Warrants, Series B Warrants and Series C Warrants, the Company used a Black Scholes valuation model in order to determine their value. The key inputs into the Black Scholes valuation model for the initial valuations are below:

	<u>Private Series A Warrants</u>	<u>Series B Warrants</u>	<u>Series C Warrants</u>
	<u>July 1, 2020</u>	<u>November 18, 2020</u>	<u>December 29, 2020</u>
Term (years)	5.0	5.0	5.0
Stock price	\$ 8.44	\$ 1.22	\$ 1.29
Exercise price	\$ 11.50	\$ 1.40	\$ 1.40
Dividend yield	0.0%	0.0%	0.0%
Expected volatility	13.3%	49.4%	49.5%
Risk free interest rate	0.3%	0.4%	0.4%
Number of shares	1,480,000	20,535,713	10,036,925
Value (per share)	\$ 1.74	\$ 0.52	\$ 0.52

Subsequent measurement

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

	<u>Public Series A Warrants</u>	<u>Private Series A Warrants</u>	<u>Series B Warrants</u>	<u>Series C Warrants</u>	<u>Total Warrant Liability</u>
Fair value as of January 1, 2021	\$ 4,130,000	\$ 420,000	\$ 9,781,000	\$ 4,781,000	\$ 19,112,000
Settlement of warrants, exercised	-	-	(53,518,943)	-	(53,518,943)
Change in fair value, exercised	-	-	43,070,207	-	43,070,207
Change in fair value, outstanding	487,000	(310,000)	3,083,736	1,745,000	5,005,736
Fair value as of December 31, 2021	<u>\$ 4,617,000</u>	<u>\$ 110,000</u>	<u>\$ 2,416,000</u>	<u>\$ 6,526,000</u>	<u>\$ 13,669,000</u>

On March 1, 2022, the Company and IRG amended the Series C Warrants. See Note 14, Subsequent Events, for more information on this transaction.

The key inputs into the Black Scholes valuation model for the Level 3 valuations as of December 31, 2021 and 2020 are as follows:

	<u>December 31, 2021</u>			<u>December 31, 2020</u>		
	<u>Private Series A Warrants</u>	<u>Series B Warrants</u>	<u>Series C Warrants</u>	<u>Private Series A Warrants</u>	<u>Series B Warrants</u>	<u>Series C Warrants</u>
Term (years)	3.5	3.9	4.0	4.5	4.9	5.0
Stock price	\$ 1.52	\$ 1.52	\$ 1.52	\$ 1.23	\$ 1.23	\$ 1.23
Exercise price	\$ 11.50	\$ 1.40	\$ 1.40	\$ 11.50	\$ 1.40	\$ 1.40
Dividend yield	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Expected volatility	50.6%	50.6%	50.6%	70.7%	49.5%	49.5%
Risk free interest rate	1.3%	1.3%	1.3%	0.3%	0.3%	0.3%
Number of shares	2,103,573	3,760,570	10,036,925	2,103,573	20,535,713	10,036,925
Value (per share)	\$ 0.05	\$ 0.64	\$ 0.65	\$ 0.28	\$ 0.48	\$ 0.48

Hall of Fame Resort & Entertainment Company and Subsidiaries
Notes to 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.

At December 31, 2021 and 2020, 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 years ended	
	December 31,	
	2021	2020
Warrants to purchase shares of Common Stock	41,012,349	55,303,832
Unvested restricted stock awards	238,643	715,929
Unvested restricted stock units to be settled in shares of Common Stock	2,207,337	1,672,177
Shares of Common Stock issuable upon conversion of convertible notes	3,486,920	-
Shares of Common Stock issuable upon conversion of Series B Preferred Stock	4,967,320	-
Total potentially dilutive securities	<u>51,912,569</u>	<u>57,691,938</u>

Recent Accounting Standards

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

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

Note 2: Summary of Significant Accounting Policies (continued)

Recent Accounting Standards (continued)

Classification for both lessees and lessors is based on an assessment of whether risks and rewards as well as substantive control have been transferred through a lease contract. ASU 2016-02 also requires qualitative and quantitative disclosures to assess the amount, timing, and uncertainty of cash flows arising from leases. The Company is currently evaluating the impact of the pending adoption of this new standard on its condensed consolidated financial statements.

In March 2019, the FASB issued ASU 2019-01, *Leases (Topic 842): Codification Improvements*, which requires an entity (a lessee or lessor) to provide transition disclosures under Topic 250 upon adoption of Topic 842. In February 2020, the FASB issued ASU 2020-02, *Financial Instruments – Credit Losses (Topic 326): Amendments to SEC Paragraphs Pursuant to SEC Staff Accounting Bulletin No. 119 and Update to SEC Section on Effective Date Related to Accounting Standards Update No. 2016-02, Leases*. The ASU adds and amends SEC paragraphs in the ASC to reflect the issuance of SEC Staff Accounting Bulletin No. 119 related to the new credit losses standard and comments by the SEC staff related to the revised effective date of the new leases standard. This new standard is effective for fiscal years beginning after December 15, 2021, including interim periods within fiscal years beginning after December 15, 2022. Early adoption is permitted. The Company is currently evaluating the impact of the pending adoption of this new standard on its condensed consolidated financial statements.

The Company expects that, upon the adoption of ASC 842 on January 1, 2022, the Company will recognize a right of use asset and corresponding lease liability of approximately \$4 million.

Subsequent Events

Subsequent events have been evaluated through March 14, 2022, the date the consolidated financial statements were issued. Except for as disclosed in Notes 1, 2, 4, 9, and 14, no other events have been identified requiring disclosure or recording.

Note 3: Property and Equipment

Property and equipment consists of the following:

	<u>Useful Life</u>	<u>December 31, 2021</u>	<u>December 31, 2020</u>
Land		\$ 4,186,090	\$ 535,954
Land improvements	25 years	31,194,623	31,078,211
Building and improvements	15 to 39 years	192,384,530	158,020,145
Equipment	5 to 10 years	2,338,894	2,165,882
Property and equipment, gross		<u>230,104,137</u>	<u>191,800,192</u>
Less: accumulated depreciation		<u>(49,643,575)</u>	<u>(37,444,429)</u>
Property and equipment, net		<u>\$ 180,460,562</u>	<u>\$ 154,355,763</u>
Project development costs		<u>\$ 128,721,480</u>	<u>\$ 107,969,139</u>

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

Note 3: Property and Equipment (continued)

For the years ended December 31, 2021 and 2020, the Company recorded depreciation expense of \$12,199,148 and \$11,085,230, respectively. For the years ended December 31, 2021 and 2020, the Company incurred \$58,581,466 and \$19,381,440 of capitalized project development costs, respectively. During October 2021, the Company placed its Center for Excellence into service and transferred \$32,938,554 from project development costs into property and equipment.

In August 2021, management determined that previously capitalized costs for the construction of the Center for Performance should be written off because of significant changes to the plans for the project that render certain of the current capitalized costs no longer of use for the Center for Performance. Management reviewed its capitalized costs and identified the costs that had no future benefit. As a result, in the third quarter of 2021, the Company recorded a \$1,748,448 charge as an impairment of project development costs within the accompanying statement of operations.

Included in project development costs are film development costs of \$464,000 and \$0 as of December 31, 2021 and 2020, respectively.

Note 4: Notes Payable, net

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

	<u>Gross</u>	<u>Discount</u>	<u>Net</u>	<u>Interest Rate</u>	<u>Maturity Date (including effect of March 1, 2022 transactions)</u>
TIF loan	\$ 9,451,000	\$ (1,611,476)	\$ 7,839,524	5.20%	7/31/2048
Preferred equity loan	3,600,000	-	3,600,000	7.00%	Various
City of Canton Loan	3,500,000	(6,509)	3,493,491	5.00%	7/1/2027
New Market/SCF	2,999,989	-	2,999,989	4.00%	12/30/2024
Constellation EME	5,227,639	-	5,227,639	6.05%	12/31/2022
JKP Capital loan	6,953,831	-	6,953,831	12.00%	3/31/2024
MKG DoubleTree Loan	15,300,000	(83,939)	15,216,061	5.00%	9/13/2023
Convertible PIPE Notes	24,059,749	(11,168,630)	12,891,119	10.00%	3/31/2025
Canton Cooperative Agreement	2,670,000	(174,843)	2,495,157	3.85%	5/15/2040
Aquarian Mortgage Loan	7,400,000	(439,418)	6,960,582	10.00%	3/31/2024
Constellation EME #2	4,455,346	-	4,455,346	5.93%	4/30/2026
IRG Note	8,500,000	-	8,500,000	8.00%	3/31/2024
ErieBank Loan	13,353,186	(598,966)	12,754,220	4.50%	6/15/2034
PACE Equity Loan	8,250,966	(277,729)	7,973,237	6.05%	12/31/2046
Total	<u>\$ 115,721,706</u>	<u>\$ (14,361,510)</u>	<u>\$ 101,360,196</u>		

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

Note 4: Notes Payable, net (continued)

Notes payable, net consisted of the following at December 31, 2020:

	<u>Gross</u>	<u>Discount</u>	<u>Net</u>
TIF loan	\$ 9,654,000	\$ (1,666,725)	\$ 7,987,275
Syndicated unsecured term loan	170,090	-	170,090
Preferred equity loan	1,800,000	-	1,800,000
Naming rights securitization loan	1,821,559	(113,762)	1,707,797
City of Canton Loan	3,500,000	(7,681)	3,492,319
New Market/SCF	2,999,989	-	2,999,989
Constellation EME	9,900,000	-	9,900,000
Paycheck protection plan loan	390,400	-	390,400
JKP Capital loan	6,953,831	(13,887)	6,939,944
MKG DoubleTree Loan	15,300,000	(443,435)	14,856,565
Convertible PIPE Notes	21,797,670	(13,475,202)	8,322,468
Canton Cooperative Agreement	2,670,000	(181,177)	2,488,823
Aquarian Mortgage Loan	40,000,000	(2,156,303)	37,843,697
Total	<u>\$ 116,957,539</u>	<u>\$ (18,058,172)</u>	<u>\$ 98,899,367</u>

During the years ended December 31, 2021 and 2020, the Company recorded amortization of note discounts of \$5,160,242 and \$10,570,974, respectively. During the years ended December 31, 2021 and 2020, the Company recorded paid-in-kind interest of \$2,091,990 and \$4,066,691, respectively.

Accrued Interest on Notes Payable

As of December 31, 2021 and 2020, accrued interest on notes payable, were as follows:

	<u>December 31,</u>	
	<u>2021</u>	<u>2020</u>
TIF loan	\$ 22,208	\$ -
Preferred equity loan	203,350	27,125
New Market/SCF	89,682	-
Constellation EME	-	248,832
Paycheck protection plan loan	-	2,706
City of Canton Loan	5,979	4,472
JKP Capital Note	1,251,395	416,836
MKG Doubletree loan	-	67,716
Canton Cooperative Agreement	39,416	20,593
Aquarian Mortgage Loan	-	333,333
ErieBank Loan	26,706	-
PACE Equity Loan	30,824	-
Total	<u>\$ 1,669,560</u>	<u>\$ 1,121,613</u>

The amounts above were included in “accounts payable and accrued expenses” and “other liabilities” on the Company’s consolidated balance sheets, as follows:

	<u>December 31,</u>	
	<u>2021</u>	<u>2020</u>
Accounts payable and accrued expenses	\$ 1,669,560	\$ 1,094,488
Other liabilities	-	27,125
	<u>\$ 1,669,560</u>	<u>\$ 1,121,613</u>

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

Note 4: Notes Payable, net (continued)

TIF Loan

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

Under the cooperative agreement entered into by the Company, two subsidiaries, the City of Canton, DFA Summit, Stark County Port Authority, and the bank trustee, the Company and certain subsidiaries have been exempted from certain real estate taxes. However, the Company must make real estate tax payments on the TIF parcels sufficient to cover future required payments on the bond debt service until the 2018 bonds are no longer outstanding. This is a significant commitment made by the Company and is guaranteed by an individual’s trust, an individual, and two subsidiaries of the Company.

Since the bond debt service is fixed and determinable, a liability has been recorded as of December 31, 2021 and 2020, representing the present value of the future bond debt service payments. The term of the TIF requires the Company to make installment payments through July 31, 2048. The current imputed interest rate is 5.2%, which runs through July 31, 2028. The imputed interest rate then increases to 6.6% through July 31, 2038 and finally increases to 7.7% through the remainder of the TIF. The Company is required to make payments on the TIF semi-annually in June and December each year.

7.00% Series A Cumulative Redeemable Preferred Stock (Preferred Equity Loan)

On April 1, 2021, the Company received \$900,000 in advance of a subscription agreement to purchase shares of 7.00% Series A Cumulative Redeemable Preferred Stock (“Series A Preferred Stock”). On August 12, 2021, the Company entered into a subscription agreement with ACC to issue to the Investor 900 shares of Series A Preferred Stock at a price of \$1,000 per share for an aggregate purchase price of \$900,000.

On September 22, 2021, the Company issued an additional 900 shares of Series A Preferred Stock to the Investor at a price of \$1,000 per share for an aggregate purchase price of \$900,000.

The Company had 3,600 and 1,800 shares of Series A Preferred Stock outstanding and 52,800 and 52,800 shares of Series A Preferred Stock authorized as of December 31, 2021 and 2020, respectively. The Series A Preferred Stock is required to be redeemed for cash after five years from the date of issuance and is recorded in “Notes payable, net” on the Company’s consolidated balance sheet.

City of Canton Loan

On December 30, 2019, the Company entered into a loan facility with the City of Canton, OH, whereby it may borrow up to \$3,500,000. The loan accrues interest at a rate of 0.5% per annum. Upon an event of default, the interest rate will increase to five percent (5%) per annum on the outstanding balance at the time of default. The loan shall mature on July 1, 2027. During the year ended December 31, 2020, the Company borrowed the maximum amount of \$3,500,000 on the loan. The Company has the option to extend the loan’s maturity date for three years, to July 1, 2030, if the Company meets certain criteria in terms of the hotel occupancy level and maintaining certain financial ratios.

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

Note 4: Notes Payable, net (continued)

New Market/SCF

On December 30, 2019, the Company entered into a loan facility with New Market Project, Inc., whereby it may borrow up to \$3,000,000, of which the proceeds are to be used for the development of McKinley Grand Hotel, as described below. During the year ended December 31, 2020 the Company borrowed \$2,999,989 on this facility. The loan has a maturity date of December 30, 2024 and accrues interest at a rate of 4% per annum. In the event of default, including failure to pay upon final maturity, the interest rate shall increase by adding a 5% fee that applies to each succeeding interest rate change that would have applied had there been no default.

Constellation EME

On December 30, 2019, the Company entered into a loan facility with Constellation NewEnergy, Inc. (“Constellation”) whereby it may borrow up to \$9,900,000 (the “Constellation Loan Facility”). The proceeds of the Constellation Loan Facility are to be held in escrow by a custodian to fund future development costs. The proceeds will be released from escrow as development costs are incurred. The Constellation Loan Facility was amended on April 13, 2020 to modify the payment schedule and maturity date, reflecting current project timetables. The maturity date is December 31, 2022 and payments are due in 29 monthly installments totaling \$11,075,000, with an effective interest rate of 6.1%. Beginning in August 2020 through December 2020, the monthly installment amount is \$55,000, which increases in January 2021 to \$450,000 through December 2022. During the year ended December 31, 2020, the Company borrowed the full amount under the Constellation Loan Facility.

The Company also has a sponsorship agreement with Constellation. Refer to Note 6 for additional information.

Paycheck Protection Program Loan

On April 22, 2020, the Company obtained a Paycheck Protection Program Loan (“PPP Loan”) for \$390,400. The PPP Loan had a fixed interest rate of 1% and required the Company to make 18 monthly payments beginning on November 22, 2020, with a maturity date of April 22, 2022, subject to debt forgiveness provisions from the Small Business Association. On February 1, 2021, the Company obtained notice from the Small Business Association that the full outstanding amount of the PPP Loan was forgiven. During the year ended December 31, 2021, the Company recognized the forgiveness of the PPP Loan as “Gain on extinguishment of debt” in the Company’s consolidated statement of operations.

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

Note 4: Notes Payable, net (continued)

JKP Capital Loan

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

On March 1, 2022, the Company and JKP agreed, among other things, to extend the maturity date of the JKP Capital Loan to March 31, 2024. See Note 14, Subsequent Events, for more information.

MKG DoubleTree Loan

On September 14, 2020, the Company entered into a construction loan agreement with Erie Bank, a wholly owned subsidiary of CNB Financial Corporation, a Pennsylvania corporation, as lender. The Company has applied and been approved for a first mortgage loan for \$15.3 million (“MKG DoubleTree Loan”) with a variable interest rate of 1.75% plus the prime commercial rate, at which no time can it drop below 5%, for the purpose of renovating the McKinley Grand Hotel in the City of Canton, Ohio. The initial maturity date is 18 months after the exercised loan date, March 13, 2022, and the agreement includes an extended maturity date of September 13, 2022, should HOFRE need more time with an extension fee of 0.1% of the then outstanding principal balance. The MKG DoubleTree Loan has certain financial covenants whereby the Company must maintain a minimum tangible net worth of \$5,000,000 and minimum liquidity of not less than \$2,000,000. These covenants are to be tested annually based upon the financial statements at the end of each fiscal year.

On March 1, 2022, the Company and Erie Bank agreed to extend the maturity date of the MKG DoubleTree Loan to September 13, 2023. See Note 14, Subsequent Events, for more information.

Convertible PIPE Notes

On July 1, 2020, concurrently with the closing of the Business Combination, the Company entered into a Note Purchase Agreement (the “Note Purchase Agreement”) with certain funds managed by Magnetar Financial, LLC and other purchasers (together, the “Purchasers”), pursuant to which the Company agreed to issue and sell to the Purchasers in a private placement (the “Private Placement”) \$20,721,293 in aggregate principal of the Company’s 8.00% Convertible Notes due 2025 (the “PIPE Notes”). Interest on PIPE Notes is payable quarterly in either cash or an increase in the principal amount of PIPE Notes (“PIK Interest”). If the Company pays interest as PIK Interest, the interest rate for such payment is 10%, rather than 8%. Pursuant to the terms of the Note Purchase Agreement, the PIPE Notes may be converted into shares of Common Stock at a conversion price equal to \$6.90 per share. There are also Note Redemption Warrants that may be issued pursuant to the Note Purchase Agreement upon redemption of the PIPE Notes that will be exercisable for a number of shares of Common Stock to be determined at the time any such warrant is issued. The exercise price per share of Common Stock of any warrant will be equal to the conversion price of the PIPE Notes at the time such warrant is issued pursuant to the Note Purchase Agreement.

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

Note 4: Notes Payable, net (continued)

Canton Cooperative Agreement

On September 1, 2020, HOFRE entered into a Cooperative Agreement with DFA Summit, the City of Canton, Ohio (“Canton”), the Canton Regional Energy Special Improvement District, Inc. (the “District”), and U.S Bank National Association for the construction of the Series 2020C Project. The Series 2020C Project constitutes a port authority facility and a special energy improvement project under the Special Improvement District Act. HOFRE applied and received approval from the District and Canton for the aforementioned project. The loan amount is \$2,670,000, with a discount of \$182,723, which will be amortized over the life of the loan using the effective interest method.

In order to pay for the costs of the Series 2020C Project, the District and HOFRE have requested and been approved by DFA Summit, to issue and sell the Series 2020C Bonds pursuant to an indenture and make a portion of the proceeds of the Series 2020C Bonds available to the developer to undertake the provision of the Series 2020C Project.

While the Series 2020C Bonds are outstanding, HOFRE shall pay the special assessment and the service payments semi-annually to the Canton County Treasurer pursuant to and in accordance with the Assessing Ordinance, the TIF Act, and the TIF Ordinance. The service payments shall be in the same amount as the real property taxes that would have been charged and payable against the improvements had the TIF Exemption not been granted. The special assessment payments will be made on January 31st and July 31st over the course of 17 years, commencing on January 31, 2022 with a maturity date of January 31, 2039. For the first eight years, each payment will consist of \$188,188 and decrease to \$161,567 beginning in 2030.

Aquarian Mortgage Loan

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

On August 30, 2021, the Company and Aquarian amended the terms of the Aquarian Mortgage Loan whereby the Company paid \$20 million to Lincoln Benefit Life Company. In accordance with such payment, Lincoln Benefit Life Company was removed as a lender and the aggregate principal of the Aquarian Mortgage Loan was reduced to \$20 million as of September 30, 2021. The Company and Aquarian also agreed to extend the maturity date of the Aquarian Mortgage Loan to March 31, 2022.

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

On March 1, 2022, CH Capital Lending, LLC, an affiliate of our director Stuart Lichter (“CH Capital Lending”), purchased the Aquarian Mortgage Loan from Aquarian, and the Company and CH Capital Lending agreed, among other things, to extend the due date of the Aquarian Mortgage Loan to March 31, 2024. See Note 14, Subsequent Events, for more information.

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

Note 4: Notes Payable, net (continued)

Constellation EME #2

On February 1, 2021, the Company entered into a loan facility with Constellation whereby it may borrow up to \$5,100,000 (the “Constellation EME #2”). The proceeds of the Constellation EME #2 are to be held in escrow by a custodian to fund future development costs. The proceeds will be released from escrow as development costs are incurred. The maturity date is April 30, 2026, and payments are due in 60 monthly installments totaling \$6,185,716, with an effective interest rate of 8.7%.

The Company also has a sponsorship agreement with Constellation. Refer to Note 6 for additional information.

IRG Note

On November 23, 2021, the Company, and IRG entered into a promissory note (the “IRG Note”) pursuant to which IRG made a loan to the Company in the aggregate amount of \$8,500,000 (the “Loan Amount”). Interest will accrue on the outstanding balance of the Note at a rate of 8% per annum, compounded monthly. The Company will pay interest to IRG under the Note on the first day of each month, in arrears. The Note has a maturity date of June 30, 2022.

On March 1, 2022, IRG assigned 50% of the IRG Note to IRG, LLC and 50% of the IRG Note to JKP. Also on March 1, 2022, the Company, IRG, and JKP agreed, among other things to extend the maturity date of the split IRG Note to March 31, 2024. See Note 14, Subsequent Events, for more information.

ErieBank Loan

On December 15, 2021, HOF Village Center For Excellence, LLC (“CFE”), a wholly-owned subsidiary of the Company, as borrower, entered into a loan agreement with ErieBank, a division of CNB Bank, a wholly owned subsidiary of CNB Financial Corporation, as lender (“ErieBank”), pursuant to which the Company may borrow up to \$22,040,000 (the “ErieBank Loan”). The maturity date is June 15, 2034, provided CFE has a right to extend the maturity date for an additional six months to December 15, 2034, subject to certain conditions. Through December 31, 2021, the Company has borrowed \$13,353,186 under the ErieBank Loan.

For the period from disbursement until June 15, 2024 or, if CFE elects and qualifies for an extension option, up to and including December 15, 2024, CFE is obligated to make interest only monthly payments at a rate equal to the sum of 1.00% plus the prime commercial rate with a floor of 4.50% per annum. Beginning July 2024, or, if CFE elects and qualifies for an extension option, beginning January 2025, CFE shall make monthly principal plus interest payments based upon an assumed 25-year amortization schedule, with the entire outstanding principal balance plus accrued but unpaid interest due and payable on the maturity date at a rate, depending on a debt service coverage ratio test, equal to the five-year rate as published by the Federal Home Loan Bank of Pittsburgh plus 2.65% - 3.00% per annum, with a floor of 3.75% - 4.25%.

The ErieBank Loan is collateralized by the Constellation Center for Excellence.

PACE Equity Loan

On December 15, 2021, CFE entered into the Energy Project Cooperative Agreement (the “Cooperative Agreement”) among the City of Canton, Ohio (the “City”), the Canton Regional Energy Special Improvement District, Inc., CFE and PACE EQUITY LLC (“PACE”). Pursuant to (A) the Cooperative Agreement and (B) a Resolution of the City Council of the City approving the Petition for Special Assessments for Special Energy Improvement Projects submitted by CFE and Newco to the City, together with the Canton Regional Energy Special Improvement District Project Plan Supplement to Plan for Constellation Center for Excellence project a portion of the costs of certain energy components of the Project shall be paid for with funds from Project advances under the Cooperative Agreement. PACE made available a Project advance in the amount of \$8,250,966, of which \$7,500,000.00 was used to pay down the Aquarian Mortgage Loan.

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

Note 4: Notes Payable, net (continued)

Bridge Loan

On June 30, 2020, the Company entered into an amendment to the \$65 million bridge loan (the “Bridge Loan”) dated March 20, 2018, that the Company had originally utilized to build the Tom Benson Stadium, among the Company, various lenders party thereto (“Lenders”) and GACP Finance Co., LLC (“GACP”), as administrative agent (the “Term Loan Agreement”), which further extended the maturity date to November 30, 2020, updated certain defined terms to align with the final transaction structure resulting from the Business Combination, specified the amount of proceeds from the Business Combination and Private Placement (defined below) that were required to be paid towards amounts outstanding under the Term Loan Agreement (the “Gordon Pointe Transaction Prepayment Amount”), added a fee payable to certain Lenders relative to the amounts owed after giving effect to the Gordon Pointe Transaction Prepayment Amount, amended various provisions related to mandatory prepayments of outstanding amounts owed under the Term Loan Agreement (including, but not limited to, prepayments due in connection with future equity and debt raises), and other minor amendments regarding HOF Village Hotel II, LLC (“HOF Village Hotel II”) and Mountaineer to facilitate their planned operations. The Bridge Loan has an exit fee of 1% on the balance due at the maturity of the loan, which the Company is accreting over the term of the Bridge Loan.

At the date of the Business Combination, on July 1, 2020, the Company used proceeds from the Business Combination to pay \$15,500,000 on the Bridge Loan, while an additional \$15,000,000 converted into equity in the newly formed HOFRE. The remaining balance following the Business Combination was approximately \$34,500,000. The maturity date on the remaining balance had been extended one month to November 30, 2020. During the fourth quarter of 2020, the Company paid off the remaining \$34,500,000 outstanding balance owed previously using a portion of the proceeds from the November 2020 Public Offering and the Aquarian Mortgage Loan.

Syndicated Unsecured Term Loan and Preferred Equity Loan

On January 1, 2016, as amended and restated on October 15, 2017, the Company entered into a financing agreement with a syndicate of lenders, including affiliates of IRG Canton Village Member, LLC, a member of HOF Village (the “IRG Member”), for a loan amount up to \$150,000,000 as an unsecured promissory note (the “Syndicated Unsecured Term Loan”). The Syndicated Unsecured Term Loan may not be prepaid either in whole or in part until the initial maturity date without the express consent of the lender. Proceeds from the Syndicated Unsecured Term Loan are intended to cover working capital and the construction costs for venues including the Tom Benson Hall of Fame Stadium, youth fields, and campus infrastructure projects. The maturity date is February 26, 2021, and the Syndicated Unsecured Term Loan accrues interest at a rate of 12% per annum.

On December 11, 2018, the Company and various parties signed the Master Transaction Agreement setting forth various terms and conditions for the development of the Hall of Fame Village powered by Johnson Controls. As part of the Master Transaction Agreement, American Capital Center, LLC (“ACC”), an affiliate of the Company, exchanged \$106,450,000 of the Company’s debt and \$24,470,142 of accrued interest and origination fees, as well as \$336,579 of amounts due to PFHOF, by converting it to preferred equity instruments with a face value of \$95,500,000 and an amended subordinated debt agreement with a face value of \$6,450,000. In accordance with the *Extinguishment of Liabilities* subtopic of the FASB ASC 470-50, given that ACC was a related party, the Company treated the Master Transaction Agreement as a capital transaction and recapitalized the debt to equity in the amount of \$96,076,120, net of discounts and unamortized deferred financing costs.

The subordinated debt accrues interest at a rate of 5% and the balance is due February 26, 2021. The remaining subordinated debt is subordinate to the Bridge Loan. Additionally, the subordinated debt contains a payment-in-kind (“PIK”) interest provision, which represents contractually deferred interest added to the subordinated debt outstanding balance that is due at maturity. For the years ended December 31, 2020 and 2019, the Company incurred PIK interest of \$256,441 and \$353,530, respectively. As part of the Business Combination, on July 1, 2020, the entire balance of the Preferred Equity Loan’s and all but \$170,089 of the Syndicated Unsecured Term Loan outstanding were converted into an aggregate of 13,762,039 shares of common stock.

Land Loan with Affiliate

On July 10, 2017, the Company entered into a promissory note with the PFHOF, an affiliate of HOFRE, for purpose of the acquisition of land at the Hall of Fame Village powered by Johnson Controls. The promissory note had an outstanding balance of \$1,273,888 at June 30, 2020 and December 31, 2019, which bore interest at a rate of 1.22% per annum. The loan may be prepaid in whole or in part without penalty. For any unpaid balance after December 31, 2017, the interest rate was increased by 5%. The loan was subordinate to the Bridge Loan and had a maturity date of February 26, 2023. On July 2, 2020, the Company issued 580,000 shares in exchange of (a) full satisfaction of the promissory note in the amount of \$1,273,888, (b) accrued interest in the amount of \$50,158, and (c) other amounts due to PFHOF in the amount of \$4,266,793. The Company determined that the issuance of shares for full satisfaction of the note resulted in a loss on extinguishment of debt of \$209,160.

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

Note 4: Notes Payable, net (continued)

Naming Rights Securitization Loan

On November 9, 2017, the Company, through a subsidiary, JCIHOFV Financing, LLC, entered into a secured loan with a financial institution for \$22,800,000, collateralized by the entire payment stream of the Johnson Controls Naming Rights Agreement, dated November 17, 2016 (see Note 6). Monthly payments include principal and interest at 4% per annum with the remaining principal balance due on March 31, 2021. During the year ended December 31, 2021 the loan was repaid in full.

New Market/SCF

On December 30, 2019, the Company entered into a loan facility with New Market Project, Inc., whereby it may borrow up to \$3,000,000, of which the proceeds are to be used for the development of McKinley Grand Hotel, as described below. During the year ended December 31, 2020 the Company borrowed \$2,999,989 on this facility. The loan has a maturity date of December 30, 2024 and accrues interest at a rate of 4% per annum. In the event of default, including failure to pay upon final maturity, the interest rate shall increase by adding a 5% fee that applies to each succeeding interest rate change that would have applied had there been no default.

McKinley Grand Mortgage

On October 22, 2019, the Company purchased the McKinley Grand Hotel in Canton, Ohio for \$3.9 million, which was partially financed by separate notes payable of \$1,900,000 and \$1,807,339.

The \$1,807,339 note payable, in favor of CH Capital Lending, LLC (the "CH Capital Note"), accrued interest at a fixed rate equal to 10% per annum. The Company was required to make payments commencing on or prior to December 30, 2019. The maturity date of the CH Capital Note was April 30, 2020 and interest was payable quarterly. The Company was previously in default on the CH Capital Note, however the CH Capital Note was paid in full on June 24, 2020.

The \$1,900,000 note payable had a maturity date of October 22, 2021. Interest accrued at a rate equal to the greater of (i) 3.75% or (ii) the sum of the LIBOR rate plus 2.75%. The Company was required to make interest payments commencing on November 1, 2019, and on the first day of each successive month until the note was repaid. In September 2020, the Company paid off the full outstanding \$1,900,000 principal and interest owed, using proceeds from the MKG Double Tree Loan.

IRG November Note

On February 7, 2020, as effective on November 27, 2019, HOF Village, as borrower, entered into a subordinated promissory note with Industrial Realty Group, as lender, in an amount up to \$30,000,000 (the "IRG November Note"). As of December 31, 2019, the aggregate principal amounts, excluding PIK interest, borrowed under the IRG November Note was \$11,585,792. The IRG November Note accrues interest at a rate of 12% per annum and had a maturity date of November 1, 2020. Additionally, the IRG November Note contained a PIK interest provision, which represents contractually deferred interest added to the IRG November Note outstanding balance that is due at maturity. For the years ended December 31, 2020 and 2019, the Company incurred \$1,858,744 and \$85,009 of PIK interest, respectively. On July 1, 2020, upon consummation of the Business Combination, Industrial Realty Group exchanged \$9,000,000 of the outstanding balance under the IRG November Note for PIPE Notes.

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

Note 4: Notes Payable, net (continued)

IRG November Note (continued)

On December 29, 2020, the Company entered into a securities purchase agreement with Industrial Realty Group, LLC, a Nevada limited liability company (“IRG”), and CH Capital Lending, LLC, a Delaware limited liability company affiliated with IRG (the “Purchaser”), pursuant to which the Company sold Purchaser 10,813,774 shares of the Company’s common stock, par value \$0.0001 per share, and warrants to purchase 10,036,925 shares of common stock for an aggregate purchase price of \$15,239,653. The Purchase Price was paid in the form of the cancellation in full of certain financial obligations owed by the Company and its affiliates to IRG and its affiliates in the amount of the Purchase Price, including the IRG November Note. The Company determined that the issuance of shares and warrants for full satisfaction of the note resulted in a loss on extinguishment of debt of \$3,404,244. The Company valued the warrants using the following assumptions:

	Warrants
Stock Price	\$ 1.29
Exercise Price	\$ 1.40
Dividend Yield	N/A
Expected Volatility	49.45%
Risk-Free Interest Rate	0.37%
Number of Shares	10,036,925
Value (USD)	\$ 5,196,116
Term (in years)	5.00

SCF Subordinated Note

On June 22, 2020, the Company entered into a loan facility with Stark Community Foundation (the “SCF Subordinated Note”) for \$1,000,000. The SCF Subordinated Note has a fixed interest rate of 5% per annum, has a PIK interest provision that was payable semi-annually in arrears on each July 22 and January 22 commencing July 22, 2020, and with a maturity date of June 22, 2023. On July 1, 2020, the SCF Subordinated Note was exchanged for PIPE Notes, described in greater detail above, under “Convertible PIPE Notes”.

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

Note 4: Notes Payable, net (continued)

Future Minimum Principal Payments

The minimum required principal payments on notes payable outstanding as of December 31, 2021 are as follows:

For the years ending December 31,	Amount
2022	44,614,079
2023	1,589,801
2024	4,753,428
2025	29,823,490
2026	1,397,073
Thereafter	33,543,835
Total Gross Principal Payments	\$ 115,721,706
Less: Discount	(14,361,510)
Total Net Principal Payments	\$ 101,360,196

The table above does not reflect the result of any refinancing of debt subsequent to December 31, 2021.

The Company has various debt covenants that require certain financial information to be met. If the Company does not meet the requirements of the debt covenants, the Company will be responsible for paying the full outstanding amount of the note immediately. As of December 31, 2021, the Company was in compliance with all relevant debt covenants.

Note 5: Stockholders' Equity

Authorized Capital

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

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

Note 5: Stockholders' Equity (continued)

Series A Preferred Stock Designation

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

Series B Preferred Stock Designation

On May 13, 2021, the Company filed a Certificate of Designations with the Secretary of State of the State of Delaware to establish preferences, limitations, and relative rights of the 7.00% Series B Preferred Stock (as defined below). The number of authorized shares of Series B Preferred Stock is 15,200.

7.00% Series B Convertible Preferred Stock

The Company had 15,200 and 0 shares of 7.00% Series B Convertible Preferred Stock ("Series B Preferred Stock") outstanding and 15,200 and 0 shares authorized as of December 31, 2021 and 2020, respectively. On the third anniversary of the date on which shares of Series B Preferred Stock are first issued (the "Automatic Conversion Date"), each share of Series B Preferred Stock, except to the extent previously converted pursuant to an Optional Conversion (as defined below), shall automatically be converted into shares of Common Stock (the "Automatic Conversion"). At any time following the date on which shares of Series B Preferred Stock are first issued, and from time to time prior to the Automatic Conversion Date, each holder of Series B Preferred Stock shall have the right, but not the obligation, to elect to convert all or any portion of such holder's shares of Series B Preferred Stock into shares of Common Stock, on terms similar to the Automatic Conversion (any such conversion, an "Optional Conversion"). The 7.00% Series B Convertible Preferred Stock accrues dividends at a rate of 7% per annum, whether or not declared. Of the 7.00% dividends, 4% is paid regularly, while 3% is paid at the Automatic Conversion Date.

2020 Omnibus Incentive Plan

On July 1, 2020, in connection with the closing of the Business Combination, the Company's omnibus incentive plan (the "2020 Omnibus Incentive Plan") became effective immediately upon the closing of the Business Combination. The 2020 Omnibus Incentive Plan was previously approved by the Company's stockholders and Board of Directors. Subject to adjustment, the maximum number of shares of Common Stock authorized for issuance under the 2020 Omnibus Incentive Plan was 1,812,727 shares. On June 2, 2021, the Company held its 2021 Annual Meeting whereby the Company's stockholders approved an amendment to the 2020 Omnibus Incentive Plan to increase by four million the number of shares of the Company's Common Stock, par value \$0.0001 per share, that will be available for issuance under the 2020 Omnibus Incentive Plan, resulting in a maximum of 5,812,727 shares that can be issued under the amended 2020 Omnibus Incentive Plan. The amendment to the 2020 Omnibus Incentive Plan was previously approved by the Board of Directors of the Company, and the amended 2020 Omnibus Incentive Plan became effective on June 2, 2021. As of December 31, 2021, 2,500,347 shares remained available for issuance under the 2020 Omnibus Incentive Plan.

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

Note 5: Stockholders' Equity (continued)

Equity Distribution Agreement

On September 30, 2021, the Company entered into an Equity Distribution Agreement with Wedbush Securities Inc. and Maxim Group LLC with respect to an at-the-market offering program under which the Company may, from time to time, offer and sell shares of the Company's Common Stock having an aggregate offering price of up to \$50 million. From October 1 through December 31, 2021, approximately 1.7 million shares were sold resulting in net proceeds to the Company totaling approximately \$3.5 million. The remaining availability under the Equity Distribution Agreement as of December 31, 2021 was approximately \$46.5 million.

Issuance of Restricted Stock Awards

During the year ended December 31, 2021, the Company granted 66,451 shares of the Company's restricted stock ("RSAs") to its directors in lieu of their cash fee. The shares vest immediately on the date of grant.

During the year ended December 31, 2020, the Company granted 715,929 shares of the Company's RSAs to the Company's Chief Executive Officer under the 2020 Omnibus Incentive Plan. The shares will vest at three separate dates, 238,643 on July 2, 2020, 238,643 on July 2, 2021, and fully vest on July 2, 2022 with a final installment of 238,643. In connection with vesting of 238,643 shares on July 2, 2020, the Company withheld 106,840 shares for tax withholding.

The Company's activity in restricted Common Stock was as follows for the year ended December 31, 2021:

	Number of shares	Weighted average grant date fair value
Non-vested at January 1, 2021	477,286	\$ 9.30
Granted	66,451	\$ 3.98
Vested	(305,094)	\$ 8.41
Non-vested at December 31, 2021	238,643	\$ 9.31

For the years ended December 31, 2021 and 2020, stock-based compensation related to restricted stock awards was \$2,436,091 and \$3,327,280, respectively. Of the employee and director stock-based compensation expense for the year ended December 31, 2020, \$2,218,187 is included as a component of "business combination costs" on the Company's condensed consolidated statement of operations. As of December 31, 2021, unamortized stock-based compensation costs related to restricted share arrangements were \$1,109,093 and will be recognized over a weighted average period of 0.5 years.

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

Note 5: Stockholders' Equity (continued)

Issuance of Restricted Stock Units

During the year ended December 31, 2021, the Company granted an aggregate of 1,734,197 Restricted Stock Units ("RSUs") to its employees and directors. The RSUs were valued at the value of the Company's Common Stock on the date of grant, which was a range of \$1.98 to \$5.29 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.

During the year ended December 31, 2020, the Company granted an aggregate of 1,676,447 RSUs to its employees and directors. The RSUs were valued at the value of the Company's Common Stock on the date of grant, which was a range of \$1.30 to \$4.67 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 year ended December 31, 2021:

	Number of shares	Weighted average grant date fair value
Non-vested at January 1, 2021	1,499,933	\$ 2.49
Granted	1,734,197	\$ 2.00
Vested	(1,000,477)	\$ 2.04
Forfeited	(26,316)	\$ 1.98
Non-vested at December 31, 2021	<u>2,207,337</u>	<u>\$ 2.34</u>

For the years ended December 31, 2021 and 2020, the Company recorded \$3,074,043 and \$1,003,255, respectively, in employee and director stock-based compensation expense, respectively. Employee and director stock-based compensation expense is a component of "Property operating expenses" in the consolidated statement of operations. As of December 31, 2021, unamortized stock-based compensation costs related to restricted stock units were \$3,559,537 and will be recognized over a weighted average period of 1.3 years.

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

Note 5: Stockholders' Equity (continued)

Warrants

The Company's warrant activity was as follows for the year ended December 31, 2021:

	Number of Shares	Weighted Average Exercise Price (USD)	Weighted Average Contractual Life (years)	Intrinsic Value (USD)
Outstanding - January 1, 2021	55,303,832	\$ 5.92	4.73	
Granted	2,483,660	\$ 6.90		
Exercised	(16,775,143)	\$ 1.40		
Outstanding – December 31, 2021	41,012,349	\$ 7.82	3.59	\$ 1,655,659
Exercisable – December 31, 2021	41,012,349	\$ 7.82	3.59	\$ 1,655,659

During the year ended December 31, 2021, warrants to purchase 16,775,143 shares of Common Stock were exercised with an exercise price of \$1.40 per share. These exercises resulted in cash proceeds to the Company of \$23,485,200 and the settlement of the Company's warrant liability of \$53,518,942.

February 2021 Public Offering and Over-allotment

On February 12, 2021, the Company closed its public offering of 12,244,897 shares of Common Stock at a public offering price of \$2.45 per share pursuant to the terms of the underwriting agreement between the Company and Maxim Group LLC, entered into on February 9, 2021 (the "Underwriting Agreement"). On February 18, 2021, the Company closed the sale of an additional 1,836,734 shares of Common Stock at \$2.45 per share pursuant to the exercise of the underwriters' over-allotment option in connection with its public offering that closed on February 12, 2021. Under the terms of the Underwriting Agreement, each of the Company's executive officers, directors, and stockholders owning more than 5% of the outstanding Common Stock, signed lock-up agreements pursuant to which each agreed, subject to certain exceptions, not to transact in the Common Stock for a period of 90 days following February 12, 2021. Gross proceeds including the over-allotment, before underwriting discounts and commissions and estimated offering expenses, are approximately \$34.5 million.

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

Note 5: Stockholders' Equity (continued)

Private Placement of Preferred Stock and Warrants to Purchase Common Stock

On June 4, 2021, in accordance with the previously announced Securities Purchase Agreement, dated May 13, 2021, between the Company and IRG, LLC, as assigned by IRG, LLC to CH Capital Lending, LLC, and the binding term sheet dated January 28, 2021, the Company issued and sold to CH Capital Lending, LLC for a purchase price of \$15 million in a private placement (the "New Private Placement") (i) 15,000 shares of Series B Preferred Stock, which are convertible into shares of Common Stock, having an aggregate liquidation preference of \$15 million plus any accrued but unpaid dividends to the date of payment, and (ii) 2,450,980 Series D Warrants, with a term of three years, exercisable six months after issuance, each exercisable for one share of Common Stock at an exercise price of \$6.90 per share, subject to certain adjustments. Also on June 4, 2021, the Company closed a securities purchase agreement with another purchaser for 200 shares of Series B Preferred Stock and 32,680 Series D Warrants.

Note 6: Sponsorship Revenue and Associated Commitments

Johnson Controls, Inc.

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

Additionally, Johnson Controls has a right to terminate the Naming Rights Agreement if (i) the Company does not provide evidence to Johnson Controls by October 31, 2021, subject to day-for-day extension due to force majeure, that the Company has secured sufficient debt and equity financing to complete Phase II, subject to a notice and cure period, (ii) Phase II is not open for business by January 2, 2024 or (iii) HOF Village is in default beyond applicable notice and cure periods under certain agreements, such as the Technology as a Service Agreement (the "TAAS Agreement"), any loan document evidencing or securing any construction loan with respect to the Hall of Fame Village powered by Johnson Controls and any agreement with its general contractor with respect to the construction of the Hall of Fame Village powered by Johnson Controls, among others.

As of December 31, 2021, scheduled future cash to be received under the agreement is as follows:

	<u>Unrestricted</u>	<u>Activation</u>	<u>Total</u>
2022	\$ 4,000,000	\$ 750,000	\$ 4,750,000
2023	4,000,000	750,000	4,750,000
2024	4,250,000	750,000	5,000,000
2025	4,250,000	750,000	5,000,000
Thereafter	<u>39,781,251</u>	<u>6,750,000</u>	<u>46,531,251</u>
Total	<u>\$ 56,281,251</u>	<u>\$ 9,750,000</u>	<u>\$ 66,031,251</u>

As services are provided, the Company is recognizing revenue on a straight-line basis over the expected term of the Amended Sponsorship Agreement. During the years ended December 31, 2021 and 2020, the Company recognized \$4,497,864 and \$4,742,111 of net sponsorship revenue related to this deal, respectively.

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

Note 6: Sponsorship Revenue and Associated Commitments (continued)

First Data Merchant Services LLC

In December 2018, the Company and PFHOF entered into an 8-year licensing agreement with First Data Merchant Services LLC (“First Data”) and Santander Bank. As of December 31, 2021, scheduled future cash to be received under the agreement is as follows:

Year ending December 31,

2022	\$	150,000
2023		150,000
2024		150,000
2025		150,000
2026		150,000
Total	\$	<u>750,000</u>

As services are provided, the Company is recognizing revenue on a straight-line basis over the expected term of the agreement. During the years ended December 31, 2021 and 2020, the Company recognized \$148,575 and \$148,982 of net sponsorship revenue related to this deal, respectively.

Constellation NewEnergy, Inc.

On December 19, 2018, the Company and PFHOF entered into a sponsorship and services agreement with Constellation (the “Constellation Sponsorship Agreement”) whereby Constellation and its affiliates will provide the gas and electric needs in exchange for certain sponsorship rights. The original term of the Company’s Constellation Sponsorship Agreement was through December 31, 2028. However, in June 2020, the Company entered into an amended contract with Constellation which extended the term of the Constellation Sponsorship Agreement through December 31, 2029.

The Constellation Sponsorship Agreement provides certain rights to Constellation and its employees to benefit from the relationship with the Company from discounted pricing, marketing efforts, and other benefits as detailed in the agreement. The Constellation Sponsorship Agreement also requires Constellation to pay sponsorship income and to provide activation fee funds. Activation fee funds are to be used in the year received and do not roll forward for future years as unspent funds. The amounts are due by March 31 of the year to which they apply, which is represented in the chart below.

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

Note 6: Sponsorship Revenue and Associated Commitments (continued)

Constellation NewEnergy, Inc. (continued)

The Constellation Sponsorship Agreement includes certain contingencies reducing the sponsorship fee amount owed by Constellation if construction is not on pace with the timeframe noted in the Constellation Sponsorship Agreement.

The Company also has a note payable with Constellation. Refer to Note 4 for additional information.

As of December 31, 2021, scheduled future cash to be received and required activation spend under the Constellation Sponsorship Agreement are as follows:

	<u>Unrestricted</u>	<u>Activation</u>	<u>Total</u>
2022	\$ 1,396,000	\$ 200,000	\$ 1,596,000
2023	1,423,220	200,000	1,623,220
2024	1,257,265	166,000	1,423,265
2025	1,257,265	166,000	1,423,265
Thereafter	<u>5,029,057</u>	<u>664,000</u>	<u>5,693,057</u>
Total	<u>\$ 10,362,807</u>	<u>\$ 1,396,000</u>	<u>\$ 11,758,807</u>

As services are provided, the Company is recognizing revenue on a straight-line basis over the expected term of the Constellation Sponsorship Agreement. During the years ended December 31, 2021 and 2020, the Company recognized \$1,172,724 and \$1,244,655, respectively, of net sponsorship revenue related to this deal.

Other Sponsorship Agreements

The Company maintains other sponsorship agreements of varying size ranging from one to five years in duration.

Note 7: Other Commitments

Canton City School District

The Company has entered into cooperative agreements with certain governmental entities that support the development of the project overall, where the Company is an active participant in the agreement activity, and the Company would benefit from the success of the activity.

The Company had a commitment to the Canton City School District (“CCSD”) to provide a replacement for their Football Operations Center (“FOC”) and to construct a Heritage Project (“Heritage”). The commitment was defined in the Operations and Use Agreement for HOF Village Complex dated February 26, 2016.

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

Note 7: Other Commitments (continued)

Project and Ground Leases

Three wholly owned subsidiaries of the Company have leases with the Stark County Port Authority to lease project improvements and ground leased property at the Tom Benson Hall of Fame Stadium, youth fields, and parking areas. On November 25, 2020, the Company entered into an amendment to its Stark County Port Authority lease, whereby the lease term was extended from January 31, 2056 to September 30, 2114. The future minimum lease commitments under non-cancellable operating leases described below reflect the amendment that was entered into on November 25, 2020, excluding the amounts yet to be paid from escrow for the FOC noted above, as follows:

Year ending December 31:

2022	\$	321,900
2023		321,900
2024		321,900
2025		321,900
2026		321,900
Thereafter		40,998,900
Total	\$	42,608,400

Rent expense relating to operating leases totaled \$505,935 and \$418,862 for the years ended December 31, 2021 and 2020, respectively, and is recorded as a component of "Property operating expenses" on the Company's consolidated statement of operations.

Lessor Commitments

As of December 31, 2021, the Company's Constellation Center for Excellence was partially leased, including leases by certain of the Company's subsidiaries. The future minimum lease commitments under leases, excluding leases of the Company's subsidiaries, are as follows:

Year ending December 31:

2022	\$	26,965
2023		163,666
2024		163,666
2025		137,833
2026		132,666
Thereafter		787,117
Total	\$	1,411,914

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

Note 7: Other Commitments (continued)

SMG Management Agreement

On September 1, 2019, the Company entered into a Service Agreement with SMG to manage the Tom Benson Hall of Fame Stadium operations. Under that agreement, the Company incurs an annual management fee of \$200,000. Management fee expense for the years ended December 31, 2021 and 2020 was \$200,000 and \$200,000, respectively, which is included in "Property operating expenses" on the Company's consolidated statements of operations. The agreement term was to end on December 31, 2022. On November 2, 2021, the Company and SMG agreed to terminate the Service Agreement. In connection with the termination, the Company paid \$76,730 to SMG.

ASM Global Booking Services Agreement

On November 2, 2021, the Company and ASM Global entered into a new booking services agreement, whereby ASM Global will bring concerts, festivals, and other special events to the Tom Benson Hall of Fame Stadium. ASM Global will receive a portion of all ticket sales for events booked, along with reimbursement of direct expenses.

Employment Agreements

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

Management Agreement with Crestline Hotels & Resorts

On October 22, 2019, the Company entered into a management agreement with Crestline Hotels & Resorts ("Crestline"). The Company appointed and engaged Crestline as the Company's exclusive agent to supervise, direct, and control management and operation of the DoubleTree Canton Downtown Hotel. In consideration of the services performed by Crestline, the Company agreed to the greater of: 2% of gross revenues or \$10,000 per month in base management fees and other operating expenses. The agreement will be terminated on the fifth anniversary of the commencement date, or October 22, 2024. For the years ended December 31, 2021 and 2020, the Company paid and incurred \$120,000 and \$73,225 in management fees, respectively.

Constellation EME Express Equipment Services Program

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

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

Note 7: Other Commitments (continued)

TAAS Agreement

On October 9, 2020, Newco, entered into a Technology as a Service Agreement (the “TAAS Agreement”) with JCI. Pursuant to the TAAS Agreement, JCI will provide certain services related to the construction and development of the Hall of Fame Village powered by JCI (the “Project”), including, but not limited to, (i) design assist consulting, equipment sales and turn-key installation services in respect of specified systems to be constructed as part of Phase 2 and Phase 3 of the Project and (ii) maintenance and lifecycle services in respect of certain systems constructed as part of Phase 1, and to be constructed as part of Phase 2 and Phase 3, of the Project. Under the terms of the TAAS Agreement, Newco has agreed to pay JCI up to an aggregate of approximately \$217 million for services rendered by JCI over the term of the TAAS Agreement. As of December 31, 2021 and 2020, approximately \$199 million and \$210 million, respectively, was remaining under the TAAS Agreement.

Other Liabilities

Other liabilities consisted of the following at December 31, 2021 and 2020:

	December 31, 2021	December 31, 2020
Activation fund reserves	\$ 3,537,347	\$ 3,780,343
Deferred sponsorship revenue	203,278	530,126
Total	\$ 3,740,625	\$ 4,310,469

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 December 31, 2021 and 2020:

	December 31, 2021	December 31, 2020
Due to IRG Member	\$ 1,041,847	\$ 1,456,521
Due to IRG Affiliate	116,900	140,180
Due to PFHOF	660,208	126,855
Total	\$ 1,818,955	\$ 1,723,556

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

For the years ended December 31, 2021 and 2020, costs incurred under these arrangements were \$0 and \$1,360,944, respectively, which were included in “Project development costs” on the condensed consolidated balance sheets.

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

Note 9: Related-Party Transactions (continued)

Due to Affiliates (continued)

The amounts due to the IRG Member above are for development fees, human resources support, and the Company's engagement with them to identify and obtain naming rights sponsorships and other entitlement partners for the Company. The Company and IRG Member have an arrangement whereby the Company pays IRG Member \$15,000 per month plus commissions. For the years ended December 31, 2021 and 2020, the Company incurred \$180,000 and \$120,000, respectively under this arrangement.

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

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

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

License Agreement

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

Media License Agreement

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

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

Note 9: Related-Party Transactions (continued)

Purchase of Real Property from PFHOF

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

Shared Services Agreement with PFHOF

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

Note 10: Concentrations

For the year ended December 31, 2021, two customers represented approximately 75% and 19% of the Company's sponsorship revenue. For the year ended December 31, 2020, two customers represented approximately 74% and 19% of the Company's sponsorship revenue.

As of December 31, 2021, one customer represented approximately 88% of the Company's sponsorship accounts receivable. As of December 31, 2020, two customers represented approximately 60% and 40% of the Company's sponsorship accounts receivable.

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

Note 11: Business Combination

On July 1, 2020, the Company (formerly known as GPAQ Acquisition Holdings, Inc.) consummated the previously announced Business Combination with HOF Village, pursuant to the Merger Agreement, by and among GPAQ, Acquiror Merger Sub, Company Merger Sub, HOF Village and Newco.

Upon the consummation of the Business Combination: (i) Acquiror Merger Sub merged with and into GPAQ, with GPAQ continuing as the surviving entity (the "Acquiror Merger") and (ii) Company Merger Sub merged with and into Newco, with Newco continuing as the surviving entity (the "Company Merger"). In advance of the Company Merger, HOF Village transferred all of its assets, liabilities and obligations to Newco pursuant to a contribution agreement. In connection with the closing of the Business Combination, the Company changed its name from "GPAQ Acquisition Holdings, Inc." to "Hall of Fame Resort & Entertainment Company." As a result of the Business Combination, GPAQ and Newco continue as our wholly owned subsidiaries.

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

Note 11: Business Combination (continued)

In connection with the consummation of the Business Combination and pursuant to the Merger Agreement, (a) each issued and outstanding unit of GPAQ, if not already detached, was detached and each holder of such a unit was deemed to hold one share of GPAQ Class A common stock and one GPAQ warrant (“GPAQ Warrant”), (b) each issued and outstanding share of GPAQ Class A common stock (excluding any shares held by a GPAQ stockholder that elected to have its shares redeemed pursuant to GPAQ’s organizational documents) was converted automatically into the right to receive 1.421333 shares of our common stock, following which all shares of GPAQ Class A common stock ceased to be outstanding and were automatically canceled and cease to exist; (c) each issued and outstanding share of GPAQ Class F common stock was converted automatically into the right to receive one share of our common stock, following which all shares of GPAQ Class F common stock ceased to be outstanding and were automatically canceled and cease to exist; (d) each issued and outstanding GPAQ Warrant (including GPAQ private placement warrants) was automatically converted into one warrant to purchase 1.421333 shares of our common stock per warrant, following which all GPAQ Warrants ceased to be outstanding and were automatically canceled and retired and cease to exist; and (e) each issued and outstanding membership interest in Newco converted automatically into the right to receive a pro rata portion of the Company Merger Consideration (as defined in the Merger Agreement), which was payable in shares of our common stock. Our common stock is traded on The Nasdaq Capital Market, or Nasdaq, under the symbol “HOFV” and our outstanding series of warrants (the “Existing Warrants”) are traded on Nasdaq under the symbol “HOFVW”.

The rights of holders of the Company’s common stock and Existing Warrants are governed by its amended and restated certificate of incorporation (the “Certificate of Incorporation”), its amended and restated bylaws (the “Bylaws”) and the Delaware General Corporation Law (the “DGCL”), and in the case of the Existing Warrants, the Warrant Agreement, dated January 24, 2018, between GPAQ and the Continental Stock Transfer & Trust Company.

The Company’s net assets acquired through the consummation of the Business Combination consisted of:

Cash	\$ 31,034,781
Sponsor loan	(500,000)
Warrant liability	<u>(30,040,000)</u>
Net assets acquired	<u>\$ 494,781</u>

Immediately following the acquisition, the sponsor loan above was converted into the PIPE Notes. At the date of the Business Combination, on July 1, 2020, the Company used proceeds from the Business Combination to pay \$15,500,000 on the Bridge Loan, while an additional \$15,000,000 converted into equity in the newly formed Hall of Fame Entertainment & Resort entity. The remaining balance following the Business Combination was approximately \$34,500,000. The maturity date on the remaining balance has been extended one month to November 30, 2020. Should the Company be unable to pay off the principal balance at maturity, Industrial Realty Group agreed to advance funds to the Company to pay off the Bridge Loan, under the terms of the guarantee. As a result, Industrial Realty Group would become a lender to the Company with a maturity date of August 2021.

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

Note 11: Business Combination (continued)

On July 1, 2020, concurrently with the closing of the Business Combination, the Company completed the Private Placement of \$20,721,293 in aggregate principal amount of PIPE Notes with certain funds managed by Magnetar Financial, LLC and the Purchasers. Pursuant to the terms of the Note Purchase Agreement, at the option of the holders thereof the PIPE Notes may be converted into shares of Common Stock at a conversion price initially equal to \$11.50 per share, subject to formula-based adjustment based on specified events. Accordingly, the aggregate amount of PIPE Notes issued and sold in the Private Placement is convertible into 1,801,851 shares of Common Stock based on the conversion rate applicable on July 1, 2020.

On July 1, 2020, in connection with the closing of the Business Combination, holders of Newco's membership interests as of immediately prior to the closing date entered into a lock-up agreement (the "Lock-Up Agreement"). Under the Lock-Up Agreement, each party thereto agreed not to sell, offer to sell, contract or agree to sell, hypothecate, pledge, sell any option or contract to purchase, grant any option, right or warrant, make any short sale or otherwise transfer or dispose of or lend its portion of any shares of common stock for a period after closing ending on the date that is the later of (i) 180 days after July 1, 2020 and (ii) the expiration of the Founder Shares Lock-Up Period under, dated January 24, 2018 among GPAQ, its officers and directors and initial shareholders.

The Company incurred \$19,137,165 in costs related to the Business Combination. Of these costs, \$16,718,978 were legal and professional fees, \$2,218,187 was related to a restricted stock award to the Company's Chief Executive Officer, and \$200,000 was related to a cash bonus to the Company's Chief Executive Officer.

Note 12: Income Taxes

Significant components of deferred tax assets were as follows:

	As of December 31,	
	2021	2020
U.S. federal tax loss carry-forward	\$ 12,785,012	\$ 4,143,828
U.S. local tax loss carry-forward	1,204,422	389,717
Equity based compensation-RSUs	1,122,020	416,157
Property and equipment	(1,251,926)	(1,741,690)
Prepaid rent	(998,606)	(1,040,888)
Total deferred tax assets	12,860,922	2,167,124
Less: valuation allowance	(12,860,922)	(2,167,124)
Net deferred tax asset	<u>\$ —</u>	<u>\$ —</u>

As of December 31, 2021, the Company had the following tax attributes:

	Amount	Begins to expire
U.S. federal net operating loss carry-forwards	\$ 60,881,008	Indefinite
U.S. local net operating loss carry-forwards	60,983,412	2026

As of December 31, 2020, the Company had the following tax attributes:

	Amount	Begins to expire
U.S. federal net operating loss carry-forwards	\$ 19,732,513	Indefinite
U.S. local net operating loss carry-forwards	19,732,513	2025

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

Note 12: Income Taxes (continued)

As it is not more likely than not that the resulting deferred tax benefits will be realized, a full valuation allowance has been recognized for such deferred tax assets. As of December 31, 2021, the Company has not performed a review of its changes in ownership under Section 382 of the Internal Revenue Code. However, as the Company's net operating losses have a full valuation allowance, any limitations are expected to be immaterial. For the years ended December 31, 2021 and 2020, the valuation allowance increased by \$10,693,798 and \$2,167,124, respectively.

The provision for/(benefit from) income tax differs from the amount computed by applying the statutory federal income tax rate to income before the provision for/(benefit from) income taxes. The sources and tax effects of the differences are as follows:

	For the Years Ended	
	December 31,	
	2021	2020
Expected Federal Tax	(21.0)%	(21.0)%
Local Tax (Net of Federal Benefit)	(2.0)	(2.0)
Business Combination Expenses	(0.3)	22.0
Non-controlling interest	(0.1)	-
Paycheck Protection Program Loan Forgiveness	(0.1)	-
Note Extinguishment	-	4.3
Deferred Tax Liabilities Resulting from Business Combination	-	13.2
Change in fair value of warrant liabilities	11.9	(27.1)
Other permanent differences	-	1.0
Change in valuation allowance	11.6	9.6
Effective rate of income tax	<u>-%</u>	<u>-%</u>

The Company files income tax returns in the U.S. federal jurisdiction and local (City of Canton) jurisdictions. As a result of the July 1, 2020 business combination and resulting conversion from a limited liability company to a corporate taxable entity, deferred tax liabilities of \$2,995,870 were recognized from accrual and tax timing differences of property and equipment and prepaid rent existing at the time of the merger. Prior to the July 1, 2020 business combination the Company was a pass through entity and was not subject to income tax. The deferred tax liabilities were subsequently offset by the deferred tax assets created primarily from net operating losses incurred during the period from the merger date through the end of the year.

Note 13: Employee Benefit Plans

The Company has a defined contribution plan (the "Defined Contribution Plan") whereby employer contributions are discretionary and determined annually. In addition, the Defined Contribution Plan allows participants to make elective deferral contributions through payroll deductions, of which the Company will match a portion of those contributions. During the years ended December 31, 2021 and 2020, the Company expensed matching contributions of \$178,621 and \$67,817, respectively.

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

Note 14: Subsequent Events

Amendment Number 6 to Term Loan

On March 1, 2022, CH Capital Lending, LLC, which is an affiliate of the Company's director Stuart Lichter ("CH Capital Lending"), purchased and acquired, the Company's \$7.4 million Aquarian Loan, as amended.

On March 1, 2022, immediately after CH Capital Lending became the lender and administrative agent under the Aquarian Loan, the maturity date of the Term Loan was extended to March 31, 2024. Also under the amendment, the Term Loan was made convertible into shares of the Company's common stock, par value \$0.0001 per share ("Common Stock"), at a conversion price of \$1.50, subject to adjustment. The conversion price is subject to a weighted-average antidilution adjustment. Certain current and historical fees and expenses were added to the principal amount of the Aquarian Loan. The interest rate was increased from 10% to 12%. Of such 12% per annum interest: (i) 8% per annum shall be payable monthly and (ii) 4% per annum shall accumulate and be payable on the maturity date.

As part of the consideration for the amendment: (i) the Company issued in a transaction exempt from registration pursuant to Section 4(a)(2) of the Securities Act of 1933, as amended (the "Securities Act"): (A) 330,000 shares of Common Stock to CH Capital Lending, and (B) a Series E warrant to purchase 1,000,000 shares of Common Stock to CH Capital Lending, (ii) the Company shall, subject to approval of its board of directors, create a series of preferred stock, to be known as 7.00% Series C Convertible Preferred Stock ("Series C Preferred Stock"), and, upon the request of CH Capital Lending, exchange each share of the Company's Series B Convertible Preferred Stock, that is held by CH Capital Lending for one share of Series C Preferred Stock, and (iii) the Company and CH Capital Lending amended and restated the Series C Warrants and Series D Warrants that the Company issued to CH Capital Lending.

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

Amended and Restated Series C Warrants

The Amended and Restated Series C Warrants extend the term of the Series C Warrants to March 1, 2027. The exercise price of \$1.40 per share doesn't change, but the amendments subject the exercise price to a weighted-average antidilution adjustment. The amendments also remove certain provisions regarding fundamental transactions.

Amended and Restated Series D Warrants issue to CH Capital Lending

The Amended and Restated Series D Warrants issued to CH Capital Lending extend the term of such Series D Warrants to March 1, 2027. The exercise price of \$6.90 per share doesn't change, but the amendments subject the exercise price to a weighted-average antidilution adjustment.

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

Note 14: Subsequent Events (continued)

First Amended and Restated Promissory Note with IRG, LLC

On March 1, 2022, the Company amended the IRG Note (the “*Amended Assigned IRG Note*”). The Amended Assigned IRG Note extended the maturity to March 31, 2024. Under the Amended Assigned IRG Note, the principal and accrued interest are convertible into shares of Common Stock at a conversion price of \$1.50, subject to adjustment. The conversion price is subject to a weighted-average antidilution adjustment.

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

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

First Amended and Restated Promissory Note with JKP Financial, LLC

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

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

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

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

Note 14: Subsequent Events (continued)

Second Amendment to JKP Promissory Note

On March 1, 2022, the Company amended the JKP Capital Loan. The Second Amendment to JKP Capital Loan (i) revises the outstanding principal balance of the JKP Capital Loan to include interest thereunder that has accrued and has not been paid as of March 1, 2022, and (ii) extends the maturity of the JKP Capital Loan to March 31, 2024. The Second Amendment to JKP Capital Loan amends the JKP Capital Loan to be convertible into shares of Common Stock at a conversion price of \$1.09, subject to adjustment. The conversion price is subject to a weighted-average antidilution adjustment.

As part of the consideration for the Second Amendment to JKP Capital Loan, the Company issued in a transaction exempt from registration pursuant to Section 4(a)(2) of the Securities Act: (i) 280,000 shares of Common Stock to JKP Financial, LLC, and (ii) a Series F Warrant to purchase 1,000,000 shares of Common Stock to JKP Financial, LLC.

Letter Agreement

On March 1, 2022, the Company entered into a letter agreement with Stuart Lichter (the “*Letter Agreement*”). Under the Letter Agreement, when Mr. Lichter provides a guaranty for a new loan up to \$4 million, the Company will issue to Mr. Lichter in a transaction exempt from registration pursuant to Section 4(a)(2) of the Securities Act, (i) 125,000 shares of Common Stock, and (ii) a Series G Warrant to purchase 125,000 shares of Common Stock. The exercise price of the Series G Warrants will be set in connection with the closing of the loan. The exercise price of the Series G Warrants is subject to a weighted-average antidilution adjustment.

MKG DoubleTree Loan Extension

On March 1, 2022, HOF Village Hotel II, LLC, a subsidiary of the Company, entered into an Amendment to the MKG DoubleTree Loan with Stuart Lichter, as guarantor, and ErieBank, which extended the maturity to September 13, 2023.

ATM Proceeds

From January 1 through March 14, 2022, the Company sold 8,984,968 shares of Common Stock under its at-the-market offering vehicle, raising net proceeds of approximately \$10.3 million.

Employment Agreement

On February 14, 2022, the Company and its subsidiary HOF Village Newco, LLC entered into an employment agreement with Mr. Benjamin Lee, effective March 21, 2022. Under the terms of the employment agreement, Mr. Lee serves as the Chief Financial Officer of the Company. The employment agreement terminates on the third anniversary of the effective date, unless earlier terminated; however, the term will automatically renew for successive 12-month periods unless either party provides 90 days’ written notice of non-renewal. Under the terms of the Employment Agreement, Mr. Lee will receive an annual base salary of \$350,000, subject to periodic review and increase. Additionally, Mr. Lee is eligible to receive an annual bonus targeted at 40% of his annual base salary based on the Company’s achievement of commercially-reasonable key performance indicators determined by the Company.

**DESCRIPTION OF SECURITIES REGISTERED PURSUANT TO SECTION 12 OF THE SECURITIES
EXCHANGE ACT OF 1934**

AS OF DECEMBER 31, 2021

As of December 31, 2021, we had two classes of securities registered under Section 12 of the Securities Exchange Act of 1945, as amended, our Common Stock and our Series A Warrants. The following summary of the material terms of our securities is not intended to be a complete summary of the rights and preferences of such securities, and is qualified by reference to our Certificate of Incorporation, our Bylaws and the warrant-related documents described herein, which are exhibits to the Form 10-K of which this exhibit is a part. We urge to you read each of the Certificate of Incorporation, the Bylaws and the warrant-related documents described herein in their entirety for a complete description of the rights and preferences of our securities.

General

Pursuant to our Certificate of Incorporation, our authorized capital stock consists of (i) 300,000,000 shares of Common Stock, and (ii) 5,000,000 are shares of preferred stock, \$0.0001 par value (“Preferred Stock”). As of December 31, 2021, there were 97,563,841 shares of our Common Stock, 3,600 shares of our 7.00% Series A Cumulative Redeemable Preferred Stock (“Series A Preferred Stock”), and 15,200 shares of our 7.00% Series B Convertible Preferred Stock (the “Series B Preferred Stock”) issued and outstanding.

Common Stock

Voting Rights. Holders of Common Stock will exclusively possess all voting power and each share of Common Stock will have one vote on all matters submitted to our stockholders for a vote. Holders of Common Stock do not have any cumulative voting rights.

Dividend Rights. Holders of Common Stock will be entitled to receive dividends or other distributions, if any, as may be declared from time to time by our board of directors in its discretion out of funds legally available therefor and share equally on a per share basis in all such dividends and other distributions.

Liquidation Rights. In the event of any liquidation, dissolution or winding up of the Company, either voluntary or involuntary, holders of Common Stock will be entitled to receive their ratable and proportionate share of our remaining assets.

Other Rights. Holders of Common Stock will have no conversion, preemptive or other subscription rights and there are no sinking fund or redemption provisions applicable to our Common Stock.

Preferred Stock

Our board of directors is expressly granted authority to issue shares of Preferred Stock, in one or more series, and to fix for each such series such voting powers, full or limited, and such designations, preferences and relative, participating, optional or other special rights and such qualifications, limitations or restrictions thereof as shall be stated and expressed in the resolution or resolutions adopted by our board of directors providing for the issue of such series (a “Preferred Stock Designation”) and as may be permitted by the DGCL. The number of authorized shares of Preferred Stock may be increased or decreased (but not below the number of shares thereof then outstanding) by the affirmative vote of the holders of a majority of the voting power of all of the then outstanding shares of our capital stock entitled to vote generally in the election of directors, voting together as a single class, without a separate vote of the holders of the Preferred Stock, or any series thereof, unless a vote of any such holders is required pursuant to any Preferred Stock Designation.

Series A Preferred Stock

We currently have 3,600 shares of Series A Preferred Stock outstanding.

On October 8, 2020, the Company filed a Certificate of Designations (the “Certificate of Designations”) with the Secretary of State of the State of Delaware to establish the preferences, limitations and relative rights of the Series A Preferred Stock. The Certificate of Designations became effective upon filing. The number of authorized shares of Series A Preferred Stock is 52,800. The price per share at issue is \$1,000, as appropriately adjusted for stock splits, stock dividends, combinations, and subdivisions of Series A Preferred Stock.

Holders of the Series A Preferred Stock are entitled to a cumulative dividend at the rate of 7.0% per annum, payable quarterly in arrears, as set forth in the Certificate of Designations. The Series A Preferred Stock ranks senior to the Company’s common stock, par value \$0.0001 per share (the “Common Stock”), with respect to dividend rights and rights on the distribution of assets on any voluntary or involuntary liquidation, dissolution or winding up of the affairs of the Company (a “Liquidation Event”). The Series A Preferred Stock has a liquidation preference of \$1,000 per share plus an amount equal to any accrued and unpaid dividends to the date of payment (the “Liquidation Preference”). Under the Certificate of Designations, the Company may not enter into or permit to exist any contract, agreement, or arrangement that prohibits or restricts the Company from paying dividends on the Series A Preferred Stock, unless such contract, agreement, or arrangement has been approved in writing, in advance, by the holders of a majority of the then-outstanding shares of Series A Preferred Stock.

Holders of the Series A Preferred Stock have no voting rights, except as required by law, and have no rights of preemption or rights to convert such Series A Preferred Stock into shares of any other class of capital stock of the Company.

The Company must redeem for cash each share of Series A Preferred Stock 60 months after it is issued (the “Mandatory Redemption Date”), at a price per share equal to the Liquidation Preference (the “Redemption Price”); provided, however, that (i) holders of a majority of the then outstanding shares of Series A Preferred Stock may extend the Mandatory Redemption Date for any share of Series A Preferred Stock 12 months (i.e., to a date that is 72 months after the issue date for such share) (the “First Extension”), and (ii) if the First Extension is exercised, then holders of a majority of the then outstanding shares of Series A Preferred Stock may extend the Mandatory Redemption Date for any share of Series A Preferred Stock by an additional twelve (12) months (i.e., to a date that is 84 months after the issue date for such share).

The Company has the option to redeem for cash, in whole or in part, the shares of Series A Preferred Stock at the time outstanding, at a price per share equal to the Redemption Price.

The sale, conveyance, exchange or transfer (for cash, shares of stock, securities or other consideration) of all or substantially all of the property and assets of the Company shall be deemed a Liquidation Event, unless the holders of a majority of the then outstanding shares of Series A Preferred Stock agree in writing, prior to the closing of any such transaction, that such transaction will not be considered a Liquidation Event. A merger, consolidation or any other business combination transaction of the Company into or with any other corporation or person, or the merger, consolidation or any other business combination transaction of any other corporation or person into or with the Company (any of the foregoing, a “Business Combination Transaction”) shall not be deemed a Liquidation Event, so long as either (A) the holders of a majority of the then outstanding shares of Series A Preferred Stock agree in writing, prior to the closing of any such Business Combination Transaction, that such Business Combination Transaction will not be considered a Liquidation Event, or (B) such Business Combination Transaction would not adversely affect the holders of the Series A Preferred Stock or the powers, designations, preferences and other rights of the Series A Preferred Stock.

Series B Preferred Stock

We currently have 15,200 shares of Series B Preferred Stock outstanding.

On May 13, 2021, the Company filed a Certificate of Designations (the “Series B Certificate of Designations”) with the Secretary of State of the State of Delaware to establish the preferences, limitations and relative rights of the Series B Preferred Stock. The Series B Certificate of Designations became effective upon filing. The number of authorized shares of Series B Preferred Stock is 15,200. The price per share at issue is \$1,000, as appropriately adjusted for stock splits, stock dividends, combinations, and subdivisions of Series B Preferred Stock (“Original Issue Date Price”).

Holders of the Series B Preferred Stock are entitled to a cumulative dividend at the rate of 7.0% per annum (the “Dividend Rate”). For each share of Series B Preferred Stock, the Dividend Rate is payable (A) 4.00% per annum in cash (the “Mandatory Cash Dividend”), plus (B) at the election of the holder of such share of Series B Preferred Stock, either (A) 3.00% per annum in cash (the “Elective Cash Dividend”), or (B) 3.00% per annum in shares of Common Stock, calculated in accordance with Section 4(b)(iv) hereof (the “Elective PIK Dividend”). Mandatory Cash Dividends are payable quarterly in arrears, as set forth in the Series B Certificate of Designations. In connection with any Automatic Conversion (defined below) or Optional Conversion (defined below), the holder of each share of Series B Preferred Stock then being converted shall notify the Corporation, as to whether such holder wishes to receive the Elective Cash Dividend or the Elective PIK Dividend for such holder’s shares of Series B Preferred Stock then being converted.

The Series B Preferred Stock ranks senior to the Company’s Common Stock and ranks on par with the Company’s Series A Preferred Stock with respect to dividend rights and rights on the distribution of assets on any Liquidation Event. The Series B Preferred Stock has a liquidation preference of \$1,000 per share plus an amount equal to any accrued and unpaid dividends to the date of payment (the “Series B Liquidation Preference”). Under the Series B Certificate of Designations, the Company may not enter into or permit to exist any contract, agreement, or arrangement that prohibits or restricts the Company from paying dividends on the Series B Preferred Stock, unless such contract, agreement, or arrangement has been approved in writing, in advance, by the holders of a majority of the then outstanding shares of Series B Preferred Stock.

Holders of the Series B Preferred Stock have no voting rights, except as required by law, and have no rights of preemption.

On the third anniversary of the date on which shares of Series B Preferred Stock are first issued (the “Automatic Conversion Date”), each share of Series B Preferred Stock, except to the extent previously converted pursuant to an Optional Conversion, shall automatically be converted into that number of shares of Common Stock equal to the quotient of (i) the sum of (A) the Original Issue Date Price of such share of Series B Preferred Stock, plus (B) all accrued and unpaid Mandatory Cash Dividends on such share of Series B Preferred Stock as of the Automatic Conversion Date, divided by (ii) the Conversion Price as of the Automatic Conversion Date (the “Automatic Conversion”). “Conversion Price” means \$3.06, as appropriately adjusted for stock splits, stock dividends, combinations, and subdivisions of Common Stock.

At any time following the date on which shares of Series B Preferred Stock are first issued, and from time to time prior to the Automatic Conversion Date, each holder of Series B Preferred Stock shall have the right, but not the obligation, to elect to convert all or any portion of such holder’s shares of Series B Preferred Stock into shares of Common Stock, on terms similar to the Automatic Conversion (any such conversion, an “Optional Conversion”).

The sale, conveyance, exchange or transfer (for cash, shares of stock, securities or other consideration) of all or substantially all of the property and assets of the Company shall be deemed a Liquidation Event, unless the holders of a majority of the then outstanding shares of Series B Preferred Stock agree in writing, prior to the closing of any such transaction, that such transaction will not be considered a Liquidation Event. A Business Combination Transaction shall not be deemed a Liquidation Event, so long as either (A) the holders of a majority of the then outstanding shares of Series B Preferred Stock agree in writing, prior to the closing of any such Business Combination Transaction, that such Business Combination Transaction will not be considered a Liquidation Event, or (B) such Business Combination Transaction would not adversely affect the holders of the Series B Preferred Stock or the powers, designations, preferences and other rights of the Series B Preferred Stock.

Series A Warrants

Upon completion of the Business Combination, all of the warrants to purchase GPAQ Common Stock were cancelled and exchanged for Series A Warrants to purchase 1.421333 shares of our Common Stock per Series A Warrant on the same terms and conditions as the original warrants.

Each Series A Warrant entitles the registered holder to purchase 1.421333 shares of our Common Stock at a price of \$11.50 per share of Common Stock, subject to adjustment as discussed below, at any time beginning 30 days after the consummation of the Business Combination. The Series A Warrants will expire five years after the consummation of the Business Combination at 5:00 p.m., New York City time, or earlier upon redemption or liquidation.

We are not obligated to deliver any shares of Common Stock pursuant to the exercise of a Series A Warrant and have no obligation to settle such Series A Warrant exercise unless a registration statement under the Securities Act with respect to the shares Common Stock underlying the Series A Warrants is then effective and a prospectus relating thereto is current, subject to our satisfying our obligations described below with respect to registration. No Series A Warrant will be exercisable and we will not be obligated to issue shares of our Common Stock upon exercise of a Series A Warrant unless Common Stock issuable upon such Series A Warrant exercise has been registered, qualified or deemed to be exempt under the securities laws of the state of residence of the registered holder of the Series A Warrants. In the event that the conditions in the two immediately preceding sentences are not satisfied with respect to a Series A Warrant, the holder of such Series A Warrant will not be entitled to exercise such Series A Warrant and such Series A Warrant may have no value and expire and be worthless. In the event that a registration statement is not effective for the exercised Series A Warrants, the purchaser of a unit of GPAQ that was detached into one share of GPAQ common stock and one GPAQ warrant that were exchanged for our Common Stock and Series A Warrant, will have paid the full purchase price for the unit solely for the share of GPAQ common stock underlying such unit.

We have agreed that as soon as practicable, but in no event later than 15 business days, after the closing of the Business Combination, we will use our best efforts to file with the Commission a registration statement for the registration, under the Securities Act, of the shares of our Common Stock issuable upon exercise of the Series A Warrants. We will use our best efforts to cause the same to become effective and to maintain the effectiveness of such registration statement, and a current prospectus relating thereto, until the expiration of the Series A Warrants in accordance with the provisions of the Warrant Agreement. Notwithstanding the above, if our Common Stock is at the time of any exercise of a Series A Warrant not listed on a national securities exchange such that it satisfies the definition of a “covered security” under Section 18(b)(1) of the Securities Act, we may, at our option, require holders of Series A Warrants who exercise their Series A Warrants to do so on a “cashless basis” in accordance with Section 3(a)(9) of the Securities Act and, in the event we so elect, we will not be required to file or maintain in effect a registration statement, but we will be required to use our best efforts to register or qualify the shares under applicable blue sky laws to the extent an exemption is not available.

Once the Series A Warrants become exercisable, we may call the Series A Warrants for redemption:

- in whole and not in part;
- at a price of \$0.01 per Series A Warrant;
- upon not less than 30 days’ prior written notice of redemption (the “30-day redemption period”) to each Series A Warrant holder; and
- if, and only if, the reported last sale price of our Common Stock equals or exceeds \$18.00 per share for any 20 trading days within a 30-trading day period ending three business days before we send the notice of redemption to the Series A Warrant holders.

If and when the Series A Warrants become redeemable by us, we may exercise our redemption right even if we are unable to register or qualify the underlying securities for sale under all applicable state securities laws.

We have established the list of the redemption criterion discussed above to prevent a redemption call unless there is at the time of the call a significant premium to the Series A Warrant exercise price. If the foregoing conditions are satisfied and we issue a notice of redemption of the Series A Warrants, each Series A Warrant holder will be entitled to exercise its Series A Warrant prior to the scheduled redemption date. However, the price of our Common Stock may fall below the \$18.00 redemption trigger price as well as the \$11.50 (for whole shares) Series A Warrant exercise price after the redemption notice is issued.

If we call the Series A Warrants for redemption as described above, our management will have the option to require any holder that wishes to exercise its Series A Warrant to do so on a “cashless basis.” In determining whether to require all holders to exercise their Series A Warrants on a “cashless basis,” our management will consider, among other factors, our cash position, the number of Series A Warrants that are outstanding and the dilutive effect on our stockholders of issuing the maximum number of shares of our Common Stock issuable upon the exercise of our Series A Warrants. If our management takes advantage of this option, all holders of Series A Warrants would pay the exercise price by surrendering their Series A Warrants for that number of shares of our Common Stock equal to the quotient obtained by dividing (x) the product of the number of shares our Common Stock underlying the Series A Warrants, multiplied by the difference between the exercise price of the Series A Warrants and the “fair market value” (defined below) by (y) the fair market value. The “fair market value” shall mean the average reported last sale price of our Common Stock for the 10 trading days ending on the third trading day prior to the date on which the notice of redemption is sent to the holders of Series A Warrants. If our management takes advantage of this option, the notice of redemption will contain the information necessary to calculate the number of shares of our Common Stock to be received upon exercise of the Series A Warrants, including the “fair market value” in such case. Requiring a cashless exercise in this manner will reduce the number of shares to be issued and thereby lessen the dilutive effect of a Series A Warrant redemption. We believe this feature is an attractive option to us if we do not need the cash from the exercise of the Series A Warrants.

A holder of a Series A Warrant may notify us in writing in the event it elects to be subject to a requirement that such holder will not have the right to exercise such Series A Warrant, to the extent that after giving effect to such exercise, such person (together with such person’s affiliates), to the warrant agent’s actual knowledge, would beneficially own in excess of 9.8% (or such other amount as a holder may specify) of the shares of our Common Stock outstanding immediately after giving effect to such exercise.

If the number of outstanding shares of our Common Stock is increased by a stock dividend payable in shares of our Common Stock, or by a split-up of shares of our Common Stock or other similar event, then, on the effective date of such stock dividend, split-up or similar event, the number of shares of our Common Stock issuable on exercise of each Series A Warrant will be increased in proportion to such increase in the outstanding shares of our Common Stock. A Offering to holders of our Common Stock entitling holders to purchase shares of our Common Stock at a price less than the fair market value will be deemed a stock dividend of a number of shares of our Common Stock equal to the product of (i) the number of shares of our Common Stock actually sold in such Offering (or issuable under any other equity securities sold in such Offering that are convertible into or exercisable for our Common Stock) multiplied by (ii) one (1) minus the quotient of (x) the price per share of our Common Stock paid in such Offering divided by (y) the fair market value. For these purposes (i) if the Offering is for securities convertible into or exercisable for our Common Stock, in determining the price payable for our Common Stock, there will be taken into account any consideration received for such rights, as well as any additional amount payable upon exercise or conversion and (ii) fair market value means the volume weighted average price of our Common Stock as reported during the 10 trading day period ending on the trading day prior to the first date on which the shares of our Common Stock trade on the applicable exchange or in the applicable market, regular way, without the right to receive such rights.

In addition, if we, at any time while the Series A Warrants are outstanding and unexpired, pay a dividend or make a distribution in cash, securities or other assets to the holders of our Common Stock on account of such shares of our Common Stock (or other shares of our capital stock into which the Series A Warrants are convertible), other than (a) as described above, or (b) certain ordinary cash dividends, then the Series A Warrant exercise price will be decreased, effective immediately after the effective date of such event, by the amount of cash and/or the fair market value of any securities or other assets paid on each share of our Common Stock in respect of such event.

If the number of outstanding shares of our Common Stock is decreased by a consolidation, combination, reverse stock split or reclassification of shares of our Common Stock or other similar event, then, on the effective date of such consolidation, combination, reverse stock split, reclassification or similar event, the number of shares of our Common Stock issuable on exercise of each Series A Warrant will be decreased in proportion to such decrease in outstanding shares of our Common Stock.

Whenever the number of shares of our Common Stock purchasable upon the exercise of the Series A Warrants is adjusted, as described above, the Series A Warrant exercise price will be adjusted by multiplying the Series A Warrant exercise price immediately prior to such adjustment by a fraction (x) the numerator of which will be the number of shares of our Common Stock purchasable upon the exercise of the Series A Warrants immediately prior to such adjustment, and (y) the denominator of which will be the number of shares of our Common Stock so purchasable immediately thereafter.

In case of any reclassification or reorganization of the outstanding shares of our Common Stock (other than those described above or that solely affects the par value of such shares of our Common Stock), or in the case of any merger or consolidation of us with or into another corporation (other than a consolidation or merger in which we are the continuing corporation and that does not result in any reclassification or reorganization of our outstanding shares of our Common Stock), or in the case of any sale or conveyance to another corporation or entity of the assets or other property of us as an entirety or substantially as an entirety in connection with which we are dissolved, the holders of the Series A Warrants will thereafter have the right to purchase and receive, upon the basis and upon the terms and conditions specified in the Series A Warrants and in lieu of the shares of our Common Stock immediately theretofore purchasable and receivable upon the exercise of the rights represented thereby, the kind and amount of shares of stock or other securities or property (including cash) receivable upon such reclassification, reorganization, merger or consolidation, or upon a dissolution following any such sale or transfer, that the holder of the Series A Warrants would have received if such holder had exercised their Series A Warrants immediately prior to such event. If less than 70% of the consideration receivable by the holders of our Common Stock in such a transaction is payable in the form of common stock in the successor entity that is listed for trading on a national securities exchange or is quoted in an established over-the-counter market, or is to be so listed for trading or quoted immediately following such event, and if the registered holder of the Series A Warrant properly exercises the Series A Warrant within thirty days following public disclosure of such transaction, the Series A Warrant exercise price will be reduced as specified in the Warrant Agreement based on the Black-Scholes value (as defined in the Warrant Agreement) of the Series A Warrant.

The Series A Warrants are issued in registered form under the Warrant Agreement between Continental Stock Transfer & Trust Company, as warrant agent, and us. The Warrant Agreement provides that the terms of the Series A Warrants may be amended without the consent of any holder to cure any ambiguity or correct any defective provision, but requires the approval by the holders of at least 65% of the then outstanding Series A Warrants to make any change that adversely affects the interests of the registered holders of the Series A Warrants.

The Series A Warrants may be exercised upon surrender of the Series A Warrant certificate on or prior to the expiration date at the offices of the warrant agent, with the exercise form on the reverse side of the Series A Warrant certificate completed and executed as indicated, accompanied by full payment of the exercise price (or on a cashless basis, if applicable), by certified or official bank check payable to us, for the number of Series A Warrants being exercised. The Series A Warrant holders do not have the rights or privileges of holders of our Common Stock and any voting rights until they exercise their Series A Warrants and receive shares of our Common Stock. After the issuance of shares of our Common Stock upon exercise of the Series A Warrants, each holder will be entitled to one vote for each share held of record on all matters to be voted on by stockholders.

No fractional shares will be issued upon exercise of the Series A Warrants. If, upon the exercise of the Series A Warrants, a holder would be entitled to receive a fractional interest in a share, we will, upon exercise, round down to the nearest whole number of shares of our Common Stock to be issued to the Series A Warrant holder.

Series B Warrants

In this exhibit, we refer to the warrants that we issued in our November 2020 Offering as our Series B Warrants. These Series B Warrants are separately transferable following their issuance and through their expiration five years from the date of issuance. Each Series B Warrant entitles the holder to purchase one share of our Common Stock at an exercise price of \$1.40 per share from the date of issuance through its expiration. There is no public trading market for the Series B Warrants and we do not intend that they will be listed for trading on Nasdaq or any other securities exchange or market. The Common Stock underlying the Warrants, upon issuance, will be traded on Nasdaq under the symbol "HOFV."

Each Series B Warrant is exercisable at any time and will expire five years from the date of issuance. The Series B Warrants are exercisable, at the option of each holder, in whole or in part by delivering to us a duly executed exercise notice and payment in full for the number of shares of our Common Stock purchased upon such exercise, except in the case of a cashless exercise as discussed below. The number of shares of Common Stock issuable upon exercise of the Series B Warrants is subject to adjustment in certain circumstances, including a stock split of, stock dividend on, or a subdivision, combination or recapitalization of the Common Stock. If we effect a merger, consolidation, sale of substantially all of our assets, or other similar transaction, then, upon any subsequent exercise of a Series B Warrants, the Series B Warrant holder will have the right to receive any shares of the acquiring corporation or other consideration it would have been entitled to receive if it had been a holder of the number of shares of Common Stock then issuable upon exercise in full of the Series B Warrant.

If at any time there is no effective registration statement registering, or the prospectus contained therein is not available for issuance of, the shares issuable upon exercise of the Series B Warrant, the holder may exercise the warrant on a cashless basis. When exercised on a cashless basis, a portion of the Series B Warrant is cancelled in payment of the purchase price payable in respect of the number of shares of our Common Stock purchasable upon such exercise.

Each Series B Warrant represents the right to purchase one share of Common Stock at an exercise price of \$1.40 per share. In addition, the exercise price per share is subject to adjustment for stock dividends, distributions, subdivisions, combinations, or reclassifications, and for certain dilutive issuances. Subject to limited exceptions, a holder of Series B Warrants will not have the right to exercise any portion of the Series B Warrant to the extent that, after giving effect to the exercise, the holder, together with its affiliates, and any other person acting as a group together with the holder or any of its affiliates, would beneficially own in excess of 4.99% of the number of shares of our Common Stock outstanding immediately after giving effect to its exercise. The holder, upon notice to the Company, may increase or decrease the beneficial ownership limitation provisions of the Series B Warrant, provided that in no event shall the limitation exceed 9.99% of the number of shares of our Common Stock outstanding immediately after giving effect to the exercise of the Series B Warrant.

Subject to applicable laws and restrictions, a holder may transfer a Series B Warrant upon surrender of the Series B Warrant to us with a completed and signed assignment in the form attached to the Series B Warrant. The transferring holder will be responsible for any tax that liability that may arise as a result of the transfer.

There is no public trading market for the Series B Warrants and we do not intend that they will be listed for trading on Nasdaq or any other securities exchange or market.

Except as set forth in the Series B Warrant, the holder of a Series B Warrant, solely in such holder's capacity as a holder of a Series B Warrant, will not be entitled to vote, to receive dividends, or to any of the other rights of our stockholders.

The provisions of each Series B Warrant may be modified or amended or the provisions thereof waived with the written consent of us and the holder.

The Series B Warrants were issued pursuant to a warrant agent agreement by and between us and Continental Stock Transfer & Trust Company, the warrant agent.

Series C Warrants

In this exhibit, we refer to the warrants that we issued in our December 2020 Private Placement as our Series C Warrants. These Series C Warrants are separately transferable following their issuance and through their expiration five years from the date of issuance. Each Series C Warrant entitles the holder to purchase one share of our Common Stock at an exercise price of \$1.40 per share from the date of issuance through its expiration. There is no public trading market for the Series C Warrants and we do not intend that they will be listed for trading on Nasdaq or any other securities exchange or market. The Common Stock underlying the Warrants, upon issuance, will be traded on Nasdaq under the symbol "HOFV."

Each Series C Warrant is exercisable at any time and will expire five years from the date of issuance. The Series C Warrants are exercisable, at the option of each holder, in whole or in part by delivering to us a duly executed exercise notice and payment in full for the number of shares of our Common Stock purchased upon such exercise, except in the case of a cashless exercise as discussed below. The number of shares of Common Stock issuable upon exercise of the Series C Warrants is subject to adjustment in certain circumstances, including a stock split of, stock dividend on, or a subdivision, combination or recapitalization of the Common Stock. If we effect a merger, consolidation, sale of substantially all of our assets, or other similar transaction, then, upon any subsequent exercise of a Series C Warrants, the Series C Warrant holder will have the right to receive any shares of the acquiring corporation or other consideration it would have been entitled to receive if it had been a holder of the number of shares of Common Stock then issuable upon exercise in full of the Series C Warrant.

If at any time there is no effective registration statement registering, or the prospectus contained therein is not available for issuance of, the shares issuable upon exercise of the Series C Warrant, the holder may exercise the warrant on a cashless basis. When exercised on a cashless basis, a portion of the Series C Warrant is cancelled in payment of the purchase price payable in respect of the number of shares of our Common Stock purchasable upon such exercise.

Each Series C Warrant represents the right to purchase one share of Common Stock at an exercise price of \$1.40 per share. In addition, the exercise price per share is subject to adjustment for stock dividends, distributions, subdivisions, combinations, or reclassifications, and for certain dilutive issuances. Subject to limited exceptions, a holder of Series C Warrants will not have the right to exercise any portion of the Series C Warrant to the extent that, after giving effect to the exercise, the holder, together with its affiliates, and any other person acting as a group together with the holder or any of its affiliates, would beneficially own in excess of 4.99% of the number of shares of our Common Stock outstanding immediately after giving effect to its exercise. The holder, upon notice to the Company, may increase or decrease the beneficial ownership limitation provisions of the Series C Warrant, provided that in no event shall the limitation exceed 9.99% of the number of shares of our Common Stock outstanding immediately after giving effect to the exercise of the Series C Warrant.

Subject to applicable laws and restrictions, a holder may transfer a Series C Warrant upon surrender of the Series C Warrant to us with a completed and signed assignment in the form attached to the Series C Warrant. The transferring holder will be responsible for any tax that liability that may arise as a result of the transfer.

There is no public trading market for the Series C Warrants and we do not intend that they will be listed for trading on Nasdaq or any other securities exchange or market.

Except as set forth in the Series C Warrant, the holder of a Series C Warrant, solely in such holder's capacity as a holder of a Series C Warrant, will not be entitled to vote, to receive dividends, or to any of the other rights of our stockholders.

The provisions of each Series C Warrant may be modified or amended or the provisions thereof waived with the written consent of us and the holder.

Series D Warrants

In this exhibit, we refer to the warrants that we issued in our June 2021 private placement as our Series D warrants. These Series D Warrants are separately transferable following their issuance and through their expiration three years from the date of issuance. Each Series D Warrant entitles the holder to purchase one share of our Common Stock at an exercise price of \$6.90 per share, beginning six months after the date of issuance through its expiration. There is no public trading market for the Series D Warrants and we do not intend that they will be listed for trading on Nasdaq or any other securities exchange or market. The Common Stock underlying the Warrants, upon issuance, will be traded on Nasdaq under the symbol "HOFV."

Each Series D Warrant is exercisable beginning six months after the date of issuance and will expire three years from the date of issuance. The Series D Warrants are exercisable, at the option of each holder, in whole or in part by delivering to us a duly executed exercise notice and payment in full for the number of shares of our Common Stock purchased upon such exercise, except in the case of a cashless exercise as discussed below. The number of shares of Common Stock issuable upon exercise of the Series D Warrants is subject to adjustment in certain circumstances, including a stock split of, stock dividend on, or a subdivision, combination or recapitalization of the Common Stock. If we effect a merger, consolidation, sale of substantially all of our assets, or other similar transaction, then, upon any subsequent exercise of a Series D Warrants, the Series D Warrant holder will have the right to receive any shares of the acquiring corporation or other consideration it would have been entitled to receive if it had been a holder of the number of shares of Common Stock then issuable upon exercise in full of the Series D Warrant.

If at any time there is no effective registration statement registering, or the prospectus contained therein is not available for issuance of, the shares issuable upon exercise of the Series D Warrant, the holder may exercise the warrant on a cashless basis. When exercised on a cashless basis, a portion of the Series D Warrant is cancelled in payment of the purchase price payable in respect of the number of shares of our Common Stock purchasable upon such exercise.

Each Series D Warrant represents the right to purchase one share of Common Stock at an exercise price of \$6.90 per share. In addition, the exercise price per share is subject to adjustment for stock dividends, distributions, subdivisions, combinations, or reclassifications, and for certain dilutive issuances. Subject to limited exceptions, a holder of Series D Warrants will not have the right to exercise any portion of the Series D Warrant to the extent that, after giving effect to the exercise, the holder, together with its affiliates, and any other person acting as a group together with the holder or any of its affiliates, would beneficially own in excess of 4.99% of the number of shares of our Common Stock outstanding immediately after giving effect to its exercise. The holder, upon notice to the Company, may increase or decrease the beneficial ownership limitation provisions of the Series D Warrant, provided that in no event shall the limitation exceed 9.99% of the number of shares of our Common Stock outstanding immediately after giving effect to the exercise of the Series D Warrant.

Subject to applicable laws and restrictions, a holder may transfer a Series D Warrant upon surrender of the Series D Warrant to us with a completed and signed assignment in the form attached to the Series D Warrant. The transferring holder will be responsible for any tax that liability that may arise as a result of the transfer.

There is no public trading market for the Series D Warrants and we do not intend that they will be listed for trading on Nasdaq or any other securities exchange or market.

Except as set forth in the Series D Warrant, the holder of a Series D Warrant, solely in such holder's capacity as a holder of a Series D Warrant, will not be entitled to vote, to receive dividends, or to any of the other rights of our stockholders.

The provisions of each Series D Warrant may be modified or amended or the provisions thereof waived with the written consent of us and the holder.

Market Price and Ticker Symbol

Our Common Stock and Series A Warrants are currently listed on Nasdaq under the symbols "HOFV," and "HOFVW," respectively.

The closing price of the Common Stock and Series A Warrants on March 11, 2022, was \$0.889 and \$0.1878, respectively.

Holders

As of March 11, 2022, there were 152 holders of record of our Common Stock, one holder of record of our Series A Preferred Stock, 16 holders of record of our Series A Warrants, one holder of record of our Series B Warrants, one holder of record of our Series C Warrants and one holder of record of our Series D Warrants. Such numbers do not include beneficial owners holding our securities through nominee names.

Certain Anti-Takeover Provisions of Delaware Law and Our Certificate of Incorporation

Staggered Board of Directors

Our Certificate of Incorporation provides that our board of directors is divided into three classes of directors, with the classes of approximately equal size, and with the directors serving three-year terms. As a result, approximately one-third of our board of directors are elected each year. The classification of directors will have the effect of making it more difficult for stockholders to change the composition of our board of directors. Our Certificate of Incorporation and Bylaws provide that the number of directors will be fixed from time to time exclusively pursuant to a resolution adopted by our board of directors.

Special Meeting of Stockholders

Our Bylaws provide that special meetings of our stockholders may be called only by a majority vote of our board of directors, by our Chair, by our Chief Executive Officer or by stockholders holding at least a majority of all the shares of Common Stock entitled to vote at the special meeting.

Advance Notice Requirements for Stockholder Proposals and Director Nominations

Our Bylaws provide that stockholders seeking to bring business before a special meeting of stockholders must provide timely notice of their intent in writing. Pursuant to Rule 14a-8 of the Exchange Act, proposals seeking inclusion in our annual proxy statement must comply with the notice periods contained therein. Our Bylaws also specify certain requirements as to the form and content of a stockholders' meeting. These provisions may preclude our stockholders from bringing matters before our annual meeting of stockholders or from making nominations for directors at our annual meeting of stockholders.

Authorized but Unissued Shares

Our authorized but unissued Common Stock and Preferred Stock are available for future issuances without stockholder approval and could be utilized for a variety of corporate purposes, including future offerings to raise additional capital, acquisitions and employee benefit plans. The existence of authorized but unissued and unreserved Common Stock and Preferred Stock could render more difficult or discourage an attempt to obtain control of us by means of a proxy contest, tender offer, merger or otherwise.

Section 203 of the Delaware General Corporation Law

We are subject to the provisions of Section 203 of the DGCL regulating corporate takeovers. This statute prevents certain Delaware corporations, under certain circumstances, from engaging in a "business combination" with:

- a stockholder who owns 15% or more of our outstanding voting stock (otherwise known as an "interested stockholder");
- an affiliate of an interested stockholder; or
- an associate of an interested stockholder, for three years following the date that the stockholder became an interested stockholder.

A “business combination” includes a merger or sale of more than 10% of our assets. However, the above provisions of Section 203 do not apply if:

- our board approves the transaction that made the stockholder an “interested stockholder,” prior to the date of the transaction;
- after the completion of the transaction that resulted in the stockholder becoming an interested stockholder, that stockholder owned at least 85% of our voting stock outstanding at the time the transaction commenced, other than statutorily excluded shares of Common Stock; or
- on or subsequent to the date of the transaction, the business combination is approved by our board and authorized at a meeting of our stockholders, and not by written consent, by an affirmative vote of at least two-thirds of the outstanding voting stock not owned by the interested stockholder.

Exclusive Forum Selection

Subject to limited exceptions, the sole and exclusive forum for any stockholder (including a beneficial owner) of the Company to bring (i) any derivative action or proceeding brought on behalf of us, (ii) any action asserting a claim of breach of a fiduciary duty owed by any director, officer or other employee of the Company to us or our stockholders, (iii) any action asserting a claim arising pursuant to any provision of the DGCL or our Certificate of Incorporation or Bylaws, or (iv) any action asserting a claim governed by the internal affairs doctrine shall be the Court of Chancery of the State of Delaware (or if the Court of Chancery does not have jurisdiction, another state court located within the State of Delaware, or if no state court located within the State of Delaware has jurisdiction, the federal district court for the District of Delaware) in all cases subject to the court’s having personal jurisdiction over the indispensable parties named as defendants. Although we believe this provision benefits us by providing increased consistency in the application of Delaware law in the types of lawsuits to which it applies, the provision may have the effect of discouraging lawsuits against our directors and officers. This forum provision does not preclude or contract the scope of exclusive federal or concurrent jurisdiction for any actions brought under the Securities Act or the Exchange Act. Accordingly, our exclusive forum provision will not relieve us of our duties to comply with the federal securities laws and the rules and regulations thereunder, and our stockholders will not be deemed to have waived our compliance with these laws, rules and regulations.

Transfer Agent and Registrar

The transfer agent and registrar for our Common Stock, Series A Warrants and Series B Warrants issued in this Offering is Continental Stock Transfer & Trust Company.

Listing of Securities

Our Common Stock and Series A Warrants are listed on Nasdaq under the symbols “HOFV” and “HOFVW,” respectively.

HALL OF FAME

RESORT & ENTERTAINMENT CO.

January 3, 2022

By Email

Mr. Jason Krom
7324 Roman Ave NW
Massillon, OH 44646

Re: Letter Agreement Regarding Part-Time Employment

Dear Jason:

On December 14, 2021, you gave notice of your termination, effective January 3, 2022, of your employment with HOF Village Newco, LLC (“Newco”) and your Employment Agreement, dated September 16, 2019, as amended by Amendment No. 1, dated December 22, 2020 (“Employment Agreement”), and your resignation, effective January 3, 2022, as Chief Financial Officer of Hall of Fame Resort & Entertainment Company (the “Company”). To assist in the transitioning of your duties and responsibilities as the former Chief Financial Officer of the Company and Newco, you and Newco have agreed that, effective January 3, 2022, you will continue as a part-time employee of Newco through February 25, 2022 (such period, the “Transition Period”). The parties agree that your Employment Agreement terminated effective January 3, 2022 due to your resignation without Good Reason and that the Employment Agreement will not apply to your part-time employment during the Transition Period. Instead, this Letter Agreement shall govern the terms of your part-time employment during the Transition Period.

During the Transition Period, you will be employed as a part-time advisor, and you agree to perform the following duties upon request of Newco or the Company:

- Provide financial and accounting guidance based on historic and institutional knowledge.
- Provide knowledge-share to current and future finance and executive staff.
- Assist with any transition needed in relation to your former role as Chief Financial Officer, including, but not limited to:
 - Information Technology with Shirley Barnes;
 - Corporate Accounting with John van Buiten;
 - Investor Relation and FP&A with Eric Hess; and
 - Michael Crawford and the rest of the Executive Team.
- Be reasonably available to answer any questions from staff of Newco and the Company.
- Provide and review all necessary documentation with appropriate staff of Newco and the Company.
- Facilitate introductions, as needed, between third parties and staff of Newco and the Company.

You agree that you will be available by email and phone to perform these duties approximately 10 to 15 hours per week during the Transition Period.

The parties acknowledge that you have already begun full-time employment with your new employer. You represent that your new employer is aware of and has approved your part-time employment with Newco during the Transition Period. You further represent that you have no outstanding agreement or obligation that is in conflict with any of the provisions of this Letter Agreement or that would preclude you from complying with the provisions of this Letter Agreement. You agree that you will not enter into any such conflicting agreement during the Transition Period.

During the Transition Period, Newco will pay you a salary of \$1,800.00 per week, less applicable deductions and withholdings, payable on Newco's regular payroll dates. In the event that the Transition Period is terminated prior to February 25, 2022 as described below, you will receive a pro-rated weekly salary for any partial week of employment.

Because you are a part-time employee of Newco and have already begun full-time, benefits-eligible employment with your new employer, you will not be eligible to participate in the Company's health insurance plans during the Transition Period. Moreover, because you will not be employed as the Chief Financial Officer of the Company and Newco and will not be employed by Newco or the Company in a full-time capacity during the Transition Period, you will not be eligible for continued vesting during the Transition Period with respect to any awards granted under the Hall of Fame Resort & Entertainment Company Amended 2020 Omnibus Incentive Plan (the "Plan"), including, but not limited to, your January 22, 2021 grant of 175,789 restricted stock units ("RSUs") under the Plan, that would otherwise vest in 1/3 equal increments beginning on January 22, 2022, and you will not be eligible to receive bonus payments for calendar year 2021.

Either you or Newco may terminate the Transition Period and your part-time employment with Newco prior to February 25, 2022 by providing the other party seven days' advance written notice.

If the foregoing terms and conditions are acceptable to you, please sign and date this Letter Agreement in the space provided below and return it to me by e-mail.

Sincerely,

/s/ Lisa Gould

Lisa Gould

Vice President of Human Resources

Seen and agreed:

/s/ Jason Krom

Jason Krom

1/5/2022

Date

**FIRST AMENDMENT TO
SECURED COGNOVIT PROMISSORY NOTE**

This First Amendment to Secured Cognovit Promissory Note (this “First Amendment”), dated as of December 1, 2020 (the “First Amendment Date”), is entered into by and between HOF Village Newco, LLC, a Delaware limited liability company (“Newco”), HOF Village Hotel II, LLC, a Delaware limited liability company (“Hotel II”); each of Newco and Hotel II is referred to herein as a “Maker,” and they are together referred to herein as “Makers”, and JKP Financial, LLC, a Delaware limited liability company (together with its successors and assigns, “Holder”).

RECITALS

A. Makers are indebted to Holder pursuant to that certain Secured Cognovit Promissory Note, dated as of June 19, 2020, originally executed by Hotel II and by HOF Village, LLC, a Delaware limited liability company (“HOFV”), in favor of Holder, as assigned by HOFV to Newco pursuant to that certain Contribution Agreement dated as of June 30, 2020, by and between HOFV and Newco (as so assigned, and as it may further be amended, restated, supplemented or otherwise modified from time to time, the “JKP Promissory Note”). Capitalized terms used in this First Amendment and not otherwise defined herein shall have the meanings ascribed to such terms in the JKP Promissory Note.

B. The JKP Promissory Note is secured by that certain Pledge Agreement, dated as of June 19, 2020, originally executed by HOFV in favor of Holder, as assigned by HOFV to Newco pursuant to the Contribution Agreement referred to in Recital A.

C. Makers wish to make certain revisions to the JKP Promissory Note in accordance with the terms of this First Amendment.

NOW, THEREFORE, in consideration of the foregoing premises and the other agreements and obligations set forth herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

1. **Incorporation of Recitals**. The foregoing Recitals are hereby incorporated into and made a part of this First Amendment by this reference.
2. **Term of Note**. Paragraph 1 of the JKP Promissory Note shall be deleted in its entirety and replaced with the following:

“1. **Term**. The term (the “Term”) of this Secured Cognovit Promissory Note (as it may be modified, amended, renewed, extended, restated, and/or replaced time to time, this “Note”) shall commence on the date set forth above and shall terminate on the earlier to occur of (i) December 2, 2021, and (ii) the date on which all obligations of Makers under the Term Loan Agreement (as hereinafter defined) and the related loan documents have been paid and satisfied in full (such earlier date, the “Maturity”). At Maturity, the entire unpaid principal balance of this Note, together with any accrued and unpaid interest thereon, shall be all due and payable. For purposes hereof, the term “Term Loan Agreement” means that certain Term Loan Agreement, dated as of December 1, 2020, by and among Hall of Fame Resort & Entertainment Company, a Delaware corporation, and the other persons signatory thereto (as borrowers), the lenders party thereto (as lenders), and Aquarian Credit Funding, LLC, as Administrative Agent.”

3. **Effect of First Amendment.** Except as specifically amended by this First Amendment, all of the terms and conditions of the JKP Promissory Note are ratified and affirmed, and remain in full force and effect. In the event of any conflict between the terms of this First Amendment and the terms of the JKP Promissory Note, the terms of this First Amendment shall prevail.

4. **Counterparts and Electronic Signatures.** This First Amendment may be executed in any number of counterparts, each of which so executed shall be deemed to be an original, and such counterparts shall together constitute but one and the same First Amendment. Any party shall be entitled to sign and transmit an electronic signature of this First Amendment (by facsimile, email, .pdf file, or other electronic transmission). This First Amendment will be binding upon full execution by both Makers and Holder. Any party that provides an electronic signature to this First Amendment agrees to promptly execute and deliver to the other parties, upon request, an original signed First Amendment.

5. **Entire Agreement.** This First Amendment contains the entire understanding and agreement between the parties relating to the matters covered hereby and supersedes all prior or contemporaneous negotiations, arrangements, agreements, understandings, representations, and statements, whether oral or written, with respect to the matters covered hereby, all of which are merged herein and shall be of no further force or effect.

6. **Authority.** Each of the Makers and Holder hereby represents and warrants to the other party that (a) such party has the legal right, power and authority to enter into this First Amendment, (b) the execution, delivery, and performance of this First Amendment have been duly authorized by such party, (c) the person signing this First Amendment on behalf of such party has obtained the requisite corporate, limited liability company, or other authority to execute this First Amendment on behalf of such party, and (d) no other action is requisite to the valid and binding execution, delivery, and performance of the JKP Promissory Note (as modified by this First Amendment) by such party.

7. **Confession of Judgment.** To the extent permitted by applicable law, Makers, and any endorser of the JKP Promissory Note, authorize any attorney-at-law to appear in any state or federal court of record in the State of Ohio or any other state of the United States at any time after the JKP Promissory Note is due, whether by acceleration or otherwise, and to waive the issuing and service of process and confess a judgment in favor of the legal holder of the JKP Promissory Note against Makers and any endorsers, or either or any one or more of them, for the amount then due under the JKP Promissory Note, together with costs of suit and to release all errors and waive all right of appeal.

[Remainder of page intentionally left blank; signature pages follow]

IN WITNESS WHEREOF, Makers and Holder have duly executed this First Amendment at Canton, Stark County, Ohio as of the First Amendment Date first above written.

Makers:

WARNING--BY SIGNING THIS PAPER YOU GIVE UP YOUR RIGHT TO NOTICE AND COURT TRIAL. IF YOU DO NOT PAY ON TIME A COURT JUDGMENT MAY BE TAKEN AGAINST YOU WITHOUT YOUR PRIOR KNOWLEDGE AND THE POWERS OF A COURT CAN BE USED TO COLLECT FROM YOU REGARDLESS OF ANY CLAIMS YOU MAY HAVE AGAINST THE CREDITOR WHETHER FOR RETURNED GOODS, FAULTY GOODS, FAILURE ON HIS PART TO COMPLY WITH THE AGREEMENT, OR ANY OTHER CAUSE.

HOF VILLAGE NEWCO, LLC,
a Delaware limited liability company

By: /s/ Michael Crawford
Name: Michael Crawford
Title: Chief Executive Officer

WARNING--BY SIGNING THIS PAPER YOU GIVE UP YOUR RIGHT TO NOTICE AND COURT TRIAL. IF YOU DO NOT PAY ON TIME A COURT JUDGMENT MAY BE TAKEN AGAINST YOU WITHOUT YOUR PRIOR KNOWLEDGE AND THE POWERS OF A COURT CAN BE USED TO COLLECT FROM YOU REGARDLESS OF ANY CLAIMS YOU MAY HAVE AGAINST THE CREDITOR WHETHER FOR RETURNED GOODS, FAULTY GOODS, FAILURE ON HIS PART TO COMPLY WITH THE AGREEMENT, OR ANY OTHER CAUSE.

HOF VILLAGE HOTEL II, LLC,
a Delaware limited liability company

By: /s/ Michael Crawford
Name: Michael Crawford
Title: Chief Executive Officer

Holder:

JKP FINANCIAL, LLC,
a Delaware limited liability company

By: /s/ John A. Mase

Name: John A. Mase

Title: Authorized Representative

[End of signatures]

ASSIGNMENT OF LOAN AND LOAN DOCUMENTS

THIS ASSIGNMENT OF LOAN AND LOAN DOCUMENTS (this "Assignment"), dated and effective as of March 1, 2022 (the "Effective Date"), is entered into by and among AQUARIAN CREDIT FUNDING LLC, a Delaware limited liability company, as Administrative Agent (together with its successors and assigns in such capacity, hereinafter referred to as "Administrative Agent"), INVESTORS HERITAGE LIFE INSURANCE COMPANY, an insurance company incorporated under the laws of the Commonwealth of Kentucky ("IHLIC"), as a Lender, and CH CAPITAL LENDING, LLC, a Delaware limited liability company ("Assignee").

RECITALS:

A. On or about December 1, 2020, Administrative Agent, IHLIC, and Lincoln Benefit Life Company, an insurance company incorporated under the laws of the State of Nebraska ("LBLIC"), as a Lender, entered into a loan transaction (collectively, the "Loan") with the following entities (collectively, the "Initial Borrowers"), as Borrowers: Hall of Fame Resort & Entertainment Company, a Delaware corporation ("HOFREC"); HOF Village Newco, LLC, a Delaware limited liability company ("HOF Newco"); HOF Village Stadium, LLC, a Delaware limited liability company ("HOF Stadium"); HOF Village Parking, LLC, a Delaware limited liability company ("HOF Parking"); HOF Village Youth Fields, LLC, a Delaware limited liability company ("HOF Youth Fields"); HOF Village Land, LLC, a Delaware limited liability company; HOF Village Sports Business, LLC, a Delaware limited liability company; HOF Village Hotel I, LLC, a Delaware limited liability company; HOF Village Hotel WP, LLC, a Delaware limited liability company; HOF Village Center for Excellence, LLC, a Delaware limited liability company; HOF Village Center for Performance, LLC, a Delaware limited liability company; HOF Village Residences I, LLC, a Delaware limited liability company; HOF Village Parking Management I, LLC, a Delaware limited liability company; HOF Village Waterpark, LLC, a Delaware limited liability company; HOF Experience, LLC, a Delaware limited liability company; HOF Village Media Group, LLC, a Delaware limited liability company; and HOF Village Retail I, LLC, a Delaware limited liability company. Such Loan was evidenced by, among other things, those certain agreements and instruments listed on Schedule A attached hereto and incorporated herein by this reference (collectively, the "Original Loan Documents").

B. The Original Loan Documents have since been amended and/or supplemented by various additional agreements and instruments, including, without limitation, those certain agreements and instruments listed on Schedule B attached hereto and incorporated herein by this reference (collectively, the "Subsequent Loan Documents").

C. The Original Loan Documents as modified and/or supplemented by the Subsequent Loan Documents, and all other documents and instruments now or hereafter governing, evidencing, guaranteeing or securing or otherwise relating to all or any part of the indebtedness evidenced by the Original Loan Documents and/or the Subsequent Loan Documents are collectively referred to herein as the "Loan Documents".

D. Pursuant to the Loan Documents, (i) the only remaining “Borrowers” under the Loan Documents are (a) HOFREC, (b) HOF Newco, and (c) HOF Stadium (collectively, the “Remaining Borrowers”); (ii) the only remaining “Lender” under the Loan Documents is IHLIC; (iii) the outstanding principal balance of the Loan has been reduced to \$7,400,000, payable under the IHLIC Note (as defined on Schedule A); and (iv) the only remaining collateral securing the Loan consists of (a) the collateral described in the Original Mortgage (as defined on Schedule A), as modified by the Partial Release (as defined on Schedule B), and (b) the collateral described in the Original Pledge Agreement (as defined on Schedule A), as modified by the Pledge Amendment (as defined on Schedule B).

E. Administrative Agent and IHLIC wish to sell, convey and assign their respective interests in the Loan and in the Loan Documents to Assignee and Assignee desires to purchase, acquire and assume such interest, upon the terms and conditions set forth in this Assignment.

NOW THEREFORE, in consideration of the foregoing premises and the mutual promises and covenants contained herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Administrative Agent, IHLIC, and Assignee hereby agree as follows:

1. **Recitals; Definitions.** The foregoing Recitals are hereby incorporated into this Assignment by this reference, as if fully stated herein. Capitalized terms used but not otherwise defined in this Assignment shall have the meanings ascribed to such terms in the Original Loan Agreement (as defined on Schedule A), as amended by Amendment No. 1, Amendment No. 2, Amendment No. 3, Amendment No. 4, and Amendment No. 5 (as such terms are defined on Schedule B) (as so amended, the “Loan Agreement”).

2. **Assignment.** In accordance with the terms of this Assignment, Administrative Agent and IHLIC hereby sell, convey, transfer, and assign to Assignee, WITHOUT REPRESENTATION OR WARRANTY EXCEPT AS OTHERWISE SPECIFICALLY SET FORTH HEREIN, all of their respective right, title, and interest in and to the Loan and the Loan Documents for the Assignment Price (as defined below) and Assignee hereby purchases, acquires and accepts from Administrative Agent and IHLIC all of Administrative Agent’s and all of IHLIC’s respective right, title and interest in and to the Loan and the Loan Documents. In connection therewith, upon the completion of the purchase and sale of the Loan and the Loan Documents pursuant to this Assignment, (a) Assignee shall assume all obligations of Assignor under the Loan Agreement and the other Loan Documents, including the obligation to release, apply or refund to the Remaining Borrowers the funds held in the accounts listed in Exhibit A attached hereto (the “DACA Accounts”) in accordance with the requirements of the Loan Documents and Assignor shall have no further responsibility with respect to such obligations, and (b) Assignee shall coordinate with the Remaining Borrowers and Huntington National Bank to retain control over the DACA Accounts and the funds on deposit therein. This Section 2 shall survive the Effective Date.

3. Consideration/Sign-and-Close.

(a) As consideration for the transactions contemplated by this Assignment, Assignor has paid to Administrative Agent, for the benefit of Administrative Agent and IHLIC, the sum of \$7,400,000 (the "Assignment Price"). The Assignment Price shall be released to Administrative Agent on the Effective Date in immediately available funds, by wire transfer to the account of Administrative Agent pursuant to the wire instructions delivered in advance of the Effective Date by Administrative Agent to Assignee and Chicago Title Insurance Company, as escrow agent ("Escrow Agent").

(b) The parties intend that the signing and closing of the transactions contemplated by this Assignment shall occur simultaneously on the Effective Date.

4. **Additional Documents.** The parties hereto agree to promptly execute, acknowledge and deliver to one another such further documents, and to do such other acts and things, as may reasonably be requested or required in order to effectuate the transactions contemplated by this Assignment, including without limitation delivery of the following on the Effective Date: (a) a lost note affidavit with respect to the IHLIC Note (as defined on Schedule A), in the form of Exhibit B attached hereto, (b) an assignment of the Original Mortgage (as defined on Schedule A), as modified by the Partial Release (as defined on Schedule B), in the form of Exhibit C attached hereto, (c) an allonge in the form of Exhibit D attached hereto, with a copy of the IHLIC Note attached, and (d) such documentation (if any) as may be reasonably required by Huntington National Bank in order to transfer the DACA Accounts to Assignee. Upon the consummation of the transactions contemplated by this Agreement, Assignee is authorized by Assignor, at Assignor's sole cost and expense, to file UCC-3 amendments with respect to each UCC-1 financing statement previously filed in favor of Administrative Agent and/or IHLIC in connection with the Loan, as secured parties, and not previously terminated. Nothing in this Assignment shall be construed or be considered to provide any additional rights to Assignor or Assignee beyond what is provided for in the Loan Documents.

5. Representations and Warranties.

(a) Each of Administrative Agent and IHLIC represents and warrants to Assignee that, as of the Effective Date, (i) such party has all requisite power and authority to enter into the transactions contemplated by this Assignment, (ii) the execution, delivery, and performance of this Assignment by such party does not conflict with any instrument, agreement, or order by which such party is bound, (iii) this Assignment represents the legal, valid and binding obligation of such party, enforceable in accordance with its terms, except as such enforcement may be limited by bankruptcy, insolvency, reorganization or other similar laws affecting the enforcement of creditors' rights generally and by general principles of equity (regardless of whether such enforceability is considered in a proceeding in equity or at law), (iv) the Recitals set forth above are true and correct, (v) the interest payment due on March 1, 2022 was paid on February 28, 2022 from the Interest Reserve Account, (vi) the Maturity Date of the Loan is March 1, 2022 and the outstanding principal balance of \$7,400,000 has not been paid by Remaining Borrowers, (vii) Administrative Agent has not delivered a notice of an Event of Default to Remaining Borrowers, and (viii) the Assignment Price represents the entire amount owing by Remaining Borrowers to Administrative Agent and/or IHLIC under the Loan Documents (other than legal fees to be paid on the date hereof). Otherwise, this Assignment is delivered and accepted on the express understanding and agreement, which shall bind Assignee and each person or entity claiming by, through or under Assignee, that the Loan and the Loan Documents are assigned absolutely WITHOUT REPRESENTATION OR WARRANTY as to any matter.

(b) Assignee represents and warrants to Administrative Agent and IHLIC that, as of the Effective Date, (i) Assignee has all requisite power and authority to enter into the transactions contemplated by this Assignment, (ii) the execution, delivery, and performance of this Assignment by Assignee does not conflict with any instrument, agreement, or order by which Assignee is bound, and (iii) this Assignment represents the legal, valid and binding obligation of Assignee, enforceable in accordance with its terms, except as such enforcement may be limited by bankruptcy, insolvency, reorganization or other similar laws affecting the enforcement of creditors' rights generally and by general principles of equity (regardless of whether such enforceability is considered in a proceeding in equity or at law).

[Signature Pages Follow]

IN WITNESS WHEREOF, the parties hereto execute and deliver this Assignment, effective as of the date first written above.

Administrative Agent:

AQUARIAN CREDIT FUNDING LLC,
a Delaware limited liability company,
as Administrative Agent

By: /s/ Benjamin Goodman
Name: Benjamin Goodman
Title: Authorized Signatory

IHLIC:

INVESTORS HERITAGE LIFE INSURANCE COMPANY,
an insurance company incorporated under the laws of
the Commonwealth of Kentucky,
as a Lender

By: Aquarian Holdings Investment Management LLC,
as investment advisor

By: /s/ Benjamin Goodman
Name: Benjamin Goodman
Title: Authorized Signatory

[Signatures continue on following page]

Signature Page #1 to Assignment of Loan and Loan Documents

[Signatures continued from previous page]

Assignee:

CH CAPITAL LENDING, LLC,
a Delaware limited liability company

By: Holdings SPE Manager, LLC,
a Delaware limited liability company,
its Manager

By: /s/ John A. Mase
Name: John A. Mase
Title: Chief Executive Officer

[End of signatures]

Signature Page #2 to Assignment of Loan and Loan Documents

Schedule A

ORIGINAL LOAN DOCUMENTS

1. Term Loan Agreement, dated as of December 1, 2020, by and among Administrative Agent, IHLIC, LBLC, and Initial Borrowers (the "Original Loan Agreement").
2. Promissory Note, dated as of December 1, 2020, in the original principal amount of \$20,000,000, from Initial Borrowers, payable to the order of IHLIC (the "IHLIC Note").
3. Promissory Note, dated as of December 1, 2020, in the original principal amount of \$20,000,000, from Initial Borrowers, payable to the order of LBLC.
4. Open-End Fee and Leasehold Mortgage, Assignment of Leases and Rents, Security Agreement and Fixture Filing, dated as of December 1, 2020, from HOF Newco, HOF Youth Fields, HOF Parking, and HOF Stadium (collectively, as Grantor) to Administrative Agent (as Secured Party) (the "Original Mortgage").
5. Pledge and Security Agreement, dated as of December 1, 2020, by and among Initial Borrowers (collectively, as Grantors) and Administrative Agent (the "Original Pledge Agreement").
6. Guaranty Agreement, dated as of December 1, 2020, from IRG Master Holdings, LLC, a Delaware limited liability company ("IRGMH"), to Administrative Agent.
7. Lock-Up Agreement, dated as of December 1, 2020, from HOF Village, LLC, a Delaware limited liability company, CH Capital Lending, LLC, a Delaware limited liability company, Stuart Lichter, and HOFREC, for the benefit of Administrative Agent.
8. Confidentiality Agreement (letter agreement), dated as of December 1, 2020, by and between IRGMH and Aquarian Credit Funding LLC.
9. Recognition and Consent of Master Developer and Project Manager, dated as of December 1, 2020, by and between Initial Borrowers and Administrative Agent, with acknowledgment and agreement of IRG Canton Village Manager, LLC, a Delaware limited liability company, and IRG Canton Village Member, LLC, a Delaware limited liability company.
10. Subordination Agreement, dated as of December 1, 2020, by and among Initial Borrowers, Administrative Agent, and Industrial Realty Group, LLC.
11. Recognition and Consent Agreement of Architect, dated as of December 1, 2020.
12. Assignment of Agreements, Plans, Licenses and Permits, dated as of December 1, 2020.
13. Various UCC-1 financing statements.

Schedule B

SUBSEQUENT LOAN DOCUMENTS

1. Amendment Number 1 to Term Loan Agreement, dated as of January 28, 2021, by and among Administrative Agent, IHLIC, LBLC, and Initial Borrowers (“Amendment No. 1”).
2. Amendment Number 2 to Term Loan Agreement, dated as of February 15, 2021, by and among Administrative Agent, IHLIC, LBLC, and Initial Borrowers (“Amendment No. 2”).
3. Joinder Agreement, dated as of February 17, 2021, by and among Administrative Agent, IHLIC, LBLC, Initial Borrowers, and HOF Village Retail II, LLC, a Delaware limited liability company (“HOF Retail II”).
4. Lincoln Benefit Life Company Payoff Statement, dated August 30, 2021.
5. Amendment Number 3 to Term Loan Agreement, dated as of August 30, 2021, by and among Administrative Agent, IHLIC, LBLC, Initial Borrowers, and HOF Retail II (“Amendment No. 3”).
6. Amendment Number 4 to Term Loan Agreement, dated as of August 30, 2021, by and among Administrative Agent, IHLIC, Initial Borrowers, and HOF Retail II (“Amendment No. 4”).
7. Amendment Number 5 to Term Loan Agreement, dated as of December 15, 2021, by and among Administrative Agent, IHLIC, Initial Borrowers, and HOF Retail II (“Amendment No. 5”).
8. Partial Release of Mortgage, dated as of December 15, 2021, by Administrative Agent (the “Partial Release”).
9. First Amendment to Pledge and Security Agreement, dated as of December 15, 2021, by and among Administrative Agent, IHLIC, Initial Borrowers, and HOF Retail II (the “First Pledge Amendment”).
10. Partial Payoff Letter, dated December 15, 2021.
11. Letter terminating certain DACA accounts, dated December 15, 2021.
12. Various UCC-3 financing statement amendments.

ASSIGNMENT OF PROMISSORY NOTE

THIS ASSIGNMENT OF PROMISSORY NOTE (this "Assignment"), is made and entered into effective as of March 1, 2022, by INDUSTRIAL REALTY GROUP, a Nevada limited liability company ("Assignor"), in favor of JKP FINANCIAL, LLC, a Delaware limited liability company, and IRG, LLC, a Nevada limited liability company (each individually, with its successors and assigns, an "Assignee," and together, with their respective successors and assigns, "Assignees").

WITNESSETH

WHEREAS, Assignor is the holder of that certain Promissory Note, dated November 23, 2021, in the original principal amount of Eight Million Five Hundred Thousand Dollars (\$8,500,000), in which Assignor is Lender and Hall of Fame Resort & Entertainment Company, a Delaware corporation, is Borrower (the "Note"); and

WHEREAS, Assignor desires to assign to each Assignee a one-half (½) interest in the Note;

NOW, THEREFORE, in consideration of the premises above set forth, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Assignor and Assignees hereby covenant and agree as follows:

1. Assignment, Amended and Restated Promissory Notes. Effective as of the date hereof, Assignor does hereby transfer, assign, grant, convey and set over to each Assignee, its successors and assigns, a one-half (½) interest in all of the right, title, interest and benefit of Assignor in and to the Note. Assignor and Assignees agree that the Note shall be replaced by two separate First Amended and Restated Promissory Notes (one in favor of each Assignee), to be executed and delivered by Borrower to each Assignee. Each such First Amended and Restated Promissory Note (a) shall be in the original principal amount equal to the sum of (i) Four Million Two Hundred Seventy-Three Thousand Five Hundred Forty-Three and 46/100 Dollars (\$4,273,543.46), and (b) shall reflect any other terms agreed upon by the applicable Assignee and Borrower.

2. Representations and Warranties of Assignor. This Assignment is made without recourse, representation or warranty, express or implied, except that Assignor represents and warrants that (a) Assignor has full power and authority to make and execute this Assignment, (b) Assignor has not previously assigned, encumbered, endorsed, pledged, or hypothecated the Note, or otherwise transferred to another individual or entity any right, title, interest, or claim in, to, or under the Note, and (c) the Note is not subject to any restrictions, claims, liens or encumbrances except as set forth therein.

3. Successor and Assigns. This Assignment shall be binding upon Assignor and inure to the benefit of Assignor and Assignees and their respective successors and assigns.

4. Headings and Counterparts. The headings of the paragraphs of this Assignment have been included only for convenience and shall not be deemed in any manner to modify or limit any of the provisions of this Assignment or be used in any manner in the interpretation of this Assignment. This Assignment may be executed simultaneously in two or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

[End of Assignment; signature page follows]

IN WITNESS WHEREOF, Assignor and Assignees have duly executed this Assignment of Promissory Note effective as of the day and year first above written.

Assignor:

INDUSTRIAL REALTY GROUP, LLC,
a Nevada limited liability company

By: /s/ John A. Mase
Name: John A. Mase
Title: Chief Executive Officer

Assignees:

JKP FINANCIAL, LLC,
a Delaware limited liability company

By: /s/ John A. Mase
Name: John A. Mase
Title: Chief Executive Officer

IRG, LLC,
a Nevada limited liability company

By: S.L. Properties, Inc.,
a Delaware corporation,
its Manager

By: /s/ John A. Mase
Name: John A. Mase
Title: Chief Executive Officer

SUBSIDIARIES OF HALL OF FAME RESORT & ENTERTAINMENT COMPANY

Subsidiary	Jurisdiction of Organization
Gordon Pointe Acquisition Corp.	Delaware
HOF Village Newco, LLC	Delaware
HOF Village Stadium, LLC	Delaware
HOF Village Parking, LLC	Delaware
HOF Village Land, LLC	Delaware
HOF Village Youth Fields, LLC	Delaware
HOF Village Sports Business, LLC	Delaware
Youth Sports Management, LLC	Delaware
HOF Village Hotel I, LLC	Delaware
HOF Village Hotel II, LLC	Delaware
HOF Village Hotel WP, LLC	Delaware
HOF Village Center for Excellence, LLC	Delaware
HOF Village Center for Performance, LLC	Delaware
HOF Village Residences I, LLC	Delaware
HOF Village Parking Management I, LLC	Delaware
HOF Village Waterpark, LLC	Delaware
HOF Experience, LLC	Delaware
HOF Village Media Group, LLC	Delaware
HOF Village Retail I, LLC	Delaware
HOF Village Retail II, LLC	Delaware
JCIHOFV Financing, LLC	Delaware
Mountaineer GM LLC	Delaware

INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM'S CONSENT

We consent to the incorporation by reference in the Registration Statement of Hall of Fame Resort & Entertainment Company on Form S-3 (File No. 333-259242) and Form S-8 (File No. 333-259202) of our report dated March 14, 2022, with respect to our audits of the consolidated financial statements of Hall of Fame Resort & Entertainment Company as of December 31, 2021 and 2020 and for each of the two years in the period ended December 31, 2021, which report is included in this Annual Report on Form 10-K of Hall of Fame Resort & Entertainment Company for the year ended December 31, 2021.

/s/ Marcum LLP

Marcum LLP
New York, NY
March 14, 2022

CERTIFICATION PURSUANT TO SARBANES–OXLEY ACT OF 2002

I, Michael Crawford, certify that:

1. I have reviewed this annual report on Form 10–K 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.

March 14, 2022

By: /s/ Michael Crawford

Michael Crawford
President and Chief Executive Officer
(Principal Executive Officer)

CERTIFICATION PURSUANT TO SARBANES–OXLEY ACT OF 2002

I, John Van Buiten, certify that:

1. I have reviewed this annual report on Form 10–K 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.

March 14, 2022

By: /s/ John Van Buiten

John Van Buiten
Vice President of Accounting / Corporate Controller
(Interim Principal Financial Officer and
Interim Principal Accounting Officer)

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

In connection with the Annual Report of Hall of Fame Resort & Entertainment Company (the “Company”) on Form 10-K for the year ended December 31, 2021 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; and
- (2) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

March 14, 2022

By: /s/ Michael Crawford

Michael Crawford
President and Chief Executive Officer
(Principal Executive Officer)

March 14, 2022

By: /s/ John Van Buiten

John Van Buiten,
Vice President of Accounting / Corporate Controller
(Interim Principal Financial Officer and
Interim Principal Accounting Officer)